B S R & Co. LLP
Chartered Accountants

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Independent Auditor's Report

To the Members of S.J.S Enterprises Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of S.J.S Enterprises Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding Company and its subsidiary together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Independent Auditor's Report on the Audit of the Consolidated Financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
Revenue from sale of goods **Refer note 2(a) to the consolidated financial statements** Revenue from the sale of goods in the ordinary course is recognised at contract price after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government when the control of the goods has been transferred to the customer and there is no unfulfilled performance obligation. Revenue from sale of goods is recognized at the point in time when the goods are delivered to the customer. Revenue recognition is a key audit matter because the Group and its external stakeholders focus on revenue as a key performance indicator. This could result in a risk of revenue being overstated due to fraud resulting from pressure on the Group to achieve performance targets without the control being transferred.	In view of the significance of the matter we applied the following audit procedures in this area, amongst others, to obtain audit evidence: 1. We evaluated the revenue recognition accounting policies by comparing it with the applicable accounting standards. 2. We tested the design of key controls and operating effectiveness of the relevant key controls with respect to revenue recognition on transactions selected on a sample basis. 3. We performed testing for the revenue transactions recorded during the year, on a sample basis, and tested underlying documents such as sales order, contractual terms of the invoice and acknowledged delivery receipts. 4. We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end date to determine that only revenue pertaining to current year is recognized based on terms and conditions set out in customer orders and sales invoices. 5. We tested manual journal entries we determined as high risk posted to revenue to identify any unusual items.

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The key audit matter	How the matter was addressed in our audit
Business Combination: Acquisition of Exotech Plastics Private Limited As described in Note 2(b) and note 42(b) to the consolidated financial statements, the Group completed an acquisition of Exotech Plastics Private Limited in the current financial year. The Group accounted for such acquisition as business combination as per Ind AS 103 'Business Combinations' by recognising identifiable assets and liabilities including intangibles at fair value. Accounting for business combinations can involve judgments in relation to assessments of fair values of assets and liabilities that are recognised on acquisition, particularly the allocation of purchase consideration to goodwill and separately identified intangible assets. A significant proportion of the purchase price has been allocated to goodwill, the valuation of which is dependent on cash flow forecasts including other assumptions like future business growth and the application of discount rate. The fair value was determined by the Group with the assistance of an external valuation expert. Given the complexity and judgment involved in fair value measurement and significance of the acquisition made, this is a key audit matter.	In view of the significance of the matter we applied the following audit procedures in this area, amongst others, to obtain audit evidence: 1. We tested the design, implementation and operating effectiveness of the key internal controls relating to accounting for the business combination. 2. We obtained and inspected the key documentation such as Share Purchase Agreement and Amendment Agreement to understand the key terms and conditions of the acquisition 3. We assessed the independence and competence of the external valuation expert engaged by the Group 4. We evaluated the cash flow forecasts and the key assumptions such as growth rates, profitability and discount rate applied within the valuation model and assessed for reasonableness; 5. We, together with the assistance of valuation specialists, evaluated and tested the reasonableness of methodology and key assumptions used in allocation of the purchase price to various assets and liabilities acquired and resultant fair values arrived. 6. We evaluated the accounting treatment of the acquisition made and the adequacy of the disclosures in relation to the said acquisition against the requirements of Ind AS 103 'Business combinations'.

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Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our Auditor's Report thereon. The other information is expected to be made available to us after the date of the Auditor's Report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary action as applicable, under the relevant laws and regulations.

Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

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B S R & Co. LLP

Independent Auditor's Report on the Audit of the Consolidated Financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Independent Auditor's Report on the Audit of the Consolidated Financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary company incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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Independent Auditor's Report on the Audit of the Consolidated Financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 38 to the consolidated financial statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary company incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary company incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary company incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary company incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary company incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The dividend declared or paid during the year by the Holding Company is in compliance with Section 123 of the Act. The subsidiary company incorporated in India have neither declared nor paid any dividend during the year.

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Independent Auditor's Report on the Audit of the Consolidated Financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid during the current year by the Holding Company to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company is not in excess of the limit laid down under Section 197 of the Act. No remuneration is paid by the subsidiary company to its directors during the current year. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJPYPC6220

Place: Bengaluru
Date: 26 May 2022

Annexure A to the Independent Auditor's Report on consolidated financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022

With reference to the Annexure A referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditor's report to the members of S.J.S. Enterprises Limited ('the Holding Company") on the consolidated financial statements for the year ended 31 March 2022, we report that:

(Referred to in our report of even date)

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have unfavourable remarks, qualifications or adverse remarks given by the respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO)

Sr. No.	Name of the entity	CIN	Holding Company/Subsidiary	Clause number of the CARO report which is unfavourable or qualified or adverse
1	S.J.S. Enterprises Limited	L51909KA2005PLC036601	Holding Company	ii (b)
2	Exotech Plastics Private Limited	U25206MH1996PTC101162	Subsidiary	ii (b)

for **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W/W-100022

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJPYPC6220

Place: Bengaluru
Date: 26 May 2022

Annexure B to the Independent Auditor's report on the consolidated financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to consolidated financial statements of S.J.S. Enterprises Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which is its subsidiary company, as of that date.

In our opinion, the Holding Company and such company incorporated in India which is its subsidiary company, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

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Annexure B to the Independent Auditor's report on the consolidated financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

Auditor's Responsibility (continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Annexure B to the Independent Auditor's report on the consolidated financial statements of S.J.S. Enterprises Limited for the year ended 31 March 2022 (continued)

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership No. 223018
UDIN: 22223018AJPYPC6220

Place: Bengaluru
Date: 26 May 2022

Consolidated Balance Sheet

(₹ in million)

Particulars	Notes	As at 31 March 2022*
ASSETS		
Non-current assets		
Property, Plant and Equipment	3	1,525.66
Capital work-in-progress	3	1.91
Right-of-use assets	22	191.60
Goodwill	4, 42	289.31
Other Intangible assets	4	66.55
Financial Assets		
i. Other non-current financial assets	5	19.73
Income tax assets (net)	6	18.46
Deferred tax assets (net)	7A	15.64
Other non-current assets	8	61.29
Total Non-current assets		**2,190.15**
Current assets		
Inventories	9	415.51
Financial Assets		
i. Investments	10	784.42
ii. Trade receivables	11	858.01
iii. Cash and cash equivalents	12	159.54
iv. Bank balance other than Cash and cash equivalents	13	65.19
v. Loans	14	3.31
vi. Other current financial assets	5	43.51
Other current assets	8	56.52
Total Current assets		**2,386.01**
Total Assets		**4,576.16**
EQUITY AND LIABILITIES		
Equity		
Equity Share capital	15	304.38
Other Equity	16	3,300.33
Total Equity		**3,604.71**
Liabilities		
Non-current liabilities		
Financial Liabilities		
i. Lease liabilities	22	140.83
Deferred tax liabilities (net)	7B	100.03
Total Non-current liabilities		**240.86**
Current liabilities		
Financial Liabilities		
i. Current Borrowings	17	125.85
ii. Lease liabilities	22	27.76
iii. Trade payables	18	
a) total outstanding dues to micro enterprises and small		150.40
b) total outstanding dues to creditors other than micro enterprises and small enterprises		157.81
iv. Other current financial liabilities	19	171.13
Income tax liability (net)	6	47.90
Other current liabilities	20	41.59
Provisions	21	8.17
Total Current liabilities		**730.59**
Total Liabilities		**971.45**
Total Equity and Liabilities		**4,576.16**

*Read along with note 49 to the consolidated financial statements

Significant accounting policies 2

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership number: 223018
Place: Bengaluru
Date: 26 May 2022

for and on behalf of Board of Directors of
S.J.S. Enterprises Limited
(formerly known as S.J.S. Enterprises Private Limited)

K A Joseph
Managing Director
DIN : 00784084
Place: Bengaluru
Date: 26 May 2022

Sanjay Thapar
CEO and Executive Director
DIN : 01029851
Place: Bengaluru
Date: 26 May 2022

Thabraz Hushain. W
Company Secretary
PAN ABVPW4613P
Place: Bengaluru
Date: 26 May 2022

S.J.S. Enterprises Limited *(formerly known as S.J.S. Enterprises Private Limited)*

Consolidated Statement of Profit and Loss

(₹ in million)

Particulars	Notes	For the year ended 31 March 2022*
Income		
Revenue From Operations	23	3,698.56
Other Income	24	41.61
Total Income		**3,740.17**
Expenses		
Cost of raw materials consumed	25	1,590.88
Changes in inventory of finished goods, work-in-progress and stores and spares	26	(0.10)
Employee benefits expense	27	510.41
Finance costs	28	30.20
Depreciation and amortization expense	29	215.74
Other expenses	30	653.65
Total Expenses		**3,000.78**
Profit before tax		**739.39**
Tax expenses	31	
Current tax		204.39
Deferred tax (credit)		(15.18)
Total tax expense		**189.21**
Profit for the year		**550.18**
Other comprehensive income / (expense)		
Items that will not be reclassified subsequently to profit or loss		
Re-measurements of defined benefit plans	1	(0.76)
Income tax relating to items that will not be reclassified to profit or loss	31	0.28
Other comprehensive income / (expense) for the year, net of tax		**(0.48)**
Total Comprehensive Income for the year		**549.70**
Profit attributable to:		
Owners of the Company		550.18
Non-controlling interest		-
Profit for the year		**550.18**
Other comprehensive income attributable to:		
Owners of the Company		(0.48)
Non-controlling interest		-
Other comprehensive income / (expense) for the year, net of tax		**(0.48)**
Total Comprehensive Income attributable to:		
Owners of the Company		549.70
Non-controlling interest		-
Total Comprehensive Income for the year		**549.70**
Earnings per equity share (face value of ₹10 each)		
Basic *(in ₹)*	32	18.08
Diluted (in ₹)	32	17.90

*Read along with note 49 to the consolidated financial statements

Significant accounting policies **2**

See accompanying notes to the consolidated financial statements

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Umang Banka
Partner
Membership number: 223018
Place: Bengaluru
Date: 26 May 2022

for and on behalf of Board of Directors of
S.J.S. Enterprises Limited
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Managing Director
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S.J.S. Enterprises Limited *(formerly known as S.J.S. Enterprises Private Limited)*

Consolidated Statement of Changes in Equity

Equity Share capital

(₹ in million)

Particulars	As at 31 March 2022*
Opening Balance	304.38
Changes in equity share capital	-
Closing balance	**304.38**

Other Equity

(₹ in million)

Particulars	Reserves and surplus				Items of other comprehensive income	Total
	General reserve	Share options outstanding account	Securities premium	Retained earnings		
As at 1 April 2021	**8.85**	-	39.41	**2,805.02**	(5.50)	**2,847.78**
Profit for the year	-	-	-	550.18	-	550.18
Share based payment to employees	-	13.95	-	-	-	13.95
Other comprehensive income / (expense)	-	-	-	-	(0.48)	(0.48)
Total comprehensive income	-	**13.95**	-	**550.18**	**(0.48)**	**563.65**
Dividend paid during the year	-	-	-	(111.10)	-	(111.10)
As at 31 March 2022	**8.85**	**13.95**	**39.41**	**3,244.10**	**(5.98)**	**3,300.33**

*Read along with note 49 to the consolidated financial statements
Significant accounting policies *(refer Note 2)*
See accompanying notes to the consolidated financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Umang Banka
Partner
Membership number: 223018
Place: Bengaluru
Date: 26 May 2022

for and on behalf of Board of Directors of
S.J.S. Enterprises Limited
(formerly known as S.J.S. Enterprises Private Limited)

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Managing Director
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Place: Bengaluru
Date: 26 May 2022

Thabraz Hushain. W
Company Secretary
PAN : ABVPW4613P
Place: Bengaluru
Date: 26 May 2022

Consolidated statement of cash flows

(₹ in million)

Particulars	For the year ended 31 March 2022*
Cash flow from operating activities	
Profit before tax	**739.39**
Adjusted for:	
Depreciation and amortization expense	215.74
Share based payments	13.95
Loss on sale and write off of property, plant and equipment, net	2.74
Interest income	(17.12)
Interest expense	30.20
Unrealised foreign exchange gain, net	(3.70)
Changes in fair value of financials assets	(4.33)
Gain on sale of investments measured at fair value through profit or loss	(4.76)
Loss allowances on financial assets, net	(0.94)
Bad debt written off	1.00
Liabilities no longer required, written back	(0.70)
Operating cash flow before working capital changes	**971.47**
Adjustments for increase / decrease in operating assets and liabilities	
Changes in trade receivables	(32.46)
Changes in inventories	29.34
Changes in loans	(1.81)
Changes in non-financial assets	15.54
Changes in financial assets	(43.05)
Changes in trade payables	(92.22)
Changes in financial liabilities	1.31
Changes in provisions	(7.32)
Changes in non-financial liabilities	(31.09)
Cash generated from operations	**809.71**
Income tax paid, net of refund	(203.49)
Net cash generated from operating activities (A)	**606.22**
Cash flow from investing activities	
Purchase of property, plant and equipment and intangible assets	(134.96)
Proceeds from sale of property, plant and equipment	0.94
Investment in mutual funds	(1,274.96)
Proceeds from sale of mutual funds	1,314.29
Investment in term deposits	(1,108.79)
Proceeds from maturity of term deposits	1,217.75
Interest received on deposits	18.92
Payment for acquisition of subsidiary, net of Cash and cash equivalents acquired [refer Note 42(b)]	(528.77)
Net cash used in investing activities (B)	**(495.58)**
Cash flow from financing activities	
Repayment of short-term borrowings, net	(1.99)
Repayment of long-term borrowings	(13.61)
Payment of lease liabilities (including interest)	(27.77)
Dividend paid	(111.10)
Interest paid	(13.18)
Net cash used in financing activities (C)	**(167.65)**
Net decrease in Cash and cash equivalents (A+ B+ C)	(57.01)
Cash and cash equivalents at the beginning of the year	216.12
Effects of exchange gain on Cash and cash equivalents	0.43
Cash and cash equivalents at the end of the year	**159.54**
Components of cash and cash equivalents (refer Note 12)	
Cash on hand	0.16
Balance with banks	
- in current account	30.92
- in cash credit account	49.70
- in Exchange earner's foreign currency accounts	13.84
- Deposits with original maturity of less than 3 months	64.92
Cash and cash equivalents as per Balance Sheet	**159.54**

*Read along with note 49 to the consolidated financial statements

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Consolidated statement of cash flows (continued)

Reconciliation between opening and closing balance for liabilities arising from financing activities:

(₹ in million)

Particulars	As at 1 April 2021	Liability assumed in acquisition	Cash flows	Non-cash movements	As at 31 March 2022
Long-term borrowings	-	13.61	(13.61)	-	-
Leases	-	179.08	(27.77)	17.28	168.59
Short-term borrowings	92.07	35.77	(1.99)	-	125.85
Interest accrued but not due	-	0.05	(13.18)	13.13	-
Total liabilities from financing activities	**92.07**	**228.51**	**(56.55)**	**30.41**	**294.44**

The above cash flow statement has been prepared under the indirect method as set out in Ind AS 7 "Statement of Cash Flows" prescibed under the Companies (Indian Accounting Standard) Rules, 2015 under the Companies Act, 2013.

Significant accounting policies ***(refer Note 2)***
See accompanying notes to the consolidated financial statements
As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Umang Banka
Partner
Membership number: 223018
Place: Bengaluru
Date: 26 May 2022

for and on behalf of Board of Directors of
S.J.S. Enterprises Limited
(formerly known as S.J.S. Enterprises Private Limited)

K A Joseph
Managing Director
DIN : 00784084
Place: Bengaluru
Date: 26 May 2022

Sanjay Thapar
CEO and Executive Director
DIN : 01029851
Place: Bengaluru
Date: 26 May 2022

Thabraz Hushain. W
Company Secretary
PAN : ABVPW4613P
Place: Bengaluru
Date: 26 May 2022

1) Company overview

S.J.S Enterprises Limited (formerly S.J.S Enterprises Private Limited) ("S.J.S" or the "Company" or the "Parent Company") together with its subsidiary (collectively the "Group") is engaged in the business of manufacturing of decorative aesthetic products primarily for automotive, consumer durables and consumer appliance industry such as automotive dials, overlays, badges and logos, spare parts, assemblies, accessories of plastic and other materials.

The Company was formed as a partnership firm in 1987 and was converted to private limited company in 2005. The shares of the Company were listed on the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE) on 15 November 2021.

The registered office of the Company is at Sy.Nos – 28/P16 Agra Village & 85/ P6 BM Kaval Village, Kengeri Hobli, Bangalore South 560082, Karnataka, India.

As detailed in note 42(b) to the consolidated financial statements, the Parent Company has acquired the entire equity shares of of Exotech Plastics Private Limited ("Exotech") with effect from 05 April 2021 and accordingly Exotech has become a wholly owned subsidiary of the Company.

This is the first set of consolidated financial statement prepared by the Parent Company as the Parent Company had not any subsidiary, associate, joint venture etc till the previous year.

a) Statement of Compliance and presentation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

The Group's consolidated financial statements for the year ended 31 March 2022 were approved by the Board of Directors of the Group in their meeting held on 26 May 2022.

b) Basis of preparation

The consolidated financial statements have been prepared on a historical cost convention and on an accrual basis of accounting, except:

a) Defined benefit and other long-term employee benefits where plan asset is measured at fair value less present value of defined benefit obligations.
b) Certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Accounting policies have been consistently applied except where a newly issued Indian Accounting Standard is initially adopted or a revision to an existing Indian Accounting Standard requires a change in the accounting policy hitherto in use.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

These consolidated financial statements have been prepared as a going concern on the basis of relevant Ind AS that are effective at the Group's reporting date, 31 March 2022.

c) Functional currency and presentation

These consolidate financial statements are presented in Indian Rupees (INR), which is also the Parent Company's functional currency. All amounts have been rounded-off to the nearest millions up to two decimal places, unless otherwise mentioned.

d) Use of estimates, assumptions and judgements

The preparation of consolidated financial statements in conformity with recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosure of contingent liabilities on the date of the consolidated financial statements and the reported amount of income and expenses for the year reported. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors that are believed to be reasonable under the circumstance. Revisions to accounting estimates are recognised in the year in which the estimates are revised, and future periods are affected.

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Assumptions, judgements and estimation:
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the amounts recognised in the consolidate financial statements is included in the following notes:

- Note 2 (b) – Accounting for Business combination
- Note 2 (c) and Note 2 (d)- Useful life of property, plant and equipment and intangible assets;
- Note 2 (g) - Impairment of financial assets
- Note 2 (k) - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 2 (m) - Lease classification;
- Note 2 (o) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources

Impact of COVID-19 (Global Pandemic)
The Group has been taking steps, proactively, to protect the health of employees and the working environment from the spread of Covid-19. The Group has considered the possible effects that may result from the global health pandemic relating to COVID-19 on its operations. Management believes that it has taken into account external and internal information for assessing the possible impact of COVID-19 on various elements of its financial results, including its liquidity position and the recoverability of assets. However, the impact assessment of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The Group will continue to monitor any material changes to future economic conditions and the consequent impact on its business, if any.

e) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:
- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:
- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities.
The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

f) Fair value measurement
Certain accounting policies and disclosures of the Group require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:
- Level 1: inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs are inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:
- Note 33 and 34: financial instruments.

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g) Basis of Consolidation

The Company consolidates all entities which are controlled by it.

The Company establishes control when; it has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect the entity's returns by using its power over relevant activities of the entity.

Entities controlled by the Company are consolidated from the date control commences until the date control ceases.
All inter-company transactions, balances and income and expenses are eliminated in full on consolidation.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter company transactions, balances and unrealised gains on transactions between Group Companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are aligned where necessary to ensure consistency with the policies adopted by the Group.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in statement of profit and loss. Any investment retained is recognised at fair value.

The subsidiary company which is included in the consolidation and the Company's holdings therein is as under:

Name of Company (Nature of Business)	Country of incorporation	Ownership interest as 31 March 2022
Exotech Plastics Private Limited (Manufacturing of automobile components)	India	100%*

* The Company has acquired the subsidiary effective 5 April, 2021.

2) Summary of significant accounting policies

(a) Revenue recognition

Sale of goods
Revenue is recognised upon transfer of control of promised goods to customer in an amount that reflects the consideration the Group expects to receive in exchange for those goods.

The Group recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax, etc. For certain contracts that permits the customer to return an item, revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur and is reassessed at the end of each reporting period.

Revenue from sale of products is recognised at the point in time when control is transferred to customer.

Costs that relate directly to a contract and incurred in securing a contract are recognized as an asset and amortized over the contract term as reduction in revenue

Further, revenue from sale of goods is recognized based on a 5-Step Methodology which is as follows:
Step 1: Identify the contract(s) with a customer
Step 2: Identify the performance obligation in contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations in the contract
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Contracts are subject to modification to account for changes in contract specification and requirements. The Group reviews modification to contract in conjunction with the original contract, basis which the transaction price could be allocated to a new performance obligation, or transaction price of an existing obligation could undergo a change. In the event transaction price is revised for existing obligation, a cumulative adjustment is accounted for.

Scrap sales
Revenue from sale of scraps in the course of ordinary activities is measured at the fair value of the consideration received or receivable.

Trade receivables
A trade receivable is recognised if the amount of consideration is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section - Financial instruments – initial recognition and subsequent measurement.

Unbilled revenue
Unbilled revenue are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
Unearned or deferred revenue is recognised when there are billings in excess of revenues.

Sale of services
Revenue with respect to sale of services is recognized when the services are rendered, and no significant uncertainty exists regarding the collection of consideration.

Export incentives
Government incentives are accrued for based on fulfilment of eligibility criteria for availing the incentives and when there is no uncertainty in receiving the same.

Variable consideration
If the consideration in a contract includes a variable amount, such as sales returns and discounts, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Other income
Other income comprises interest income on deposits, gain/ (losses) on disposal of financial assets and non-financial assets. It is recognised on accrual basis except where the receipt of income is uncertain.

Interest income is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to:
• The gross carrying amount of the financial asset; or
• The amortised cost of the financial liability.

Dividend income is accounted when the right to receive the dividend is established. Dividend income is included under the head "Other income" in the statement of profit and loss account.

(b) Business combination

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity are recorded in shareholders' equity.

Other intangible assets:
Intangible assets acquired in a business combination are measured at fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and impairment losses, if any. The amortisation of an intangible asset with a finite useful life reflects the manner in which the economic benefit is expected to be generated and is included in depreciation and amortisation expenses in the statements of profit and loss. The estimated useful life of amortisable intangibles are reviewed and where appropriate are adjusted, annually.

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(c) Property, plant and equipment

Property, plant and equipment, excluding Freehold land are carried at cost less accumulated depreciation and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on bringing the assets to working condition for its intended use and estimated cost of dismantling and removing the items and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials, direct labour, any other costs directly attributable to bringing the item to working condition for its intended use and estimated costs of dismantling and removing them and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and such expenditure can be measured reliably.

Repairs and maintenance costs are recognized in the statement of profit and loss when incurred. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss. Assets to be disposed off are reported at the lower of the carrying value or the fair value less cost to sell. If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment."

A property, plant and equipment is eliminated from the consolidated financial statements on disposal or when no further benefit is expected from its use and disposal. Assets retired from active use and held for disposal are generally stated at the lower of their net book value and net realizable value. Any gain or losses arising disposal of property, plant and equipment is recognized in the statement of profit and loss.

Advance paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date classified as capital advances under other non-current assets and the cost of the assets not put to use before such date are disclosed under capital work in progress.

Depreciation and useful lives

Depreciable amount for assets is the cost of asset less its estimated residual value. Depreciation on property, plant and equipment is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. Based on the internal technical assessment, the management believes that the useful lives as given below, which are different from those prescribed in Part C of schedule II of the Act, best represent the period over which Management expects to use these assets.

Property, Plant and Equipment	Management's estimate of useful life (in years)	Useful life as per Schedule II
Building	30	30
Electrical Installations	10	10
Plant and machineries	15	15
Furniture and fixtures	10	10
Computers	3	3
Servers	3	6
Office equipment	5	5
Vehicle	8	8

Freehold land is not depreciated. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with carrying amount. These are included in statement of profit or loss within other gains / losses.

(d) Other Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition, and other economic factors (such as the stability of the industry, and known technological advances), and the level of maintenance expenditures required to obtain the expected future cash flows from the asset. Amortization methods and useful lives are reviewed periodically including at each financial year end.

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(d) Other Intangible assets (continued)

The useful lives of intangible assets that is considered for amortization of intangible assets are as follows:

Intangible Asset	Management's estimate of useful life (in years)
Computer Software	3
Technical Know How	3
Customer Relationship	7
Non-compete	3

The residual values, useful lives and method of amortization of intangible assets are reviewed at each financial year end and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in statement of profit and loss.

(e) Impairment of non-financial asset
Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in- use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount.

The carrying amount of the asset / CGU is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

(f) Inventories
Inventories are valued at the lower of cost and net realisable value. Cost of inventories comprises purchase price, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In determining the cost, weighted average cost is used. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs to sell. The comparison of cost and net realizable value is made on an item-by-item basis.

The method of determination of cost is as follows:

- Raw materials and components– on a weighted average basis
- Stores and spares – on a weighted average basis
- Work-in-progress – includes cost of conversion.
- Finished goods– includes cost of conversion.
- Goods in transit – at purchase cost

The net realizable value of work-in-progress is determined with reference to the net realizable value of related finished goods. Raw materials and other supplies held for use in production of inventories are not written down below cost except in cases where material prices have declined, and it is estimated that the cost of the finished products will exceed their net realizable value. Fixed production overheads are allocated on the basis of normal capacity of production facilities. The provision for inventory obsolescence is assessed periodically and is provided as considered necessary.

(g) Financial Instruments

A. Financial assets

i) Recognition and initial measurement
Trade receivables and debt securities are initially recognized when they are originated. All other financial assets and liabilities are initially recognized when the Group becomes a party to contractual provisions of the instrument.

All financial instruments are recognised initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets.

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(g) Financial Instruments (continued)

ii) Classification and subsequent measurement

Financial assets
On initial recognition, a financial instrument is classified and measured at

• Amortised cost
• Fair value through other comprehensive income (FVOCI) - debt instruments;
• Fair value through other comprehensive income (FVOCI) - equity investments; or
• Fair value through profit and loss (FVTPL).

Financial assets are not classified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

A debt investment is measured at FVTOCI if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets; and

- The contractual terms of the financial assets give rise on a specified date to cash flows that are solely payments of principal and interest on the principal amounts outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI- equity investment). This election is made on an investment-to-investment basis.

All financial assets not classified as amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL, if doing so eliminates or significantly reduces an accounting mistake that would otherwise arise.

Financial assets: Subsequent measurement and gains and losses

Financial assets, at FVTPL:
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income are recognized in profit or loss.

Financial assets at amortised cost:
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Debt investments at FVTOCI:
These assets are subsequently measured at fair value. Interest income under effective interest method, foreign exchange gains and losses and impairment are recognized in the statement of profit and loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Equity investments at FVTOCI:
These assets are subsequently measured at fair value. Dividends are recognized as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in OCI and are not reclassified to the statement of profit and loss.

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 34 details how the Group determines whether there has been a significant increase in credit risk.

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(g) Financial Instruments (continued)

In accordance with Ind AS 109, the Group applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Group follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Group reverts to recognising impairment loss allowance based on 12 month ECL.

iii) Derecognition of financial assets
A financial asset is derecognized only when:

• the Group has transferred the rights to receive cash flows from financial asset or
• retains the contractual rights to receive the cash flows from financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Group has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

B. Financial liability

i) Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or amortised cost. All financial liabilities are recognized initially at fair value and, in case of loans and borrowings and payables, net of directly attributable transaction costs.

ii) Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate ("EIR") method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

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(g) Financial Instruments (continued)

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified party fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

Derecognition
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting
Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis. to realize the assets and settle the liabilities simultaneously.

(h) Cash and cash equivalents
Cash and cash equivalent includes cash in hand, demand deposit with bank and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(i) Cash dividend to equity holders of the Group
The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised, and the distribution is no longer at the discretion of the Group. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Group's Board of Directors.

(j) Foreign Currency transactions and translations
Foreign currency are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign currency denominated monetary assets and liabilities are translated into relevant functional currency at exchange rates in effect at the balance sheet date.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in statement of profit and loss.

Non-monetary assets and non-monetary liabilities denominated in foreign currency and measured at fair value are translated at the exchange rate prevalent at the date when the fair value was determined. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss and are generally recognized in statement of profit and loss, except exchange differences arising from the translation of the following items which are recognized in OCI:

- equity investments at fair value through OCI (FVOCI)
- a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective: and
- qualifying cash flow hedges to the extent that the hedges are effective.

(k) Employee benefits

(i) Defined contribution plan
A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Group makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Group's contribution is recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

(ii) Defined benefit plans
The Group's gratuity plan is a defined benefit plan. The present value of gratuity obligation under such defined benefit plans is determined based on actuarial valuations carried out by an independent actuary using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measure each unit separately to build up the final obligation. The obligation is measured at the present value of estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations.

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(k) Employee benefits (continued)

Actuarial gains or losses are recognized in other comprehensive income. Further, the statement of profit and loss does not include an expected return on plan assets. Instead net interest recognized in profit or loss is calculated by applying the discount rate used to measure the defined benefit obligation to the net defined benefit liability or asset. The actual return on plan assets above or below the discount rate is recognized as part of remeasurement of net defined liability or asset through other comprehensive income.

Remeasurements comprising actuarial gains or losses and return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are not reclassified to profit or loss in subsequent periods.

The Group's gratuity scheme is administered through a third party trust and the provision for the same is determined on the basis of actuarial valuation carried out by an independent actuary. Provision is made for the shortfall, if any, between the amounts required to be contributed to meet the accrued liability for gratuity as determined by actuarial valuation and the available corpus of the funds.

(iii) Short-term employee benefits

All employee benefits falling due wholly within twelve months of rendering the services are classified as short term employee benefits, which include benefits like salaries, wages and performance incentives and are recognised as expenses in the period in which the employee renders the related service.

Short term employee benefits are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. short term performance incentive, if the Group has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the amount of obligation can be estimated reliably.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in the statement of profit and loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Compensated absences:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised at an actuarially determined liability at the present value of the defined benefit obligation at the Balance sheet date. In respect of compensated absences expected to occur within twelve months after the end of the period in which the employee renders the related services, liability for short-term employee benefits is measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

(l) Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs allocated to and utilized for qualifying assets pertaining to the period from commencement of activities directly attributable to the acquisition, construction or production of upto the date of capitalisation of such asset are added to the cost of the assets. Qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.. All other borrowing costs are expensed in the period in which they occur.

(m) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease, that is if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises a right-of-use (ROU) asset representing its right to use the underlying assets for the lease term and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss..

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(m) Leases (continued)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group applies the short-term lease recognition exemption to all assets that have a lease term of 12 months or less from the commencement date. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term. Further, leases for which the underlying asset is of low value has been recognized immediately in the Statement of Profit and Loss.

(n) Taxation

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the statement of profit and loss except to the extent it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income.

Current income tax for current and prior periods is recognized at the amount expected to be paid or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements except for the cases mentioned below.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or substantive enactment date.

Deferred tax is not recognized for temporary differences arising on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits or loss at the time of the transaction, and temporary investment related to investment in subsidiaries, associates and joint agreements to the extent that the Group is able to control the timing of reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profits will be available against which such deferred tax can be realised. Deferred tax assets, unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/no longer probable respectively that the related tax benefit will be realised.

The Group offsets, the current tax assets and liabilities (on a year on year basis) and deferred tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

(o) Provisions and Contingent Liabilities

(i) Provisions
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, the expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Expected future operating losses are not provided for.

(ii) Onerous contract
Provision for onerous contracts, i.e. contracts where the expected unavoidable cost of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event based on a reliable estimate of such obligation.

(iii) Contingent liabilities
A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.

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(p) Earnings per share

The basic earnings per share is computed by dividing the net profit attributable to the owners of the Group for the year by the weighted average number of equity shares outstanding during reporting period.

The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

Dilutive potential equity shares are deemed converted as of the beginning of the reporting date, unless they have been issued at a later date. In computing diluted earnings per share, only potential equity shares that is dilutive and which either reduces earnings per share or increase loss per share are included.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Group has identified one reportable segment based on the dominant source, nature of risks and return and the internal organisation and management structure and for which discrete financial information is available. The CODM monitors the operating results of the entity as a whole for the purpose of making decisions about resource allocation and performance assessment. Refer Note 41 for segment information and segment reporting.

(r) Cash flow statement

Cash flows are reported using the indirect method, whereby net profit before taxes for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

(s) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognized as income in proportion to the depreciation charged over the expected useful life of the related asset.

(t) Recent Accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specifiy that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Group does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Group does not expect the amendment to have any significant impact in its financial statements.

Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Group does not expect the amendment to have any significant impact in its financial statements.

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3 Property, plant and equipment

(₹ in million)

Particulars	Freehold Land	Leasehold Improvements	Buildings	Electrical installations	Plant and machineries	Furniture and fixtures	Computers (including servers)	Office equipment	Vehicles	Total	Capital work-in-progress (Note i)
Cost or Deemed Cost											
As at 31 March 2021	278.10	-	507.81	134.43	981.68	28.04	16.23	45.29	37.57	2,029.15	42.52
Additions due to acquisition [Refer note 42(b)]	-	18.28	-	-	199.29	4.58	-	1.15	3.81	227.11	-
Additions	-	-	2.82	24.39	90.60	3.49	7.59	1.98	12.01	142.88	1.91
Deletions	-	-	-	-	(10.22)	-	-	-	-	(10.22)	-
Capitalised	-	-	-	-	-	-	-	-	-	-	(42.52)
As at 31 March 2022	278.10	18.28	510.63	158.82	1,261.35	36.11	23.82	48.42	53.39	2,388.92	1.91
Accumulated depreciation											
As at 31 March 2021	-	-	65.48	37.49	458.50	8.88	12.38	26.33	11.07	620.13	-
Additions due to acquisition [Refer note 42(b)]	-	3.45	-	-	59.09	1.24	-	0.52	1.00	65.30	-
Depreciation for the year	-	1.73	16.07	13.61	134.40	2.97	2.84	6.97	5.95	184.54	-
Depreciation on deletions	-	-	-	-	(6.71)	-	-	-	-	(6.71)	-
As at 31 March 2022	-	5.18	81.55	51.10	645.28	13.09	15.22	33.82	18.02	863.26	-
Net carrying amount											
As at 31 March 2021	278.10	-	442.33	96.94	523.18	19.16	3.85	18.96	26.50	1,409.02	42.52
As at 31 March 2022	278.10	13.10	429.08	107.72	616.07	23.02	8.60	14.60	35.37	1,525.66	1.91

Note (i)

(a) The ageing information for capital work in progress for the year ended 31 March 2022 is as follows:

(₹ in million)

Particulars	Amount in capital work-in-progress for a period of				
	Less than 1 year	1 - 2 Years	2-3 Years	More than 3 years	Total
31 March 2022					
Projects in progress	1.91	-	-	-	1.91
Projects temporarily suspended	-	-	-	-	-
	1.91	-	-	-	**1.91**

(b) There are no capital work in progress whose completion is overdue or exceeded its cost compared to its original plan.

(c)The title deeds of all immovable properties are held in the name of the Group.

4 Other Intangible assets

(₹ in million)

Particulars	Goodwill * (A)	Other intangible assets					Total (A+B)
		Software	Technical Know-how	Customer relationship*	Non-compete fees*	Total (B)	
Cost or Deemed Cost							
As at 31 March 2021	39.51	23.42	2.92	37.56	12.20	76.10	115.61
Additions due to acquisition [Refer note 42(b)]	249.80	0.33	-	39.00	13.00	52.33	302.13
Additions	-	6.89	-	-	-	6.89	6.89
As at 31 March 2022	289.31	30.64	2.92	76.56	25.20	135.32	424.63
Accumulated amortization							
As at 31 March 2021	-	19.69	2.92	15.66	11.85	50.12	50.12
Additions due to acquisition [Refer note 42(b)]	-	0.31	-	-	-	0.31	0.31
Amortization for the year	-	2.73	-	10.94	4.67	18.34	18.34
As at 31 March 2022	-	22.73	2.92	26.60	16.52	68.77	68.77
Net carrying amount							
As at 31 March 2021	39.51	3.73	-	21.90	0.35	25.98	65.49
As at 31 March 2022	289.31	7.91	-	49.96	8.68	66.55	355.86

**Refer note 42*

(a) Goodwill comprises of goodwill aggregating ₹249.80 million pertains to acquisition of a subsidiary (refer note 42(b)) and the remaining goodwill of ₹39.51 million pertains to business acquisition of Delta Ram, Srisha Enterprises and SM Enterprises (refer note 42(a)).

The Group had carried out a formal impairment assessment of goodwill accounted upon business acquisitions. The recoverable amount of a cash-generating unit (CGU) is the higher of its fair value less costs of disposal and its value in use. The Group is expected to benefit from the synergies of the business acquisition. For the purpose of determining fair value of a CGU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

As of 31 March 2022, the estimated recoverable amount of the CGU exceeded its carrying amount, hence no impairment is triggered.

(b) The Group does not have any intangible assets under development.

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5 Other financial assets

(₹ in million)

Particulars	**As at 31 March 2022**
Non-current	
Unsecured, considered good	
Security deposit	19.63
Margin money deposits *	0.10
Total	**19.73**
Current	
Unsecured, considered good	
Security deposit **	30.35
Interest accrued on fixed deposit	0.86
Export incentives receivables	0.85
IPO expenses receivables [refer Note 36]	11.45
Total	**43.51**

* Margin money provided as guarantee for Gurgaon Warehouse to Value Added Tax and Central Sales Tax Department.

** includes a deposit of ₹30.00 million to National Stock Exchange of India Limited on account of initial public offerings.

6 Income tax assets and liabilities (net)

(₹ in million)

Particulars	**As at 31 March 2022**
Non - current	
Advance tax and tax deducted at source, net of provision for tax	18.46
Current	
Income tax liabilities, net of tax assets	47.90

a) The gross movement in the income tax liability for the year ended 31 March 2022 is as follows:

(₹ in million)

Particulars	**For the year ended 31 March 2022**
Net income tax liability at the beginning of the year	(20.85)
Net income tax liability assumed in acquisition [refer Note 42(b)]	(7.69)
Current income tax expense	(204.39)
Income tax paid (including interest)	203.49
Net income tax liability at the end of the year	**(29.44)**

7A Deferred tax assets (net)*

(₹ in million)

Particulars	**As at 31 March 2022**
Deferred tax assets	
Provision for gratuity	1.10
Provision for compensated absences	1.12
Financial asset, carried at amortised cost	2.15
Lease liability	46.88
Provision for sales returns	0.24
Provision for discount	0.16
Provision for bonus	0.25
Loss allowances on financial assets, net	0.55
Provision for doubtful advances and receivables	2.57
Total deferred tax asset (A)	**55.02**
Deferred tax liabilities	
Property, plant and equipment and intangible assets	7.51
Right-of-use assets	31.87
Total deferred tax liabilities (B)	**39.38**
Net deferred tax assets (A-B)	**15.64**

**Refer note 31(c)*

Notes to the consolidated financial statements

7B Deferred tax liabilities (net)*

(₹ in million)

Particulars	As at 31 March 2022
Deferred tax liabilities	
Property, plant and equipment and intangible assets	125.54
Contract acquisition costs	3.97
Prepaid gratuity	2.89
Prepaid compensated absences	0.57
Intangible assets acquired in acquisition	11.72
Others	1.09
Total deferred tax liabilities (A)	**145.78**
Deferred tax assets	
Provision for inventory obsolescence	14.15
Discount payable to customers and provision for sales returns and claim	20.56
Provision for bonus	5.37
Lease liability, net	0.02
Loss allowances on financial assets, net	0.17
Others	5.48
Total deferred tax asset (B)	**45.75**
Net deferred tax liabilities (A-B)	**100.03**

**Refer note 31(c)*

8 Other assets

(₹ in million)

Particulars	As at 31 March 2022
Non - current	
Unsecured, considered good	
Capital advances [refer Note (b) below]	32.93
Other advances	
- Prepaid gratuity [refer Note 39]	7.55
Prepaid expenses	0.66
Contract acquisition costs	9.58
Receivables from government authorities [refer Note (a) below]	10.57
	61.29
Unsecured, considered doubtful	
Indirect tax paid under protest	3.00
Less: Provision	(3.00)
	-
Receivables from government authorities	4.84
Less: Provision [refer Note (a) below]	(4.84)
	-
Total	**61.29**
Current	
Unsecured, considered good	
Balances with government authorities	22.40
Prepaid expenses, considered good	7.92
Contract acquisition costs	6.21
Advance to suppliers	19.53
Others	0.46
	56.52
Unsecured, considered doubtful	
Balances with government authorities	8.28
Less: Provision [refer Note 21 (a)]	(8.28)
	-
Total	**56.52**

a) Bangalore Metro Rail Corporation Limited (BMRCL) has acquired a portion of the freehold land for an agreed compensation of ₹15.41 million (including tax deducted at source). On the above land, one of the female legal heirs of the erstwhile owner of the freehold land has raised an allegation for separate possession of certain portion of the freehold land. On account of the dispute, the acquisition compensation amount has been deposited by BMRCL in the Court till the final settlement. During the year ended 31 March 2021, the Group had made a provision of ₹4.84 million primarily towards the female legal heir share of claim. The matter is currently pending in the court for further hearing.

b) Pursuant to a memorandum of understanding ("MOU") dated 8 April 2010, the Group had paid an advance of ₹15.00 million for lease of four acres of land for construction of a new factory covering 150,000 square feet for a period of 20 years. Subsequently, as the land could not get converted to Industrial land due to conversion restriction from the civic authority, the Group has demanded the refund of the advance. On non-receipt of the advance amount, the Group had filed a suit in the Court of the City Civil and Sessions Judge, Mayo Hall, Bangalore during the year ended 31 March 2011. The matter is currently pending in the court for further hearing.

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9 Inventories (Valued at lower of cost and net realizable value)

(₹ in million)

Particulars	As at 31 March 2022
Raw materials [refer Note (a) and (b) below]	171.25
Work-in-progress	110.08
Finished goods [refer Note (b) below]	127.73
Stores and spares	6.45
Total	**415.51**

(a) Including goods in transit as on 31 March 2022 ₹23.06 million

(b) Value of inventories above is stated after provisions ₹56.22 million for write-downs to net realisable value and provision for slow-moving and obsolete items.

10 Investments

(₹ in million)

Particulars	As at 31 March 2022
Current	
Carried at fair value through profit or loss (FVTPL)	
Investment in Mutual funds - Unquoted*	784.42
Total	**784.42**

(₹ in million)

Particulars	As at 31 March 2022
Investment in mutual fund - Unquoted	
206,080.20 units in Aditya Birla Sun Life Liquid Fund - Growth	70.16
344,428.24 units in Aditya Birla Sun Life Saving Fund AC	151.66
23,245.42 units in DSP liquid Fund	70.15
23,468.20 units in Kotak Liquid Fund	100.42
17,478.91 units in Nippon India Liquid Fund - Growth	90.27
18,692.95 units in Tata Money Market Fund	70.77
21,048.29 units in Tata Liquid Fund - Growth	70.16
45,197.78 units in Tata Overnight Fund	50.53
1,926,537.46 units in SBI Short Term Debt Fund	50.18
366,439.10 units in SBI Arbitrage Opportunities Fund	10.00
3,096,338.10 units in Axis Arbitrage Fund	50.12
Aggregate amount of unquoted investment and market value, thereof	**784.42**

*Information about the Group's exposure to credit and market risks, and fair value measurement is included in note 33 and note 34

11 Trade receivables

(₹ in million)

Particulars	As at 31 March 2022
Current	
Unsecured and Undisputed	
Considered good	856.88
Less: Provision for impairment allowance	(2.20)
	854.68
Trade receivables - credit impaired	0.45
Less: Provision for impairment allowance	(0.45)
	-
Unbilled revenue	3.33
Net trade receivables	**858.01**

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(i) The Group's exposure to credit and currency risks, and loss allowances related to trade receivables is disclosed in note 34.

(ii) Ageing for trade receivables from the due date of payment for each of the category is as follows:

(₹ in million)

Particulars	Unbilled	Outstanding for following periods from due date of payment						
		Not due	Less than 6 months	6 Months to 1 Year	1 -2 Years	2 -3 Years	More than 3 Years	Total
31 March 2022								
i) Undisputed trade receivable - considered good	3.33	722.58	132.96	1.34	-	-	-	860.21
ii) Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
iii) Undisputed trade receivable - credit impaired	-	-	-	-	0.45	-	-	0.45
iv) Disputed trade receivable - considered good	-	-	-	-	-	-	-	-
v) Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-	-
vi) Disputed trade receivable - credit impaired	-	-	-	-	-	-	-	-
Total	**3.33**	**722.58**	**132.96**	**1.34**	**0.45**	-	-	**860.66**

12 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2022
Balances with banks:	
- in current accounts	30.92
- in cash credit account	49.70
- in Exchange earner's foreign currency accounts	13.84
- Deposits with original maturity of less than 3 months	64.92
Cash on hand	0.16
Total	**159.54**

13 Bank balance other than Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2022
Current	
Other bank balances	
In deposit accounts (with original maturity of more than 3 months and less than 12 months)	65.19
Total	**65.19**

(a) Includes fixed deposit of ₹62.62 million provided to bank against bank guarantee and cash credit facility.

14 Loans

Carried at amortised cost

(₹ in million)

Particulars	As at 31 March 2022
Current	
Unsecured, considered good	
Loans to employees	3.31
Total	**3.31**

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15 Equity Share capital

(₹ in million)

Particulars	As at 31 March 2022
Authorised	
Equity shares	
35,000,000 equity shares of ₹10 each	350.00
Total	**350.00**

Issued, subscribed and fully paid-up shares

(₹ in million)

Particulars	As at 31 March 2022
Equity share	
30,437,904 equity shares of ₹10 each, fully paid up	304.38
Total	**304.38**

(a) Reconciliation of the shares outstanding at the beginning and end of the reporting year

(₹ in million)

Particulars	As at 31 March 2022	
	Number of shares	Amount
Equity shares		
At the beginning of the year	3,04,37,904	304.38
Issued during the year	-	-
At the end of the year	**3,04,37,904**	**304.38**

(b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having par value of ₹10 each. All equity shares carry similar voting rights of 1:1 and similar dividend rights. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Shares held by holding company:

During the year ended 31 March 2022, the Company has completed its Initial Public Offering (IPO) of 14,760,146 equity shares of face value of ₹10 each at a price of ₹542 per equity shares, consisting entire equity shares as an "offer for sale" by the Selling Shareholders. The Company has listed its equity shares on BSE and NSE on 15 November 2021. Out of which, Evergraph Holding Pte. Limited (the erstwhile holding company) has sold 13,099,630 equity shares and reduced its shareholding to 34.83% from 77.86%. Accordingly, the company does not have any holding company.

(d) Details of shareholders holding more than 5% shares of a class of shares in the Company: -

Particulars	As at 31 March 2022	
	Number of shares	% holding in the class
Equity shares of ₹10 each fully paid up held by:		
Evergraph Holdings Pte. Ltd.	1,06,00,370	34.83%
K. A. Joseph	46,51,244	15.28%
Axis Mutual Fund	21,56,994	7.09%

(e) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

During the financial year ended 31 March 2017, the Company had allotted 27,000,000 bonus shares of ₹10 each at par to then existing shareholders in the proportion of 9 equity shares of ₹10 each for one equity share held by them by capitalisation of surplus. No shares have been bought back, or issued for consideration other than cash during the five years immediately preceding the financial year other than above.

(f) Details of shareholdings by the Promoter's of the Company: -

Particulars	As at 31 March 2022		As at 31 March 2021		% Change in the year
	Number of shares	% holding in the class	Number of shares	% holding in the class	
Equity shares of ₹10 each fully paid up held by:					
Evergraph Holdings Pte. Ltd.	1,06,00,370	34.83%	2,37,00,000	77.86%	-43.03%
K. A. Joseph	46,51,244	15.28%	63,11,960	20.74%	-5.46%

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16 Other equity

(₹ in million)

Particulars	As at 31 March 2022
Securities premium [refer Note (a) below]	39.41
Retained earnings [refer Note (b) below]	3,244.10
General reserve [refer Note (c) below]	8.85
Share option outstanding account [refer Note 39 and refer Note (d) below]	13.95
Other comprehensive income [refer Note (e) below]	(5.98)
Total	**3,300.33**

Nature and purpose of other reserves

a) Securities premium :

Amounts received on issue of shares in excess of the par value has been classified as securities premium. The reserve can be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.

(₹ in million)

Particulars	As at 31 March 2022
Opening balance	39.41
Increase during the year	-
Closing balance	**39.41**

b) Retained earnings :

Retained earnings comprises of prior and current year's undistributed earnings after tax.

(₹ in million)

Particulars	As at 31 March 2022
Opening balance	2,805.02
Profit for the year	550.18
Dividend paid [refer note below]	(111.10)
Closing balance	**3,244.10**

During the year ended 31 March 2022, the Board of Directors of the Company at their meeting held on 9 April 2021 and 24 September 2021 respectively have declared and paid an interim dividend of ₹1.65 per equity share and ₹2.00 per equity share respectively (face value of ₹10.00 each) aggregating to ₹111.10 million.

c) General Reserve

This represents appropriation of profit by the Group. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(₹ in million)

Particulars	As at 31 March 2022
Opening balance	8.85
Increase during the year	-
Closing balance	**8.85**

d) Share option outstanding account:

The Group has share option schemes under which options to subscribe for the Company's shares have been granted to employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees as part of employee benefit expense.

(₹ in million)

Particulars	As at 31 March 2022
Opening balance	-
Increase during the year [refer Note 39]	13.95
Closing balance	**13.95**

e) Other comprehensive income:

Differences between the interest income on plan assets and the return actually achieved and any changes in the liabilities over the year due to changes in actuarial assumptions or experience adjustments within the plans, are recognised in 'Other equity' as other comprehensive income net of taxes.

(₹ in million)

Particulars	As at 31 March 2022
Remeasurement of net defined benefit liability or asset	
Opening balance	(5.50)
Increase during the year	(0.48)
Closing balance	**(5.98)**

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17 Borrowings

(₹ in million)

Particulars	As at 31 March 2022
Current	
Unsecured loan	
From bank	
Bill discounting facility from bank [refer Note (b) below]	125.85
Total current borrowings	**125.85**

(a) Term loan from Mahindra & Mahindra Financial Services Private Limited of ₹35.00 million carries an interest rate of 2.05% p.a over and above SBI's base rate. The interest rate for year ending 31 March 22 was 9.60% p.a. (31 March 2021: 9.35% p.a.) The loan is repayable in 48 monthly predetermined instalments which has commenced from 15 March 2018. The loan is secured by a) Demand Promissory Note for the entire loan along with the interest, b) All assets proposed to be funded for the Plating Plant and c) Cross collateralization of all machinery funded in the earlier term loan. During the year, the Group has repaid the loan.

(b) The Group has availed bill discounting facility (with recourse) from Banks which carries interest in the range of 5.95% to 10.00% per annum and is payable within 45 days to 64 days from the date of discounting of bills.

(c) The Group has been sanctioned a cash credit facility from ICICI bank (unutilised as at 31 March 2022 by the Group) carrying interest rate (I-MCLR 6M + Spread 1.70%). These are secured by first and exclusive charge on the current assets (inventory and trade receivables) both present and future and on movable assets (except assets financed by Mahindra & Mahindra Financial Services Limited and vehicles) both present and future.

(d) Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 34

(e) The Group is filing monthly statement of inventories, trade receivables and trade payables to Banks for cash credit facility and working capital loan (unutilised as at 31 March 2022 by the Group). The below is summary of quarterly reconciliation of statement filed to the banks and books of accounts :

(₹ in million)

Name of bank	Quarter ended	Particulars	Amount as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Reason for material discrepancy
Parent company						
Citi Bank and State Bank of India	31 March 2022	Inventory	279.67	279.69	(0.02)	No material variance.
		Trade receivables	586.99	591.95	(4.96)	The variance is due to details submitted to bank prior to year end.
Citi Bank and State Bank of India	31 December 2021	Inventory	304.81	304.81	-	No variance.
		Trade receivables	466.96	463.67	3.29	Advance from customer was netted off while submitting the return to bank
Citi Bank	30 September 2021	Inventory	317.05	347.90	(30.85)	Variance is due to certain inventories reported twice.
		Trade receivables	575.10	571.15	3.95	Advance from customer was netted off while submitting the return to bank
State Bank of India	30 September 2021	Inventory	317.05	317.05	-	No variance.
		Trade receivables	575.10	571.15	3.95	Advance from customer was netted off while submitting the return to bank
Citi Bank and State Bank of India	30 June 2021	Inventory	327.38	325.09	2.29	The variance is on account of tool stock not included.
		Trade receivables	456.49	452.81	3.68	Advance from customer was netted off while submitting the return to bank.
Subsidiary company						
ICICI Bank	31 March 2022	Inventory	135.90	135.30	0.60	Goods in transit not adjusted.
		Trade receivables	271.29	228.94	42.35	Bill discounted adjusted against the trade receivable.
		Trade payables	165.47	157.17	8.30	Expense payable and capital creditors not adjusted
ICICI Bank	31 December 2021	Inventory	122.31	121.72	0.59	Goods in transit not adjusted
		Trade receivables	214.05	187.26	26.79	Bill discounted adjusted against the trade receivable.
		Trade payables	121.28	110.44	10.84	Expense payable and capital creditors not adjusted.
ICICI Bank	30 September 2021	Inventory	113.76	113.17	0.59	Goods in transit not adjusted
		Trade receivables	217.56	192.18	25.38	Bill discounted adjusted against the trade receivable
		Trade payables	143.50	125.90	17.60	Expense payable, advance to supplier and capital creditors not adjusted
ICICI Bank	30 June 2021	Inventory	122.93	117.27	5.66	Goods in transit not adjusted.
		Trade receivables	156.64	128.24	28.40	Bill discounted adjusted against the trade receivable.
		Trade payables	96.56	75.44	21.12	Expense payable, advance to supplier and capital creditors not adjusted

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18 Trade payables

(₹ in million)

Particulars	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises [refer Note (ii) below]	150.40
Total outstanding dues of creditors other than micro enterprises and small enterprises	157.81
Total	**308.21**

Terms and conditions of above trade payables:
(i) For explanation of Group's credit risk management - refer Note 34
(ii) Disclosure required under Clause 22 of Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act,2006)

(₹ in million)

Particulars	As at 31 March 2022
(a) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:	
- Principal	149.98
- Interest	0.42
(b) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
- Principal	112.29
- Interest	
(c) The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting year	0.42
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act, 2006	-

The above disclosures are provided by the Group based on the information available with the Group in respect of the registration status of its vendors / suppliers.

(iii) Ageing for trade payable from the due date of payment for each of the category is as follows:

(₹ in million)

Particulars	Accrued expenses	Outstanding for following periods from due date of payment					
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
31 March 2022							
Micro enterprises and small enterprises	-	144.75	5.65	-	-	-	**150.40**
Creditors other than micro enterprises and small enterprises	18.06	125.69	12.91	1.10	-	0.05	**157.81**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**18.06**	**270.44**	**18.56**	**1.10**	-	**0.05**	**308.21**

19 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2022
Current	
Others	
Employee related liabilities	44.20
Capital creditors	10.86
Discount payable	77.69
Other liability	0.15
IPO expenses payable (refer Note 36)	38.21
Total	**171.11**

Information about the Group's exposure to interest rate, foreign currency and liquidity risks is included in Note 34

20 Other liabilities

(₹ in million)

Particulars	As at 31 March 2022
Current	
Statutory liabilities	24.99
Advance received from customers	16.60
Total	**41.59**

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21 Provisions

(₹ in million)

Particulars	As at 31 March 2022
Current	
Provision for employee benefits	
Provision for compensated absence	1.78
Provision for claim*	-
Provision for sales return*	5.44
Provision for goods and service tax	0.95
Total	**8.17**

*This represents provision made for expected sales returns and claim by the customers. Revenue is adjusted for the expected value of return and claims. It is expected to be utilised within 12 months from the end of the year. The provision is based on estimates made of historical data.

Movement in provisions for year ended 31 March 2022

(₹ in million)

Particulars	As at 1 April 2021	Assumed in acquisition [refer Note 42(b)]	Provision made during the year	Provision utilised during the year	Provision reversed during the year	As at 31 March 2022
Provision for claim	2.21	-	-	(1.87)	(0.34)	-
Provision for sales return	10.41	1.77	5.44	(4.65)	(7.53)	5.44
Provision for goods and service tax	-	-	0.95	-	-	0.95
Total	**12.62**	**1.77**	**6.39**	**(6.52)**	**(7.87)**	**6.39**

a) During the year ended 31 March 2022, the Group has received an Intimation of Liability u/s 74(5) of CGST Act, 2017 amounting to ₹10.61 million, including penalty, with regards to ineligible input tax credit availed against tax invoices issued by M/s V Accurate Management Services Private Limited during the period July 2017 to December 2018. The Group has been legally advised that the Group has a good case on merit as it has genuinely availed the services and paid GST to the vendor. However, as a matter of prudence, the Group has made a provision amounting to ₹9.23 million during the year as per note 8 and note 22 and disclosed the amount of penalty of ₹1.38 million as contingent liability in note 38.

22 Leases

The Group has recognised right-of-use assets and lease liabilities as below:

(₹ in million)

Particulars	As at 31 March 2022
Right of use assets – land	191.60
Lease liabilities	
Non-current	140.83
Current	27.76

When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at date of commencement of lease. The weighted-average rates considered in the range of 8.30% p.a. to 10.00% p.a.

Right-of-use assets: The details of the right-of-use asset held by the Group is as follows:

(₹ in million)

Particulars	As at 31 March 2022
Opening balance	204.46
Depreciation charge for the year	(12.86)
Closing balance	**191.60**

The Group has certain warehouse and guest house on lease with contract terms of less than one year. These leases are classified as short-term. The Group has elected not to recognise right-of-use assets and lease liabilities for these leases.

Amounts recognised in statement of profit and loss:

(₹ in million)

Particulars	For the year ended 31 March 2022
Interest on lease liabilities	17.21
Depreciation of right-of-use assets	12.86
Expenses relating to short-term leases	5.45
Other income - Finance income	(0.55)
Total	**34.97**

Amounts recognised in statement of cashflows:

During the year, the Group had cash outflow of ₹27.77 million related to right-of-use asset. The Group has not made any non-cash additions to right-of-use assets and lease liabilities. During the year, for lease including cash outflow of short-term leases and leases of low-value assets, the Group had a cash outflow of ₹5.45 million

The table below provides details regarding the undiscounted contractual maturities of lease liabilities as at 31 March 2022.

(₹ in million)

Particulars	As at 31 March 2022
Less than one year	27.77
one to five years	138.85
more than five years	90.64
Total	**257.26**

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23 Revenue From Operations

(₹ in million)

Particulars	For the year ended 31 March 2022
Revenue from contract with customers	
Sale of products	3,663.57
Sale of services	26.65
Other operating revenues:	
Export incentive benefit	2.56
Scrap sales	5.78
Revenue from operations	**3,698.56**

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(₹ in million)

Particulars	For the year ended 31 March 2022
Revenue as per contract price	3,695.64
Addition / reduction towards discount (net)	(1.01)
Adjustment / reduction towards sales return (net)	(31.06)
Revenue from contract with customers	**3,663.57**

Contract balances

(₹ in million)

Particulars	As at 31 March 2022
Trade receivables (including unbilled)	858.01
Advance from customers	(16.60)

24 Other income

(₹ in million)

Particulars	For the year ended 31 March 2022
Interest income:	
on deposits with bank	16.19
on others	0.93
Gain on current investment measured at fair value through profit or loss	4.33
Gain on sale of current investments measured at fair value through profit or loss, net	4.76
Net gain on foreign currency transactions	10.25
Income from government grant	3.86
Miscellaneous income	1.29
Total	**41.61**

25 Cost of raw material consumed

(₹ in million)

Particulars	For the year ended 31 March 2022
Inventory of materials at the beginning of the year#	200.69
Add: Purchases during the year	1,561.44
Less: Inventory of materials at the end of the year#	171.25
Total	**1,590.88**

Net of provision for obsolescence

26 Changes in inventory of finished goods, work-in-progress and stores and spares

(₹ in million)

Particulars	For the year ended 31 March 2022
Opening stock	
Finished goods	125.11
Stores and spares	6.28
Work-in-progress	112.77
	244.16
Closing Stock	
Finished goods	127.73
Stores and spares	6.45
Work-in-progress	110.08
	244.26
Changes in inventory of finished goods, work-in-progress and stores and spares	**(0.10)**

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27 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2022
Salaries, wages and bonus	418.37
Expenses related to post-employment benefit plans-gratuity	9.89
Expenses related to compensated absences	4.85
Contribution to provident fund and other fund	16.59
Share based payment [refer Note 39]	13.95
Staff welfare expenses	46.76
Total	**510.41**

28 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2022
Interest expense on:	
Borrowings	12.61
Income tax	0.06
Lease liabilities	17.21
Other borrowing costs	0.32
Total	**30.20**

29 Depreciation and amortization expense

(₹ in million)

Particulars	For the year ended 31 March 2022
Depreciation of property, plant and equipment [refer Note 3]	184.54
Amortisation of intangible assets [refer Note 4]	18.34
Depreciation of Right of use assets [refer Note 22]	12.86
Total	**215.74**

30 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2022
Subcontracting charges	225.68
Consumption of stores, spare and other supplies	21.92
Power and fuel	97.62
Job work charges	19.51
Freight charges	59.27
Repairs and maintenance	
- plant and machinery	50.09
- building	5.39
- others	11.67
Rent	5.45
Legal and professional [refer Note (a) below]	33.55
Rates and taxes	9.03
Travel and conveyance	30.09
Housekeeping charges	24.51
Corporate social responsibility [refer Note 37]	14.41
Sales promotion expenses	3.75
Insurance	10.53
Printing and stationery	4.57
Bank charges	4.21
Communication	2.77
Loss on sale and write off of property, plant and equipment, net	2.74
Bad debts written-off	1.00
Loss allowances on financial assets, net	(0.94)
Provision for doubtful advances	9.23
Donation	0.08
Miscellaneous expenses	7.52
Total	**653.65**

(a) Payment to auditors:

(₹ in million)

Particulars	For the year ended 31 March 2022
Audit fee	8.85
Tax audit fee	0.35
Audit related services	3.50
Reimbursement of expenses	0.57
Total	**13.27**

31 Tax expenses

(₹ in million)

Particulars	For the year ended 31 March 2022
a) Amount recognised in the statement of profit and loss	
Current tax	204.39
Deferred tax credit	(15.18)
Income tax expense reported in the statement of profit and loss	**189.21**
b) Income tax recognised in other comprehensive income	
On re-measurement of defined benefit obligation	0.28
Income tax charges to OCI	**0.28**
c) Reconciliation of tax expense and tax based on accounting profit:	
Profit before income tax expense	749.35
Tax at the company's domestic tax rate of 25.17% / 27.82%	190.05
Tax effect of:	
Expenditure for which deduction is not allowed under Income Tax Act,1961	3.88
Tax effect on donation	0.02
Other deductions	(4.74)
Income tax expense	**189.21**

d) Deferred tax

For the year ended 31 March 2022

(₹ in million)

Particulars	As at 1 April 2021	Deferred tax liabilities assumed in acquisition	Recognised in Other Comprehensive Income	Recognised in Statement of Profit and Loss	As at 31 March 2022
Deferred tax liabilities					
Property, plant and equipment and intangible assets	130.53	12.26	-	(9.74)	133.05
Right of use assets	-	35.35	-	(3.48)	31.87
Contract acquisition costs	3.47	-	-	0.50	3.97
Prepaid gratuity	2.44	(0.03)	(0.28)	(0.34)	1.79
Intangible assets acquired in acquisition	-	14.47	-	(2.75)	11.72
Others	2.37	-	-	(1.28)	1.09
Total deferred tax liabilities (A)	**138.81**	**62.05**	**(0.28)**	**(17.09)**	**183.49**
Deferred tax assets					
Provision for inventory obsolescence	10.73	-	-	3.42	14.15
Provision for compensated absences	(0.50)	0.86	-	0.19	0.55
Discount payable to customers and provision for sales returns and claim	30.53	0.49	-	(10.06)	20.96
Provision for bonus	3.84	-	-	1.78	5.62
Lease liability, net	-	49.82	-	(2.92)	46.90
Loss allowances on financial assets, net	0.32	0.65	-	(0.25)	0.72
Provision for doubtful advances and receivables	-	-	-	2.57	2.57
Financial assets carried at amortised cost	-	2.30	-	(0.15)	2.15
Others	1.97	-	-	3.51	5.48
Total deferred tax asset (B)	**46.89**	**54.12**	-	**(1.91)**	**99.10**
Net deferred tax liabilities (A-B)	**91.92**	**7.93**	**(0.28)**	**(15.18)**	**84.39**

32 Earnings per share ['EPS']

The following reflects the income and share data used in the basic and diluted EPS computations:

(₹ in million, except per equity share data)

Particulars	For the year ended 31 March 2022
Reconciliation of earnings	
Profit after tax attributable to equity holders of the Group (a)	550.18
Weighted average number of shares outstanding during the year for basic EPS (b)	3,04,37,904
Basic Earning per share (in ₹) (a/b)	18.08
Diluted EPS	
Profit after tax attributable to equity holders of the Group for diluted EPS (c)	550.18
Weighted average number of shares outstanding during the year for diluted EPS (d)	3,07,29,866
Diluted Earning per share (in ₹) (c/d)	17.90
Reconciliation of basic and diluted shares used in computing earnings per share :	
Weighted average number of shares outstanding during the year for diluted EPS (b)	3,04,37,904
Add: Potential equity shares on employee stock options	2,91,962
Total weighted average number of shares outstanding during the year for diluted EPS (d)	3,07,29,866

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33 Financial instruments - fair values and risk management

Accounting classification and fair value

The following table shows the carrying amount and fair value of financial assets and financial liabilities including their level of fair value hierarchy:

Fair value hierarchy

The section explains the judgement and estimates made in determining the fair values of the financial instruments that are:

a) recognised and measured at fair value

b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the Indian Accounting Standard.

The following table shows the carrying amounts of financial assets and financial liabilities as at 31 March 2022:

(₹ in million)

Particulars	Carrying Amount	Fair Value			Total
	31 March 2022	Level 1	Level 2	Level 3	
Financial assets measured at amortised cost					
Loans (non-current and current)	3.31	-	-	-	-
Trade receivables	858.01	-	-	-	-
Cash and cash equivalents	159.54	-	-	-	-
Bank balance other than Cash and cash equivalents	65.19	-	-	-	-
Other financial assets (non-current and current)	63.24	-	-	-	-
Financial assets measured at fair value through profit or loss					
Investment in mutual funds	784.42	-	784.42	-	784.42
Total financial assets	**1,933.71**	**-**	**784.42**	**-**	**784.42**
Financial liabilities measured at amortised cost					
Lease liabilities	168.59	-	-	-	-
Borrowings	125.85	-	-	-	-
Trade payables	308.21	-	-	-	-
Other financial liabilities (non-current and current)	171.11	-	-	-	-
Total financial liabilities	**773.76**	**-**	**-**	**-**	**-**

Fair value hierarchy

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes investment in mutual funds. The fair values of investments in units of mutual fund are based on the Net Asset Value (NAV) as per the fund statement.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3

Fair valuation method

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values. Investments in mutual funds carried at fair value are generally based on the Net Asset Value (NAV) as per the fund statement at the reporting date.

Financial assets:

The Group has not disclosed the fair values for loans, trade receivables, cash and cash equivalents including other bank balances and other financial assets because their carrying amounts are a reasonable approximation of their fair value.

Current investments: Fair value of unquoted mutual funds units are based on the Net Asset Value (NAV) at the reporting date.

Financial liabilities:

Borrowing: It includes cash credit and bill discounting facilities (current borrowings). Current borrowings are classified and subsequently measured in the consolidated financial statements at amortised cost. Considering that the interest rate on current borrowings is reset on a periodic basis, the carrying amount of the current borrowings would be a reasonable approximation of its fair value.

Trade payables and other financial liabilities: Fair values of trade payables and other financials liabilities are measured at balance sheet date value, as most of them are satisfied within a short period and so their fair values are assumed almost equal to balance sheet date values.

34 Financial Risk Management

The Group's activities expose to a variety of financial risks: credit risk, liquidity risk and market risk.

Risk management

The Group's Board of Directors have overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and responsibilities.

The Group's Audit Committee overseas how management monitors compliance with the Group's risk management policies and procedures and reviews the adequecy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assissted in its oversite role by the internal auditor. Internal Audit function includes both regular and ah-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

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34 Financial Risk Management (continued)

(i) Credit Risk

Credit risk is the risk of financial loss to the Group, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and loans given. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Group assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors. The carrying amount of financial asset represents the maximum credit exposure.

Trade and other receivables

The maximum exposure to credit risk at the reporting date is primarily from trade receivables. However, the management also considers the factors that may influence the credit risk of its customer base. Customers of the Group are spread across diverse industries and geographical areas. The Group limits its exposure to credit risk from trade receivables by establishing a maximum credit period and takes appropriate measures to mitigate the risk of financial loss from defaults. Recurring credit evaluation of credit worthiness is performed based on the financial condition of respective customer.

Expected credit loss assessment for trade receivables as at 31 March 2022 is as follows:

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on past and the recent collection trend. The maximum exposure to credit risk as at reporting date is primarily from trade receivables as at 31 March 2022 amounting to ₹858.01 million. The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows.

(₹ in million)

Particulars	As at 31 March 2022
Balance as at the beginning of the year	1.27
Assumed in acquisition	2.32
Net measurement of loss allowance	(0.94)
Balance as at the end of the year	**2.65**

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

(₹ in million)

As at 31 March 2022	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	725.64	0.18%	1.28
0-90 days	123.89	0.33%	0.41
91-180 days	9.34	2.78%	0.26
181-270 days	1.02	8.82%	0.09
271-365 days	0.32	50.00%	0.16
> 365 days	0.45	100.00%	0.45
Balance as at the end of the year	**860.66**		**2.65**

(ii) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligation as they become due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. Management monitors rolling forecast of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. This is generally carried out by the management in accordance with practice and limits set by the Group.

In addition, the Group's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Financing arrangement

The Group maintains the following line of credit:

(i) The Group has availed bill discounting facility (with recourse) from banks and financial institutions which carries interest in the range of 5.95% p.a. to 10.00% p.a. and is payable within 45 days to 64 days from the date of discounting of bills.

The table below provides details regarding the contractual maturities of significant financial liabilities as at 31 March 2022. The amounts are gross and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements:

As at 31 March 2022

(₹ in million)

Particulars		Contractual cash flows			
	Carrying Amount	Total	0-1 year	1-3 years	3 years and above
Borrowings	125.85	125.85	125.85	-	-
Lease liabilities	168.59	257.26	27.77	83.31	146.18
Trade payables	308.21	308.21	308.21	-	-
Other financial liabilities	171.11	171.11	171.11	-	-

(iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and equity price risk as discussed below:

A) Currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the Group. The functional currency of the Group is primarily INR. The currencies in which these transactions are primarily denominated are USD, EUR etc.

Management monitors the movement in foreign currency and the Group's exposure in each of the foreign currency. Based on the analysis and study of movement in foreign currency, the Group decides to exchange its foreign currency.

34 Financial Risk Management (continued)

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to management is as follows:

(₹ in million)

Particulars	Currency	As at 31 March 2022	
		Amount in foreign currency	Amount in ₹
Trade receivables	USD	1.83	139.04
	EURO*	-	-
Trade payables	EURO*	-	0.08
Bank accounts - EEFC	USD	0.18	13.71
	EURO*	-	0.13
Creditors for capital goods	USD	0.08	6.35

* The amount's are less than ₹0.01 million / $0.01 million / €0.01 million and hence disclosed as (-)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD and EURO against INR at 31 March 2022 would have affected the measurement of financial instruments denominated in foreign currency and affected equity and profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

(₹ in million)

Particulars	Profit and loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2022				
USD (1% movement)	1.46	(1.46)	1.09	(1.09)
EURO (1% movement)	-	-	-	-

* The amount's are less than ₹0.01 million and hence disclosed as (-)

B) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's borrowings comprises of bill discounting which carries variable rate of interest, which expose it to interest rate risk.

(₹ in million)

Particulars	As at 31 March 2022
Variable rate borrowings	76.97

Sensitivity analysis

(₹ in million)

Particulars	Profit and loss		Equity, net of tax	
	25 basis points Increase	25 basis points Decrease	25 basis points Increase	25 basis points Decrease
31 March 2022				
Variable rate borrowings	0.19	(0.19)	0.14	(0.14)

35 Capital management

The Group's policy is to maintain stable and strong capital base structure with a focus on total equity so as to maintain investor, creditor and market confidence and to sustain future development and growth of the business. The Group monitors the return on capital as well as the level of dividends on its equity shares. The Group's objective when managing capital is to maintain an optimal structure so as to maximize shareholder value and safeguard its ability to continue as a going concern.

The Group monitors capital using a ratio of 'adjusted net debt' to equity'. For the purpose of Group's capital management, adjusted net debt is defined as short-term borrowings less cash and cash equivalent, bank balance other than cash and cash equivalents and current investments and total equity includes issued capital and all other equity reserves.

The Group's adjusted net debt equity ratio are as follows:

(₹ in million)

Particulars	As at 31 March 2022
Short-term borrowings	125.85
Less : Cash and cash equivalents and other bank balances	224.73
Less : Current Investments	784.42
Adjusted net debt	**(883.30)**
Total equity	3,604.71
Net Debt to Equity Ratio	-

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2022.

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36 Related Party Disclosure

(i) Name of related parties and description of relationship:

Holding Company	1. Evergraph Holdings Pte. Limited *(till 14 November 2021)* *
Entity having a significant influence	1. Evergraph Holdings Pte. Limited *(w.e.f. 15 November 2021)*
Key management personnel (KMP)	1. Mr. K.A. Joseph *(Managing Director and Shareholder)* 2. Mr. Sanjay Thapar *(Executive Director and Shareholder)* 3. Mr. Kazi Arif Uz Zaman *(Director)* 4. Mr. Vishal Sharma *(Director)* 5. Mr. Kevin Joseph *(Director) (w.e.f. 19 July 2021)* 6. Mr. Amit Kumar Garg (Chief Financial Officer) *(w.e.f. 12 July 2021 and till 4 March 2022)* 7. Mr. Thabraz Hushain. W *(Company secretary and compliance officer)*
Transaction with the parties in which directors are interested	1. Sanders Consulting Private Limited *(Shareholder)*
Relative of key management personnel	1. Mrs. Daisy Joseph *(Wife of Mr. K. A. Joseph)* 2. Ms. Nikita Joseph *(Daughter of Mr. K. A. Joseph)*

* During the year ended 31 March 2022, the Company has completed its Initial Public Offering (IPO) of 14,760,146 equity shares of face value of ₹10 each at a price of ₹542 per equity shares, consisting entire equity shares as an "offer for sale" by the Selling Shareholders. The Company has listed its equity shares on BSE and NSE on 15 November 2021. Out of which, Evergraph Holding Pte. Limited has sold 13,099,630 equity shares and reduced its shareholding to 34.83% from 77.86%. Accordingly, Evergraph Holdings Pte. Limited is no longer a holding company.

(ii) The following table is the summary of significant transactions with related parties by the Company:

(₹ in million)

Particulars	**Type of transaction**	**For the year ended 31 March 2022**
Evergraph Holdings Pte. Limited	Interim dividend paid*	86.51
Mr. K.A. Joseph	Interim dividend paid*	23.04
Mrs. Daisy Joseph	Interim dividend paid*	0.29
Sanders Consulting Private Limited	Interim dividend paid*	1.26
Mr. Kevin K Joseph	Interim dividend paid*#	-
Ms. Nikita Joseph	Interim dividend paid*#	-
Mr. Sanjay Thapar	Interim dividend paid*#	-
Evergraph Holdings Pte. Limited	IPO expenses incurred on behalf of	291.33
Mr. K. A. Joseph	IPO expenses incurred on behalf of	39.47

* Gross of Tax Deducted at Source

The amount's are less than ₹0.01 million and hence disclosed as (-)

(iii) Compensation of Key Management Personnel ('KMP')*

(₹ in million)

Particulars	**For the year ended 31 March 2022**
Mr. K.A. Joseph	26.53
Mr. Sanjay Thapar	26.53
Mr. Kevin K Joseph	0.84
Mr. Amit Kumar Garg	5.47
Mr. Thabraz Hushain	1.34

*As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to the directors are not included above. Further it does not include expenses accrued on account of ESOPs.

Terms and conditions

All transactions with these related parties are at arm's length basis.

(iv) Balance receivable from and payable to related parties as at the balance sheet date:

(₹ in million)

Particulars	**Type of transaction**	**As at 31 March 2022**
Evergraph Holdings Pte. Limited	IPO expenses recoverable*	1.86
K. A. Joseph	IPO expenses recoverable*	9.59

*The management of the Company, vide its board resolution dated 30 June 2021, passed a resolution to list the Company through "offer for sale of securities by certain shareholders". In accordance with this plan, the Company had filed its Draft Red Herring Prospectus (DRHP) on 28 July 2021. Subsequently, the Company got listed on NSE and BSE on 15 November 2021.

As per the arrangement with the Selling Shareholders, the expense related to "offer for sale" is agreed to be borne by the respective Shareholders in their selling shares ratio Accordingly, the entire expenses incurred has been recorded as a receivable (no charge to the statement of profit and loss).

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37 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows: *(₹ in million)*

Particulars	**For the year ended 31 March 2022**
Amount required to be spent by the Group during the year, #	13.16
Amount spent during the year	
- construction / acquisition of any asset	4.33
- on purpose other than above	8.83
Shortfall at the end of the year	-
Amount spent on account of previous year shortfall	
- construction / acquisition of any asset	-
- on purpose other than above	4.33
Total of previous years shortfall	-
Transaction with the related party	Nil
Movements in provisions	NA
Nature of CSR activity	Promoting education, Sanitation, Supporting Vulnerable communities during Covid, Rural development

The amount required to be spent by the Group for year ended 31 March 2022 is ₹13.16 million and the short spent will be determined at the end of the financial year.

38 Commitments and Contingent Liabilities

(₹ in million)

Particulars	**As at 31 March 2022**
i) Capital Commitments	
Estimated amounts of contracts remaining to executed on capital account and not provided for	39.17
ii) Contingent liabilities	
Guarantee deposits with banks	1.35
Goods and service tax [refer Note (a) below]	1.38
Claim towards freehold land [refer Note (b) below]	20.40

(a) The above amounts have been arrived at based on the notice of demand or the assessment orders, as the case may be, and the Group is contesting these claims with the respective authorities. Outflows including interest and other consequential payments, if any, arising out of these claims would depend on the outcome of the decisions of the appellate authorities and the Group's rights for future appeals before the judiciary. The Group doesn't expect any reimbursements in respect of the above contingent liabilities.

(b) The Group had purchased a freehold land of 37 guntas consisting of Schedule A (19 guntas) and Schedule B (17 guntas) in the year 2001. On transition to Ind AS, the Group has elected to fair value the freehold land as deemed cost at ₹278.10 million. The Group is in legal dispute with one of the female legal heir of the erstwhile owner of the freehold land for separate possession of 1/7 share of Schedule A of the freehold land. The above amount of ₹20.40 million has been arrived at basis 1/7 share of fair value of Schedule A of the freehold land, as the Group is contesting this claim in the court of law. Outflows and other consequential payments, if any, arising out of this claim would depend on the outcome of this dispute with the legal heir.

39 Employee Share based payment plan

a) Description of share-based payment plan

The 'SJS Enterprises - Employee Stock Option Plan 2021' ('SJS ESOP -2021') plan was approved by the shareholders at the extraordinary general meeting held on 14 July 2021 and subsequently by Nomination and remuneration committee vide their meeting held on 19 July 2021. The Plan entitles the employees with a right but not an obligation to purchase or subscribe at a future date the shares underlying the option at a pre-determined price, subject to compliance with vesting conditions; all exercised options shall be settled as provided under the SJS ESOP-2021 plan. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹263.86 each as per ESOP Offer letter.

The equity shares covered under these options vest at various dates over a period ranging from three to five years from the date of grant based on the length of service completed by the employee from the date of grant.

The exercise period is six months from the respective date of vesting or within thirty days from the resignation of employee whichever is earlier.

b) The reconciliation of the share options under the share option plan are as follows:

Particulars	**As at 31 March 2022**
Outstanding at the beginning of the year	-
Granted during the year	13,89,000
Forfeited during the year	-
Lapsed during the year	(1,89,500)
Exercised during the year	-
Outstanding at the end of the year	11,99,500
Exercisable at the end of the year	-

(i) The Company does not have any ESOP plan during the year ended 31 March 2021.
(ii) The options outstanding as at 31 March 2022 have an exercise price of ₹263.86 each.
(iii) The weighted average remaining contractual life is of 3.28 years

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c) The fair value per option is measured based on the Black-Scholes option pricing model, which is as below:

Measurement of fair value	Number of options	Range of fair value per option
As on 31 March 2022	11,99,500	₹53.46 to ₹68.74

d) The fair value per options mentioned above is calculated on the grant date using the Black-Scholes option pricing model with the following assumptions:

Assumptions	For the year ended 31 March 2022
Weighted average share price on the date of grant (₹)	263.86
Exercise Price (₹)	263.86
Risk free interest rate	5.18% to 5.96%
Dividend yield	1.52%
Expected volatility	18% to 21.06%
Expected life	3.50 years to 5.50 years

Total employee compensation cost pertaining to SJS ESOP - 2021 during the year is ₹13.95 million.

40 Assets and liabilities relating to employee benefits

(₹ in million)

Particulars	As at 31 March 2022
Prepaid gratuity	7.55
Total employee benefit assets	**7.55**
Non-current	7.55
Current	-

(₹ in million)

Particulars	As at 31 March 2022
Provision for compensated absence	1.78
Total employee benefit liabilities	**1.78**
Non-current	-
Current	1.78

The Group operates the following post-employment defined benefit plan

(a) Defined benefit plans (funded):

The Group operates post-employment defined benefit plan that provide gratuity, governed by the Payment of Gratuity Act,1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn salary per month computed proportionately for 15 days salary multiplied for the number of years of service or part thereof in excess of six months. The gratuity plan is a funded plan. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

These defined benefit plans expose the Group to actuarial risks., such as longevity risk, currency risk, interest rate risk and market (investment) risk.

A. Funding

Group's gratuity scheme for employees is administered through trusts. The funding requirements are based on the gratuity fund's actuarial measurement framework set out in the funding policies of the plan. The funding is based on a separate actuarial valuation for funding purposes for which the assumptions may differ from the assumptions set out in (E). Employees do not contribute to the plan.

B. Reconciliation of net defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for the net defined assets / liability and its components

Reconciliation of present value of the defined benefit asset

(₹ in million)

Particulars	As at 31 March 2022
Obligation at the beginning of the year	103.31
Current service cost	10.79
Interest cost	7.16
Benefits paid	(2.51)
Actuarial losses on obligations recognised in Other Comprehensive Income (OCI)	
Changes in financial assumption	0.37
Experience adjustment	0.69
Obligation at the end of the year	**119.81**
Reconciliation of present value of the plan assets	
Plan assets at the beginning of the year at fair value	112.89
Interest income on plan assets	8.15
Contributions	8.71
Mortality charges and taxes	(0.09)
Benefits paid	(2.60)
Return on plan assets excluding interest income recognised in OCI	0.30
Plan assets at the end of the year at fair value	**127.36**
Net defined benefit asset	**7.55**

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C. (i) Expense recognised in the statement of profit or loss

(₹ in million)

Particulars	For the year ended 31 March 2022
Current service cost	10.79
Interest cost	7.16
Interest income	(8.15)
Mortality charges and taxes	0.09
Net gratuity cost	**9.89**

(ii) Remeasurement recognised in other comprehensive Income

(₹ in million)

Particulars	For the year ended 31 March 2022
Actuarial loss on defined benefit obligation	1.06
Return on plan assets, excluding interest income	(0.30)
Total	**0.76**

D. Plan assets

(₹ in million)

Particulars	As at 31 March 2022
Insurance fund	127.36
	127.36

E. Defined benefit obligation

(i)Actuarial Assumption:

Particulars	As at 31 March 2022
Rate of return on plan assets	6.40% to 7.03%
Discounting rate	6.80% to 7.13%
Future salary growth	9.00% to 12.00%
Attrition rate	12.00% to 15.47%
Weighted average duration of Defined benefit obligation (in years)	6.84 years to 10.63 years
Retirement age	58 years

Notes:

(i) The discount rate is based on the prevailing market yield on Governmental Securities as at the balance sheet date for the estimate defined obligations.

(ii)The expected return on plan assets is determined considering several applicable factors mainly the composition of the plan assets held, assessed risk of asset management, historical results of the return on plan assets and the Group's policy for plan asset management.

(iii)The estimate of future salary increases considered in actuarial valuation takes in to account inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

(ii)Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

(₹ in million)

Particulars	As at 31 March 2022
Projected benefit obligation on Current assumption	119.81
Impact of change in discount rate by +1%	(8.56)
Impact of change in discount rate by -1%	9.75
Impact of change in salary rate by +1%	5.89
Impact of change in salary rate by -1%	(5.79)
Impact of change in employee turnover rate by +1%	(1.73)
Impact of change in employee turnover rate by -1%	1.92
Impact of change in mortality rate by +10%	(0.04)

E. Maturity profile of defined benefit obligation

The Defined benefit obligation shall mature after the year ended 31 March 2022 as follows:

(₹ in million)

Particulars	As at 31 March 2022
Year ended	
31 March 2023	14.98
31 March 2024	9.86
31 March 2025	10.13
31 March 2026	9.10
31 March 2027	7.27
After 31 March 2027	77.89

(b) Defined contribution plan:

The Group makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Group recognised ₹16.59 million towards defined contribution plan.

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41 Segment information

The Group is engaged in the business of manufacturing of decorative aesthetic products primarily for automotive, consumer durables and consumer appliance industry such as automotive dials, overlays, badges and logos, spare parts, assemblies, accessories of plastic and other materials. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by industry classes. All operating segments operating results are reviewed regularly by CODM to make decisions about resources to be allocated to the segments and assess their performance. CODM believes that these are governed by same set of risks and returns hence, CODM reviews them as one component. Further, the economic environment in which the Group operates is significantly similar and not subject to materially different risk and rewards. The revenues, total expenses and net profit as per the Statement of profit and loss represents the revenue, total expenses and net profit of the sole reportable segment.

A Geographical information

The geographical information analyses the Group's revenue from external customers and non - current assets of its single reportable segment by the Group's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customer and segment assets which have been based on the geographical location of the assets.

Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2022
Revenue from external customers	
India	3,230.48
Rest of the world	468.08
Total	**3,698.56**

Non current assets

All non – current assets other than financial instruments of the Group are located in India.

B Major customer

Following is the breakup of customer individually accounted for more than 10% of the revenue from external customers during the year ended 31 March 2022.

(₹ in million)

Particulars	For the year ended 31 March 2022
Customer A	678.80
Customer B	450.26
Total	**1,129.06**

42 Business combinations

a) The Group had entered into a Settlement and Termination agreement ('Agreement') dated 18 April 2018, and acquired the business of Delta Ram Enterprises, Sirisha Enterprises and SM Enterprises ('Selling parties') effective 1 May 2018 ('Acquisition date'). The Selling parties were earlier acting as sole selling agents of the Group and were providing end-to-end customer relationship and marketing services to the Group. The acquisition was made to gain the synergies of the business and the customers developed by the Selling parties and hence the management concluded this transaction to be a business combination as per Ind AS 103. Pursuant to this Agreement, the Group has acquired the business of the Selling parties for a total cash consideration of ₹100.00 million to be paid over a period of 2 years in 24 equal instalment effective 01 October 2018

The Group had conducted the fair valuation of the business on the date of acquisition and accordingly had recognised the following assets and liabilities at the Acquisition date

(₹ in million)

Particulars	Amount
Intangible assets	
Customer relationships	37.56
Non-compete	12.20
Total fair value of net assets acquired (A)	**49.76**
Fair value of purchase consideration (B)	**89.27**
Goodwill arising on acquisition (C) = (B-A)	**39.51**

The aforesaid goodwill is not deductible under Income Tax Act, 1961.

Impairment testing of Goodwill generated from business combination

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGU's.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Acquired business of Delta Ram Enterprises, Sirisha Enterprises and SM Enterprises has been merged with the Group and their individual performance cannot be identifiable. Hence, management considered these acquired business with the Company as single cash-generating unit

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows:

Particulars	As at 31 March 2022
Growth rate (%)	7%-10%
Operating margin (%)	32.00%-32.50%
Terminal growth (%)	5%
Discount rate (%)	13.20%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. As at 31 March 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units

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42 Business combinations and Business acquisition (continued)

b) The Group has entered into an agreement dated 11 March 2021 as amended on 01 April 2021, with Exotech Plastics Private Limited ("Exotech") and existing shareholders of Exotech to acquire the entire equity shares in Exotech. Exotech is engaged in the business of manufacturing and supply of automobile components and other components. The Group has paid ₹640.00 million as a consideration for acquisition and accordingly, Exotech has become a wholly owned subsidiary of the Group. The acquisition was made to enhance the Group's product portfolio, manufacturing capabilities, customer base and cross selling opportunities.

The Group has conducted the fair valuation of the business on the date of acquisition and accordingly have recognised the following assets and liabilities at the acquisition date. The acquisition date is 5 April 2022.

(₹ in million)

Particulars	Amount
Non-current assets	
Property, plant and equipment	161.81
Right-of-use assets	127.06
Intangible assets	0.02
Intangible assets recognised upon acquisition	
Customer relationship	39.00
Non-compete	13.00
Other non-current financial assets	9.89
Income tax assets (net)	0.42
Deferred tax assets (net)	6.54
Other Non-current assets	1.26
Current assets	
Inventories	112.50
Trade receivables	225.16
Cash and cash equivalents	111.23
Bank balance other than Cash and cash equivalents	13.60
Loans	0.55
Other current financial assets	0.36
Other assets	30.53
Total Assets (A)	**852.93**
Non-current liabilities	
Borrowings	(13.61)
Lease liabilities	(151.32)
Deferred tax on Intangibles arising on acquisition	(14.47)
Current liabilities	
Borrowings	(35.77)
Lease liabilities	(27.76)
Trade payables	(148.61)
Other financial liabilities	(11.19)
Income tax liability	(8.11)
Other current liabilities	(46.01)
Current provisions	(5.88)
Total Liabilities (B)	**(462.73)**
Total fair value of net assets acquired (C) = (A-B)	**390.20**
Goodwill arising on acquisition	
Purchase consideration transferred (D)	640.00
Total fair value of net assets acquired (E)	(390.20)
Goodwill (F) = (D-E)	**249.80**

The aforesaid goodwill is not deductible under Income Tax Act, 1961. The goodwill on acquisition can be attributable to the expected synergies of operations, cross selling opportunities and future revenue.

Impairment testing of Goodwill generated from business combination

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the CGU, which benefit from the synergies of the acquisition. The Group internally reviews the goodwill for impairment at the operating segment level, after allocation of the goodwill to CGU's.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Exotech Plastics Private Limited, a subsidiary of the Company, is operating independently and generating cash flows depending on its own assets or group of assets Hence, management considered its a separate cash-generating unit.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The fair value of a CGU is determined based on the market capitalization. Value-in-use is determined based on discounted future cash flows. The key assumptions used for the calculations are as follows:

Particulars	As at 31 March 2022
Growth rate (%)	7%-9%
Operating margin (%)	13.70%-14.00%
Terminal growth (%)	5%
Discount rate (%)	13.20%

The above discount rate is based on the Weighted Average Cost of Capital (WACC) of the Group. As at 31 March 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. Reasonable sensitivities in key assumptions is unlikely to cause the carrying amount to exceed the recoverable amount of the cash generating units

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43 Financial ratios

Particulars	Numerator	Denominator	For the year ended 31 March 2022
Current ratio (in times)	Total current assets	Total current liabilities	3.27
Debt – equity ratio (in times)	Debt, consisting of borrowing and lease liabilities	Total equity	0.08
Debt service coverage ratio (in times)	Earnings available for debt service	Debt service	14.54
Return on Equity (in %)	Net Profits for the year – Preference Dividend (if any)	Average total equity	15.26%
Inventory turnover ratio (in times)	Cost of goods sold	Average inventory	3.83
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.31
Trade payables turnover ratio (in times)	Net credit purchases	Average Trade Payables	5.07
Net capital turnover ratio (in times)	Revenue from operations	Working capital	2.23
Net profit ratio (in %)	Net profit for the year	Revenue from operations	14.88%
Return on capital employed (in %)	Profit before finance cost and taxes	Capital employed	19.24%
Return on investment (in %)	Realised and unrealised gain on investment	Average invested funds in mutual funds	1.16%

Note

Earnings available for debt service = Net Profit after taxes + Non-cash operating expenses + Finance cost + other non cash adjustments
Debt service = Interest and Lease Payments + Principal repayments
Working capital = Total current assets minus total current liabilities
Capital Employed = Tangible net worth + Lease liability + Deferred tax liability

44 No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45 Other statutory information :

i) The Group does not have any Benami property or any proceeding is pending against the Group for holding any Benami property.

ii) The Group does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

iii) The Group has not traded or invested in crypto currency or virtual currency during the financial year.

iv) The Group is not classified as wilful defaulter.

v) The Group doesn't have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as search or survey.

vi) The Group did not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.

vii) The Group does not have any investment property during the financial year.

viii) The Group has not granted any loans or advances in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act,2013), during the financial year which are repayable on demand or without specifying any terms or period of repayment.

46 Note on "Code on Social Security, 2020"

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment had released draft rules for the Code on Social Security, 2020 on November 13, 2020, and invited suggestions from stakeholders which are under consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified. The Group will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

47 Events after reporting period

Subsequent to the year end, the Group has entered into a Power Supply and Offtake Agreement ("PSOA") and Share Subscription and Shareholders' Agreement ("SSSHA") with Suryaurja Two Private Limited ("STPL"), and acquired 6,00,000 Equity Shares of STPL. The investment is made in order to qualify as a captive consumer in accordance with The

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the consolidated financial statements for the year ended 31 March 2022 other than stated above.

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Bangalore-560 071

S.J.S. Enterprises Limited
Bangalore

48 Additional information pursuant to para 2 of general instructions for the preparation of consolidated financial statements for the year ended 31 March, 2022

(₹ in million)

Name of the entity	Net assets, i.e., total assets minus total liabilities		Share in profit or (loss)		Share in Comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent Company S.J.S. Enterprises Limited (formerly known as S.J.S. Enetrprises Private Limited)	99.18%	3,575.44	94.26%	518.61	-379.17%	1.82	94.68%	520.43
Subsidiary Exotech Plastics Private Limited	10.80%	389.15	7.05%	38.78	479.17%	(2.30)	6.64%	36.48
Consolidation adjustments	-9.98%	(359.88)	-1.31%	-7.21	-	-	-1.32%	(7.21)
Total	**100.00%**	**3,604.71**	**100.00%**	**550.18**	**100.00%**	**(0.48)**	**100.00%**	**549.70**

49 The Company has acquired Exotech Plastics Private Limited ("Exotech") effective from 5 April 2021. With the acquisition of the Exotech, the Group has prepared its consolidated financial statement year ended 31 March 2022 for the first time. Since the acquisition was effective from 5 April 2021, consolidated financial statements for year ended 31 March 2021 is not applicable to the Group.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Umang Banka
Partner
Membership number: 223018
Place: Bengaluru
Date: 26 May 2022

for and on behalf of Board of Directors of
S.J.S. Enterprises Limited
(formerly known as S.J.S. Enterprises Private Limited)

K A Joseph
Managing Director
DIN : 00784084
Place: Bengaluru
Date: 26 May 2022

Sanjay Thapar
CEO and Executive Director
DIN : 01029851
Place: Bengaluru
Date: 26 May 2022

Thabraz Hushain. W
Company Secretary
PAN : ABVPW4613P
Place: Bengaluru
Date: 26 May 2022