B S R & Co. LLP
Chartered Accountants

Embassy Golf Links Business Park,
Pebble Beach, B Block, 3rd Floor,
No. 13/2, off Intermediate Ring Road,
Bengaluru 560 071 India
Tel: +91 80 4682 3000
Fax: +91 80 4682 3999

Independent Auditor's Report

To the Members of S.J.S Enterprises Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of S.J.S Enterprises Limited (the "Company") which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

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* Standalone *Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key Audit Matters

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

UB

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East), Mumbai - 400063

Revenue Recognition	
Refer note 2(a) to the standalone financial statements	
The key audit matter	**How the matter was addressed in our audit**
Revenue from sale of goods in the ordinary course is recognized 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 recognised primarily at the point in time when the goods are delivered to the customer. The Company and its external stakeholders focus on revenue as a key performance metric. Revenue recognition has been identified as a key audit matter as there could be incentives or external pressures to meet expectations resulting in revenue being overstated or recognized before the control has been 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, together with the IT specialists, tested the design, implementation and operating effectiveness of key controls over recognition of revenue. 3.On a sample basis, we tested the revenue transactions recorded during the year by verifying the underlying documents such as sales orders, contractual terms of the invoice and the delivery receipts. 4.We tested, on a sample basis, specific revenue transactions recorded before and after the financial year-end date to determine that revenue is recognised in the financial period in which control is transferred, based on the terms and conditions set out in sales orders, sales invoice and delivery receipts. 5.We scrutinised journal entries posted to revenue account, based upon specific risk based criteria, to identify unusual or irregular items.

Other Information

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

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

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

When we read the Company's 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.

UB

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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 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 standalone 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 Company's ability to continue as a going concern. 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 standalone 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 Company to cease to continue as a going concern.

UB

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

We communicate with those charged with governance 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone 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, we report 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.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

d. In our opinion, the aforesaid standalone 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 as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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 Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements.

b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

VB

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 45 to the standalone financial statements, 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 Company 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 Company 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, as disclosed in the note 45 to the standalone financial statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company 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 Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures performed that have been 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The Company has neither declared nor paid any dividend during the year.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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 by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. 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

Firm's Registration No.:101248W/W-100022

Umang Banka

Umang Banka

Partner

Place: Bengaluru

Date: 15 May 2023

Membership No.: 223018

ICAI UDIN:23223018BGXLRY8331

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of S.J.S Enterprises Limited for the year ended 31 March 2023

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of three years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year.For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in the firm and limited liability partnership. The Company has not granted any loans, secured or unsecured, to firms and limited liability partnership during the year. The Company has made investments in an associate and other parties during the year. The Company has given a loan to its wholly owned subsidiary and to other parties (employees) in respect of which the requisite information are given below.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loan to its wholly owned subsidiary and other parties (employees) as below:

UB

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of S.J.S Enterprises Limited for the year ended 31 March 2023 *(Continued)*

Particulars	Loans(Rs. in Million)
Aggregate amount of loan given during the year	
Wholly owned subsidiary	60.00
Others (employees)	11.55
Balance outstanding as at balance sheet date	
Wholly owned subsidiary	80.00
Others (employees)	2.97

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made during the year and the terms and conditions of the grant of loans are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantee or security or granted any advances in the nature of loans during the year.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of a loan given to its wholly owned subsidiary, in our opinion the repayment of principal and payment of interest has been stipulated however the same is not yet due. In case of loan given to other parties (employees) the repayment of principal has been regular. The loan given to other parties (employees) are interest free and hence there are no stipulation with respect to the payment of interest. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party during the year.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment. Further, the Company has not given any advances in the nature of loans to any party during the year.

(iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act"). In respect of the investments made and loan given by the Company, in our opinion the provisions of Section 186 of the Act have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have been generally regularly deposited by the Company with the appropriate authorities except GST on support services which is mentioned below.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable, except as mentioned below:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
The Central Goods and Service Tax Act, 2017	GST on support services	52,419,820	January to September 2022	Multiple	Yet to be paid	

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act,1961	Income Tax and interest	8,347,854	2009-2010	Deputy Commissioner, Income Tax, Bengaluru
The Income Tax Act,1961	Income Tax and interest	25,077,633	2014-15, 2017-18, 2018-19 and 2020-21	Commissioner of Income Tax (Appeals)

UB

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of S.J.S Enterprises Limited for the year ended 31 March 2023 *(Continued)*

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Ineligible input tax availed	3,431,271 (3,000,000)*	June 2006 to March 2009	Customs,Excise and Service Tax Appellate Tribunal, Bengaluru
The Central Goods and Service Tax Act, 2017	Ineligible input tax availed	2,002,862	2017-2018	Commissioner Appeals (GST)

* Amount mentioned in parenthesis represent payments made under protest.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) According to the information and explanations given to us by the management, the Company has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its wholly owned subsidiary or associate as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of S.J.S Enterprises Limited for the year ended 31 March 2023 *(Continued)*

information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

VB

Annexure A to the Independent Auditor's Report on the Standalone Financial Statements of S.J.S Enterprises Limited for the year ended 31 March 2023 *(Continued)*

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

For **B S R & Co. LLP**

Chartered Accountants

Firm's Registration No.:101248W/W-100022

Umang Banka

Partner

Membership No.: 223018

ICAI UDIN:23223018BGXLRY8331

Place: Bengaluru

Date: 15 May 2023

Annexure B to the Independent Auditor's Report on the standalone financial statements of S.J.S Enterprises Limited for the year ended 31 March 2023

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of S.J.S Enterprises Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control 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 and Board of Directors' Responsibilities for Internal Financial Controls

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the 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 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 Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to 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 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 financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control 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 standalone 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 Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to

Annexure B to the Independent Auditor's Report on the standalone financial statements of S.J.S Enterprises Limited for the year ended 31 March 2023 *(Continued)*

provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial controls with reference to 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
Firm's Registration No.:101248W/W-100022

Umang Banka

Umang Banka
Partner
Membership No.: 223018
ICAI UDIN:23223018BGXLRY8331

Place: Bengaluru
Date: 15 May 2023

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

(₹ in million)

	Note	As at 31 March 2023	As at 31 March 2022
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,341.53	1,387.06
Capital work-in-progress	3	5.49	1.91
Right-of-use assets	22	76.68	77.04
Goodwill	4, 42	39.51	39.51
Other Intangible assets	4	17.09	23.27
Financial Assets			
i. Investments	5	676.67	640.00
ii. Loans	6	80.00	20.00
iii. Other non-current financial assets	7	13.87	9.37
Income tax assets (net)	8	-	18.46
Other non-current assets	9	59.51	53.03
Total non-current assets		**2,310.35**	**2,269.65**
Current assets			
Inventories	10	319.85	279.67
Financial Assets			
i. Investments	5	1,351.03	784.42
ii. Trade receivables	11	551.11	586.99
iii. Cash and cash equivalents	12	56.95	48.12
iv. Bank balance other than Cash and cash equivalents	13	203.06	50.98
v. Loans	6	2.97	2.52
vi. Other current financial assets	7	57.88	43.20
Other current assets	9	31.30	46.02
Total Current assets		**2,574.15**	**1,841.92**
Total Assets		**4,884.50**	**4,111.57**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	14	304.38	304.38
Other Equity	15	3,876.97	3,271.06
Total Equity		**4,181.35**	**3,575.44**
Liabilities			
Non-current liabilities			
Financial Liabilities			
i. Lease liabilities	22	0.07	0.08
Deferred tax liabilities (net)	16	89.64	88.31
Total Non-current liabilities		**89.71**	**88.39**
Current liabilities			
Financial Liabilities			
i. Borrowings	17	191.14	76.97
ii. Lease liabilities	22	0.02	-
iii. Trade payables	18		
a) total outstanding dues of micro enterprises and small enterprises		102.67	65.75
b) total outstanding dues of creditors other than micro enterprises and small enterprises		101.83	77.26
iv. Other current financial liabilities	19	133.82	158.36
Income tax liability (net)	8	5.26	47.40
Other current liabilities	20	70.78	17.44
Provisions	21	7.92	4.56
Total Current liabilities		**613.44**	**447.74**
Total Liabilities		**703.15**	**536.13**
Total Equity and Liabilities		**4,884.50**	**4,111.57**

Significant accounting policies 2

See accompanying notes to the standalone 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: 15 May 2023

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	**Sanjay Thapar**	**Thabraz Hushain. W**	**Mahendra Kumar Naredi**
Managing Director	*CEO and Executive Director*	*Company Secretary*	*Chief Financial Officer*
DIN : 00784084	DIN : 01029851	PAN : ABVPW4613P	PAN : AEWPN9414M
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 15 May 2023	Date: 15 May 2023	Date: 15 May 2023	Date: 15 May 2023

S.J.S. Enterprises Limited *(formerly known as S.J.S. Enterprises Private Limited)*
Standalone Statement of Profit and Loss

	Note	For the year ended 31 March 2023	For the year ended 31 March 2022
			(₹ in million)
Income			
Revenue from operations	23	2,961.92	2,678.85
Other Income	24	85.27	34.16
Total Income		**3,047.19**	**2,713.01**
Expenses			
Cost of materials consumed	25	1,136.71	992.01
Changes in inventory of finished goods, work-in-progress and stores and spares	26	(38.67)	20.50
Employee benefits expense	27	453.30	409.12
Finance costs	28	6.72	4.84
Depreciation and amortization expense	29	164.05	154.13
Other expenses	30	538.12	437.90
Total Expenses		**2,260.23**	**2,018.50**
Profit before tax		**786.96**	**694.51**
Tax expense	31		
Current tax		195.48	180.12
Deferred tax charge / (credit)		3.62	(4.22)
Total tax expense		**199.10**	**175.90**
Profit for the year		**587.86**	**518.61**
Other Comprehensive (Expense) / Income			
Items that will not be reclassified subsequently to profit or loss			
Re-measurements of defined benefit plans	40	(9.12)	2.43
Income tax relating to items that will not be reclassified to profit or loss	31	2.29	(0.61)
Other Comprehensive (Expense) / Income for the year, net of tax		**(6.83)**	**1.82**
Total Comprehensive Income for the year		**581.03**	**520.43**
Earnings per equity share (face value of ₹10 each)			
Basic *(in ₹)*	32	19.31	17.04
Diluted (in ₹)	32	19.06	16.88

Significant accounting policies 2
See accompanying notes to the standalone 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: 15 May 2023

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

Thushain.W Naredi

K A Joseph	**Sanjay Thapar**	**Thabraz Hushain. W**	**Mahendra Kumar Naredi**
Managing Director	*CEO and Executive Director*	*Company Secretary*	*Chief Financial Officer*
DIN : 00784084	DIN : 01029851	PAN : ABVPW4613P	PAN : AEWPN9414M
Place: Bengaluru	Place: Bengaluru	Place: Bengaluru	Place: Bengaluru
Date: 15 May 2023	Date: 15 May 2023	Date: 15 May 2023	Date: 15 May 2023

S.J.S. Enterprises Limited ***(formerly known as S.J.S. Enterprises Private Limited)***
Standalone statement of cash flows

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	**786.96**	**694.51**
Adjusted for:		
Depreciation and amortization expense	164.05	154.13
Share based payments	23.20	13.95
Loss on sale and write off of property, plant and equipment, net	1.46	3.36
Interest income	(25.56)	(13.89)
Interest expense	6.72	4.84
Unrealised foreign exchange gain, net	0.52	(3.70)
Unrealised gain on current investment measured at fair value through profit or loss	(17.28)	(4.33)
Gain on sale of investments measured at fair value through profit or loss	(27.35)	(4.76)
Loss allowances on financial assets, net	(0.24)	(0.61)
Bad debt written off	0.29	0.92
Liabilities no longer required, written back	(0.01)	(0.70)
Operating cash flow before working capital changes	**912.76**	**843.72**
Adjustments for increase / decrease in operating assets and liabilities		
Changes in trade receivables	33.78	12.93
Changes in inventories	(40.18)	52.68
Changes in loans	(0.45)	(1.57)
Changes in current and non-current assets	22.05	(2.24)
Changes in current and non-current financial assets	(5.91)	(42.74)
Changes in trade payables	61.74	(108.81)
Changes in current and non current financial liabilities	(19.99)	0.18
Changes in provisions	(5.76)	(8.06)
Changes in current and non current liabilities	53.34	(9.23)
Cash generated from operations	**1,011.38**	**736.86**
Income tax paid, net of refund	(219.15)	(172.03)
Net cash generated from operating activities (A)	**792.23**	**564.83**
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(136.60)	(107.33)
Proceeds from sale of property, plant and equipment	1.23	0.42
Investment in mutual funds	(2,216.59)	(1,274.96)
Proceeds from sale of mutual funds	2,090.49	1,314.29
Investment in bonds, commercial papers and others	(721.06)	-
Proceeds from sale of commercial paper	300.00	-
Investment in term deposit	(150.00)	(1,108.79)
Proceeds from maturity of term deposits	-	1,217.75
Interest received on deposits	6.38	16.39
Inter corporate loan to wholly owned subsidiary (refer Note 36)	(60.00)	(20.00)
Acquisition of wholly owned subsidiary (refer Note 5)	-	(640.00)
Acquisition of shares in an associate enterprise (refer Note 5)	(6.00)	-
Net cash generated from investing activities (B)	**(892.15)**	**(602.23)**
Cash flow from financing activities		
Proceeds / (Repayment) of short-term borrowings, net	114.17	(15.10)
Dividend paid	-	(111.10)
Interest paid	(6.71)	(4.83)
Net cash generated from financing activities (C)	**107.46**	**(131.03)**
Net increase / (decrease) in Cash and cash equivalents (A+ B+ C)	7.54	(168.43)
Cash and cash equivalents at the beginning of the year	48.12	216.12
Effects of exchange rate gain on cash and cash equivalents	1.29	0.43
Cash and cash equivalents at the end of the year	**56.95**	**48.12**
Components of Cash and cash equivalents (refer Note 12)		
Cash in hand	0.30	0.16
Balance with banks		
- in current account	39.58	30.72
- in Exchange earner's foreign currency accounts	13.67	13.84
- Deposits with original maturity of less than 3 months	3.40	3.40
Cash and cash equivalents as per Balance Sheet	**56.95**	**48.12**

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

S.J.S. Enterprises Limited *(formerly known as S.J.S. Enterprises Private Limited)*
Standalone Statement of Cash Flows (continued)

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

(₹ in million)

Particulars	As at 1 April 2022	Cash flows	Non-cash movements	As at 30 March 2023
Short-term borrowings	76.97	114.17	-	191.14
Interest accrued but not due	-	(6.71)	6.71	-
Total liabilities from financing activities	**76.97**	**107.46**	**6.71**	**191.14**

(₹ in million)

Particulars	As at 1 April 2021	Cash flows	Non-cash movements	As at 31 March 2022
Short-term borrowings	92.07	(15.10)	-	76.97
Interest accrued but not due	-	(4.83)	4.83	-
Total liabilities from financing activities	**92.07**	**(19.93)**	**4.83**	**76.97**

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

Significant accounting policies *(refer Note 2)*
See accompanying notes to the standalone 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

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

Umang Banka
Partner

Membership number: 223018
Place: Bengaluru
Date: 15 May 2023

K A Joseph
Managing Director
DIN : 00784084
Place: Bengaluru
Date: 15 May 2023

Sanjay Thapar
CEO and Executive Director
DIN : 01029851
Place: Bengaluru
Date: 15 May 2023

Thabraz Hushain. W
Company Secretary
PAN : ABVPW4613P
Place: Bengaluru
Date: 15 May 2023

Mahendra Kumar Naredi
Chief Financial Officer
PAN : AEWPN9414M
Place: Bengaluru
Date: 15 May 2023

S.J.S. Enterprises Limited *(formerly known as S.J.S. Enterprises Private Limited)*
Standalone Statement of Changes in Equity

Equity Share capital

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening Balance	304.38	304.38
Changes in equity share capital	-	-
Closing balance	**304.38**	**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 2022	**8.85**	**13.95**	**39.41**	**3,212.53**	**(3.68)**	**3,271.06**
Profit for the year	-	-	-	587.86	-	587.86
Share based payment to employees	-	24.88	-	-	-	24.88
Other comprehensive income / (expense)	-	-	-	-	(6.83)	(6.83)
Total comprehensive income	-	**24.88**	-	**587.86**	**(6.83)**	**605.91**
Dividend paid during the year	-	-	-	-	-	-
As at 31 March 2023	**8.85**	**38.83**	**39.41**	**3,800.38**	**(10.51)**	**3,876.97**
As at 1 April 2021	**8.85**	-	**39.41**	**2,805.02**	**(5.50)**	**2,847.78**
Profit for the year	-	-	-	518.61	-	518.61
Share based payment to employees	-	13.95	-	-	-	13.95
Other comprehensive income / (expense)	-	-	-	-	1.82	1.82
Total comprehensive income	-	**13.95**	-	**518.61**	**1.82**	**534.38**
Dividend paid during the year	-	-	-	(111.10)	-	(111.10)
As at 31 March 2022	**8.85**	**13.95**	**39.41**	**3,212.53**	**(3.68)**	**3,271.06**

Significant accounting policies (*refer Note 2)*
See accompanying notes to the standalone 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

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

Umang Banka
Partner

Membership number: 223018
Place: Bengaluru
Date: 15 May 2023

K A Joseph
Managing Director
DIN: 00784084
Place: Bengaluru
Date: 15 May 2023

Sanjay Thapar
CEO and Executive Director
DIN: 01029851
Place: Bengaluru
Date: 15 May 2023

Thabraz Hushain. W
Company Secretary
PAN: ABVPW4613P
Place: Bengaluru
Date: 15 May 2023

Mahendra Kumar Naredi
Chief Financial Officer
PAN: AEWPN9414M
Place: Bengaluru
Date: 15 May 2023

1) Company overview

S.J.S. Enterprises Limited is a Company, incorporated and domiciled in India. 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 Company is engaged in the business of manufacturing of decorative aesthetic products primarily for automotive and consumer appliance industry such as automotive dials, overlays, badges and logos.

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.

a) Statement of Compliance and presentation

These standalone financial statements of the Company 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.

These standalone financial statements were approved by the Board of Directors of the Company in their meeting held on 15 May 2023.

b) Basis of preparation

The standalone 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 standalone financial statements have been prepared as a going concern on the basis of relevant Ind AS that are effective at the Company's reporting date, 31 March 2023.

c) Functional currency and presentation

These standalone financial statements are presented in Indian Rupees (INR), which is also the 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 standalone 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 standalone 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.

Assumptions, judgements and estimation:
Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2023 is included in the following notes:

- Note 2 (c) and Note 2 (d)- Useful life of property, plant and equipment and intangible assets;
- Note 2(g) and Note 2(h) – Valuation of investments
- Note 2 (i) - Impairment of financial assets
- Note 2 (m) - Measurement of defined benefit obligations: key actuarial assumptions.
- Note 2 (o) - Lease classification;
- Note 2 (q) - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources
- Note 34 - Financial instruments - fair values and risk management

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

e) Current and non-current classification

The Company 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 Company has identified twelve months as its operating cycle.

f) Fair value measurement

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company 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 Company 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 Company 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: financial instruments

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 Company expects to receive in exchange for those goods.

The Company 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 based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities. 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.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

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 Company 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 transaction price.

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 Company 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.

BSR & Co. LLP

S.J.S. Enterprises Limited
Bangalore

(b) Business combination

The Company 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.

(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 Company 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 standalone 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.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

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.

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

At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets (other than inventories, contract asset and deferred tax assets) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount 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.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, 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 estimates of future cash flows have not been adjusted.

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.

When an impairment loss subsequently reverses, 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. A reversal of impairment loss is recognized immediately in the statement of profit and loss.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

(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.

(f) Investment in subsidiaries

Investment in subsidiaries are shown at cost less impairment. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is transferred to the statement of profit and loss.

On disposal of investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of profit and loss.

(g) **Investment in associates**

Investment in associates is under the equity method. On initial recognition the investment in an associate is recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the investee's profit or loss is recognised in the investor's profit or loss.

(i) 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 Company 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.

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 Company 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.

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

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 Company 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 amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized 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 the statement of 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 the statement of profit and loss. Any gain or loss on derecognition is recognized in the statement of profit and 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 Company 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 Company determines whether there has been a significant increase in credit risk.

In accordance with Ind AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on financial assets, trade receivables. The application of simplified approach does not require the Company 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 Company 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 Company reverts to recognising impairment loss allowance based on 12 month ECL.

iii) Derecognition of financial assets
A financial asset is derecognized only when:
• the Company 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 Company has transferred an asset, the Company 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 Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company 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 Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

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 Company 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 Company 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 Company 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.

Financial guarantee contracts
Financial guarantee contracts issued by the Company 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.

(j) 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.

(k) Cash dividend to equity holders of the Company

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. 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 Company's Board of Directors.

(l) 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.

BSR & Co. LLP

UB

S.J.S. Enterprises Limited
Bangalore

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.

(m) 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 Company makes specified monthly contributions towards employee Provident Fund to Government administered Provident Fund Scheme which is a defined contribution plan. The Company'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 Company'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.

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 Company'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 Company 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 Company 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.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

(v) Share-based payment transactions
The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and Company's estimate of equity instruments that will vest. That cost is recognized, together with a corresponding increase in share-options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense.

(n) 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.

(o) Leases

The Company 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.

Company as a lessee
The Company 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 Company 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..

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 Company 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.

(p) 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 standalone 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 Company 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.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

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 Company 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 Company 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.

(q) Provisions and Contingent Liabilities

(i) Provisions
Provisions are recognised when the Company 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 Company 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.

(r) Earnings per share

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

Diluted earnings per share is computed by dividing the net profit by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. 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.

(s) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM). The Company 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.

(t) 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 Company are segregated.

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

(u) Recent 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. MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2023, as below:

IND AS 1 – Presentation of financial statement
The amendment specifies Companies to disclose material accounting policies rather than their significant accounting policies since the accounting policy information, together with other information is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.
The Company does not expect the amendment to have any significant impact in its financial statements.

IND AS 8, Accounting policies, Change in accounting estimates and Errors
The amendment has replaced the definition of "change in account estimate " with revised definition of "accounting estimate".
The Company does not expect the amendment of change in definition to have any significant impact in its financial statements.

IND AS 12, Income Taxes
The amendment has narrowed the scope of Initial recognition exemption (IRE) which now does not apply to transactions that give rise to equal and offsetting temporary differences. Accordingly, the Companies will need to recognize a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of lease and decommissioning provision.
The Company does not expect the amendment to have any significant impact in its financial statements.

BSR & Co. LLP

S.J.S. Enterprises Limited
Bangalore

S.J.S. Enterprises Limited *(formerly known as S.J.S. Enterprises Private Limited)*
Notes to the standalone financial statements

3 Property, Plant and Equipment and Capital Work-in-Progress

(₹ in million)

Particulars	Freehold Land	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	-	2.82	24.39	76.42	3.36	7.59	0.65	12.01	**127.24**	1.91
Deletions	-	-	-	(6.74)	-	(0.03)	-	-	**(6.77)**	-
Capitalised	-	-	-	-	-	-	-	-	-	(42.52)
As at 31 March 2022	**278.10**	**510.63**	**158.82**	**1,051.36**	**31.40**	**23.79**	**45.94**	**49.58**	**2,149.62**	**1.91**
Additions	-	0.93	-	79.43	2.55	14.20	2.22	13.65	**112.98**	5.49
Deletions	-	-	-	(1.52)	-	(1.67)	(3.23)	(4.70)	**(11.12)**	
Capitalised	-	-	-	-	-	-	-	-	-	(1.91)
As at 31 March 2023	**278.10**	**511.56**	**158.82**	**1,129.27**	**33.95**	**36.32**	**44.93**	**58.53**	**2,251.48**	**5.49**
Accumulated depreciation										
As at 31 March 2021	-	**65.48**	**37.49**	**458.50**	**8.88**	**12.38**	**26.33**	**11.07**	**620.13**	-
Depreciation for the year	-	16.07	13.61	98.61	2.34	2.84	6.50	5.45	**145.42**	-
Depreciation on deletions	-	-	-	(2.96)	-	(0.03)	-	-	**(2.99)**	-
As at 31 March 2022	-	**81.55**	**51.10**	**554.15**	**11.22**	**15.19**	**32.83**	**16.52**	**762.56**	-
Depreciation for the year	-	16.12	15.41	104.47	2.61	4.81	6.51	5.92	**155.85**	-
Depreciation on deletions	-	-	-	(0.33)	-	(1.58)	(3.07)	(3.48)	**(8.46)**	-
As at 31 March 2023	-	**97.67**	**66.51**	**658.29**	**13.83**	**18.42**	**36.27**	**18.96**	**909.95**	-
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**	**429.08**	**107.72**	**497.21**	**20.18**	**8.60**	**13.11**	**33.06**	**1,387.06**	**1.91**
As at 31 Marrch 2023	**278.10**	**413.89**	**92.31**	**470.98**	**20.12**	**17.90**	**8.66**	**39.57**	**1,341.53**	**5.49**

Note (i)

(a) The ageing information for capital work in progress for the year ended 31 March 2023 and 31 March 2022 are 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 2023					
Projects in progress	5.49	-	-	-	5.49
Projects temporarily suspended	-	-	-	-	-
	5.49	-	-	-	5.49
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 the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), are held in the name of the company.

4 Other Intangible assets

(₹ in million)

Particulars	Goodwill * (A)	Other intangible assets: Software	Technical Know-how	Customer relationship*	Non-compete fees*	Total (B)	Total (A+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	-	5.64	-	-	-	5.64	5.64
As at 31 March 2022	39.51	29.06	2.92	37.56	12.20	81.74	121.25
Additions	-	1.70	-	-	-	1.70	1.70
Deletions	-	(0.70)	-	-	-	(0.70)	(0.70)
As at 31 March 2023	39.51	30.06	2.92	37.56	12.20	82.74	122.25
Accumulated amortization							
As at 31 March 2021	-	19.69	2.92	15.66	11.85	50.12	50.12
Amortization for the year	-	2.64	-	5.37	0.34	8.35	8.35
As at 31 March 2022	-	22.33	2.92	21.03	12.19	58.47	58.47
Amortization for the year		2.47	-	5.37	-	7.84	7.84
Amortization on deletions	-	(0.66)	-	-	-	(0.66)	(0.66)
As at 31 March 2023	-	24.14	2.92	26.39	12.19	65.65	65.65
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	39.51	6.73	-	16.53	0.01	23.27	62.78
As at 31 March 2023	39.51	5.91	-	11.17	0.0	17.09	56.60

**Refer note 42*

(a) 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 Company is expected to benefit from the synergies of the business acquisition and the Company is considered as a single CGU. The fair value of a CGU is determined based on the market capitalization of the Company.
As of 31 March 2023 and 31 March 2022, the estimated recoverable amount of the CGU exceeded its carrying amount, hence no impairment is triggered.

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

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

5 **Investments**

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Non current		
Carried at cost		
Investment in equity instruments of subsidiary - Unquoted		
28,00,000 (31 March 2022: 28,00,000) fully paid up equity shares of Exotech Plastics Private Limited [refer Note (a)]	640.00	640.00
Investment in equity instruments of associate - Unquoted		
6,00,000 (31 March 2022: Nil) fully paid up equity shares of Surya Urja Two Private Limited [refer Note (b)]	6.00	-
Unquoted- carried at amortized cost		
Investment in bonds	30.67	-
Total	**676.67**	**640.00**
Current		
Carried at fair value through profit or loss (FVTPL)		
Investment in mutual funds - Unquoted*	955.13	784.42
Unquoted- carried at amortized cost		
Investment in bonds, commercial papers and others	395.90	-
Total	**1,351.03**	**784.42**

Particulars	As at 31 March 2023	As at 31 March 2022
Investment in mutual fund - Unquoted		
142,039.52 units (31 March 2022: 206,080.20 units) in Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	51.11	70.16
Nil units (31 March 2022: 344,428.24 units) in Aditya Birla Sun Life Savings Fund - Growth - Regular Plan	-	151.66
11,032.57 units (31 March 2022: 23,245.42 units) in DSP Liquidity Fund - Regular Plan - Growth	35.17	70.15
Nil units (31 March 2022: 23,468.20 units) in Kotak Liquid Fund - Regular Plan - Growth	-	100.42
Nil units (31 March 2022: 17,478.91 units) in Nippon India Liquid Fund - Growth	-	90.27
37,893.08 units (31 March 2022: 18,692.95 units) in Tata Money Market Fund - Regular Plan - Growth	151.42	70.77
Nil units (31 March 2022: 21,048.29 units) in Tata Liquid Fund - Regular Plan - Growth	-	70.16
Nil units (31 March 2022: 45,197.78 units) in Tata Overnight Fund - Regular Plan - Growth	-	50.53
Nil units (31 March 2022: 1,926,537.46 units) in SBI Short Term Debt Fund - Regular Plan - Growth	-	50.18
14,666,150.63 units (31 March 2022: Nil units) in Aditya Birla Sun Life CRISIL IBX AAA - Jun 2023 Index Fund - Regular Growth	154.11	-
17,172.63 units (31 March 2022: Nil units) in SBI Liquid Fund - Regular Growth	60.04	-
2,228,040.87 units (31 March 2022: Nil units) in DSP Savings Fund - Regular Plan - Growth	99.96	-
43,386.85 units (31 March 2022: Nil units) in Axis Money Market Fund - Direct Growth	52.83	-
6,212,481.38 units (31 March 2022: Nil units) in HDFC Ultra Short Term Fund - Regular Growth	80.28	-
46,703.26 units (31 March 2022: Nil units) in Nippon India Money Market Fund - Growth	164.05	-
Nil units (31 March 2022: 366,439.10 units) in SBI Arbitrage Opportunities Fund - Regular Plan - Growth	-	10.00
Nil units (31 March 2022: 3,096,338.10 units) in Axis Arbitrage Fund - Direct Growth	-	50.12
27,913.51 units (31 March 2022: Nil units) in Kotak Money Market Fund - Regular Plan - Growth	106.16	-
Aggregate amount of unquoted investment and market value, thereof	**955.13**	**784.42**

(a) During the year ended 31 March 2022, the Company had entered into an agreement with Exotech Plastics Private Limited ("Exotech") and existing shareholders of Exotech to acquire the entire equity shares. Exotech is engaged in the business of manufacturing and supply of automobile components and other components. The Company has paid ₹640.00 million as a consideration for acquisition and accordingly, Exotech has become a wholly owned subsidiary of the Company, effective from 5 April 2021.

(b) During the year ended 31 March 2023, the Company 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 for a consideration of ₹6 million . STPL is engaged in the business of power generation from renewable sources for captive consumption. The investment is made in order to qualify as a captive consumer in accordance with The Electricity Act, 2003.

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

6 **Loans**
Carried at amortised cost

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Loan to related party [refer Note 36 and 43]	80.00	20.00
Total	**80.00**	**20.00**
Current		
Unsecured, considered good		
Loans to employees	2.97	2.52
Total	**2.97**	**2.52**

BSR & Co. LLP
UB

S.J.S. Enterprises Limited
SJS
★Bangalore★

7 Other financial assets

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Non-current		
Unsecured, considered good		
Security deposit	9.14	9.15
Interest accrued but not due [refer Note 36]	2.95	0.12
Margin money deposits*	0.10	0.10
ESOP expenses receivable [refer note 36]	1.68	-
Total	**13.87**	**9.37**
Current		
Unsecured, considered good		
Security deposit**	0.35	30.35
Interest accrued on fixed deposit	9.32	0.55
Export incentives receivables	0.30	0.85
IPO Expenses Receivables [refer Note 36]	-	11.45
Expense reimbursable receivable [refer Note 36]	47.91	-
Total	**57.88**	**43.20**

* Margin money provided as guarantee for Gurgaon Warehouse to Value Added Tax and Central Sales Tax Department.
** Includes a deposit of Nil as on 31 March 2023 (₹30.00 million as on 31 March 2022) to National Stock Exchange of India Limited on account of initial public offerings.

8 Income tax assets and liabilities (net)

(₹ in million)

Particulars	As at 31 March 2023	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	5.26	47.40

a) The gross movement in the income tax (liability) / asset for the year ended 31 March 2022 and 31 March 2023 is as follows:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Net income tax (liability) / asset at the beginning of the year	(28.94)	(20.85)
Current income tax expense	(195.48)	(180.12)
Income tax paid (including interest)	219.15	172.03
Others	0.01	-
Net income tax liability at the end of the year	**(5.26)**	**(28.94)**

9 Other assets

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Non - current		
Unsecured, considered good		
Capital advances	34.52	20.72
Other advances		
- Prepaid gratuity [refer Note 40]	-	11.50
Prepaid expenses	0.81	0.66
Contract acquisition costs	13.61	9.58
Receivables from government authorities [refer Note (a) below]	10.57	10.57
	59.51	53.03
Unsecured, considered doubtful		
Indirect tax paid under protest	3.00	3.00
Less: Provision	(3.00)	(3.00)
	-	-
Receivables from government authorities	4.84	4.84
Less: Provision [refer Note (a) below]	(4.84)	(4.84)
	-	-
Total	**59.51**	**53.03**
Current		
Unsecured, considered good		
Balances with government authorities	2.50	22.40
Prepaid expenses	6.02	5.83
Contract acquisition costs	5.84	6.21
Advance to suppliers	16.67	8.87
Other advances		
- Prepaid compensated absences (refer Note 40)	-	2.25
Others	0.27	0.46
Total	**31.30**	**46.02**

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 Company 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.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

10 Inventories (Valued at lower of cost or net realizable value)

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Raw materials [refer Note (a) and (b) below]	141.68	140.17
Work-in-progress	35.37	30.20
Finished goods [refer Note (b) below]	136.88	102.85
Stores and spares	5.92	6.45
Total	**319.85**	**279.67**

(a) Including goods in transit as on 31 March 2023 ₹17.10 million (31 March 2022 : ₹17.86 million)

(b) Value of inventories above is stated after provisions ₹59.89 million (31 March 2021 : ₹56.22 million) for write-downs to net realisable value and provision for slow-moving and obsolete items.

11 Trade receivables

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Unsecured and Undisputed		
Considered good	551.53	587.65
Less: Provision for impairment allowance	(0.42)	(0.66)
Net trade receivables	**551.11**	**586.99**

(i) The Company's exposure to credit and currency risk and loss allowances related to trade receivables has been disclosed in Note 34.
(ii) Trade receivables include due from companies in which any director of the Company is a director or member [Refer note 36]

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Private companies in which any director of the Company is a director or member		
Exotech Plastics Private Limited	5.08	0.27

(iii) Ageing for trade receivables:

(₹ in million)

Particulars	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 2023							
i) Undisputed trade receivable - considered good	470.10	79.72	1.71	-	-	-	**551.53**
ii) Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
iv) Disputed trade receivable - considered good	-	-	-	-	-	-	-
v) Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Total	**470.10**	**79.72**	**1.71**	-	-	-	**551.53**
31 March 2022							
i) Undisputed trade receivable - considered good	502.84	84.47	0.34	-	-	-	**587.65**
ii) Undisputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed trade receivable - credit impaired	-	-	-	-	-	-	-
iv) Disputed trade receivable - considered good	-	-	-	-	-	-	-
v) Disputed trade receivable - which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed trade receivable - credit impaired	-	-	-	-	-	-	-
Total	**502.84**	**84.47**	**0.34**	-	-	-	**587.65**

(iv) There are no unbilled trade receivables as on each reporting date.

12 Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Balances with banks:		
- in current accounts	39.58	30.72
- in Exchange earner's foreign currency accounts	13.67	13.84
- Deposits with original maturity of less than 3 months	3.40	3.40
Cash in hand	0.30	0.16
Total	**56.95**	**48.12**

13 Bank balance other than Cash and cash equivalents

(₹ in million)

Particulars	As at 31 March 2023	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)*	203.06	50.98
Total	**203.06**	**50.98**

* Includes a deposit of Nil as on 31 March 2023 (₹ 50 million as on 31 March 2022) provided to bank against bank guarantee.

S.J.S. Enterprises Limited

14 Equity Share capital

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Authorised		
Equity shares		
35,000,000 (31 March 2022: 35,000,000) equity shares of ₹10 each	350.00	350.00
Total	**350.00**	**350.00**

Issued, subscribed and fully paid-up shares

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Equity share		
30,437,904 (31 March 2022 : 30,437,904) equity shares of ₹10 each, fully paid up	304.38	304.38
Total	**304.38**	**304.38**

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

(₹ in million)

Particulars	As at 31 March 2023		As at 31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares				
At the beginning of the year	30,437,904	304.38	30,437,904	304.38
Issued during the year	-	-	-	-
At the end of the year	**30,437,904**	**304.38**	**30,437,904**	**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) During the year ended 31 March 2022, the Company had 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 haD 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.

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

Particulars	As at 31 March 2023		As at 31 March 2022	
	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. Limited	10,600,370	34.83%	10,600,370	34.83%
K. A. Joseph	4,651,244	15.28%	4,651,244	15.28%
Axis Mutual Fund	1,377,351	4.53%	2,156,994	7.09%

(e) The Company has neither allotted any shares as fully paid up pursuant to contracts without payments being received in cash or by way of bonus shares nor bought back any shares for the period of five years immediately preceding 31 March 2023.

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

Particulars	As at 31 March 2023		As at 31 March 2022		% 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.	10,600,370	34.83%	10,600,370	34.83%	0.00%
K. A. Joseph	4,651,244	15.28%	4,651,244	15.28%	0.00%

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

15 Other Equity

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Securities premium account [refer Note (a) below]	39.41	39.41
Retained earnings [refer Note (b) below]	3,800.39	3,212.53
General reserve [refer Note (c)] below]	8.85	8.85
Share option outstanding account [refer Note 39 and refer Note (d) below]	38.83	13.95
Other comprehensive income [refer Note (e) below]	(10.51)	(3.68)
Total	**3,876.97**	**3,271.06**

Nature and purpose of other reserves

a) Securities premium account:

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 2023	As at 31 March 2022
Opening balance	39.41	39.41
Increase during the year	-	-
Closing balance	**39.41**	**39.41**

b) Retained earnings:

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	3,212.53	2,805.02
Profit for the year	587.86	518.61
Dividend paid	-	(111.10)
Closing balance	**3,800.39**	**3,212.53**

During the year ended 31 March 2023, the Company has not declared or paid any dividend. During the year 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 Company. General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes.

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	8.85	8.85
Increase during the year	-	-
Closing balance	**8.85**	**8.85**

d) Share option outstanding account:

The Company 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 2023	As at 31 March 2022
Opening balance	13.95	-
Increase during the year [refer Note 39]	24.88	13.95
Closing balance	**38.83**	**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 2023	As at 31 March 2022
Remeasurement of net defined benefit liability or asset		
Opening balance	(3.68)	(5.50)
Increase during the year	(6.83)	1.82
Closing balance	**(10.51)**	**(3.68)**

BSR & Co. LLP

UB

S.J.S. Enterprises Limited
Bangalore

16 Deferred tax liabilities (net)*

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities		
Property, plant and equipment and intangible assets	118.07	125.54
Contract acquisition cost	4.90	3.97
Prepaid gratuity	-	2.89
Prepaid compensated absences	-	0.57
Others	4.28	1.09
Total deferred tax liabilities (A)	**127.25**	**134.06**
Deferred tax assets		
Provision for inventory obsolescence	15.07	14.15
Provision for compensated absences	0.28	-
Provision for gratuity	0.79	-
Discount payable and provision for sales returns and claim	19.37	20.56
Provision for bonus	-	5.37
Lease liability	0.02	0.02
Loss allowances on financial assets, net	0.11	0.17
Others	1.97	5.48
Total deferred tax assets (B)	**37.61**	**45.75**
Net deferred tax liabilities (A-B)	**89.64**	**88.31**

**Refer Note 31(d)*

17 Borrowings

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Secured loan		
Loan from bank repayable on demand		
Working capital demand loan [refer Note (b) below]	120.00	-
Unsecured loan		
From bank		
Bill discounting facility from bank [refer Note (a) below]	71.14	76.97
Total current borrowings	**191.14**	**76.97**

(a) The Company has availed bill discounting facility (with recourse) from State Bank of India which carries interest in the range of 6.48% to 10.11% per annum (31 March 2022: 5.95% to 6.75% per annum) and is payable within 45 days from the date of discounting of bills.

(b) The Company has availed woking capital demand loan from Citi Bank which carries interest of 1 month treasury bill + 175 basis points per annum (31 March 2022: Nil).
(c) Information about the Company's exposure to interest rate, foreign currency and liquidity risks is included in Note 34

(d) The Company is filing monthly statement of inventories and trade receivables for cash credit facility and working capital demand loan. The below is summary of quarterly reconciliation of statement filed to the banks and books of accounts :

For the period 1 April 2022 to 31 March 2023 (₹ 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
Citi Bank	31 March 2023	Inventory	319.85	319.85	-	-
		Trade receivables	551.11	550.99	0.12	No material variance
Citi Bank	31 December 2022	Inventory	341.52	341.52	-	-
		Trade receivables	500.74	500.74	-	-
Citi Bank	30 September 2022	Inventory	347.67	347.63	0.04	No material variance
		Trade receivables	635.76	635.45	0.31	No material variance
Citi Bank	30 June 2022	Inventory	315.89	315.89	0.00	-
		Trade receivables	609.82	609.44	0.38	No material variance

BSR & Co. LLP
UB

S.J.S. Enterprises Limited
Bangalore

17 Borrowings (continued)

For the period 1 April 2021 to 31 March 2022

(₹ 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
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)	The 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.

18 Trade payables

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Total outstanding dues of micro enterprises and small enterprises [refer Note (ii) below]	102.67	65.75
Total outstanding dues of creditors other than micro enterprises and small enterprises	101.83	77.26
Total	**204.50**	**143.01**

Terms and conditions of above trade payables:

(i) For explanation of Company's credit risk management - refer Note 34

(ii) Disclosure required under section 22 of Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006)

(₹ in million)

Particulars	As at 31 March 2023	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	102.25	65.33
- Interest	0.42	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	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 Company based on the information available with the Company in respect of the registration status of its vendors / suppliers.

(iii) Ageing for trade payables:

(₹ 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 2023							
Micro enterprises and small enterprises	-	102.25		0.42	-	-	**102.67**
Creditors other than micro enterprises and small enterprises	15.42	79.02	6.87	0.52	-	-	**101.83**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**15.42**	**181.27**	**6.87**	**0.94**	-	-	**204.50**
31 March 2022							
Micro enterprises and small enterprises	-	64.67	1.08	-	-	-	**65.75**
Creditors other than micro enterprises and small enterprises	8.21	67.73	1.32	-	-	-	**77.26**
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
Total	**8.21**	**132.40**	**2.40**	-	-	-	**143.01**

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

19 Other financial liabilities

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Others		
Employee related liabilities	56.04	33.93
Capital creditors	4.53	9.09
Discount Payable	73.25	77.13
IPO Expenses payable [refer Note 36]	-	38.21
Total	**133.82**	**158.36**

Information about the Company'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 2023	As at 31 March 2022
Current		
Statutory liabilities	69.21	16.06
Advance from customers	1.57	1.38
Total	**70.78**	**17.44**

21 Provisions

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current		
Provision for gratuity [refer Note 40]	3.12	-
Provision for compensated absence	1.11	-
Provision for sales return*	3.69	4.56
Total	**7.92**	**4.56**

*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 other provisions for the year ended 31 March 2023

(₹ in million)

Particulars	As at 01 April 2022	Provision made during the year	Provision utilised during the year	Provision reversed during the year	As at 30 March 2023
Provision for sales return	4.56	3.69	(4.05)	(0.51)	3.69
	4.56	**3.69**	**(4.05)**	**(0.51)**	**3.69**

Movement in other provisions for the year ended 31 March 2022

(₹ in million)

Particulars	As at 01 April 2021	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	4.56	(4.65)	(5.76)	4.56
Total	**12.62**	**4.56**	**(6.52)**	**(6.10)**	**4.56**

S.J.S. Enterprises Limited * Bangalore *

22 Leases

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

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Right of use assets – land	76.68	77.04
Lease liabilities		
Non-current	0.07	0.08
Current	0.02	-

When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at date of commencement of lease. The weighted-average rate considered is 8.30% p.a.

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

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Opening balance	77.04	77.40
Depreciation charge for the year	(0.36)	(0.36)
Closing balance	**76.68**	**77.04**

Lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Balance at the beginning	0.08	0.11
Interest on lease liabilities	0.01	0.01
Payment of lease liabilities	-	(0.04)
Closing balance	**0.09**	**0.08**

Carrying amount of lease liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
Lease liabilities - current	0.02	-
Lease liabilities - non current	0.07	0.08
Total	**0.09**	**0.08**

The Company has certain warehouse and guest house on lease with contract terms of less than one year. These leases are classified as short-term. The Company 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 2023	For the year ended 31 March 2022
Interest on lease liabilities	0.01	0.01
Depreciation of right of use assets	0.36	0.36
Expenses relating to short-term leases	4.75	3.91
Total	**5.12**	**4.28**

Amounts recognised in statement of cashflows:

During the year, the Company had no cash inflow / outflow related for right-of-use asset.

During the year, for lease including cash outflow of short-term leases, the Company had a cash outflow of ₹4.75 million (31 March 2022: ₹3.91 million).

The table below provides details regarding the undiscounted contractual maturities of lease liabilities as at 31 March 2023 and 31 March 2022.

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Less than one year	0.02	0.01
one to five years	0.03	0.03
more than five years	0.40	0.41
Total	**0.45**	**0.45**

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

23 Revenue from operations

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue from contract with customers		
Sale of products	2,941.07	2,644.63
Sale of services	12.56	26.65
Other operating revenues:		
Export incentive benefit	3.56	2.56
Scrap sales	4.73	5.01
Revenue from operations	**2,961.92**	**2,678.85**

(a) **Disaggregate revenue information**

(i) Disaggregation by Primary geographical markets	For the year ended 31 March 2023	For the year ended 31 March 2022
Exports:		
Sale of products	309.18	452.15
Sale of services	5.90	13.37
Domestic:		
Sale of products	2,631.89	2,192.47
Sale of services	6.66	13.29
Total	**2,953.63**	**2,671.28**

(ii) **Disaggregation by timing of revenue recognition**

Revenue from contract with customers		
Goods or services transferred at point in time	2,953.63	2,671.28
Goods or service transferred over time	-	-
Other operating revenues:		
Goods or services transferred at point in time	8.29	7.57
Goods or service transferred over time	-	-
Total	**2,961.92**	**2,678.85**

(b) **Reconciliation of revenue recognised in the statement of profit and loss with the contracted price**

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Revenue as per contract price	2,982.12	2,662.10
Addition / Reduction towards discount (net)	(11.08)	1.60
Adjustment / Reduction towards sales return (net)	(29.97)	(19.07)
Revenue from contract with customers	**2,941.07**	**2,644.63**

(c) **Contract balances**

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Trade receivables	551.11	586.99
Advance from customers	(1.57)	(1.38)

24 Other Income

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income:		
on deposits with bank	2.62	13.47
on others	22.94	0.42
Other non-operating income:		
Gain on current investment measured at fair value through profit or loss	17.28	4.33
Gain on sale of current investments measured at fair value through profit or loss, net	27.35	4.76
Net gain on foreign currency transactions	14.96	10.28
Miscellaneous income	0.12	0.90
Total	**85.27**	**34.16**

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

25 Cost of material consumed

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Inventory of materials at the beginning of the year#	140.17	172.35
Add: Purchases during the year*	1,138.22	959.83
Less: Inventory of materials at the end of the year#	141.68	140.17
Total	**1,136.71**	**992.01**

Net of provision for obsolescence
* Purchase includes tooling costs

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

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Opening stock		
Finished goods	102.85	101.96
Stores and spares	6.45	6.28
Work-in-progress	30.20	51.76
	139.50	**160.00**
Closing Stock		
Finished goods	136.88	102.85
Stores and spares	5.92	6.45
Work-in-progress	35.37	30.20
	178.17	**139.50**
Changes in inventory of finished goods, work-in-progress and stores and spares	**(38.67)**	**20.50**

27 Employee benefits expense

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Salaries, wages and bonus	360.52	328.77
Expenses related to post-employment benefit plans-gratuity [refer Note 40]	10.50	8.62
Expenses related to compensated absences	6.37	4.85
Contribution to provident fund and other fund	13.85	12.89
Share based payments [refer Note 39]	23.20	13.95
Staff welfare expenses	38.86	40.04
Total	**453.30**	**409.12**

28 Finance costs

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on:		
Short term borrowings from banks	6.71	4.83
Lease liabilities	0.01	0.01
Total	**6.72**	**4.84**

29 Depreciation and amortization expense

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant and equipment [refer Note 3]	155.85	145.42
Amortization of intangible assets [refer Note 4]	7.84	8.35
Depreciation of right of use assets [refer Note 22]	0.36	0.36
Total	**164.05**	**154.13**

30 Other expenses

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Subcontracting charges	246.55	175.00
Power and fuel	60.42	59.50
Freight charges	48.94	44.00
Repairs and maintenance		
- plant and machinery	41.28	34.23
- building	2.54	5.39
- others	9.52	7.79
Rent	4.75	3.91
Legal and professional [refer Note (a) below]	31.82	24.80
Rates and taxes	11.64	8.22
Travel and conveyance	18.98	14.79
Housekeeping charges	19.87	19.29
Corporate social responsibility [refer Note 37]	12.88	11.79
Sales promotion expenses	6.32	3.75
Insurance	8.14	8.31
Printing and stationery	5.88	4.57
Bank charges	2.16	4.08
Communication	1.91	1.78
Loss on sale and write off of property, plant and equipment, net	1.46	3.36
Bad debts written-off	0.29	0.92
Loss allowances on financial assets, net	(0.24)	(0.61)
Provision for doubtful advances and receivables	-	-
Donation	0.24	0.08
Miscellaneous expenses	2.77	2.95
Total	**538.12**	**437.90**

(a) Payment to auditors (excluding applicable taxes):

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Audit fee	8.15	7.50
Tax audit fee	0.20	0.20
Audit related services	-	3.50
Reimbursement of expenses	0.87	0.53
Total	**9.22**	**11.73**

31 Tax expenses

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
a) Amount recognised in the statement of profit and loss		
Current tax	195.48	180.12
Deferred tax charge / (credit)	3.62	(4.22)
Income tax expense reported in the statement of profit and loss	**199.10**	**175.90**
b) Income tax recognised in other comprehensive income		
On re-measurement of defined benefit obligation	2.29	(0.61)
Income tax charges / (credited) to OCI	**2.29**	**(0.61)**
c) Reconciliation of tax expense and tax based on accounting profit:		
Accunting profit before income tax expense	786.96	694.51
Tax at the company's domestic tax rate of 25.17% (31 March 2022: 25.17%)	198.06	174.79
Tax effect of:		
Expenditure for which deduction is not allowed under Income Tax Act,1961	3.24	3.08
Tax effect on donation	0.06	0.02
Lower tax rate on capital gains	(0.18)	-
Other deductions	(2.08)	(1.99)
Income tax expense	**199.10**	**175.90**

BSR & Co. LLP

S.J.S Enterprises Limited ★ Bangalore ★

31 Tax expenses (continued)

d) Deferred tax
For the year ended 31 March 2023

(₹ in million)

Particulars	As at 1 April 2022	Recognised in Other Comprehensive Income	Recognised in Statement of Profit and Loss	As at 31 March 2023
Deferred tax liabilities				
Property, plant and equipment and intangible assets	125.54	-	(7.46)	118.08
Prepaid expense	3.97	-	0.92	4.89
Prepaid gratuity	2.89	-	(2.89)	-
Prepaid compensated absences	0.57	-	(0.57)	-
Others	1.09	-	3.19	4.28
Total deferred tax liabilities (A)	**134.06**	**-**	**(6.81)**	**127.25**
Deferred tax assets				
Provision for inventory obsolescence	14.15	-	0.92	15.07
Discount payable and provision for sales returns and claim	20.56	-	(1.19)	19.37
Provision for bonus	5.37	-	(5.37)	-
Provision for gratuity	-	2.29	(1.50)	0.79
Provision for compensated absences	-		0.28	0.28
Lease liability	0.02	-	-	0.02
Loss allowances on financial assets, net	0.17	-	(0.06)	0.11
Others	5.48	-	(3.51)	1.97
Total deferred tax assets (B)	**45.75**	**2.29**	**(10.43)**	**37.61**
Net deferred tax liabilities (A-B)	**88.31**	**(2.29)**	**3.62**	**89.64**

For the year ended 31 March 2022

(₹ in million)

Particulars	As at 1 April 2021	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	-	(4.99)	125.54
Prepaid expense	3.47	-	0.50	3.97
Prepaid gratuity	2.44	0.61	(0.16)	2.89
Prepaid compensated absences	0.50	-	0.07	0.57
Others	2.37	-	(1.28)	1.09
Total deferred tax liabilities (A)	**139.31**	**0.61**	**(5.86)**	**134.06**
Deferred tax assets				
Provision for inventory obsolescence	10.73	-	3.42	14.15
Discount payable and provision for sales returns and claim	30.53	-	(9.97)	20.56
Provision for bonus	3.84	-	1.53	5.37
Lease liability	-	-	0.02	0.02
Loss allowances on financial assets, net	0.32	-	(0.15)	0.17
Others	1.97		3.51	5.48
Total deferred tax asset (B)	**47.39**	**-**	**(1.64)**	**45.75**
Net deferred tax liabilities (A-B)	**91.92**	**0.61**	**(4.22)**	**88.31**

The Company has elected to exercise the option of lower tax rate permitted under Section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

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 2023	For the year ended 31 March 2022
Reconciliation of earnings		
Basic EPS		
Profit after tax attributable to equity holders of the Company (a)	587.86	518.61
Weighted average number of shares outstanding during the year for basic EPS (b)	30,437,904	30,437,904
Basic Earning per share (in ₹) (a/b)	19.31	17.04
Diluted EPS		
Profit after tax attributable to equity holders of the Company for diluted EPS (c)	587.86	518.61
Weighted average number of shares outstanding during the year for diluted EPS (d)	30,841,334	30,729,866
Diluted Earning per share (in ₹) (c/d)	19.06	16.88
Weighted average number of shares outstanding during the year for basic EPS (b)	30,437,904	30,437,904
Add: Potential equity shares on employee's stock option	403,430	291,962
Total Weighted average number of shares outstanding during the year for diluted EPS (d)	30,841,334	30,729,866

BSR & Co. LLP

S.J.S. Enterprises Limited ★ Bangalore ★

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 Company 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 2023:

(₹ in million)

Particulars	Carrying Amount	Fair Value			Total
	31 March 2023	Level 1	Level 2	Level 3	
Financial assets measured at amortised cost					
Loans (non-current and current)	82.97	-	-	-	-
Trade receivables	551.11	-	-	-	-
Cash and cash equivalents	56.95	-	-	-	-
Bank balance other than cash and cash equivalents	203.06	-	-	-	-
Other financial assets (non-current and current)*	71.75	-	-	-	-
Investment in bonds, commercial papers and others	426.57				
Financial assets measured at fair value through profit or loss					
Investment in mutual funds	955.13	-	955.13	-	955.13
Total financial assets	**2,347.54**	-	**955.13**	-	**955.13**
Financial liabilities measured at amortised cost					
Lease liabilities	0.09	-	-	-	-
Borrowings	191.14	-	-	-	-
Trade payables	204.50	-	-	-	-
Other financial liabilities (non-current and current)	133.82	-	-	-	-
Total financial liabilities	**529.55**	-	-	-	-

*Investment in equity shares of subsidiary are not appearing as financial asset in the table above being investment in subsidiary accounted under Ind AS 27, Separate Financial Statements which is scoped out under Ind AS 109 "Financial Instruments".

*Investment in equity shares of associate enterprise is not appearing as financial asset in the table above being investment in associates accounted under Ind AS 28, which is scoped out under Ind AS 109 "Financial Instruments".

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)	22.52	-	-	-	-
Trade receivables	586.99	-	-	-	-
Cash and cash equivalents	48.12	-	-	-	-
Bank balance other than cash and cash equivalents	50.98	-	-	-	-
Other financial assets (non-current and current)	52.57	-	-	-	-
Financial assets measured at fair value through profit or loss					
Investment in mutual funds	784.42	-	784.42	-	784.42
Total financial assets	**1,545.60**	-	**784.42**	-	**784.42**
Financial liabilities measured at amortised cost					
Lease liabilities	0.08	-	-	-	-
Current borrowings	76.97	-	-	-	-
Trade payables	143.01	-	-	-	-
Other financial liabilities (non-current and current)	158.36	-	-	-	-
Total financial liabilities	**378.42**	-	-	-	-

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.

BSR & Co. LLP

S.J.S. Enterprises Limited
Bangalore

33 **Financial instruments - fair values and risk management (continued)**

Financial assets:

The Company 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) as at the reporting date

Financial liabilities:

Borrowing: It includes cash credit , working capital loans and bill discounting facilities (current borrowings). Current borrowings are classified and subsequently measured in the standalone financial statements at amortised cost. Considering that the interest rate on short term 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 Company's activities expose to a variety of financial risks: credit risk, liquidity risk and market risk.

Risk management

The Company's Board of Directors have overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities. The Company, 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 Company's Audit Committee overseas how management monitors compliance with the Company's risk management policies and procedures and reviews the adequecy of the risk management framework in relation to the risks faced by the Company. The Audit Committee is assissted in its oversite role by the internal auditor.

(i) **Credit Risk**

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company'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 Company 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 Company are spread across diverse industries and geographical areas. The Company 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 2023 and 31 March 2022 are as follows:

The Company 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 2023 amounting to ₹551.11 million (31 March 2022: ₹586.99 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 2023	As at 31 March 2022
Balance as at the beginning of the year	0.66	1.27
Net measurement of loss allowance	(0.24)	(0.61)
Balance as at the end of the year	**0.42**	**0.66**

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

(₹ in million)

As at 31 March 2023	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	470.10	0.02%	0.09
0-90 days	70.66	0.13%	0.09
91-180 days	9.06	1.33%	0.12
181-270 days	1.54	5.24%	0.08
271-365 days	0.17	21.69%	0.04
> 365 days	-	100.00%	-
Balance as at the end of the year	**551.53**		**0.42**

(₹ in million)

As at 31 March 2022	Gross carrying amount	Weighted average loss rate	Loss allowance
Current (not past due)	502.84	0.05%	0.23
0-90 days	79.78	0.28%	0.22
91-180 days	4.69	3.20%	0.15
181-270 days	0.22	9.09%	0.02
271-365 days	0.12	33.33%	0.04
> 365 days	-	100.00%	-
Balance as at the end of the year	**587.65**		**0.66**

BSR & Co. LLP

S.J.S. Enterprises Limited ★Bangalore★

34 Financial Risk Management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligation as they become due. The Company'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 Company's reputation. Management monitors rolling forecast of the Company'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 Company.

In addition, the Company'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 Company maintains the following line of credit:
(i) The Company has availed bill discounting facility (with recourse) from banks which carries interest in the range of 6.48% p.a. to 10.11% p.a. (31 March 2022: 5.95% p.a. to 6.75% p.a.) and is payable within 45 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 2023 and 31 March 2022. The amounts are gross and undiscounted contractual cash flow includes contractual interest payment and excludes netting arrangements:

As at 31 March 2023

(₹ in million)

Particulars		Contractual cash flows			
	Carrying Amount	**Total**	**0-1 year**	**1-3 years**	**3 years and above**
Borrowings	191.14	191.14	191.14	-	-
Lease liabilities	0.09	0.45	0.02	0.02	0.41
Trade payables	204.50	204.50	204.50	-	-
Other financial liabilities	133.82	133.82	133.82	-	-
Total	**529.55**	**529.91**	**529.48**	**0.02**	**0.41**

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	76.97	76.97	76.97	-	-
Lease liabilities	0.08	0.46	0.01	0.02	0.43
Trade payables	143.01	143.01	143.01	-	-
Other financial liabilities	158.36	158.36	158.36	-	-
Total	**378.42**	**378.80**	**378.35**	**0.02**	**0.43**

(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 Company 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 Company. The functional currency of the Company is primarily INR. The currencies in which these transactions are primarily denominated are USD, EUR, JPY etc.

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

Exposure to currency risk

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

(₹ in million)

Particulars	Currency	As at 31 March 2023		As at 31 March 2022	
		Amount in foreign currency	**Amount in ₹**	**Amount in foreign currency**	**Amount in ₹**
Trade receivables	USD	1.10	90.79	1.83	139.04
Trade payables	USD	0.34	28.01	-	-
	EURO	0.02	2.23	-	-
	JPY	5.23	3.24	-	-
Bank accounts - EEFC	USD	0.17	13.61	0.18	13.71
	EURO*	-	0.06	-	0.13
Creditors for capital goods	USD	-	-	0.08	6.35

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

34 Financial Risk Management (continued)

Sensitivity analysis

A reasonably possible strengthening (weakening) of the USD, EURO and JPY against INR at 31 March 2023 and 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 2023				
USD (1% movement)	0.76	(0.76)	0.57	(0.57)
EURO (1% movement)	(0.02)	0.02	(0.02)	0.02
JPY (1% movement)	0.03	(0.03)	0.02	(0.02)
31 March 2022				
USD (1% movement)	1.46	(1.46)	1.09	(1.09)
EURO (1% movement)*	-	-	-	-
JPY (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 Company'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 2023	As at 31 March 2022
Variable rate borrowings	191.14	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 2023				
Variable rate borrowings	0.48	(0.48)	0.36	(0.36)
31 March 2022				
Variable rate borrowings	0.19	(0.19)	0.14	(0.14)

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

35 Capital management

The Company'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 Company monitor's the return on capital as well as the level of dividends on its equity shares. The Company'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 Company monitors capital using a ratio of 'adjusted net debt' to equity'. For the purpose of Company'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 Company's adjusted net debt equity ratio are as follows:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Current borrowings	191.14	76.97
Less : Cash and cash equivalent and other bank balances	260.01	99.10
Less : Current investments	1,351.03	784.42
Adjusted net debt	**(1,419.90)**	**(806.55)**
Total equity	4,181.35	3,575.44
Net Debt to Equity Ratio	-	-

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2023 and 31 March 2022.

36 Related Party Disclosure

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

Holding company	Evergraph Holdings Pte. Limited *(till 14 November 2021)**
Entity having a significant influence	Evergraph Holdings Pte. Limited *(w.e.f. 15 November 2021)*
Subsidiary Company	Exotech Plastics Private Limited *(w.e.f. 5 April 2021)*
Associate Company	Suryaurja Two Private Limited *(w.e.f. 13 April 2022)*
Key management personnel (KMP)	1. Mr. K. A. Joseph *(Managing Director and Shareholder)* 2. Mr. Sanjay Thapar *(Executive Director, CEO and Shareholder)* 3. Mr. Kazi Arif Uz Zaman *(Director)* 4. Mr. Vishal Sharma *(Director) (w.e.f. 5 April 2021)* 5. Mr. Kevin Joseph *(Director) (w.e.f. 19 July 2021)* 6. Mr. Amit Kumar Garg *(Chief Financial Officer) (w.e.f. 4 May 2021 and till 4 March 2022)* 7. Mr. Mahendra Kumar Naredi *(Chief Financial Officer) (w.e.f. 4 August 2022)* 8. Mr. Thabraz Hushain. W *(Company secretary and compliance officer)* 9. Mr. Ramesh C Jain *(Independent director) (w.e.f 06 July 2021)* 10.Mrs. Veni Thapar *(Independent director) (w.e.f 12 July 2021)* 11. Mr. Mathias Frenzel *(Independent director) (w.e.f 06 July 2021)*
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 had 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 had 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 2023	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*#	-	-
Exotech Plastics Private Limited	Inter-corporate loan given	60.00	20.00
Exotech Plastics Private Limited	Sale of goods	14.60	0.53
Exotech Plastics Private Limited	Purchase of goods	4.07	-
Exotech Plastics Private Limited	Sale of property, plant and equipment	-	0.37
Exotech Plastics Private Limited	Interest income*	3.14	0.14
Exotech Plastics Private Limited	Expenses incurred on behalf of	3.18	0.06
Exotech Plastics Private Limited	Expenses towards share based payments	1.68	-
Evergraph Holdings Pte. Limited	IPO expenses incurred on behalf of	-	291.33
Mr. K. A. Joseph	IPO expenses incurred on behalf of	-	39.47
Evergraph Holdings Pte. Limited	Expenses incurred on behalf of	47.91	-
Ramesh C Jain	Directors Sitting fees	1.08	1.55
Veni Thapar	Directors Sitting fees	1.50	1.15
Mathias Frenzel	Directors Sitting fees	0.72	1.78

* Gross of Tax Deducted at Source

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

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

36 Related Party Disclosure (continued)

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

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Mr. K.A. Joseph	26.56	26.53
Mr. Sanjay Thapar	34.66	26.53
Mr. Kevin K Joseph	1.20	0.84
Mr. Amit Kumar Garg	-	5.47
Mr Mahendra Kumar Naredi	5.50	-
Mr. Thabraz Hushain	1.45	1.34

*As the liability for gratuity and compensated leave absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to the directors are not included above.

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	For the year ended 31 March 2023	As at 31 March 2022
Exotech Plastics Private Limited	Inter-corporate loan	80.00	20.00
Exotech Plastics Private Limited	Trade receivable	5.08	0.27
Exotech Plastics Private Limited	Interest receivable	2.95	0.12
Exotech Plastics Private Limited	Trade payable	0.57	-
Exotech Plastics Private Limited	Expenses towards share based payments	1.68	-
Evergraph Holdings Pte. Ltd.	IPO expenses recoverable*	-	1.86
K. A. Joseph	IPO expenses recoverable*	-	9.59
Evergraph Holdings Pte. Ltd.	Expense reimbursable receivable	47.91	-

*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 was recorded as a receivable (no charge to the statement of profit and loss).

37 Corporate Social Responsibility ('CSR') expenditure

Details of CSR expenditure are as follows:

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Amount required to be spent by the Company during the year	12.88	11.77
Amount spent during the year		
- construction / acquisition of any asset	2.38	2.96
- on purpose other than above	10.50	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	-	2.17
Total of previous years shortfall	-	-
Transaction with the related party	Nil	Nil
Movements in provisions	NA	NA
Nature of CSR activity	Promoting education, Sports, Save drinking water. Healthcare. Sanitation, Rural development and Eracading hunger	

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore * SJS

38 **Commitments and Contingent Liabilities**

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
i) Capital Commitments		
Estimated amounts of contracts remaining to executed on capital account and not provided for	1.48	7.18
ii) Contingent liabilities		
Guarantee deposits with banks	0.10	0.10
Claim towards freehold land [refer Note (a) below]	20.40	20.40
iii) Other claims against the Company not acknowledged as debts		
Income tax matters [refer Notes (b) below]	17.11	-

(a) The Company 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 Company has elected to fair value the freehold land as deemed cost at ₹278.10 million. The Company 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 Company 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.

(b) The Company has recieved a demand notice for the assessment year 2020-21 for additional tax of ₹17.11 million from the Income tax department for the disallownace of non compete fees paid to the commission agents as per termination agreement which is considered as capital expenditure .The Company has filed an appeal against this order and the appeal is pending with the commissioner appeals.

BSR & Co. LLP

S.J.S. Enterprises Limited
SJS
Bangalore

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 as mentioned in the 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 2023	Weighted average exercise price	As at 31 March 2022	Weighted average exercise price
Outstanding at the beginning of the year	1,199,500	263.86	-	263.86
Granted during the year*	159,000	297.97	1,389,000	263.86
Forfeited and lapsed during the year**	(46,000)	270.47	(189,500)	263.86
Outstanding at the end of the year	1,312,500	267.76	1,199,500	263.86
Exercisable at the end of the year	-		-	

(i) The options outstanding as at 31 March 2023 have an exercise price of ₹263.86 and 324.14 each. (31 March 2022: ₹263.86 each).
(ii) The weighted average remaining contractual life is of 2.39 years (31 March 2022: 3.28 years).
(iii) *The options granted during the year include 51,500 options (31 March 2022 : Nil) granted to the employees of Exotech Plastics Private Limited (subsidiary).
(iv) **The options forfieted during the year include 12,000 options (31 March 2022 : Nil) forfieted towards the employees of Exotech Plastics Private Limited (subsidiary).

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 1 April 2022 to 31 March 2023	1,312,500	₹53.46 to ₹289.19
As on 1 April 2021 to 31 March 2022	1,199,500	₹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 2023	For the year ended 31 March 2022
Weighted average share price on the date of grant (₹)	285.08	263.86
Exercise Price (₹)	263.86, 289.18 and 324.14	263.86
Risk free interest rate	5.18% to 7.25%	5.18% to 5.96%
Dividend yield	0.78% to 1.52%	1.52%
Expected volatility	18.00% to 49.92%	18.00% to 21.06%
Expected life	2.50 years to 5.50 years	3.50 years to 5.50 years

Total employee compensation cost pertaining to SJS ESOP - 2021 during the year is ₹23.20 million (31 March 2022: ₹13.95 million).

BSR & Co. LLP

S.J.S. Enterprises Limited Bangalore

40 Assets and liabilities relating to employee benefits

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Prepaid gratuity	-	11.50
Prepaid compensated absences	-	2.25
Total employee benefit assets	-	**13.75**
Non-current	-	11.50
Current	-	2.25

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Provision for compensated absence	1.11	-
Provision for gratuity	3.12	-
Total employee benefit liabilities	**4.23**	-
Non-current	-	-
Current	4.23	-

The Company operates the following post-employment defined benefit plan

(a) Defined benefit plans (funded):

The Company 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 arc 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 Company 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 Company to actuarial risks., such as longevity risk. currency risk, interest rate risk and market (investment) risk.

A. Funding

Company's gratuity scheme for employees is administered through a trust with the SBI Life Insurance Company Limited. 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 liability

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 obligation

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Obligation at the beginning of the year	96.32	84.84
Current service cost	11.50	9.60
Interest cost	6.80	6.00
Benefits paid	(1.84)	(1.91)
Actuarial gain / (losses) on obligations recognised in recognised in Other Comprehensive Income (OCI)		
Changes in financial assumption	(0.83)	(2.08)
Change in demoraphic assumptions	(0.31)	-
Experience adjustment	10.62	(0.13)
Obligation at the end of the year	**122.26**	**96.32**
Reconciliation of present value of the plan assets		
Plan assets at the beginning of the year at fair value	107.82	94.52
Interest income on plan assets	7.80	6.98
Contributions	5.00	8.01
Benefits paid	(1.84)	(1.91)
Return on plan assets excluding interest income recognised in OCI	0.36	0.22
Plan assets at the end of the year at fair value	**119.14**	**107.82**
Net defined benefit (liability) / assets	**(3.12)**	**11.50**

BSR & Co. LLP

S.J.S. Enterprises Limited
SJS
Bangalore

40 Assets and liabilities relating to employee benefits (continued)

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

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Current service cost	11.50	9.60
Interest cost	6.80	6.00
Interest income	(7.80)	(6.98)
Net gratuity cost	**10.50**	**8.62**

(ii) Remeasurement recognised in other comprehensive Income

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Actuarial loss on defined benefit obligation	9.48	(2.21)
Return on plan assets, excluding interest income	(0.36)	(0.22)
Total	**9.12**	**(2.43)**

D. Plan assets

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
Insurance fund	119.14	107.82
	119.14	**107.82**

E. Actuarial assumption and Sensitivity analysis
(i) Actuarial Assumption:

Particulars	As at 31 March 2023	As at 31 March 2022
Rate of return on plan assets	7.13%	7.03%
Discounting rate	7.50%	7.13%
Future salary growth	12.50%	12.00%
Attrition rate	15.86%	15.47%
Weighted average duration of Defined benefit obligation (in years)	8.70	10.63
Retirement age	58 Years	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 Company'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 2023	As at 31 March 2022
Projected benefit obligation on Current assumption	122.26	96.32
Impact of change in discount rate by +1%	(8.87)	(7.34)
Impact of change in discount rate by -1%	10.08	8.40
Impact of change in salary rate by +1%	4.90	4.78
Impact of change in salary rate by -1%	(5.14)	(4.77)
Impact of change in employee turnover rate by +1%	(1.58)	(1.61)
Impact of change in employee turnover rate by -1%	1.71	1.78
Impact of change in mortality rate by +10%	(0.04)	(0.04)

F. Maturity profile of defined benefit obligation
The Defined benefit obligation shall mature after the year ended 31 March 2023 and 31 March 2022 as follows:

(₹ in million)

Particulars	As at 31 March 2023	As at 31 March 2022
With in year 1	13.10	10.01
1 year to 2 years	10.15	7.43
2 years to 3 years	8.83	6.84
3 years to 4 years	7.26	5.92
4 years to 5 years	7.55	4.72
Over 5 years	75.37	61.38

(b) Defined contribution plan:
The Company makes contributions for qualifying employees to Provident Fund and other defined contribution plans. During the year, the Company recognised ₹12.93 million (31 March 2022 : ₹12.89 million) towards defined contribution plans.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

41 Segment information

The Company is engaged in the business of manufacturing of decorative aesthetic products primarily for automotive and consumer appliance industry such as automotive dials, overlays, badges and logos. The Board of Directors being the Chief Operating Decision Maker (CODM) evaluates the Company'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 Company 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 Company's revenue from external customers and non - current assets of its single reportable segment by the Company'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 2023	For the year ended 31 March 2022
Revenue from external customers		
India	2,643.28	2,210.77
Rest of the world	318.64	468.08
Total	**2,961.92**	**2,678.85**

Non current assets

All non – current assets other than financial instruments of the Company 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 2023 and 31 March 2022.

(₹ in million)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Customer A	632.69	576.61
Customer B	398.29	341.51
Customer C	354.65	280.84
Customer D	307.85	-
Total	**1,693.48**	**1,198.96**

42 Business combinations

The Company 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 Company and were providing end-to-end customer relationship and marketing services to the Company. 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 Company 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 instalments effective 01 October 2018.

The Company 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 fees	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 Company 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 Company and the management considered these acquired business with the Company as single cash-generating unit.

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

43 Details of non - current investments purchased and sold during the year under section 186(4) of the Act

(a) Investment in equity instruments **

(₹ in million)

Subsidiaries	Face Value per unit	As at 01 April 2022	Purchased during the year	Sold During the year	As at 31 March 2023
Exotech Plastics Private Limited (Subsidiary)	₹ 10	640.00 (2,800,000)*	-	-	640.00 (2,800,000)*
Surya Urja Two Private Limited (Associate)	₹ 10	-	6.00 (6,00,000)*	-	6.00 (6,00,000)*

* The amounts in parenthesis represents number of shares

(b) Details of inter corporate loans given during the year under section 186(4) of the Act **

(₹ in million)

Name of borrower	Rate of interest	Nature of relationship	As at 01 April 2022	Given during the year	Repayment during the year	As at 31 March 2023
Unsecured Exotech Plastics Private Limited	9%	Subsidiary	20.00	60.00	-	80.00

***Refer note 36*
The inter corporate loans has been given to this subsidiary in the normal course of business for its operations.

44 Additional regulatory information

Analytical ratio

Particulars	Numerator	Denominator	For the year ended 31 March 2023	For the year ended 31 March 2022	Variance (%)	Reason for Variance
Current ratio (in times)	Total current assets	Total current liabilities	4.20	4.11	2.19%	
Debt – equity ratio (in times)	Debt, consisting of borrowing and lease liabilities	Total equity	0.05	0.02	150.00%	Variance due to working capital demand loan of 120 million availed during the year.
Debt service coverage ratio (in times)	Earnings available for debt service	Debt Service	108.54	138.02	-21.36%	
Return on equity (in %)	Net Profits for the year – Preference Dividend (if any)	Average total equity	15.16%	15.42%	-0.26%	
Inventory turnover ratio (in times)	Cost of goods sold or sales	Average inventory	3.66	3.31	10.57%	
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	5.21	4.52	15.27%	
Trade payables turnover ratio (in times)	Net Credit Purchases	Average Trade Payables	6.55	4.85	35.05%	Variance due to duely payment of MSME vendors during the year and reduction in purchases during the year end.
Net capital turnover ratio (in times)	Revenue from operations	Working capital	1.51	1.92	-21.35%	
Net profit ratio (in %)	Net Profit for the year	Revenue from operations	19.85%	19.36%	0.49%	
Return on capital employed (in %)	Profit before finance cost and taxes	Capital Employed	17.79%	18.70%	-0.91%	
Return on investment (in %)	Realised and unrealised gain on investment	Average invested funds	5.22%	1.14%	4.08%	

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
Average working capital = Total current assets minus total current liabilities
Capital Employed = Tangible net worth + Lease liability + Deferred tax liability

BSR & Co. LLP

S.J.S. Enterprises Limited * Bangalore *

45 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 Company 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 Company (Ultimate Beneficiaries).

The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

46 Other statutory information :

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

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

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

iv) The Company is not classified as wilful defaulter.

v) The Company 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 Company 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 Company does not have any investment property during the financial year.

viii) The Company 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.

47 Events after reporting period

Subsequent to the year end, the Company has entered into a share purchase agreement to acquire 90.1% stake in Walter Pack Automotive Products India ("WPAPI") for a consideration of 2,393 million. The acquired Company is in the business of design and development of high value-added functional decorative parts in the Indian market. The Company will account for this business combination in accordance with INDAS 103 in its standalone financial statement for the year ended 31 March 2024.

There have been no material events since the end of the reporting period which would require disclosure or adjustment to the standalone financial statements for the year ended 31 March 2023 other than stated above.

As per our report of even date attached

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

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

Umang Banka
Partner

Membership number: 223018
Place: Bengaluru
Date: 15 May 2023

K A Joseph
Managing Director

DIN : 00784084
Place: Bengaluru
Date: 15 May 2023

Sanjay Thapar
CEO and Executive Director

DIN : 01029851
Place: Bengaluru
Date: 15 May 2023

Thabraz Hushain. W
Company Secretary

PAN : ABVPW4613P
Place: Bengaluru
Date: 15 May 2023

Mahendra Kumar Naredi
Chief Financial Officer

PAN : AEWPN9414M
Place: Bengaluru
Date: 15 May 2023