

S.J.S. ENTERPRISES PRIVATE LIMITED
Statutory Audit For The
Year Ended 31 March 2020

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of S.J.S. Enterprises Private Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of S.J.S. Enterprises Private Limited (“the Company”), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 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 2020, and profit 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 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 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.

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 directors' report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report (continued)

Management's Responsibility for the 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 financial statements that give a true and fair view of the state of affairs, profit/loss and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting 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 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditors' Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 balance sheet, the statement of profit and loss, and statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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.

Independent Auditors' Report (continued)

Report on Other Legal and Regulatory Requirements (continued)

(B) With respect to the other matters to be included in the Auditors' 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:

- i. The Company does not have any pending litigations which would impact its financial position. Refer note 25 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

The company is a private limited company and accordingly, the provisions of Section 197 of the Act are not applicable to the Company.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

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Amrit Bhansali

Partner

Membership number: 065155

UDIN: 20065155AAAAEG8638

Place: Bengaluru

Date: 24 July 2020

S.J.S. Enterprises Private Limited

Annexure A to the Independent Auditors' Report

The Annexure referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' of the Independent Auditors' Report to the members of S.J.S. Enterprises Private Limited ('the Company') on the financial statements for the year ended 31 March 2020, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, certain fixed assets were verified during the year and 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 are held in the name of the Company.
- (ii) The inventory, except for goods in transit, has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"). Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, there are no loans, investments, guarantees and security given in respect of which provisions of section 185 and 186 of the Act are applicable. Accordingly, the provisions of clause 3(iv) of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning the directives issued by the Reserve Bank of India, provisions of Section 73 to 76 of the Act, any other relevant provisions of the Act and the relevant rules framed thereunder. Accordingly, paragraph 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 the year ended 31 March 2020 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there have been delays in a few cases. As explained to us, the Company did not have any dues on account of duty of excise, service tax, value added tax and sales tax.

S.J.S. Enterprises Private Limited**Annexure A to the Independent Auditors' Report (continued)**

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and service tax, duty of custom, cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, goods and service tax, sales tax, service tax, value added tax, duty of customs and duty of excise which have not been deposited with the appropriate authorities on account of any dispute, except for the following:

Nature of statute	Nature of dues	Amount (In INR)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income Tax	255,282	2002-2003	Income Tax Appellate Tribunal
Income tax Act, 1961	Income Tax	402,280	2011-2012	Assistant Commissioner, Income Tax
Central Excise Act, 1944	Excise Duty	431,271	June 2006 to March 2009	Customs, Excise and Service Tax Appellate Tribunal
Income tax Act, 1961	Income Tax	244,920	20014-15	Deputy Commissioner, Income Tax

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayments due to its bankers during the year. The Company did not have any outstanding debentures or dues to any financial institutions, Government and debenture holders during the year.
- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) The Company is not a public limited company as defined under the Act. Hence the provisions of Section 197 read with Schedule V to the Act is not applicable to the Company. Accordingly, paragraph 3(xi) of the Order is not applicable.

S.J.S. Enterprises Private Limited

Annexure A to the Independent Auditors' Report (continued)

- (i) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company as prescribed under Section 406 of the Act.
- (ii) According to the information and explanations given to us and based on our examination of the records, transactions with the related parties are in compliance with Section 188 of the Act, wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Based on information and explanations provided to us, Section 177 of the Act is not applicable to the Company.
- (iii) According to the information and explanations given to us and based on 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.
- (iv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (v) According to the information and explanation given to us and in our opinion the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

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Amrit Bhansali

Partner

Membership number: 065155

UDIN: 20065155AAAAEG8638

Place: Bengaluru

Date: 24 July 2020

Annexure B to the Independent Auditors' report on the financial statements of S.J.S. Enterprises Private Limited for the period ended 31 March 2020

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

(Referred to in paragraph (2) 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 Private Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the 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 2020, 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 Responsibility 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 Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' 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 whether such controls operated effectively in all material respects.

S.J.S. Enterprises Private Limited

Annexure B to the Independent Auditors' report on the financial statements of S.J.S. Enterprises Private Limited for the period ended 31 March 2020 (continued)

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 such internal financial controls, 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 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 provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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

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Amrit Bhansali

Partner

Membership number: 065155

UDIN: 20065155AAAAEG8638

Place: Bengaluru

Date: 24 July 2020

S.J.S. Enterprises Private Limited
Balance sheet

(Amount in Rs)

	Note	As at 31 March 2020	As at 31 March 2019
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	2	304,379,040	304,379,040
Reserves and surplus	3	2,248,524,206	1,860,859,046
		2,552,903,246	2,165,238,086
Non-current liabilities			
Deferred tax liabilities, net	4	41,467,182	32,567,531
		41,467,182	32,567,531
Current liabilities			
Short-term borrowings	5	61,696,236	232,888,965
Trade payables	6		
Total outstanding dues of micro enterprises and small enterprises	32	76,779,329	22,010,765
Total outstanding dues of creditors other than micro enterprises and small enterprises		128,643,777	75,595,341
Other current liabilities	7	48,364,544	78,234,351
Short-term provisions	8	67,059,717	74,707,220
		382,543,603	483,436,642
Total		2,976,914,031	2,681,242,259
ASSETS			
Non-current assets			
Property, plant and equipment	9	1,247,329,937	1,211,676,494
Intangible assets	9	7,031,888	9,354,712
Capital work-in-progress		2,457,914	1,821,842
		1,256,819,739	1,222,853,048
Long-term loans and advances	10	124,287,626	134,818,414
Other non current assets	11	30,888,261	19,346,692
		155,175,887	154,165,106
Current assets			
Current investments	12	695,546,480	550,393,121
Inventories	13	277,630,868	247,143,314
Trade receivables	14	453,085,575	458,354,642
Cash and cash equivalents	15	107,613,940	29,011,919
Short-term loans and advances	16	28,783,276	19,068,650
Other current assets	17	2,258,266	252,459
		1,564,918,405	1,304,224,105
Total		2,976,914,031	2,681,242,259

Significant accounting policies

The notes referred to above form an integral part of the 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

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Amrit Bhansali

Partner

Membership number: 065155

Bengaluru

Date: 24 July 2020

for and on behalf of Board of Directors of

S.J.S. Enterprises Private Limited

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K A Joseph

Managing Director

DIN : 00784084

Bengaluru

Date: 24 July 2020

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Kazi Arif Uz Zaman

Director

DIN : 00237331

Bengaluru

Date: 24 July 2020

S.J.S. Enterprises Private Limited
Statement of profit and loss

		(Amount in Rs)	
	Note	For the year ended 31 March 2020	For the year ended 31 March 2019
INCOME			
Revenue from operations			
Sale of manufactured goods		2,132,470,852	2,357,969,681
Sale of services		22,135,882	11,162,848
Other operating revenues	18	4,789,339	3,421,213
		2,159,396,073	2,372,553,742
Other income	19	54,328,368	35,169,083
Total revenue		2,213,724,441	2,407,722,825
EXPENSES			
Cost of materials consumed	20	844,694,586	948,119,049
Changes in inventories of finished goods and work-in-progress	21	(21,067,686)	3,088,376
Employee benefit expense	22	329,240,771	323,750,888
Finance costs	23	10,175,105	10,154,398
Depreciation and amortisation	9	118,257,212	88,315,557
Other expenses	24	373,159,643	448,696,737
Total expenses		1,654,459,631	1,822,125,005
Profit before exceptional items and tax		559,264,810	585,597,820
Exceptional items (refer note 37)		50,000,000	73,222,917
Profit before tax		509,264,810	512,374,903
Tax expenses:			
- Current tax		112,700,000	119,345,024
- Deferred tax charge		8,899,650	28,090,021
Profit for the period		387,665,160	364,939,858
Earnings per equity share	31		
- Basic and diluted		12.74	12.04
Weighted average number of equity shares			
- Basic and diluted		30,437,904	30,300,534
Significant accounting policies	1		

The notes referred to above form an integral part of the 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

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Partner

Membership number: 065155

Bengaluru

Date: 24 July 2020

for and on behalf of Board of Directors of

S.J.S. Enterprises Private Limited

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K A Joseph
 Managing Director

DIN : 00784084

Bengaluru

Date: 24 July 2020

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Kazi Arif Uz Zaman
 Director

DIN : 00237331

Bengaluru

Date: 24 July 2020

S.J.S. Enterprises Private Limited
Cash flow statement

	(Amount in Rs)	
	For the year ended 31 Mar 2020	For the year ended 31 Mar 2019
Cash flow from operating activities		
Profit before tax	509,264,810	512,374,903
Interest expense	10,175,105	10,154,398
Interest income	(642,841)	(195,840)
Dividend income	(31,594,057)	(23,803,913)
Bad debts written off	1,493,885	2,494,995
Loss on sale and written off of property, plant and equipments	1,316,862	2,826,218
Reversal of provision for bad and doubtful debts	-	(57,720)
Depreciation	118,257,212	88,315,557
Provision for obsolescence	14,329,096	-
Unrealised forex gain	(8,159,867)	-
Operating cash flows before working capital changes	614,440,205	592,108,598
Movement in working capital		
Changes in trade receivables	9,545,791	25,308,213
Changes in inventories	(44,816,650)	(1,981,375)
Changes in short-term and long-term loans and advances	(25,129,760)	9,134,922
Changes in trade and other payables	78,298,960	(105,295,217)
Cash generated from operations	632,338,546	519,275,141
Income taxes paid	(99,676,877)	(185,994,379)
Net cash generated from operating activities	a 532,661,669	333,280,762
Cash flow from investing activities		
Interest received	631,119	181,042
Sale of property, plant and equipment	43,233	1,918,888
Purchase of property, plant and equipment	(161,201,263)	(454,621,214)
Maturity of bank deposit (having original maturity more than three months)	-	434,357
Dividend received on investment of mutual fund	31,594,057	23,803,913
Investments in mutual funds	(724,376,716)	(401,173,564)
Proceeds from sale of mutual funds	579,223,358	410,587,853
Net cash used in investing activities	b (274,086,212)	(418,868,725)
Cash flow from financing activities		
Changes in short term borrowings	(171,192,729)	77,186,963
Interest paid	(10,272,975)	(10,051,119)
Proceeds from share applications	-	21,895,200
Net cash (used in)/generated from financing activities	c (181,465,704)	89,031,044
Net increase/(decrease) in cash and cash equivalents	a+b+c 77,109,753	3,443,081
Effects of exchange gain on cash and cash equivalents	1,492,268	-
Cash and cash equivalents at the beginning of the year	29,011,919	25,568,838
Cash and cash equivalents at the end of the year (refer note below)	107,613,940	29,011,919

Notes to cash flow statement

Components of cash and cash equivalents:

Cash in hand	262,723	193,650
Balances with banks		
- on current account	72,089,665	19,347,506
- on Exchange Earners Foreign Currency (EEFC) account	31,861,552	6,070,763
- on deposit accounts maturing within 3 months	3,400,000	3,400,000
	107,613,940	29,011,919

The notes referred to above form an integral part of the financial statements.

As per our report of even date attached:

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

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BHANSALI
LI Date: 2020.07.24
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Amrit Bhansali

Partner

Membership number: 065155

Bengaluru

Date: 24 July 2020

for and on behalf of Board of Directors of

S.J.S. Enterprises Private Limited

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K A Joseph

Managing Director

DIN : 00784084

Bengaluru

Date: 24 July 2020

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Kazi Arif Uz Zaman

Director

DIN : 00237331

Bengaluru

Date: 24 July 2020

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020

1. Significant Accounting Policies

Background

S.J.S. Enterprises Private Limited (‘the Company’) was initially formed as a partnership firm in 1987, and was converted to private limited company in 2005. The company is engaged in the business of manufacturing self-adhesive labels like automotive dials, overlays, badges and logos for the automotive, electronics and appliances industry.

1.1. Basis of preparation of financial statement

These financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (‘Indian GAAP’) under the historical cost convention on the accrual basis of accounting. Indian GAAP comprises mandatory accounting standards prescribed under section 133 of the Companies Act, 2013 (‘the Act’) read with Rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent applicable) and other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’), The financial statements are prepared in Indian Rupees and rounded off to the nearest rupee.

1.2. Use of Estimates

The preparation of the financial statements in conformity with GAAP requires the Management to make estimates and assumptions that affect the reported balances of assets and liabilities and disclosures related to contingent liabilities as at the date of the financial statements and reported amounts of income and expenses during the period.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in the circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made, and, if material, their effects are disclosed in the notes to the financial statements. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes and the useful life of the fixed tangible assets and intangible assets.

1.3. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be measured reliably.

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

Significant accounting policies (continued)

1.3. Revenue recognition (continued)

(i) Sale of goods

Revenue from sale of manufactured goods is recognized on transfer of all the significant risks and rewards of ownership to the customer. The amount recognized as sale is net of goods and service tax, sales returns and trade discounts.

(ii) Revenue from services

Revenue from development of design is recognized, on the basis of services delivered and billable to the customers.

(iii) Dividend and Interest

Dividend is recognized when declared and interest income is recognized using the time proportion basis taking into account the amount outstanding and the applicable interest rate.

(iv) Sales of scrap

Revenue from sale of scrap is recognized on transfer of all the significant risks and rewards of ownership to the customer which normally takes place on dispatch of goods. The amount recognized as sale is net of goods and service tax.

1.4. Property, plant and equipment and depreciation

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and provision for impairment of assets. All cost incurred in bringing the assets to its working condition for intended use have been capitalized. The cost of an item of property, plant and equipment comprises purchase price, import duties, freight, non-refundable duties, taxes and other incidental expenses related to the acquisition or construction of the respective assets. Any trade discounts and rebates are deducted in arriving at the purchase price.

Spare parts that are held for use in the production or supply of goods or services and are expected to be used for a period of more than 12 months have been capitalized at their respective carrying amount.

Depreciation is provided on the straight-line method over the estimated useful life of each asset as determined 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.

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

Significant accounting policies (continued)**1.4. Property, plant and equipment and depreciation (continued)**

Management has estimated the useful life of property, plant and equipment as under:

Class of Assets	Estimated useful life (in years)
Building	30
Electrical Installations	10
Plant and machineries	15
Furniture and fixtures	10
Computers	3
Office Equipment	5
Vehicle	8

Leasehold land is amortized over the lease period. Freehold land is not depreciated.

Pro-rated depreciation is provided on all assets purchased or sold during the year.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under “Long term loans and advances”. The costs of the property, plant and equipment, which are not ready for their intended use on such date, are disclosed as capital work-in-progress.

1.5. Intangible Assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are carried at cost less accumulate amortization and impairment. The costs which can be capitalized include the cost of material, direct labor and overhead costs that are directly attributable to preparing the asset for its intended use. Compute software and technical knowhow is amortized on a straight line method over a period of three years based on Management’s assessment of useful life. The amortization period and method used for intangible are reviewed at each period end.

1.6. Borrowing Costs

Borrowing costs are interest and other costs incurred by the Company in connection with borrowing of funds. Borrowing costs directly attributable to the acquisition/construction of the qualifying assets which are incurred during the period less income earned on temporary investment of these borrowings are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

Significant accounting policies (continued)

1.7. Impairment of Assets

The Management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. An impairment loss is recognized whenever the carrying value of an asset exceeds its recoverable amount. The recoverable amount is the higher of the asset's net selling price or value in use, which means the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. An impairment loss for an asset is reversed if, and only if, the reversal can be related objectively to an event occurring after the impairment loss was recognized. The carrying amount of an asset 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 the prior years.

1.8. Inventories

Inventories are valued at lower of cost and net realizable value. Cost of inventories comprises purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

The methods of determination of cost of various categories of inventories are as follows:

Raw materials, goods, stores and spares	- Weighted average
Work-in-progress and finished goods (including goods in transit)	- Cost of materials including cost of conversion, where cost of material is determined under weighted average basis.

The comparison of cost and net realizable value is made on an item by item basis.

Raw materials 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.

Provision for inventory obsolescence is assessed regularly based on estimated usability of the inventories.

1.9. Foreign Exchange

Revenue, expense and cash flow items denominated in foreign currencies are translated using the exchange rate in effect on the date of the transaction

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

Significant accounting policies (continued)

1.9. Foreign exchange (continued)

Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the period in which transaction is settled.

Foreign currency denominated monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. The gains or loss resulting from such translations are included in the statement of profit and loss. 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 the transaction.

1.10. Employee Benefits

The company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The gratuity plan provides a lump-sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using projected unit credit method. The Company recognizes the net obligation of the gratuity plan in the balance sheet as an asset or liability, respectively in accordance with Accounting Standard (AS) 15, 'Employee Benefits'. The discount rate is based on the Government securities yield. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss for the period in which they arise.

Provident Fund

Eligible employees receive benefits from a provident fund, which is contribution benefit plan. Both the eligible employee and the company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary.

Amounts collected under the provident fund plan are deposited in a Government administered Provident Fund Scheme. The company has no further obligation under the provident fund plan beyond its monthly contributions

Other defined contribution plan

Contributions to defined contribution schemes such as employees' state insurance are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees.

S.J.S. Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020 (continued)****Significant accounting policies (continued)****1.10. Employee Benefits (continued)****Compensated absences**

The employee can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated compensated absences based on an estimate for unutilized leave considering last drawn salary at balance sheet date.

1.11. Leases*Where the assets are taken on lease*

Lease payments under operating leases are recognized as an expense on a straight line basis in the statement of profit and loss over the lease term.

1.12. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the company has a present legal obligation that is reasonably estimable, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. Where no reliable estimate can be made, a disclosure is made as contingent liability. A disclosure for a contingent liability is also made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.13. Taxation

Income taxes are accrued in the same period that the related revenue and expenses arise. A provision is made for income tax, based on the tax liability computed, after considering tax allowances and exemptions. Provisions are recorded when it is estimated that a liability due to disallowances or other matters is probable. The company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legal enforceable right and where it intends to settle such assets and liabilities on a net basis. The differences that result between the profit considered for income taxes and the profit as per the financial statements are identified, and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the differences that originate in one accounting period and reverse in another, based on the tax effect of the aggregate amount of timing difference.

S.J.S. Enterprises Private Limited**Notes to the financial statements for the year ended 31 March 2020 (continued)****Significant accounting policies (continued)****1.13. Taxation (continued)**

The tax effect is calculated on the accumulated timing differences at the end of an accounting period based on enacted or substantively enacted regulations. Deferred tax assets in situation where unabsorbed depreciation and carry forward business loss exists, are recognized only if there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Deferred tax assets, other than in situation of unabsorbed depreciation and carry forward business loss, are recognized only if there is reasonable certainty that they will be realized. Deferred tax assets are reviewed for the appropriateness of their respective carrying values at each reporting date. Deferred tax assets and deferred tax liabilities has been offset wherever the company has a legally enforceable right to set off current tax assets against current tax liabilities and where the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority. Tax benefits on deductions earned on exercise of employee share options in excess of compensation charged to statement of profit and loss, are credited to the securities premium reserve.

1.14. Earnings per share

The basic earnings per share is computed by dividing the net profit or loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The company did not have any potentially dilutive equity shares during the year.

1.15. Cash flow statement

Cash flows are reported using indirect method, whereby net profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the company are segregated based on the available information.

1.16. Cash and cash equivalents

Cash comprises of cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

(Amount in Rs)

2. Share capital	As at	
	31 March 2020	31 March 2019
Authorised		
Equity shares		
31,000,000 (previous year: 31,000,000) equity shares of Rs 10 each	310,000,000	310,000,000
	<u>310,000,000</u>	<u>310,000,000</u>
Issued, subscribed and paid-up		
Equity shares, fully paid-up		
30,437,904 equity shares of Rs 10 each, fully paid up.	304,379,040	304,379,040
	-	-
	<u>304,379,040</u>	<u>304,379,040</u>

(a) List of persons holding more than 5 percent shares in the Company:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each, fully paid-up				
Evergraph Holdings Pte. Ltd.	23,700,000	77.86%	23,700,000	77.86%
K.A.Joseph	6,311,960	20.74%	6,311,960	20.74%

(b) Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	Amount	No. of shares	Amount
Equity shares of Rs 10 each, fully paid-up				
Number of shares outstanding at the beginning of the year	30,437,904	304,379,040	30,437,904	302,189,520
Add: Preferential allotment, partly paid up	-	-	-	2,189,520
	<u>30,437,904</u>	<u>304,379,040</u>	<u>30,437,904</u>	<u>304,379,040</u>

(c) Rights, preferences and restrictions attached to the equity shares:

The Company has only one class of equity shares having par value of Rs 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Shares held by the holding company, including shares held by subsidiaries or associates of the holding company in aggregate;

	As at 31 March 2020		As at 31 March 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 10 each, fully paid-up				
The holding company :				
Evergraph Holdings Pte. Ltd.	23,700,000	77.86%	23,700,000.00	77.86%

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

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

3. Reserves and surplus	As at	
	31 March 2020	31 March 2019
General reserve		
At the commencement and at the end of the year	8,850,000	8,850,000
Surplus (Profit and loss balance)		
At the commencement of the year	1,812,597,686	1,447,657,828
Add: Profit for the year	387,665,160	364,939,858
At the end of the year	<u>2,200,262,846</u>	<u>1,812,597,686</u>
Security Premium		
Opening balance	39,411,360	19,705,680
Collected during the year	-	19,705,680
Closing balance	<u>39,411,360</u>	<u>39,411,360</u>
	<u>2,248,524,206</u>	<u>1,860,859,046</u>

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

(Amount in Rs)

4. Deferred tax liabilities, net	As at	As at
	31 March 2020	31 March 2019
Deferred tax assets		
Provision for stock obsolescence	3,606,347	-
Provision for leave encashment	-	302,822
Provision for discount on sale	6,749,464	13,898,117
Provision for sales returns	2,272,670	2,117,289
Provision for claims	63,595	640,640
Provision for bonus	-	4,343,401
Total (A)	12,692,076	21,302,269
Deferred tax liabilities		
Property, plant and equipment	54,159,258	53,869,800
Total (B)	54,159,258	53,869,800
Deferred tax liabilities, net (B- A)	41,467,182	32,567,531

5. Short-term borrowings	As at	As at
	31 March 2020	31 March 2019
Working capital loan*	-	130,000,000
Bill discounting facility from bank**	61,696,236	102,888,965
	61,696,236	232,888,965

*The Company's working capital demand loan from Citi Bank which carried interest rate at 9.50% per annum and is renewed 60 days from the date of disbursement, is repaid during the year ended 31 March 2020.

**The Company has availed bill discounting facility (with recourse) from State Bank of India which carries interest at 8.10% per annum and is payable within 45 days from the date of discounting of bills.

(Amount in Rs)

6. Trade payables	As at	As at
	31 March 2020	31 March 2019
Dues to micro and small enterprises (refer note 32)	76,779,329	22,010,765.00
Dues to others	128,643,777	75,595,341
	205,423,106	97,606,106

(Amount in Rs)

7. Other current liabilities	As at	As at
	31 March 2020	31 March 2019
Advance from customers	5,458,630	12,480
Salary and wages payables	21,052,654	23,234,910
Selling commission payable	147,822	1,103,810
Accrued expenses	6,844,893	7,836,057
Capital creditors	10,910,291	25,334,797
Interest accrued but not due on borrowings	6,037	103,907
Statutory liabilities	3,396,829	14,117,067
Retention money	547,388	6,491,323
	48,364,544	78,234,351

(Amount in Rs)

8. Short-term provisions	As at	As at
	31 March 2020	31 March 2019
Provision for employee benefits		
Leave encashment	-	1,039,911
Others		
Provision for income tax, net of advance tax	29,833,378	16,469,347
Provision for sales return	9,030,000	7,270,911
Provision for discount on sales	26,817,643	47,727,051
Provision for claims	252,681	2,200,000
Provision for CSR Contribution	1,126,015	-
	67,059,717	74,707,220

The disclosure of provisions movement as required under the provisions of Accounting Standard (AS) -29 on Provisions, contingent liabilities and contingent assets is as follows:-

(Amount in Rs)

Particulars	As at	Additions	Utilised	Reversed	As at
	1 April 2019				31 March 2020
Provision for sales return (including rate difference)	7,270,911	9,030,000	(6,070,911)	(1,200,000)	9,030,000
Provision for discount on sales	47,727,051	22,417,643	(34,676,000)	(8,651,051)	26,817,643
Provision for claims	2,200,000	252,681	(847,458)	(1,352,542)	252,681
Provision for CSR Contribution	-	1,126,015	-	-	1,126,015

9. Property, plant and equipment and intangible assets

Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at 1 April 2019	Additions	Deletions	As at 31 March 2020	As at 1 April 2019	Charge for the year	Deletions	As at 31 March 2020	As at 31 March 2020
Property, plant and equipment									
Land - freehold	1,934,655	-	-	1,934,655	-	-	-	-	1,934,655
Land - leasehold	37,377,492	-	-	37,377,492	1,354,131	358,026	-	1,712,157	35,665,335
Building	500,973,868	6,831,943	-	507,805,811	33,529,343	15,943,050	-	49,472,393	458,333,418
Electrical installations	142,579,135	29,633	-	142,608,768	19,585,789	12,796,745	-	32,382,534	110,226,234
Plant and machineries	843,057,659	126,439,686	1,624,587	967,872,758	324,680,241	69,346,058	305,181	393,721,118	574,151,640
Furniture and fixtures	20,519,536	5,215,397	-	25,734,933	7,379,398	1,473,116	-	8,852,514	16,882,419
Computers	13,718,395	1,182,358	-	14,900,753	7,017,843	2,977,165	-	9,995,008	4,905,745
Office equipment	44,823,308	472,190	193,288	45,102,210	12,885,509	7,808,715	164,434	20,529,790	24,572,420
Vehicles	22,287,391	11,199,150	11,835	33,474,706	9,162,691	3,653,944	-	12,816,635	20,658,071
Total	1,627,271,439	151,370,357	1,829,710	1,776,812,086	415,594,945	114,356,819	469,615	529,482,149	1,247,329,937
Intangible assets									
Software	21,128,459	1,577,569	-	22,706,028	11,773,747	3,900,393	-	15,674,140	7,031,888
Technical know-how	2,922,759	-	-	2,922,759	2,922,759	-	-	2,922,759	-
Total	24,051,218	1,577,569	-	25,628,787	14,696,506	3,900,393	-	18,596,899	7,031,888

Particulars	Gross block				Accumulated depreciation and amortisation				Net block
	As at 1 April 2018	Additions	Deletions	As at 31 March 2019	As at 1 April 2018	Charge for the year	Deletions	As at 31 March 2019	As at 31 March 2019
Property, plant and equipment									
Land - freehold	1,934,655	-	-	1,934,655	-	-	-	-	1,934,655
Land - leasehold	37,377,492	-	-	37,377,492	994,119	360,012	-	1,354,131	36,023,361
Building	52,626,927	448,346,941	-	500,973,868	22,274,348	11,254,995	-	33,529,343	467,444,525
Electrical installations	22,759,035	122,733,857	2,913,757	142,579,135	15,192,374	7,148,416	2,755,001	19,585,789	122,993,346
Plant and machineries	523,707,347	326,235,022	6,884,710	843,057,659	273,636,894	56,356,382	5,313,035	324,680,241	518,377,418
Furniture and fixtures	10,212,303	12,258,936	1,951,703	20,519,536	8,387,248	815,280	1,823,130	7,379,398	13,140,138
Computers	15,577,271	6,205,798	8,064,674	13,718,395	12,482,253	2,197,030	7,661,440	7,017,843	6,700,552
Office equipment	20,661,606	29,053,280	4,891,578	44,823,308	12,456,131	5,071,064	4,641,686	12,885,509	31,937,799
Vehicles	20,620,460	4,685,146	3,018,215	22,287,391	7,307,333	2,652,423	797,065	9,162,691	13,124,700
Total	705,477,096	949,518,980	27,724,637	1,627,271,439	352,730,700	85,855,602	22,991,357	415,594,945	1,211,676,494
Intangible assets									
Software	12,102,162	9,262,775	236,478	21,128,459	9,538,444	2,459,955	224,652	11,773,747	9,354,712
Technical know-how	2,922,759	-	-	2,922,759	2,922,759	-	-	2,922,759	-
Total	15,024,921	9,262,775	236,478	24,051,218	12,461,203	2,459,955	224,652	14,696,506	9,354,712

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

(Amount in Rs)

10. Long-term loans and advances	As at	
	31 March 2020	31 March 2019
<i>Unsecured, considered good</i>		
Capital advances	55,997,668	68,748,844
Rental and other deposits	10,642,014	8,762,534
Balance with government authorities	3,000,000	3,000,000
Advance tax (net of provision for income tax)	54,647,944	54,307,036
	124,287,626	134,818,414

(Amount in Rs)

11. Other non-current assets	As at	
	31 March 2020	31 March 2019
Bank deposits (due to mature after 12 months from reporting date)	100,000	100,000
Receivable from government authority	15,410,574	15,410,574
Advance paid to gratuity (refer note 35)	11,973,550	3,836,118
Advance paid to leave salary	3,404,137	-
	30,888,261	19,346,692

(Amount in Rs)

12. Current Investments	As at	
	31 March 2020	31 March 2019
Current investments - at the lower of cost and fair value		
Investment in mutual funds - unquoted		
-Liquid mutual fund (refer note 12.1)	239,476,502	231,691,201
-Arbitrage mutual fund (refer note 12.2)	456,069,978	318,701,920
	695,546,480	550,393,121
Details of the book value and the market value		
Aggregate book value	695,546,480	550,393,121
Aggregate market value	695,546,480	550,393,121

12.1 Details of Investment held in liquid mutual fund units

(Amount in Rs)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Units	Amount	Units	Amount
Birla Sun Life Cash Plus	-	-	405,694	40,667,203
ICICI Prudential Liquid Fund	-	-	401,780	40,253,260
Axis liquid Fund	-	-	20,066	20,094,164
Reliance Liquid Fund Treasury Plan	-	-	38,354	58,656,147
UTI Liquid cash plan	-	-	31,626	31,732,915
Aditya Birla Sun Life Savings Fund	-	-	401,753	40,287,512
Aditya Birla Sun Overnight Fund - Reg - Growth	111,079	119,769,189	-	-
Kotak Overnight Fund - Growth	43,450	46,283,037	-	-
SBI Magnum Overnight Fund - Growth	12,493	40,282,681	-	-
UTI Overnight Fund Growth	12,218	33,141,595	-	-
Total	179,240	239,476,502	1,299,273	231,691,201

12.2 Details of Investment held in arbitrage mutual fund units

Particulars	As at 31 March 2020		As at 31 March 2019	
	Units	Amount	Units	Amount
Kotak Equity Arbitrage Fund	10,263,288	109,736,102	4,650,682	49,801,364
ICICI Prudential Equity Arbitrage Fund	8,292,907	113,394,716	7,885,754	107,409,495
Nippon India Arbitrage Fund - Mthly Dividend	21,829,791	232,939,160	15,197,299	161,491,061
Total	40,385,986	456,069,978	27,733,735	318,701,920

13. Inventories *

As at
31 March 2020 As at
31 March 2019

Raw materials	110,640,818	115,267,361
Work-in-progress	48,685,469	13,825,217
Finished goods	100,121,686	103,067,808
Stores and spares	7,027,458	3,544,806
Goods in transit (raw materials)	25,484,533	11,438,122
	291,959,964	247,143,314
Less: Provision for obsolescence	14,329,096	-
	277,630,868	247,143,314

*Inventories are valued at lower of cost and net realisable value

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

(Amount in Rs)

14. Trade receivables	As at 31 March 2020	As at 31 March 2019
<i>Unsecured</i>		
Outstanding for a period exceeding six months from the date they became due for payment		
Considered good	5,447,574	2,831,074
Considered doubtful	405,615	405,615
	5,853,189	3,236,689
Provision for doubtful debts	405,615	405,615
	5,447,574	2,831,074
	(A)	(A)
Other receivables		
Considered good	447,638,001	455,523,568
	(B)	(B)
	(A)+(B)	453,085,575
	453,085,575	458,354,642

(Amount in Rs)

15. Cash and cash equivalents	As at 31 March 2020	As at 31 March 2019
<i>Cash and cash equivalents</i>		
Cash on hand	262,723	193,650
Balances with banks		
on current accounts	72,089,665	19,347,506
on Exchange earners foreign currency (EEFC) account	31,861,552	6,070,763
on deposit accounts (with original maturity of 3 months or less)	3,400,000	3,400,000
	107,613,940	29,011,919

Details of bank deposits	As at 31 March 2020	As at 31 March 2019
Bank balances available on demand/deposits with original maturity of 3 months or less included under 'cash and cash equivalents'	3,400,000	3,400,000
Bank deposits due to mature within 12 months from the reporting date included under other bank balances	-	-
Bank deposits with maturity of more than 12 months from the reporting date included under other non-current asset	100,000	100,000
	3,500,000	3,500,000

(Amount in Rs)

16. Short-term loans and advances	As at 31 March 2020	As at 31 March 2019
<i>Unsecured, considered good</i>		
Other loans and advances		
Advances to employees	738,875	912,100
Advances for supply of goods and services	19,949,132	14,337,022
Balances with government authorities	4,403,887	571,008
Prepaid expenses	3,475,215	3,041,760
Other deposits	216,167	206,760
	28,783,276	19,068,650

(Amount in Rs)

17. Other current assets	As at 31 March 2020	As at 31 March 2019
Interest accrued but not due	94,745	83,023
Interest receivable on income tax refund	169,436	169,436
Duty drawback receivable	1,994,085	-
	2,258,266	252,459

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

(Amount in Rs)

18. Other operating revenues	For the year ended 31 March 2020	For the year ended 31 March 2019
Scrap sales	4,789,339	3,421,213
	4,789,339	3,421,213

(Amount in Rs)

19. Other income	For the year ended 31 March 2020	For the year ended 31 March 2019
Dividend income	31,594,057	23,803,913
Liabilities no longer required, written-back	3,274,162	2,090,508
Foreign exchange gain, net	14,847,359	8,467,265
Interest on other deposit	470,062	241,508
Interest on bank deposits	172,779	195,840
Miscellaneous income	3,969,949	312,329
Reversal of provision for bad and doubtful debts	-	57,720
	54,328,368	35,169,083

(Amount in Rs)

20. Cost of materials consumed	For the year ended 31 March 2020	For the year ended 31 March 2019
Inventories of raw materials at the beginning of the year	115,267,361	92,661,115
Add: purchases during the year	840,068,043	970,725,295
Less: Inventories of raw materials at the end of the year	(110,640,818)	(115,267,361)
	844,694,586	948,119,049

Break-up of cost of materials consumed	For the year ended 31 March 2020	For the year ended 31 March 2019
Base material	421,619,602	488,812,826
Ink	169,354,296	165,207,644
Lamination	111,319,687	150,430,928
Adhesive	71,533,718	75,290,588
Consumable	49,953,636	68,377,063
Others	20,913,647	-
	844,694,586	948,119,049

Break-up of inventory- materials	For the year ended 31 March 2020	For the year ended 31 March 2019
Base material	58,916,381	62,065,184
Ink	29,052,188	30,756,812
Lamination	13,908,080	13,494,375
Adhesive	6,389,589	7,496,791
Consumable	2,374,580	1,454,199
	110,640,818	115,267,361

Details of imported and indigenous parts consumed during the year

Particulars	For the year ended 31 March 2020	% of total consumption	For the year ended 31 March 2019	% of total consumption
Raw materials				
Imported	291,858,051	35%	317,322,621	33%
Indigenous	552,836,535	65%	630,796,428	67%
	844,694,586		948,119,049	100%

(Amount in Rs)

21. Changes in inventories of finished goods and work-in-progress	For the year ended 31 March 2020	For the year ended 31 March 2019
<i>Opening stock</i>		
- finished goods	103,067,808	84,193,652
- stores and spares	3,544,806	2,335,848
- work-in-progress	13,825,217	36,996,707
(A)	<u>120,437,831</u>	<u>123,526,207</u>
<i>Closing stock</i>		
- finished goods	100,121,686	103,067,808
Less: Provision for obsolescence	(14,329,096)	-
- stores and spares	7,027,458	3,544,806
- work-in-progress	48,685,469	13,825,217
(B)	<u>141,505,517</u>	<u>120,437,831</u>
(A)-(B)	<u>(21,067,686)</u>	<u>3,088,376</u>
22. Employee benefits	For the year ended 31 March 2020	For the year ended 31 March 2019
Salaries, wages and bonus	270,504,029	262,392,717
Contributions to provident and other funds	19,361,731	23,111,772
Staff welfare expenses	39,375,011	38,246,399
	<u>329,240,771</u>	<u>323,750,888</u>
23. Finance cost	For the year ended 31 March 2020	For the year ended 31 March 2019
Interest on borrowings	5,038,044	1,719,307
Interest on bill discounting	5,137,061	8,435,091
	<u>10,175,105</u>	<u>10,154,398</u>
24. Other expenses	For the year ended 31 March 2020	For the year ended 31 March 2019
Subcontracting charges	134,822,083	130,496,889
Sales commission.	5,842,145	98,645,603
Power and fuel	56,743,038	53,722,499
Repairs and maintenance		
- plant and machinery	29,579,601	28,153,032
- others	7,095,606	7,733,720
Courier and freight	29,665,311	24,036,275
Legal and professional	32,281,195	21,775,020
Travel and conveyance	13,784,915	15,221,923
Housekeeping charges	12,225,266	16,405,754
Corporate social responsibility (refer note 34)	12,385,075	11,952,137
Security charges	6,661,086	6,002,486
Sales promotion expenses	7,143,338	2,204,319
Rates and taxes	5,754,887	6,236,592
Insurance	5,180,850	4,314,827
Printing and stationery	3,543,177	4,252,295
Bank charges	2,915,264	3,242,436
Communication	1,849,882	3,234,984
Rent	653,260	3,194,379
Loss on sale and written off of property, plant and equipment	1,316,862	2,826,218
Bad debts written-off	1,493,885	2,494,995
Donation	110,100	120,700
Miscellaneous expenses	2,112,817	2,429,654
	<u>373,159,643</u>	<u>448,696,737</u>
Exceptional items		
Sales commission (Note 37)	50,000,000	-
Plant relocation (Note 37)	-	73,222,917
	<u>50,000,000</u>	<u>73,222,917</u>

S.J.S. Enterprises Private Limited
Notes to the financial statements for the year ended 31 March 2020 (continued)

25. Contingent liabilities and other commitments			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
Claims against the Company not acknowledged as debts in respect of:			
Income tax matter - income-tax demands raised against the erstwhile firm, all of which are under appeal	255,282	255,282	
Other money for which the Company is contingently liable			
Guarantee deposit with banks	100,000	100,000	
Others			
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	800,000	
26. Auditors' remuneration (included in legal and professional fees, excluding Goods and Service Tax/ Service tax)			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
As Auditor			
- Statutory audit	2,000,000	2,000,000	
- Tax audit	200,000	200,000	
- Reimbursement of expenses	170,427	101,490	
Total	2,370,427	2,301,490	
27. Leases			
The Company is obligated under certain cancellable operating leases for office premises. Total rental expense under such operating leases amounted to Rs 653,260 for the year ended 31 March 2020 (previous year: Rs 3,194,379).			
28. Expenditure in foreign currency			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
Travel and conveyance	1,225,788	1,229,216	
Repair and maintenance - plant and machinery	74,369	2,938,445	
Total	1,300,157	4,167,661	
29. Earnings in foreign currency			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
Export sales at FOB value	321,828,170	232,944,117	
Total	321,828,170	232,944,117	
30. Value of imports on CIF basis			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
Raw materials	249,976,250	292,165,466	
Stores and spares	3,963,142	4,762,803	
Capital goods	30,075,102	52,615,771	
Total	284,014,494	349,544,040	
31. Earning per share (EPS)			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
Profit for the year attributable to equity shareholders	387,665,160	364,939,858	
Weighted average number of equity shares of Rs 10 each used for calculation of basic and diluted profit per share	30,437,904	30,300,534	
Basic and diluted earnings per share	12.74	12.04	
32. Micro, small and medium enterprises:			
The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2020 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.			
			(Amount in Rs)
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019	
(i) The principal amount remaining unpaid to any supplier as at the end of each accounting year;	76,779,327	22,010,765	
(ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day during the year;	-	-	
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act;	-	-	
(iv) The amount of interest accrued and remaining unpaid at the end of the year; and	-	-	
(v) 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.	-	-	

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

33. Segment reporting

The Company is engaged in the manufacturing and selling of self-adhesive labels like automotive dials, overlays, badges and logos for the automotive, electronics and appliances industry and considers such activities to constitute a single business segment of the Company in the context of AS - 17, 'Segment Reporting'. Since the Company comprises a single business segment, disclosures relating to the primary segment have not been presented.

The Company operates only from India, but sells products both in India and overseas. Fixed assets and additions thereto, both, tangible and intangible, are located within India. Information on the Company's geographical segments is as follows:

Particulars	(Amount in Rs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Net sales		
India	1,837,567,903	2,139,609,625
Overseas	321,828,170	232,944,117
Segment assets		
India	2,854,760,487	2,583,272,144
Overseas	122,153,544	97,970,115
Segment liabilities		
India	391,083,456	510,979,738
Overseas	32,927,330	5,024,435

34. Corporate Social Responsibility

As per Section 135 of the Companies Act, 2013, a Company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, art and culture, healthcare, destitute care and rehabilitation, environment sustainability, disaster relief and rural development projects.

a) Gross amount required to be spent by the Company during the year is Rs 12,385,075

b) Amount spent during the year on:

Financial Year	2019-20		
	In cash *	Yet to be paid in cash	Total
i. Construction/acquisition of any assets	-	-	-
ii. Purposes other than (i) above	11,259,060	1,126,015	12,385,075

* Represents actual outflow during the year

35. Gratuity

The Company has a gratuity plan for its employees, which is a defined benefit scheme. Every employee who has completed 5 years or more of service is eligible for gratuity on separation, which is computed based on 15 days gross salary (last drawn) for each completed year of service. The obligation under the scheme is funded by contributions being made towards qualifying insurance policies obtained from SBI Life Insurance Company Limited.

Reconciliation of present value of the obligation and the fair value of the plan assets

The following table sets out the status of the gratuity plan:

Particulars	(Amount in Rs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Obligations at beginning of the year	61,588,967	49,875,133
Service cost	7,398,240	6,903,025
Past service cost	-	-
Interest cost	4,647,572	3,745,838
Benefits settled	(1,034,123)	(1,175,592)
Actuarial loss recognized for the year	2,696,485	2,240,563
Obligations at year	75,297,141	61,588,967
Particulars	For the year ended 31 March 2020	For the year ended 31 March 2019
Plans assets at beginning of the year, at fair value	67,804,549	47,258,476
Expected return on plan assets	5,377,076	4,216,405
Actuarial gain recognized for the year	123,190	(111,397)
Contributions	15,000,000	17,616,657
Benefits settled	(1,034,124)	(1,175,592)
Plans assets at end of the year/ period, at fair value	87,270,691	67,804,549

S.J.S. Enterprises Private Limited

Notes to the financial statements for the year ended 31 March 2020 (continued)

35. Gratuity (continued)

Particulars	(Amount in Rs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Fair value of plan assets at the end of the year	87,270,691	83,591,694
Present value of the defined benefit obligations at the end of the year	75,297,141	73,302,801
Net assets/(liabilities) recognized in the balance sheet	11,973,550	10,288,893
Non-current	(11,973,550)	(10,288,893)

Particulars	(Amount in Rs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Service cost	7,398,240	6,903,025
Interest cost	4,647,572	3,745,838
Expected return on plan assets	(5,377,076)	(4,216,405)
Actuarial loss recognized for the year	193,831	4,731,423
Net gratuity cost	6,862,567	11,163,881

Particulars	(Amount in Rs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
Discount factor	6.66%	7.61%
Estimated rate of return on plan assets	7.61%	7.60%
Salary increase	10.00%	10.00%
Attrition rate	13.90%	12.00%
Retirement age (years)	58	58

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market.

36. Related parties

(i) Names of related parties and description of relationship with the Company:

Holding company: Evergraph Holdings Pte Ltd, Singapore

Key managerial personnel:

K. A. Joseph Managing Director
Sanjay Thapar Director
Kazi Arif Uz Zaman Director
Vishal Sharma Director

(ii) Related party transactions

Particulars	(Amount in Rs)	
	For the year ended 31 March 2020	For the year ended 31 March 2019
a) Remuneration to key managerial personnel*		
K. A. Joseph	24,117,408	22,968,960
Sanjay Thapar	24,117,408	21,780,960
Total	48,234,816	44,749,920

*Managerial remuneration includes Rs. 99,000/month of Rent free accommodation.

*Managerial remuneration does not include cost of retirement benefits such as gratuity and compensated absences since provision for the same are made based on an actuarial valuation carried out for the company as a whole.

37. (i) During the year ended 31 March 2019, the Company has shifted their production and other facilities to new premises. Due to the relocation of the production and other facilities, Company has incurred significant expenses to the extent of Rs.73,222,917 during the initial phase of production in the new factory. These expenses are non-recurring in nature and significant in size, hence the same has been presented as an exceptional items in the financial statements.

(ii) During the year ended 31 March 2020, the Company has entered into settlement and termination agreements with its sales agents. The agreement was entered for the termination of services of such agents, and imposition of non-compete restrictions on activities directly related to the Company. As consideration for termination and non-compete restrictions, the Company has paid INR 5,00,00,000 during the period 1 April 2019 to 31 March 2020. These expenses are non-recurring in nature and significant in size, hence the same has been presented as an exceptional item in the financial statements.

for **BSR & Co. LLP**

Chartered Accountants

Firm's registration number:101248W/W-100022

AMRIT BHANSALI Digitally signed by AMRIT BHANSALI
Date: 2020.07.24 18:10:18 +05'30'

Amrit Bhansali

Partner

Membership number: 065155

Bengaluru

Date: 24 July 2020

for and on behalf of Board of Directors of

S.J.S. Enterprises Private Limited

K A Joseph Digitally signed by K A Joseph
Date: 2020.07.24 17:22:18 +05'30'

K A Joseph

Managing Director

DIN : 00784084

Bengaluru

Date: 24 July 2020

KAZI ARIF UZ ZAMAN Digitally signed by KAZI ARIF UZ ZAMAN
Date: 2020.07.24 17:14:45 +05'30'

Kazi Arif Uz Zaman

Director

DIN : 00237331

Bengaluru

Date: 24 July 2020