

B S R & Co. LLP

Chartered Accountants

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Limited Review Report on unaudited consolidated financial results of S.J.S. Enterprises Limited for the three months ended 31 December 2021 and year-to-date consolidated financial results for the period from 1 April 2021 to 31 December 2021 pursuant to Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To the Board of Directors of S.J.S. Enterprises Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of S.J.S. Enterprises Limited ("the Parent"), and its subsidiary (the Parent and its subsidiary together referred to as "the Group") for the quarter ended 31 December 2021 and year-to-date results for the period from 1 April 2021 to 31 December 2021 ("the Statement"), being submitted by the Parent pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "*Interim Financial Reporting*" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013, and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the Securities and Exchange Board of India under Regulation 33(8) of the Listing Regulations, to the extent applicable.

4. The Statement includes the results of the entities mentioned in Annexure I to the Statement.

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5. Based on our review conducted and procedures performed as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022


Unjang Banka
Partner

Bangalore
08 February 2022

Membership No.: 223018
UDIN:22223018AAUTXR5995

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Annexure I

List of entities included in unaudited consolidated financial results.

| Sr. No | Name of component | Relationship |
|--------|----------------------------------|--------------|
| 1 | S.J.S. Enterprises Limited | Parent |
| 2 | Exotech Plastics Private Limited | Subsidiary |

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S.J.S. Enterprises Limited*(Formerly known as S.J.S. Enterprises Private Limited)*Sy No 28/P16 of Agra Village and Sy No 85/P6
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Statement for Unaudited Consolidated financial results for the quarter and year to date period ended 31 December 2021*Rs. in Million, except per share data*

| Particulars | Quarter ended | | Nine months ended |
|--|---------------|-----------------|-------------------|
| | Dec 31, 2021 | Sept 30, 2021 | Dec 31, 2021 |
| | Unaudited | Unaudited | Unaudited |
| 1. Income | | | |
| a) Revenue from operations (refer note 9) | 917.90 | 996.92 | 2,657.51 |
| b) Other income | 9.19 | 9.74 | 29.17 |
| Total Income | 927.09 | 1,006.66 | 2,686.68 |
| 2. Expenses | | | |
| a) Cost of raw materials consumed | 381.12 | 424.27 | 1,125.54 |
| b) Changes in inventory of finished goods, stock in trade and work-in-progress | (5.95) | 9.57 | (7.51) |
| c) Employee benefits expense | 119.54 | 138.80 | 378.34 |
| d) Finance costs | 7.44 | 7.89 | 22.54 |
| e) Depreciation and amortization expense | 54.40 | 56.20 | 161.65 |
| f) Other expenses | 168.09 | 165.86 | 471.95 |
| Total Expenses | 724.64 | 802.59 | 2,152.51 |
| 3. Profit before tax [1-2] | 202.45 | 204.07 | 534.17 |
| 4. Income tax expense | | | |
| a) Current tax | 47.00 | 62.75 | 148.55 |
| b) Deferred tax | 6.53 | (11.34) | (10.94) |
| Total Tax expenses | 53.53 | 51.41 | 137.61 |
| 5. Profit for the period [3-4] | 148.92 | 152.66 | 396.56 |
| 6. Other comprehensive Income | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Re-measurements of net defined benefit plans | (3.87) | (0.49) | (3.43) |
| Income tax relating to these items | 0.96 | 0.14 | 0.87 |
| Other comprehensive Income for the period (net of tax) | (2.91) | (0.35) | (2.56) |
| 7. Total Comprehensive Income for the period [5+6] | 146.01 | 152.31 | 394.00 |
| Profit attributable to: | | | |
| Owners of the Company | 148.92 | 152.66 | 396.56 |
| Non-controlling interest | - | - | - |
| Other comprehensive Income attributable to: | | | |
| Owners of the Company | (2.91) | (0.35) | (2.56) |
| Non-controlling interest | - | - | - |
| Total comprehensive Income attributable to: | | | |
| Owners of the Company | 146.01 | 152.31 | 394.00 |
| Non-controlling interest | - | - | - |
| 8. Paid-up equity share capital (Face Value of Rs.10 each) | 304.38 | 304.38 | 304.38 |
| 9. Other equity | | | |
| 10. Earnings per share (Face value of Rs.10 each) (not annualised) | | | |
| a) Basic (in Rs.) | 4.89 | 5.02 | 13.03 |
| b) Diluted (in Rs.) | 4.85 | 5.02 | 12.92 |



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NOTES:

- 1) The above unaudited consolidated financial results ('the Statement') of S.J.S. Enterprises Limited ("the Company") and its subsidiary named Exotech Plastics Private Limited (the Company and its subsidiary together referred to as "the Group") have been prepared in accordance with applicable accounting standards i.e. Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules thereunder and in terms of Regulation 33 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 2) The Statement of the Group for the quarter and nine months ended 31 December 2021 has been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on 8 February 2022. The statutory auditors have expressed an unmodified review opinion on the Statement.
- 3) The figures for the quarter and nine months ended 31 December 2021 were subjected to limited review by the Statutory Auditors of the Group. The review report of the Statutory Auditor is being filed with National Stock Exchange of India Limited ("NSE") and Bombay Stock Exchange Limited ("BSE") and is also available on the Company's website at www.sjsindia.com.
- 4) Pursuant to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company shall publish unaudited consolidated financial results in the newspapers. However, the unaudited standalone financial results will be made available on the stock exchanges websites of NSE at www.nseindia.com and BSE at www.bseindia.com and on Company's website at www.sjsindia.com.
- 5) During the nine months ended 31 December 2021, the Company vide its resolution dated 14 July 2021 has introduced 'SJS Enterprises - Employee Stock Options Plan 2021' to issue such number of options which shall not exceed 24,35,000 to its eligible employees. Consequently, during the nine months ended 31 December 2021, the Company has issued 13,89,000 options to its eligible employees.
- 6) The Company has acquired Exotech Plastics Private Limited ("Exotech") effective from 5 April 2021. With the acquisition of the Exotech, the Group has prepared its first consolidated financial results for the quarter and nine months ended 31 December 2021. Since the acquisition was effective from 5 April 2021, consolidated financial results for year ended 31 March 2021 and quarter and nine months ended 31 December 2020 are not applicable to the Group.
- 7) During the quarter ended 31 December 2021, the Company has completed its IPO of 14,760,146 equity shares of face value of Rs. 10 each at a price of Rs. 542 per equity share, consisting entire equity shares as an "offer for sale" by the Selling Shareholders. As per the arrangement with the related Shareholder the expense incurred on account of IPO is required to be borne by the respective Selling Shareholders in their respective Shareholding ratio. The Company has obtained a confirmation from the respective Selling Shareholders and has shown these amounts as recoverable from them.



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- 8) During the nine months ended 31 December 2021, the Company has entered into an agreement with 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 Rs. 640 million as a consideration for acquisition and accordingly, Exotech has become a wholly owned subsidiary of the Company, effective from 5 April 2021.

The Company has conducted the fair valuation of the business on the date of acquisition and accordingly have recognised the related assets and liabilities at the acquisition date. The acquisition price net of assets acquired and liabilities assumed has resulted in a goodwill of Rs. 249.80 million.

| Particulars | Amount (Rs. in millions) |
|---|-----------------------------|
| Goodwill arising on acquisition | |
| Purchase consideration transferred (A) | 640.00 |
| Total fair value of net assets acquired (B) | (390.20) |
| Goodwill (C) = (A-B) | 249.80 |

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

- 9) During the quarter ended 31 December 2021, the Company has carried out negotiations and settlement on discounts with one of its key customers and accordingly has reversed a provision of Rs. 37.61 million.
- 10) The Group has evaluated its operating segments in accordance with Ind AS 108 and has concluded that it is engaged in a single operating segment viz. manufacturing and selling of self-adhesive labels like automotive dials, overlays, badges and logos for automotive electronics and appliances industry and on the basis of decisions taken for allocation of resources by the Chief Operating Decision Makers (CODM) and the internal business reporting system for evaluation of operational results.
- 11) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on 13 November 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial results in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.



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- 12) In March 2020, the World Health Organization declared COVID-19 to be a Pandemic. The Group adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption including remote working, maintaining social distancing, sanitization of work spaces etc. The Group has evaluated the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of its assets and liabilities and its internal financial controls. The Group has considered internal and external sources of information as of the date of approval of these unaudited consolidated financial results in determining the possible impact, if any, of the resurgence of the COVID-19 pandemic on the carrying amounts of its trade receivables, inventories, financial and non-financial assets. The Group has used the principle of prudence in applying judgements and making estimates. Based on this evaluation, the Group does not expect any material impact on its unaudited consolidated financial results. However, the eventual outcome of impact of COVID-19 pandemic may be different from those estimated as on the date of approval of these unaudited consolidated financial results, as the COVID-19 situation evolves in India and Globally. The Group will continue to closely monitor any material changes to future economic conditions and consequential impact on its unaudited consolidated financial results.
- 13) Information of unaudited standalone financial results of the Company in terms of Regulation 47(1)(b) of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(Rs. in millions)

| Particulars | Quarter Ended | | | Nine months period ended | | Year ended |
|--|---------------|------------|------------|--------------------------|------------|------------|
| | 31.12.2021 | 30.09.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 | 31.03.2021 |
| Revenue from operations | 662.51 | 713.37 | 830.40 | 1,943.95 | 1,779.51 | 2,516.16 |
| Profit Before Tax | 188.04 | 183.93 | 260.82 | 504.17 | 492.16 | 641.78 |
| Net profit for the period/year after tax | 138.39 | 136.43 | 194.05 | 375.43 | 366.17 | 477.65 |
| Total comprehensive income for the period/year | 135.16 | 136.58 | 196.83 | 373.24 | 367.46 | 477.42 |

- 14) The MCA wide notification dated 24 March 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from 1 April 2021. The Group has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever it is applicable.



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- 15) 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 Rs. 1.65 per equity share and Rs. 2.00 per equity share respectively (face value of Rs. 10.00 each) for the financial year ended 31 March 2022 aggregating to Rs. 111.10 million.

For and on behalf of Board of Directors

Place: Bangalore

Date: 08 February, 2022

A handwritten signature in black ink, appearing to be 'K A Joseph', written over a horizontal line.

K A Joseph
Managing Director
DIN: 00784084