

# BSR & Co. LLP

Chartered Accountants

Embassy Golf Links Business Park,  
Pebble Beach, B Block, 3<sup>rd</sup> Floor,  
Off Intermediate Ring Road,  
Bangaluru-560 071 India

Telephone: + 91 80 4682 3000  
Fax: + 91 80 4682 3999

## INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPIRATION OF PROFORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION INCLUDED IN THE DRAFT RED HERRING PROSPECTUS

The Board of Directors

**S.J.S. Enterprises Limited**

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

Sy. Nos 28/P 16 Agra Village and

Sy. Nos 85/P6 BM Kaval Village

Kengeri Hobli

Bengaluru 560082

Karnataka, India

19 July 2021

Dear Sirs,

Report on the compilation of Proforma Condensed Consolidated Financial Information included in the Draft Red Herring Prospectus prepared by S.J.S. Enterprises Limited

- We have completed our assurance engagement to report on the compilation of the proforma condensed consolidated financial information of S.J.S. Enterprises Limited (*formerly known as S.J.S. Enterprises Private Limited*) (the “Company”) prepared by the management of the Company (the “Management”). The proforma condensed consolidated financial information consists of the proforma condensed consolidated balance sheet as at 31 March 2021, the proforma condensed consolidated statement of profit and loss (including other comprehensive income) for the year ended 31 March 2021 and select explanatory notes (collectively “**Proforma Condensed Consolidated Financial Information**”), as set out in the Draft Red Herring Prospectus prepared by the Company (the “DRHP”) in connection with its proposed initial public offer of its equity shares (“IPO”). The applicable criteria on the basis of which the Management has compiled the Proforma Condensed Consolidated Financial Information are specified in clause (11)(I)(B)(iii) of Part A of Schedule VI Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the “ICDR Regulations”) issued by Securities and Exchange Board of India (the “SEBI”) and described in note 2 of the Proforma Condensed Consolidated Financial Information. Because of its nature, the Proforma Condensed Consolidated Financial Information does not represent the Company’s actual financial position and financial performance.

VB

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

2. The Proforma Condensed Consolidated Financial Information has been compiled by the Management to illustrate the impact of the acquisition of Exotech Plastics Private Limited (“EPPL”) set out in note 2 of the Proforma Condensed Consolidated Financial Information on the Company’s financial position as at 31 March 2021 and the Company’s financial performance for the year ended 31 March 2021 as if the acquisition had taken place as at and for the year ended 31 March 2021. As part of this process, information about the Company’s financial position, financial performance has been extracted by the Management from the Company’s restated financial statements as at and for the year ended 31 March 2021. Information about EPPL has been extracted and compiled by the Company from the audited financial statements of EPPL as at and for the year ended 31 March 2021 prepared in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (“Ind AS”) specified under Section 133 of the Companies Act 2013, as amended (the “Act”).

### **Management’s Responsibility for the Proforma Condensed Consolidated Financial Information**

3. Management is responsible for compiling the Proforma Condensed Consolidated Financial Information on the basis as set out in note 2 to the Proforma Condensed Consolidated Financial Information which has been approved by the board of directors of the Company (the “Board”) on 19 July 2021. This responsibility includes the responsibility for designing, implementing and maintaining internal control relevant for compiling the Proforma Condensed Consolidated Financial Information on the basis as set out in note 2 to the Proforma Condensed Consolidated Financial Information that is free from material misstatement, whether due to fraud or error. The Management is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities, including compliance with the provisions of the laws and regulations for the compilation of Proforma Condensed Consolidated Financial Information.

### **Auditor’s Responsibilities**

4. Our responsibility is to express an opinion, as required by ICDR Regulations, about whether the Proforma Condensed Consolidated Financial Information has been compiled, in all material respects, by the Management on the basis as set out in note 2 to the Proforma Condensed Consolidated Financial Information..
5. We conducted our engagement in accordance with Standard on Assurance Engagements (SAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the Institute of Chartered Accountants of India (“ICAI”). This Standard requires that the Auditor comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Management has compiled, in all material respects, the Proforma Condensed Consolidated Financial Information on the basis set out in note 2 thereto.
6. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Proforma Condensed Consolidated Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Proforma Condensed Consolidated Financial Information.

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

7. Our work has not been carried out in accordance with the auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the ICDR Regulations in connection with the proposed IPO.
8. The purpose of the Proforma Condensed Consolidated Financial Information included in the DRHP is solely to illustrate the impact of the above mentioned acquisition of EPPL on unadjusted restated financial information of the Company as if the acquisition of EPPL had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the above mentioned acquisition as at and for the year ended 31 March 2021 would have been as presented.
9. A reasonable assurance engagement is to report on whether the Proforma Condensed Consolidated Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Management in the compilation of the Proforma Condensed Consolidated Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the above mentioned acquisition, and to obtain sufficient appropriate evidence about whether:
  - The related proforma adjustments give appropriate effect to those criteria; and
  - The Proforma Condensed Consolidated Financial Information reflects the proper application of those adjustments to the unadjusted financial information.
10. The procedures selected depend on the Auditor's judgment, having regard to the Auditor's understanding of the nature of the Company, the event or transaction in respect of which the Proforma Condensed Consolidated Financial Information has been compiled, and other relevant engagement circumstances.
11. This report should not in any way be construed as re-issuance or re-dating of any of the previous audit reports issued by us on the financial statements of the Company or EPPL, as the case may be referred in paragraph 2 above. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
12. The engagement also involves evaluating the overall presentation of the Proforma Condensed Consolidated Financial Information.
13. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

14. In our opinion, the Proforma Condensed Consolidated Financial Information has been compiled, in all material respects, on the basis set out in note 2 of the Proforma Condensed Consolidated Financial Information.

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

### **Restriction of use**

15. Our report is intended solely for use of the Board for inclusion in the DRHP to be filed with SEBI in connection with the proposed IPO. Our report should not be used, referred to, or distributed for any other purpose except with our prior consent in writing. The Proforma Condensed Consolidated Financial Information is not a complete set of financial statements of the Company prepared in accordance with the Ind AS prescribed under Section 133 of the Act, as applicable and is not intended to give a true and fair view of the financial position of the Company as at 31 March, 2021, and of its financial performance (including other comprehensive income) for the year ended 31 March, 2021 in accordance with the Ind AS prescribed under Section 133 of the Act, as applicable. As a result, this Proforma Condensed Consolidated Financial Information may not be suitable for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

*for B S R & Co. LLP*

*Chartered Accountants*

ICAI Firm Registration Number: 101248W/W-100022



**Umang Banka**

Partner

Membership Number: 223018

ICAI UDIN: 21223018AAAABQ1101

Place: Bengaluru

Date: 19 July 2021

	Proforma adjustments notes	S.J.S. Enterprises Limited (Restated) (A)	Exotech Plastics Private Limited (B)	Proforma adjustments (C)	Proforma condensed (D=A+B+C)
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		1,409.02	161.81	-	1,570.83
Capital work-in-progress		42.52	-	-	42.52
Right-of-use assets		77.40	127.06	-	204.46
Goodwill	4(A)(iii)	39.51	-	235.33	274.84
Other intangible assets	4(A)(ii)	25.98	0.02	52.00	78.00
Financial assets					
i. Loans		7.87	9.89	-	17.76
ii. Other non-current financial assets		0.10	-	-	0.10
Deferred tax assets (net)		-	6.54	-	6.54
Income tax assets (net)		16.36	0.42	-	16.78
Other non-current assets		31.14	1.26	-	32.40
<b>Total non-current assets</b>		<b>1,649.90</b>	<b>307.00</b>	<b>287.33</b>	<b>2,244.23</b>
<b>Current assets</b>					
Inventories		332.35	112.50	-	444.85
Financial assets					
i. Investments	4(A)(iv)	814.66	-	(503.79)	310.87
ii. Trade receivables		597.30	215.23	-	812.53
iii. Cash and cash equivalents	4(A)(iv)	216.12	111.23	(136.21)	191.14
iv. Bank balance other than cash and cash equivalents		159.94	13.60	-	173.54
v. Loans		1.68	0.55	-	2.23
vi. Other current financial assets		3.63	10.29	-	13.92
Other current assets		59.86	30.53	-	90.39
<b>Total current assets</b>		<b>2,185.54</b>	<b>493.93</b>	<b>(640.00)</b>	<b>2,039.47</b>
<b>Total assets</b>		<b>3,835.44</b>	<b>800.93</b>	<b>(352.67)</b>	<b>4,283.70</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity</b>					
Equity share capital	4(A)(i)	304.38	28.00	(28.00)	304.38
Other equity	4(A)(i)	2,847.78	324.67	(324.67)	2,847.78
<b>Total equity</b>		<b>3,152.16</b>	<b>352.67</b>	<b>(352.67)</b>	<b>3,152.16</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Financial liabilities					
i. Non-current borrowings		-	3.16	-	3.16
ii. Lease liabilities		0.08	151.32	-	151.40
Deferred tax liabilities (net)		91.92	-	-	91.92
<b>Total non-current liabilities</b>		<b>92.00</b>	<b>154.48</b>	-	<b>246.48</b>
<b>Current liabilities</b>					
Financial liabilities					
i. Current borrowings		92.07	35.77	-	127.84
ii. Lease liabilities		0.04	27.76	-	27.80
iii. Trade payables					
a) total outstanding dues to micro enterprises and small enterprises		100.79	3.34	-	104.13
b) total outstanding dues to creditors other than micro enterprises and small enterprises		152.07	145.27	-	297.34
iv. Other current financial liabilities		169.81	21.64	-	191.45
Income tax liability (net)		37.21	8.11	-	45.32
Other current liabilities		26.67	46.01	-	72.68
Current provisions		12.62	5.88	-	18.50
<b>Total current liabilities</b>		<b>591.28</b>	<b>293.78</b>	-	<b>885.06</b>
<b>Total liabilities</b>		<b>683.28</b>	<b>448.26</b>	-	<b>1,131.54</b>
<b>Total equity and liabilities</b>		<b>3,835.44</b>	<b>800.93</b>	<b>(352.67)</b>	<b>4,283.70</b>

Note: The above statement should be read with the note on basis of preparation and other explanatory notes to the proforma condensed consolidated financial information.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

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

  
Umang Banks

Partner

Membership number: 223018

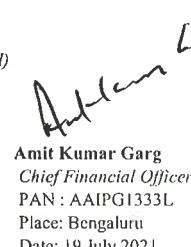
Place: Bengaluru

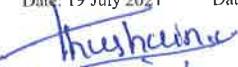
Date: 19 July 2021

for and on behalf of Board of Directors of  
**S.J.S. Enterprises Limited**  
Formerly known as S.J.S. Enterprises Private Limited

  
K A Joseph  
Managing Director  
DIN : 00784084  
Place: Bengaluru  
Date: 19 July 2021

  
Sanjay Thapar  
CEO and Director  
DIN : 01029851  
Place: Bengaluru  
Date: 19 July 2021

  
Amit Kumar Garg  
Chief Financial Officer  
PAN : AAIPG1333L  
Place: Bengaluru  
Date: 19 July 2021

  
Thabraz Hushain W  
Company Secretary  
PAN : ABVPW4613P  
Place: Bengaluru  
Date: 19 July 2021

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

Proforma condensed statement of profit and loss for the year ended 31 March 2021

(₹ in million)

	Proforma adjustments notes	S.J.S. Enterprises Limited (Restated) (A)	Exotech Plastics Private Limited (B)	Proforma adjustments (C)	Proforma condensed (D=A+B+C)
<b>Income</b>					
Revenue from operations		2,516.16	685.26	-	3,201.42
Other income	4(B)	35.38	64.15	-	99.53
<b>Total income</b>		<b>2,551.54</b>	<b>749.41</b>	-	<b>3,300.95</b>
<b>Expenses</b>					
Cost of raw materials consumed		990.29	383.26	-	1,373.55
Changes in inventories of finished goods and work-in-progress		(18.49)	(9.35)	-	(27.84)
Employee benefits expense		360.68	82.21	-	442.89
Finance costs		7.77	23.94	-	31.71
Depreciation and amortization expense	4(B)	147.49	48.33	9.90	205.72
Other expenses		422.02	154.94	-	576.96
<b>Total expenses</b>		<b>1,909.76</b>	<b>683.33</b>	<b>9.90</b>	<b>2,602.99</b>
<b>Profit before tax</b>		<b>641.78</b>	<b>66.08</b>	<b>(9.90)</b>	<b>697.96</b>
Tax expenses					
Current tax		191.01	13.81	-	204.82
Deferred tax (credit)/charge		(26.88)	0.21	-	(26.67)
<b>Total tax expense</b>		<b>164.13</b>	<b>14.02</b>	-	<b>178.15</b>
<b>Profit for the year</b>		<b>477.65</b>	<b>52.06</b>	<b>(9.90)</b>	<b>519.81</b>
<b>Other comprehensive (expense)/income</b>					
<i>Items that will not be reclassified subsequently to profit or loss</i>					
Re-measurements of defined benefit plans		(0.30)	(0.12)	-	(0.42)
Income tax effect		0.07	0.04	-	0.11
<b>Other comprehensive expense for the year, net of tax</b>		<b>(0.23)</b>	<b>(0.08)</b>	-	<b>(0.31)</b>
<b>Total comprehensive income for the year</b>		<b>477.42</b>	<b>51.98</b>	<b>(9.90)</b>	<b>519.50</b>
<b>Profit for the year attributable to:</b>					
Shareholders of the company		477.65	52.06	(9.90)	519.81
Non-controlling interests		-	-	-	-
<b>Profit for the year</b>		<b>477.65</b>	<b>52.06</b>	<b>(9.90)</b>	<b>519.81</b>
<b>Other comprehensive expense for the year attributable to:</b>					
Shareholders of the company		(0.23)	(0.08)	-	(0.31)
Non-controlling interests		-	-	-	-
<b>Other comprehensive expense for the year, net of tax</b>		<b>(0.23)</b>	<b>(0.08)</b>	-	<b>(0.31)</b>
<b>Total comprehensive income for the year attributable to:</b>					
Shareholders of the company		477.42	51.98	(9.90)	519.50
Non-controlling interests		-	-	-	-
<b>Total comprehensive income for the year</b>		<b>477.42</b>	<b>51.98</b>	<b>(9.90)</b>	<b>519.50</b>
<b>Proforma earning per equity share (face value of ₹10 each)</b>					3,04,37,904
Weighted average number of equity shares					
<b>Earnings per share (in ₹/share) :</b>					
Basic Earning per share					17.08
Diluted Earning per share					17.08

Note: The above statement should be read with the note on basis of preparation and other explanatory notes to the proforma condensed consolidated financial information.

As per our report of even date attached

for B S R & Co. LLP

Chartered Accountants

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

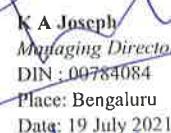
  
Umang Banks  
Partner

Membership number: 223018

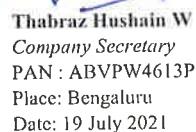
Place: Bengaluru

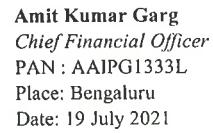
Date: 19 July 2021

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

  
K A Joseph  
Managing Director  
DIN : 00784084  
Place: Bengaluru  
Date: 19 July 2021

  
Sanjay Thapar  
CEO and Director  
DIN : 01029851  
Place: Bengaluru  
Date: 19 July 2021

  
Thabraz Hushain W  
Company Secretary  
PAN : ABVPW4613P  
Place: Bengaluru  
Date: 19 July 2021

  
Amit Kumar Garg  
Chief Financial Officer  
PAN : AAJPG1333L  
Place: Bengaluru  
Date: 19 July 2021

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

**Notes to the proforma condensed consolidated financial information as at and for the year ended 31 March 2021**

**1. Background of transaction and of entities forming part of proforma condensed consolidated financial information**

S.J.S. Enterprises Limited (formerly known as S.J.S. Enterprises Private Limited) ("the Company") is a Company, incorporated and domiciled in India. The Company was formed as a partnership firm in 1987 and was converted to private limited company in 2005. The 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. The registered office of the Company is in Kengeri, Bengaluru, Karnataka, India.

Exotech Plastics Private Limited ('Exotech') is a private company incorporated under the provisions of the Companies Act, 1956 on 17 July 1996. Exotech is engaged in the business of manufacturing and supply of automobile components and other components.

On 05 April 2021, the Company has acquired the entire equity shares from the existing equity shareholders of Exotech Plastics Private Limited ("Exotech"), a company engaged in the business of manufacturing and supply of automobile components and other components. The Company has paid ₹640 million as a consideration for acquisition and accordingly, Exotech has become a wholly owned subsidiary of the Company.

The Company along with Exotech is hereinafter collectively referred to as the 'Group'.

**2. Basis of preparation**

The proforma condensed consolidated financial information has been prepared by the management of the Company in accordance with the requirements of paragraph 11 of item (I) (B) (iii) of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a material acquisitions, as defined in SEBI Regulations, made after the date of the latest annual audited financial statements of the Company, viz., 31 March 2021.

The proforma condensed consolidated financial information of the Company comprising the proforma condensed consolidated balance sheet as at 31 March 2021, the proforma condensed consolidated statement of profit and loss for the year ended 31 March 2021, read with the selected explanatory notes to the proforma condensed financial information (collectively "proforma condensed consolidated financial information"), has been prepared as per the requirements of SEBI Consolidated Financial Information to reflect acquisition of Exotech. Because of their nature, the proforma condensed consolidated financial information addresses a hypothetical situation and therefore, do not represent the Company's actual consolidated financial position as at 31 March 2021 nor does it represent the Company's consolidated financial results for the year ended 31 March 2021. They purport to indicate the results of operations that would have resulted had the acquisition been completed at the beginning of the period presented and the consolidated financial position had the acquisition been completed as at the year end, but are not intended to be indicative of expected results or operations in the future periods or the future financial position of the Company.

The proforma adjustments are based upon available information and assumptions that the management of the Company believes to be reasonable. Such proforma condensed financial information has not been prepared in accordance with standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. Accordingly, the degree of reliance placed by investors in other jurisdictions on such proforma information should be even more limited.

The proforma condensed consolidated financial information prepared by the management is based on:

- the restated statement of asset and liabilities of the Company as at 31 March 2021 and the restated statement of profit and loss of the Company for the year ended 31 March 2021 prepared in accordance with SEBI Regulations.
- the audited balance sheet and statement of profit and loss of Exotech as at and for the year ended 31 March 2021 have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules 2015 notified under Section 133 of the Companies Act 2013 ('the Act') and other relevant provisions of the Act.
- The proforma condensed consolidated financial information does not include any adjustment for liabilities or related costs that may result from acquisition of Exotech, nor do they reflect any adjustments for potential synergies that may result from acquisition of Exotech.

**3. Proforma adjustment related to accounting policies**

The proforma condensed consolidated financial information have been compiled to reflect the respective accounting policies adopted by the Company and Exotech and hence, there are no adjustments related to uniformity of accounting policies in this proforma condensed consolidated financial information. In respect of valuation of inventories, while the Company uses weighted average cost method, Exotech uses first-in first-out method which, as per the management, reflects the appropriate values of inventories in line with the pattern of usage, prices of inputs prevailing in market etc.

**4. Proforma adjustments related to acquisition**

A) The following adjustments have been made to proforma condensed consolidated balance sheet:

(i) Shareholder's funds of Exotech and the Company are as under:

(₹ in million)

Particulars	31 March 2021	
	Equity share capital	Other equity
Shareholder's funds of the Company	304.38	2,847.78
Shareholder's funds of Exotech	28.00	324.67
	<b>332.38</b>	<b>3,172.45</b>
Cancellation of Equity of Exotech resulting out of proforma adjustments	(28.00)	(324.67)
Net change in shareholder's fund	(28.00)	(324.67)
<b>Total shareholder's funds</b>	<b>304.38</b>	<b>2,847.78</b>



Wd

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

Notes to the proforma condensed consolidated financial information as at and for the year ended 31 March 2021

**4. Proforma adjustments related to acquisition (continued)**

**A) The following adjustments have been made to proforma condensed consolidated balance sheet (continued):**

(ii) **Provisional purchase price allocation** : The provisional allocation of the total purchase price on the basis of fair value of assets and liabilities taken over by the Company are as follows:

Particulars	(₹ in million)	31 March 2021
Non current assets		307.00
Current assets		493.93
Intangible assets recognised upon acquisition		52.00
<b>Total assets</b>	<b>A</b>	<b>852.93</b>
Non current liability		154.48
Current liability		293.78
<b>Total liability</b>	<b>B</b>	<b>448.26</b>
<b>Net assets acquired</b>	<b>C = A-B</b>	<b>404.67</b>

(iii) **Goodwill arising on acquisition**: While preparing the proforma condensed consolidated balance sheet, the acquisition of Exotech was assumed to have taken place as at 31 March 2021. The goodwill and minority interest has been calculated as follows:

Particulars	(₹ in million)	31 March 2021
Consideration transferred (in cash)	D	640.00
Net asset acquired as at date of acquisition		404.67
% Stake acquired		100.00%
<b>Share of net assets</b>	<b>E</b>	<b>404.67</b>
<b>Goodwill arising on account of acquisition</b>	<b>F = D-E</b>	<b>235.33</b>
<b>Minority interest</b>		<b>0.00</b>

(iv) The cash consideration for Exotech of ₹640.00 million has been funded by selling investment in mutual funds. Mutual funds was sold for ₹137.13 million prior to 31 March 2021 and subsequent to 31 March 2021 mutual fund was sold for ₹503.79 million with a gain of ₹0.18 million.

The proforma adjustment in Mutual fund for ₹ 503.79 million and cash and cash equivalent for ₹136.21 million has been done to offset the corresponding liability for discharging purchase consideration for Exotech acquisition for ₹ 640 million considering the transaction has been consummated as at 31 March, 2021. This proforma adjustment is not required to be made, had the proforma condensed consolidated financial statement been prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act.

**B) The following proforma adjustments have been made to proforma condensed consolidated statement of profit and loss:**

Particulars	(₹ in million)	31 March 2021
Amortization of intangible assets recognised on acquisition		
Customer relationships		5.57
Non-compete agreement		4.33
<b>Net impact on profit and loss</b>		<b>9.90</b>

Non-Compete and customer relationships acquired as part of business combination are capitalised as intangible assets at the fair value measured on initial recognition and if it is probable expected future economic benefits that are attributable to the asset will flow to the Company. Such intangible assets are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

The proforma statement of profit and loss is prepared as if the transaction occurred immediately before the start of the period, and proforma balance sheet is prepared as if the transaction occurred as at the balance sheet date and hence there will be inherent inconsistencies between the two. Accordingly, the Company has not made the adjustment arising out of amortization of intangible assets recognised on acquisition as above.

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

Intangible asset	Estimated useful life (in years)
Customer relationship	7
Non-compete agreement	3

As per our report of even date attached  
for B S R & Co. LLP  
Chartered Accountants  
Firm's registration number: 101248W/W-100022

*Umang Banks*  
Umang Banks  
Partner  
Membership number: 223018  
Place: Bengaluru  
Date: 19 July 2021

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

*K A Joseph*  
K A Joseph  
Managing Director  
DIN : 00784084  
Bengaluru  
Date: 19 July 2021

*Thabraz Hushain W*  
Thabraz Hushain W  
Company Secretary  
PAN : ABVPW4613P  
Place: Bengaluru  
Date: 19 July 2021

*Sanjay Thapar*  
Sanjay Thapar  
CEO and Director  
DIN : 01029851  
Place: Bengaluru  
Date: 19 July 2021

*Amit Kumar Garg*  
Amit Kumar Garg  
Chief Financial Officer  
PAN : AAIPG1333L  
Place: Bengaluru  
Date: 19 July 2021