



## Secretarial Audit Report

For the financial year ended 31<sup>st</sup> March 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members  
S.J.S. Enterprises Limited  
(CIN: L51909KA2005PLC036601)  
Sy No 28/P16 of Agra village and  
Sy No 85/P6 of B.M Kaval Village,  
Kengeri Hobli, Bangalore,  
Bangalore Rural, KA - 560082

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **S.J.S. Enterprises Limited** (the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March 2022 (“Audit Period”), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for Audit Period, according to the provisions of:

- (i) The Companies Act, 2013 and the rules made there under (“Act”);
- (ii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under;
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under (“FEMA”) to the extent of Foreign Direct Investment, Overseas Direct Investment (‘ODI’) and External Commercial Borrowings



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- (‘ECB’) [The Company has neither invested in the form of ODI nor raised any ECB during the Audit Period];
- (v) The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):
- a. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - f. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 - *Not Applicable*;
  - g. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - h. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - *Not Applicable*;
  - i. Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - *Not Applicable*; and
- (vi) Other laws informed by the management of the Company as applicable to the Company is enclosed as **Annexure-1** hereto.

Further, I have also examined compliance with the applicable clauses of the following:

- i. Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General meetings.
- ii. The Listing Agreements entered into by the Company with National Stock Exchange of India Limited and BSE Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



*Note: The Equity Shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 15<sup>th</sup> November 2021 and hence the compliances with respect to SEBI Acts/Regulations/Rules as applicable, have been verified for the relevant period starting from 15<sup>th</sup> November 2021 of the Audit Period.*

During the Audit Period, the Company has complied with the applicable laws, rules, regulations, guidelines and standards subject to the following observations:

**(A) Under the Companies Act, 2013 and FEMA, 1999:**

Delay in filing certain e-Forms, resulting in levy of additional fees or Late Submission Fee (LSF), as applicable.

**(B) Under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

(A) Regulation 18 – Though the Audit Committee met four times during the Audit Period, in one instance, the gap was more than 120 days.

(B) Regulation 19 – The composition of Nomination and Remuneration Committee was not in line with the requirement specified in SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2021 read with the corrigendum during the period 1<sup>st</sup> January 2022 to 7<sup>th</sup> February 2022.

I further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the Audit Period were carried out in compliance with the provisions of the Act.
- Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (and by complying with prescribed procedure where the meetings are called with less than seven days' notice), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at the Board Meetings and Committee Meetings are carried out unanimously, as recorded in the minutes.

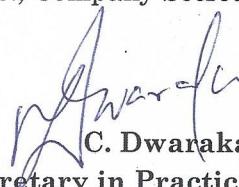


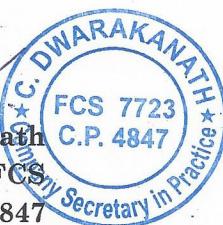
I further report that:

- there are systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- the Company during the Audit period, has a material unlisted subsidiary viz. Exotech Plastics Private Limited, incorporated in India and consequently, a separate Secretarial Audit Report is obtained from Mr.Jayavant B Bhave (FCS:4266; CP No.3068) – Proprietor, J.B. Bhave & Co., Company Secretaries.

Place: Bengaluru

Date: May 26, 2022

  
C. Dwarakanath  
Company Secretary in Practice FCS  
No: 7723; CP No: 4847  
UDIN: F007723D000396067  
Peer Review Certificate No. 647/2020



Note: This report is to be read with my letter of even date which is annexed as Annexure-2 hereto and forms an integral part of this report.

**LIST OF OTHER LAWS APPLICABLE**

**A. Corporate laws**

1. The Depositories Act, 1996 and regulation and bye-laws there under

**B. Labour laws**

1. The Factories Act, 1948;
2. Shops and Commercial Establishments legislations in various States.
3. Child Labour (Prohibition and Regulation) Act, 1986;
4. Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
5. The Contract Labour (Regulation and Abolition) Act, 1970;
6. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
7. The Employees' State Insurance Act, 1948
8. The Employees' Compensation Act, 1923 and Workmen's Compensation Rules, 1924
9. The Equal Remuneration Act, 1976;
10. The Industrial Disputes Act, 1947;
11. The Industrial Employment (Standing Orders) Act, 1946;
12. The Maternity Benefit Act, 1961;
13. The Minimum Wages Act, 1948;
14. The Payment of Bonus Act, 1965;
15. The Payment of Gratuity Act, 1972;
16. The Payment of Wages Act, 1936;
17. The Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959; and
18. The Labour Welfare Fund Act, 1965

**C. Taxation laws**

1. The Income Tax Act, 1961;
2. Goods & Service Tax Act, 2017
3. The Customs Act, 1962;
4. Professional tax related state-wise legislation
5. Customs Tariff Act, 1975
6. Customs and Central Excise Duties Drawback Rules, 2017

**D. Intellectual property laws**

1. The Trade Marks Act, 1999



#### **E. Environmental laws**

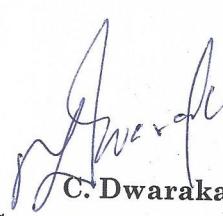
1. The Water (Prevention and Control of Pollution) Act, 1974;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Environment Protection Act, 1986; and
4. Hazardous and other wastes (Management and Transboundary Movement) Rules, 2016
5. Environment Impact Assessment Notification of 2006

#### **F. Miscellaneous laws**

1. The Prevention of Money Laundering Act, 2002;
2. The Micro, Small and Medium Enterprises Development Act, 2006; and
3. The Competition Act, 2002

**Place: Bengaluru**

**Date: May 26, 2022**

  
C. Dwarakanath  
Company Secretary in Practice  
FCS No: 7723; CP No: 4847



**Annexure-2**

To,

The Members

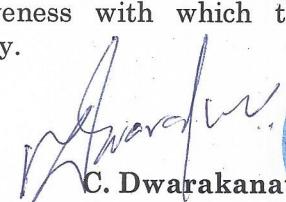
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Sy No 28/P16 of Agra village and  
Sy No 85/P6 of B.M Kaval Village,  
Kengeri Hobli, Bangalore,  
Bangalore Rural, KA - 560082

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on the audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on random test basis to ensure that correct facts are reflected in the secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc., is the responsibility of the management of the Company. My examination was limited to the verification of procedures on random test basis.
5. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The list of laws applicable to the Company enclosed as Annexure-1 to the Secretarial Audit Report is as confirmed by the management of the Company. The Secretarial Audit Report is neither an assurance nor a confirmation that the list is exhaustive.
7. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Bengaluru

Date: May 26, 2022

  
**C. Dwarakanath**  
Company Secretary in Practice  
FCS No: 7723; CP No: 4847

