

Independent Auditor's Review Report on the Standalone Quarterly and Half yearly Financial Results of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') pursuant to Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**Review report to
The Board of Directors of
SIS Limited**

We have reviewed the accompanying unaudited Standalone financial results ("Results") of **SIS Limited** ("the Company"), for the quarter and six months ended September 30, 2021 included in the accompanying Statements of Standalone Financial Results ("the Statements"), being submitted by the Company pursuant to the requirements of Regulation 33 and 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim standalone financial statements which have been prepared in accordance with the Indian Accounting Standards 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 (the Act), read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review 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. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free from material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ("Ind-AS") read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Saxena & Saxena
Chartered Accountants
(Firm Regn. No.006103N)

Dilip Kumar

CA. Dilip Kumar
(Partner)
M. No. 82118



UDIN: 21082118AAAAV46021
Place: New Delhi
Date: October 27, 2021

SIS Limited Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010 CIN: L75230BR1985PLC002083 Statement of standalone financial results for the quarter and six months ended September 30, 2021							
Sl. No.	Particulars	(Rupees in million except per share data)					
		Quarter ended			Six months ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Income						
1	a) Revenue from operations	8,129.66	7,586.24	7,165.18	15,715.90	14,599.88	30,040.79
	b) Other income	28.57	532.68	80.54	561.25	170.17	265.23
	c) Other gains / (losses)	2.35	0.13	-0.42	2.48	-1.30	-2.34
	Total income (a + b + c)	8,160.58	8,119.05	7,245.30	16,279.63	14,768.75	30,303.68
	Expenses						
2	a) Purchases	153.66	58.01	159.25	211.67	224.03	385.15
	b) Change in inventory of stock-in-trade	1.12	-11.85	-7.92	-10.73	-21.10	-13.21
	c) Employee benefits expense	7,277.84	6,807.56	6,277.55	14,085.40	12,853.93	26,619.92
	d) Finance costs	139.07	141.85	179.09	280.92	390.94	702.08
	e) Depreciation and amortization expense	88.48	88.16	104.65	176.64	207.06	414.75
	f) Other expenses	364.15	330.50	288.40	694.65	661.28	1,338.93
	Total expenses (a + b + c + d + e + f)	8,024.32	7,414.23	7,001.02	15,438.55	14,316.14	29,447.62
3	Profit / (loss) before tax and exceptional items (1-2)	136.26	704.82	244.28	841.08	452.61	856.06
4	Exceptional items	0.00	0.00	0.00	0.00	0.00	0.00
5	Profit / (loss) before tax (3-4)	136.26	704.82	244.28	841.08	452.61	856.06
6	Tax expense / (credit)						
	Current tax	15.67	97.53	-0.65	113.20	0.48	0.83
	Deferred tax	-33.27	-30.59	88.06	-63.86	148.47	284.30
	Total tax expense / (credit)	-17.60	66.94	87.41	49.34	148.95	285.13
7	Profit / (loss) for the period (5-6)	153.86	637.88	156.87	791.74	303.66	570.93
8	Other comprehensive income / (loss)						
	Items that will not be reclassified to profit or loss						
	a) Re-measurement of defined benefits plan	-6.72	8.06	5.06	1.34	10.11	-61.28
	b) Income tax relating to these items	1.69	-2.03	-1.27	-0.34	-2.54	15.42
	Other comprehensive income / (loss) for the period (net of taxes)	-5.03	6.03	3.79	1.00	7.57	-45.86
9	Total comprehensive income / (loss) for the period (7+8)	148.83	643.91	160.66	792.74	311.23	525.07
10	Paid-up equity share capital (face value of Rs. 5 per share)	734.28	733.64	733.87	734.28	733.87	741.51
11	Reserves i.e. Other equity	7,035.66	6,830.78	7,167.29	7,035.66	7,167.29	7,375.90
12	Earnings per share (EPS) (of Rs. 5/- each)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Not annualised)	(Annualised)
	(a) Basic (Rs.)	1.05	4.31	1.07	5.37	2.07	3.88
	(b) Diluted (Rs.)	1.04	4.26	1.05	5.31	2.04	3.86

Please see the accompanying notes to the financial results

Additional disclosure as per Clause 52 (4) and 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Sl. No.	Particulars	Quarter ended			Six months ended		Year ended
		September 30, 2021	June 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020	March 31, 2021
a)	Outstanding redeemable preference shares (INR Mn)	Nil	Nil	Nil	Nil	Nil	Nil
b)	Debt redemption reserve (INR Mn)	Nil	Nil	312.50	Nil	312.50	375.00
c)	Net worth (total equity) (INR Mn)	7,769.94	7,564.42	7,901.16	7,769.94	7,901.16	8,117.41
d)	Net profit after tax (INR Mn)	153.86	637.88	156.87	791.74	303.66	570.93
e)	Basic earnings per share (Rs.) (of Rs. 5/- each)	1.05	4.31	1.07	5.37	2.07	3.88
f)	Debt-equity ratio (times)	0.85	0.86	0.83	0.85	0.83	0.93
g)	Debt service coverage ratio (times) *	1.45	1.78	0.57	1.63	0.55	0.56
h)	Interest service coverage ratio (times) *	1.85	2.27	1.96	2.06	1.82	1.95
i)	Current ratio (times)	1.30	1.30	1.15	1.30	1.15	1.41
j)	Long term debt to working capital (times) *	1.24	1.29	0.91	1.24	0.91	0.91
k)	Bad debts to account receivable ratio (%) *	-	-	-	-	-	-
l)	Current liability ratio (times)	0.65	0.65	0.82	0.65	0.82	0.68
m)	Total debts to total assets (times)	0.35	0.35	0.35	0.35	0.35	0.37
n)	Debtor's turnover (times) *	7.50	6.96	6.38	7.09	6.50	6.60
o)	Inventory turnover (times) *	3.57	1.02	3.03	2.31	2.03	2.12
p)	Operating margin (%)	4.09%	5.30%	6.25%	4.68%	6.04%	5.69%
q)	Net profit margin (%)	1.89%	8.41%	2.19%	5.04%	2.08%	1.90%

*Ratios for the quarters / half year have been annualised

The Secured Rated Listed Redeemable Non-Convertible Debentures ("the Debentures") of face value of INR 1.00 million each, aggregating to INR 1,900 million are secured by way of security created over a portion of the Company's shareholding in one of its subsidiary company. The asset cover as on September 30, 2021 is more or equal to 4 times of the principal amount of the said secured non-convertible debentures.

Formulae for computation of above ratios are as follows

Particulars	Details
a) Debt-equity ratio	Total debt/ Total Equity
b) Debt service coverage ratio	Profit before interest, tax and exceptional items/ (Interest expense + Current maturities of non-current borrowings)
c) Interest service coverage ratio	Profit before interest, tax and exceptional items/ Interest expense
d) Current ratio	Current assets/ Current liabilities
e) Long term debt to working capital	Non-current borrowings (including current maturities of non-current borrowings)/ (Current asset- Current liability (excluding current maturities of non-current borrowings))
f) Bad debts to account receivable ratio	Bad debt writes off during the period / Average Trade Receivable
g) Current liability ratio	Current liability/ Total liability
h) Total debts to total assets	Total debt/ Total assets
i) Debtors turnover	Revenue/ Average trade receivable
j) Inventory turnover	Cost of goods sold/ Average inventory
k) Operating margin	Profit before depreciation, interest, tax, and exceptional item less other income/ Revenue
l) Net profit margin	Profit after tax/ Revenue

SIS Limited Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna – 800010 CIN: L75230BR1985PLC002083 Statement of standalone assets and liabilities as at September 30, 2021			
	Particulars	(Rupees in million)	
		September 30, 2021 (Unaudited)	March 31, 2021 (Audited)
A	ASSETS		
	Non – current assets		
	Property, plant and equipment	1,023.92	1,018.48
	Capital work-in-progress	0.00	0.00
	Other intangible assets	7.64	6.98
	Intangible assets under development	151.79	114.07
	Financial assets		
	(i) Investments	5,762.14	5,243.19
	(ii) Other non-current financial assets	507.34	527.46
	Deferred tax assets (net)	873.29	809.77
	Income tax assets	1,103.63	938.14
	Other non – current assets	47.18	11.93
	Total non – current assets	9,476.93	8,670.02
	Current assets		
	Inventories	165.86	182.05
	Financial assets		
	(i) Trade receivables	4,407.42	4,455.15
	(ii) Cash and cash equivalents	1,274.18	2,061.91
	(iii) Bank balances other than in (ii) above	444.71	1,980.66
	(iv) Other current financial assets	2,724.81	2,168.26
	Other current assets	622.40	673.66
	Total current assets	9,639.38	11,521.69
	Total assets	19,116.31	20,191.71
B	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	734.28	741.51
	Other equity	7,035.66	7,375.90
	Total equity	7,769.94	8,117.41
	Liabilities		
	Non – current liabilities		
	Financial liabilities		
	(i) Borrowings	2,812.19	2,859.34
	(ia) Lease liability	417.38	390.94
	(ii) Other non-current financial liabilities	4.00	3.91
	Provisions	717.59	627.64
	Total non- current liabilities	3,951.16	3,881.83
	Current liabilities		
	Financial liabilities		
	(i) Borrowings	3,784.15	4,655.84
	(ia) Lease liability	66.90	62.52
	(ii) Trade payables		
	a. Total outstanding dues of micro enterprises and small enterprises	1.69	1.85
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	178.17	78.51
	(iii) Other current financial liabilities	2,394.20	2,330.29
	Other current liabilities	876.79	974.97
	Provisions	93.31	88.49
	Total current liabilities	7,395.21	8,192.47
	Total liabilities	11,346.37	12,074.30
	Total equity and liabilities	19,116.31	20,191.71

SIS Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna – 800010
CIN: L75230BR1985PLC002083

Standalone statement of cash flows for the six months ended September 30, 2021

Particulars		(Rupees in million)	
		September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	841.08	452.61
	Adjusted for:		
	Depreciation and amortization expenses	176.64	207.06
	Unrealised foreign exchange (gain) / loss	-1.26	6.91
	Net (gain) / loss on sale of property, plant and equipment	-1.22	-5.61
	Finance costs	280.92	390.94
	Interest income classified as investing cash flows	-58.63	-167.85
	Dividend Income	-502.62	-2.31
	Provision for doubtful debts	32.50	124.72
	Employee stock option compensation expense	55.27	7.96
	Operating profit/(loss) before changes in working capital	822.68	1,014.43
	Changes in working capital:		
	Decrease / (increase) in trade receivables	15.23	200.99
	Decrease / (increase) in inventories	16.20	1.06
	Decrease / (increase) in other current assets	95.77	52.76
	Decrease / (increase) in other current financial assets	-559.90	-238.64
	(Decrease) / increase in trade payables	99.51	46.35
	(Decrease) / increase in provisions	96.10	91.14
	(Decrease) / increase in other current liabilities	-98.71	-221.02
	(Decrease) / increase in other current financial liabilities	159.03	267.71
	Decrease / (increase) in other non-current assets	0.02	0.02
	Decrease / (increase) in other non-current financial assets	20.20	-9.13
	(Decrease) / increase in other non-current financial liabilities	1.26	-6.91
	Cash (used in) / generated from operations	667.39	1,198.76
	Direct (tax paid), net of refunds	-278.69	511.69
	Net cash inflow / (outflow) from operating activities	388.70	1,710.45
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property plant and equipment and changes in capital work-in-progress	-191.48	-78.09
	Proceeds from sale / disposal of property, plant and equipment	3.03	23.77
	Investments made	-512.05	-60.23
	(Investment) in / matured fixed deposits	1,538.07	5.90
	Decrease / (increase) in restricted balances	0.00	56.05
	Interest received	53.69	142.00
	Dividend received	502.62	2.31
	Net cash inflow / (outflow) from investing activities	1,393.88	91.71
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	1.59	0.63
	Buy back of equity shares including transaction cost and tax	-1,241.57	0.00
	Proceeds from term loans	34.36	9.56
	Repayment of term loans	-96.36	-127.06
	Bonds/debentures issued / (repaid/redeemed)	-1,500.00	0.00
	Interest paid	-351.53	-413.85
	Changes in lease liability	-64.86	-63.47
	Net cash inflow / (outflow) from financing activities	-3,218.37	-594.19
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)	-1,435.79	1,207.97
E	Cash and cash equivalents at the beginning of the period	2,061.91	502.08
F	Cash credit at the beginning of the period	-2,990.00	-3,706.26
	Cash and cash equivalents at the end of the period (D+E+F)	-2,363.88	-1,996.21

For the purpose of standalone statement of cash flows, cash and cash equivalents comprises of followings:

	September 30 2021	September 30, 2020
Cash and cash equivalents at the end of the period	1,274.18	1,825.65
Cash credit	-3,638.06	-3,821.86
Balances as per statement of cash flows	-2,363.88	-1,996.21

Notes to the standalone financial results:

1. The Statement of unaudited standalone financial results ("the Statement") of the Company for the quarter and six months ended September 30, 2021 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on October 27, 2021.
2. The standalone results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as prescribed in Section 133 of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized accounting practices and policies.
3. During the quarter ended September 30, 2021, upon exercise of vested stock options by the eligible employees, the Company has allotted 129,160 equity shares of INR 5 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased to INR 734,283,235 divided into 146,856,647 equity shares of INR 5 each.
4. During the quarter ended September 30, 2021, the Board appointed Mr. Rajan Verma and Mr. Ajay Kumar Relan as independent director effective July 28, 2021 based on the recommendations of the Nomination and Remuneration Committee of the Board. Mr. Ajay Kumar Relan passed away on October 1, 2021.
5. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. The Company has assessed the carrying amounts based on subsequent events and the state of the business operations during the period of the pandemic and related information including economic forecasts. As a result of this assessment, and based on the current estimates, the Company expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
6. In accordance with Ind-AS 108, Operating segments, segment information has been provided in the unaudited consolidated financial results of the Group and, therefore, no separate disclosure on segment information is given in these standalone unaudited financial results.

For and on behalf of the Board of Directors of
SIS Limited



Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: October 27, 2021