SIS Limited
Annual Report 2020-21

Group Enterprises

A Market Leader in Security, Cash Logistics & Facility Management

Essential Solutions for Safety and Security

Read inside

RESPONDING WITH FOCUS

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FY21 KEY HIGHLIGHTS

₹ **91,273** Mn

Revenue | 7.6%^

₹ **5,208** Mn

EBITDA | 0.1%^

₹ **3,672** Mn

Profit after tax | 62.9%^

22.80%^

RoNW* | 70 bps^

*based on growth over pro-forma PAT of FY20
^ Growth in FY21 over FY20

Check our website to get to know us better

Essential solutions for safety and security

Today, the world is all about 'essentials' and we are proud to be recognised as a trusted leader in this space though our security, facility management, and cash logistics services.

Security and safety are more important than ever, and we are vested with the responsibility of ensuring seamless services even when the times are tough. And how are we doing this?

By addressing varied client needs using our three decades of experience and proficiency across sectors

By growing our market share

By deepening customer relationships through our integrated solutions portfolio

By deepening our insights about our existing and potential markets

We are working tenaciously to ensure that 'the guards are up' and are passionate to provide 24/7 safety for all our clients. Having said this, we will not rest until we achieve this goal.

At a glance

Providing Essential Services with Focus

SIS Group is one of the leaders in security, facility management and cash logistics services in Asia-Pacific. With an unremitting spirit of innovation coupled with a dynamic and multifaceted portfolio of services we strive to offer people enduring value. We expanded our footprint across 29 Indian states, including the remotest corners, and established a widespread network in Australia. We are also gradually growing our prominence in New Zealand and Singapore.

Our deep market insights enable us to leverage growth opportunities in the key markets we operate in concurrently helping our brands to emerge as trusted players.

Over the last 30 years, we have steadily increased our offerings and reach to cater to the varied and dynamic demands of the markets we serve. Our integrated solutions portfolio is helping us engage across multiple levels with our customers and drive high customer retention.

US$ 1.2 Billion+

In revenue (among global top 10)

2,28,028

Employees (among global top 5)

OUR VALUES

TRUST

PEOPLE FOCUS

SERVICE SPIRIT

SNAPSHOT OF BUSINESS SEGMENTS

SECURITY SOLUTIONS

Leading security solutions provider in Asia-Pacific (APAC) – India, Australia, Singapore and New Zealand – with diverse solutions across the security spectrum, including 'Man-Tech' solutions, which combine electronic security with trained workforce

Read more on page XX

87.6%

Contribution to revenue in FY21

India

Largest security solutions provider in India, offering the widest reach and most comprehensive range of services

Complete suite of electronic security solutions

Alarm monitoring and response solutions

Read more on page 22

Australia

Largest security solutions provider across all market segments in Australia

Largest mobile patrol company in Australia

Singapore

One of Singapore's leading security companies

New Zealand

Leading security solutions provider in New Zealand

Read more on page 24

FACILITY MANAGEMENT

Offers housekeeping services, janitorial support, integrated facility management, HVAC maintenance and pest control

Read more on page XX

12.4%

Contribution to revenue in FY21

Read more on page 28

CASH LOGISTICS

Provides secured cash in transit, including transportation of bank notes and other valuables, doorstep banking and cash processing, ATM replenishment, first-line maintenance and safekeeping, and vault-related services for bullion and cash

Read more on page 32

Presence

Expanding Prominence Across Core Geographies

ASIA-PACIFIC (APAC)

INDIA

#1
Security solutions company

#2
Largest facility management services company

#2
Largest cash logistics services provider

AUSTRALIA

#1
Security solutions company

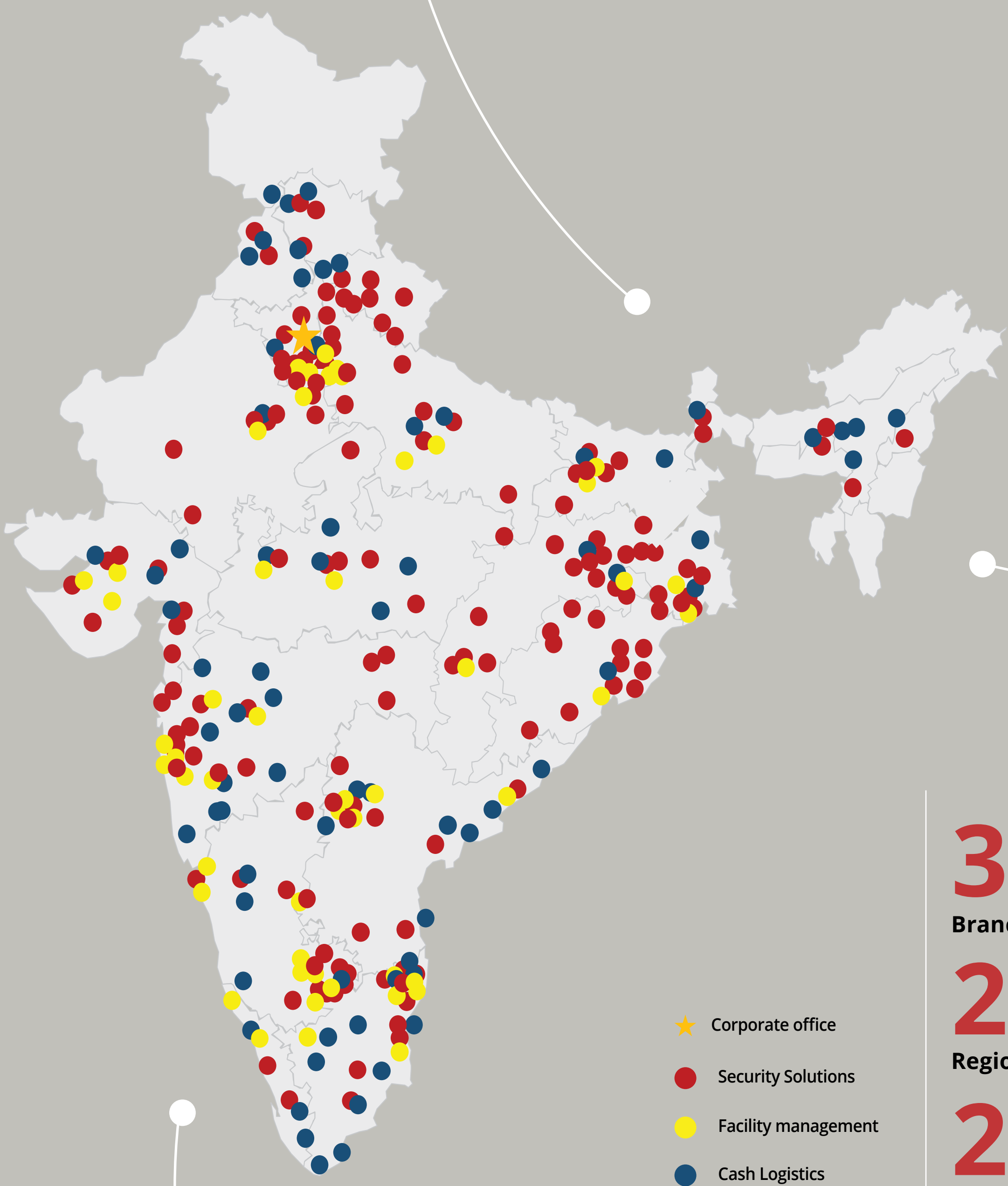
SINGAPORE

Among **TOP 3** Players in Singapore

NEW ZEALAND

Among **TOP 3** Players in New Zealand

PRESENCE IN INDIA



353
Branch offices

20
Regional offices

20
Training academies

Combating COVID-19

Stepping up in the Fight Against the Pandemic

The COVID-19 pandemic has been the most cataclysmic event to endure, taking an unimaginable toll on everyone across the world— both at a personal and professional level. Our business, too, faced several challenges, but we responded promptly and with agility to sail through this storm.

Our priority was to keep operations running during this demanding phase. We faced several logistical challenges and regulatory interventions and had to coordinate with multiple stakeholders. However, using our learnings from experiences across geographies, we were able to develop a cohesive emergency plan – we pulled together a cross-functional team that worked on strategic and operational plans to minimise disruption in operations.

We expected the exercise to be 2-3-months long, but it took longer as many states/ cities continued to impose restrictions for an extended period of time. When the second wave of the pandemic hit us in March-April 2021, we were well prepared, and handled the crisis seamlessly.

The SIS Group was able to garner outstanding customer goodwill by supporting businesses throughout the crisis year, often going beyond our brief and contract terms. During this phase, we recorded higher customer retentions and lower employee attrition than usual.

FIRST 30-DAY ACTION PLAN – STEPS UNDERTAKEN FOR BUSINESS CONTINUITY

March 6, 2020

- Initiated Business Continuity Plan (BCP) actions to support customers and employees, COVID strategy team and awareness advisories

March 24, 2020

- India announces country-wide lockdown
- Group-wide calls on plan of action: Discussion on communication, payroll, client engagement, supplies, passes, regulatory letters, etc.

March 25, 2020

- Discussed COVID strategy with all business unit (BU) leaders
- Financial empowerment to branch heads and regional heads for PPE kits and supplies
- Daily operations report, rostering and COVID MIS

March 26, 2020

- Advance salary, ration and accommodation paid to frontline staff
- Extensive customer support operations

March 31, 2020

- Detailed instructions on invoicing and wage processing

April 15, 2020

- Initiated retraining of frontline employees for post-COVID operations

April 20, 2020

- Launched 'COVID Circle of Safety' customer outreach programme

100-DAY COVID RESPONSE PLAN (APRIL 2020 TO JULY 2020)

01

Operations normalisation

- Full strength at customer sites and SIS Group offices through robust planning and customer outreach
- Ensured EHS through awareness, precautions and preventive equipment

02

Sales and business development recovery

- Repositioned service offerings for a post-COVID era
- Focus on cross-selling and increasing share of wallet with existing customers

03

Digital transformation

- Fast tracked IT infrastructure investments
- Leapfrogged from a specialist service provider to tech-enabled customised solutions

04

Financial preservation

- Revenue protection through cross-sell and increased share of wallet
- Margin protection with overhead control on all non-employee selling, general and administrative expense (SG&A) and minimising CAPEX
- Managing working capital through proactive invoice generation and focused collection targets

SURVIVAL TO REVIVAL PLAN – WITH A FOCUS ON REVENUE RECOVERY (JULY 2020 TO SEPTEMBER 2020)

5 POINT AGENDA

1. EHS with the implementation of COVID Phase II measures
2. Recovery planning across branches to drive faster recovery
3. Sales engine revival with defined targets
4. Sharp focus on collections and bad debt management
5. Customer retention, margin protection and growth, along with focus on increasing wallet share and cross-selling

PREPARING AHEAD FOR MARKET SHARE PUSH (OCTOBER 2020 ONWARDS)

1. Focusing on prudent guidance on go-to and no go-to segments to avoid bad debt risk sectors
2. Accelerating solution-based sales as a culture
3. Promoting OneSIS to cross-sales
4. Driving digital lead generation
5. Developing leadership in seven key segments
6. Enhancing sales productivity

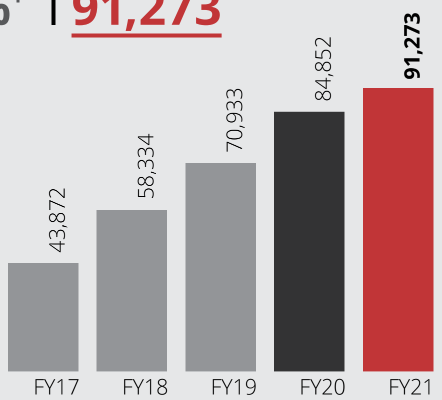
Key performance indicators

Performing with Resilience

↑ y-o-y growth / _FY21 figures

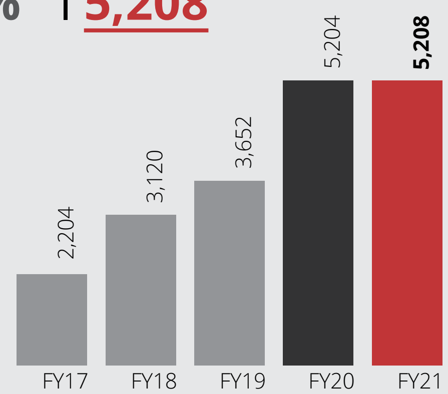
Revenue (₹ in Million)

7.6%↑ | 91,273



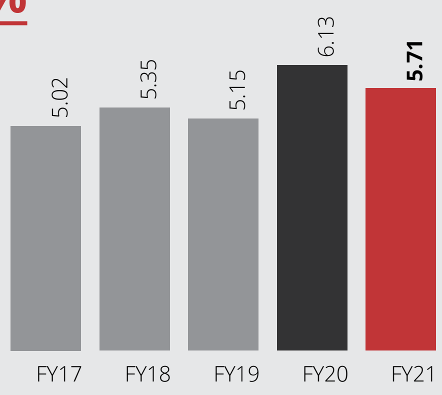
EBITDA (₹ in Million)

0.1%↑ | 5,208



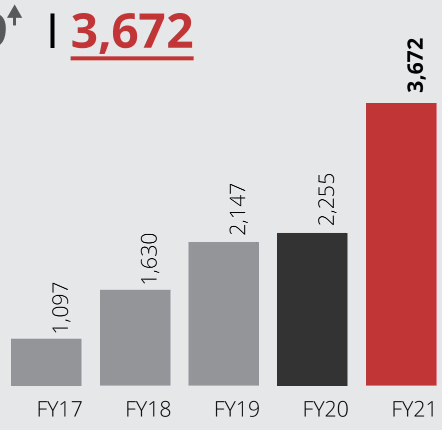
EBITDA margin (%)

3.2%

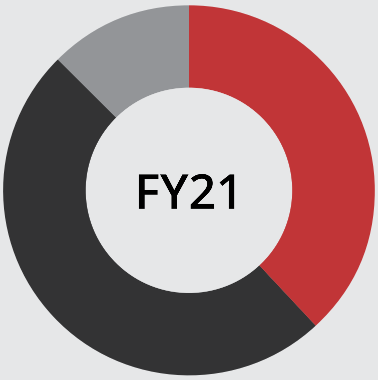


PAT (₹ in Million)

62.9↑ | 3,672



Segmental revenue (%)

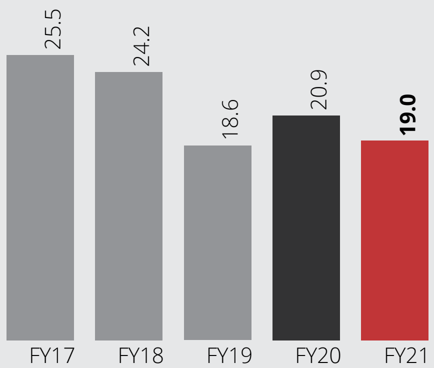


Security Solutions India	38.2
Security Solutions Intl.	49.6
Facility Management	12.4

y-o-y growth / FY21 figures

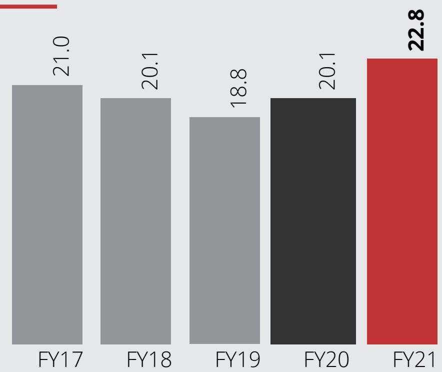
Return on capital employed (RoCE) (%)

19%



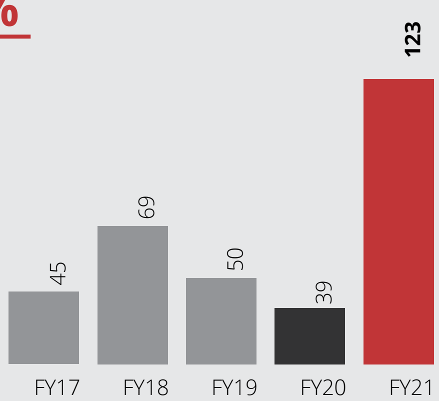
Return on net worth (RoNW) (%)

22.8%



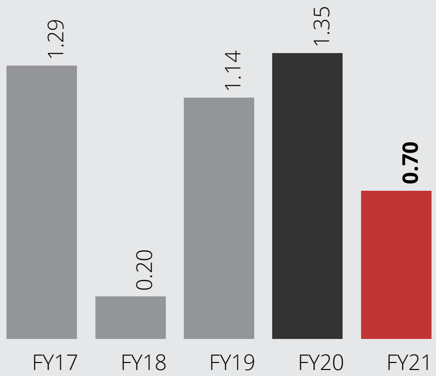
Operating cash flow (OCF) /EBITDA (%)

123%



Net Debt/ EBITDA (X)

0.7



EBITDA margin by business segment (%)

	FY19	FY20	FY21
India Security	5.6	6.0	5.5
International Security	4.4	6.1	6.4
Facilities Management	6.7	6.6	3.5

Insights from the Chairman

Standing the Test of Time

Dear Friends,

This year has been tumultuous for everyone in the world, not just SIS. Our personal and professional lives have been impacted to a great extent and every day brings forth a fresh set of challenges.

Every year I talk about our financial and operating performance, which has always been a source of pride for me, and this year even more so, especially since we have performed against the backdrop of a once-in-a-generation event. Our revenues were up 7.6% and our EBITDA was the same as last year despite significant COVID-related expenditure.

PERFORMANCE OF THE BUSINESS SEGMENTS

- Our Security vertical in India continues to be the largest and we have made some impressive strides in our Alarm Monitoring and Response business under the VProtect brand. Our India security vertical revenues were flat y-o-y at close to ₹ 3,500 Crore.
- Our International segment stood out with 22% growth in revenues and 29% growth in EBITDA – with our services being invaluable to the government in addressing several COVID-related security needs. All the geographies – Australia, Singapore and New Zealand – have done exceedingly well this year.
- The Facility Management segment has been impacted due to many end user segments still not being fully operational including Railways, IT Parks, Hospitality,

Retail etc. Due to this the revenues were done 12% over last year. With the enhanced focus on hygiene and cleanliness post-COVID, I feel confident that this segment will recover quickly.

- Our cash logistics joint venture with PROSEGUR continues to consolidate its position in a market that has many structural issues. We have delivered strong revenue and EBITDA growth during the year and the segment is on steady revenue and margin uptrend.

SUPPORTED BY A PASSIONATE WORKFORCE

While our performance can be attributed to the resilience of our business segments, which play a vital role in our economy, businesses and households, it would not have been possible without the commitment, dedication and passion of our employees. The individual stories of grit, energy and unrelenting service spirit make me proud. The images and stories of our employees' efforts during these last few months are a source of inspiration to everyone in the organisation, including myself.

- The healthcare worker who had to spend three days at a hospital in the peak of the Mumbai COVID crisis and the heat of the Mumbai summer
- The pest control worker who walked 15 kilometres, in the absence of public transport, to disinfect a client's premises
- The security personnel who had to secure quarantine centres at great risk to their personal well-being

All these stories are a strong reinforcement of the SIS values and culture. With employees like these, I am confident of the continued success of the Company.

> We have got over 1 Lakh employees vaccinated already and are hopeful that by July all our employees will be covered.

It is during extraordinary times like these that our services come to the fore and are recognised by everyone. This year, our employees were recognised by all sections of the society – right from the Prime Minister to our customers and vendors. Our hard work and efforts of 40 years allowed us to emerge stronger and more nimble over the past 12 months.

We lost some of our employees to the pandemic. Though we have supported their families, nothing can replace the loss of a loved one. I pray for the departed souls and for their families to have the fortitude to bear the loss. Their services were immeasurable.

We set up a 'Hamare Heroes COVID Welfare Fund' early on in the pandemic to offer medical and associated support to the families afflicted by COVID. We are glad that we have been able to provide ₹6.7 Crore to 5,430 employees in their testing times.

LEVERAGING THE POWER OF THE DIGITAL

The last year has seen a steep increase in digital adoption across all industries and SIS too has seen a massive shift in technology usage across all areas of operation. All of these measures will help us in delivering our solutions more efficiently and productively. We will continue to invest in technology to improve our operations so that we remain ahead of the curve in solutions building and delivery capability.

READY FOR THE FUTURE

As the country gently eases its way out of the crisis, clients would expect our services to become fully operational. We are gearing up to ensure that our customers' premises are safe, hygienic and secure so that employees feel comfortable coming back to work. We have prioritised EHS with over 1 Lakh employees vaccinated through an aggressive outreach and vaccine education program. We are confident that our employees will be able to return to work with comfort and confidence. As the largest essential services provider in the country, we have

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a vital role to play in getting our businesses and economy back. The economic and health scenarios in the country are still fragile and we are prepared to face the coming year with the same sense of unflinching commitment we are known for.

On behalf of the Board and the entire leadership team, I thank all our stakeholders for their continued belief in SIS. Your continued support and confidence is an unending source of comfort for us as we navigate the toughest challenge in our lifetimes. I am positive that the SIS family will rise to the occasion, as always.

Warm regards,

RAVINDRA KISHORE SINHA

Chairman

Q&A with the Managing Director

Resilience Demonstrated

RITURAJ KISHORE SINHA
Group Managing Director

Essential services are relatively inelastic in demand as can be seen in our revenue growth this year, despite a steep decline in GDP across markets. The defensive nature of our services makes us a unique sector with solid predictability even in uncertain times.

FY21 HAS BEEN A TURBULENT YEAR. WHAT HAVE YOUR KEY LEARNINGS FROM THE YEAR BEEN?

We have undoubtedly witnessed unprecedented circumstances over the last 12 months. As a business that operates across 25,000 customer locations, spread over four countries with 2,30,000 frontline employees, our exposure both in terms of health and safety risk and business implications was overwhelming initially. However, we have adapted to the ever-evolving situation, anticipated amidst prevailing uncertainty and attempted to convert this crisis into an opportunity. This has indeed been a phase of deep learning for the organisation and amidst all the challenges, we have rediscovered some core fundamentals that do not take centre stage in regular growth years.

- **Culture + Systems can withstand any storm –** The phenomenal SIS culture came to the fore this year with every employee showcasing his commitment and passion to help out the customers while our systems performed glitch-free to ensure that training, operations, billing, collections and reviews happened as normal.
- **We are really 'essential' and demand for our services remains resilient –** Our services were declared 'essential' by the government, which enabled us to work through various lockdowns. More importantly, we were considered essential by the customers who continued to utilise our services despite business volatility at their end. This reinforced the resilient nature of our business segments.

- **High returns continue irrespective of high or slow growth years –** One of the most interesting learnings has been the ability to churn 20% return on capital through high and slow growth years. Coupled with our asset-light nature, in slower growth years, working capital intensity of the business reduces as we add fewer new contracts and resultantly, cash generation is higher. This also helps in strengthening the balance sheet overall. For example, our net debt to EBITDA is the lowest ever since the IPO year - FY16-17.

WHAT MEASURES HAVE YOU TAKEN TO SURVIVE AND REVIVE YOUR BUSINESS LINES DURING THIS CRISIS YEAR?

Overall, our approach has been driven by twin objectives throughout this crisis period. First, ensuring employee health and safety with service continuity for customers. Second, ensuring least impact on profit and loss. To achieve these objectives, the SIS Group management initiated the 100-day Survival Plan to tackle the lockdown phase. As India began to reopen in early June, we rolled out our Q2 Survival to Revival Plan. And anticipating demand spike around festive season, we launched our H2 Back to Growth Plan in early October 2020.

Results of the initiatives are well demonstrated in FY21 numbers. The India Security Solutions vertical has recovered quite well after the initial few months of slowdown and ended the year at a monthly revenue run rate of ₹ 309 Crore in March 2021 as against ₹ 302 Crore in March 2020. We have increased wallet share, diversified segments and launched new solutions – all of which have helped us recover quickly.

FY21 has also conclusively proven that our international business is a ballast that holds the entire SIS Group steady in choppy waters. The SIS International Business unit has grown at over 22% and at higher margins. This has been due to strong support provided by the governments in these markets which have kept demand afloat, coupled with Covid-related contracts. SIS International Business continues to act as a great counterbalance to the volatility of the Indian economy, helping the SIS Group secure higher returns and cash flows and revenues in tough times.

The Facilities Management (FM) vertical was impacted due to substantial volume reduction in few segments such as railways, IT/ ITeS and hospitality. While this has been countered to a great extent by demand surge in healthcare, pharma and e-commerce, we expect the return to growth mode to take a few more months.

The Cash Logistics segment has been our highest EBITDA margin generating BU for the second year in a row, generating over 8% EBITDA despite a steep increase in fuel costs. Portfolio rationalisation, route optimisation, overheads control and some tariff upticks have all helped the segment perform admirably in the year. The crisis year also highlighted the importance of cash in the economy with currency in circulation to GDP currently at an all-time of high of 21%.

Overall, I am proud that all our business segments have performed beyond our expectations at the beginning of the year and we intend to take this experience forward as we face fresh challenges in FY22.

WHAT ARE YOUR ASPIRATIONS UNDER THE VISION 2025 PLAN THAT YOU ANNOUNCED?

Our aspirations are around two fundamental objectives:

- **Grow market share –** Despite being market leaders in security services and facility management, we have a sub-5% market share in these areas. We plan to double our market share over the next four years. We believe that post-COVID, many competitors will be under stress, which will lead to organic market share gains for us. For instance, most leaders in these segments in developed markets have 15-20%+ market share. The Indian industry structure will also mimic similar trends over time.
- **Evolve from a service provider to a solutions business –** At SIS, we have been at the forefront of selling technology-based solutions. Whether in security or facilities management and with the added push in the post-COVID environment, we aim to get at least 20% of our EBITDA from tech-based solutions. Companies will look to increase efficiency of operations and increase allocation of their security and facilities management budgets to blended solutions, which come at higher margins than our traditional business.

While these goals are definitely aspirational, we believe that our people are well placed to deliver on these ambitions with their renewed sense of purpose and commitment.

HOW HAVE YOU MANAGED THE P&L AND BALANCE SHEET IN THESE TOUGH TIMES?

On the financial side, we had two separate tracks that we focused on during the year – one was non-salary cost optimisation and the second was working capital management.

We set up a strong cost rationalisation programme across all our BUs and delivered close to ₹ 55 Crore of cost savings in SG&A costs during the year, which translates to around 40% of our FY20 SG&A cost base in India. While reducing non-salary costs, we gave annual increments and variable pay to over 90% of our staff.

On the balance sheet front, our collections efforts were hampered in the initial few months after COVID, which impacted the DSO. However soon after, with the economy opening up, we were able to pull back on the DSO to a great extent, such that our year-end DSOs were lower than pre-COVID levels. This is also a reflection of the priority that clients have started placing on payment for critical services.

The effort of our operations teams and financial controllers has resulted in the net debt/EBITDA coming down to 0.7 at the end of FY21 from 1.35 at the end of FY20. We managed this despite the buyout of balance stake of the sellers in Southern Cross Protection (SXP) of ₹ 203 Crore. We believe that our balance sheet is ideally positioned to give us growth capital for further market share expansion.

Vision 2025

Fast-tracking our Evolution to a Solutions Company with a Dominant Market Share

SIS has had a successful history of long-term planning under the five-year Vision plans. Each of our prior five-years plans had set in place growth strategies considering market trends, internal capabilities and resources, and regulatory changes. We have managed to enter new business lines, raise funds from private equity and public markets, expand into other geographies and significantly ramp up technology spends. Vision 2025 aims to capitalise on our leadership position and enhance our market share, operational efficiency and productivity.

UNDERPINNING VISION 2025 ARE FIVE MAJOR TRENDS THAT WE FORESEE IN THE POST-COVID ENVIRONMENT

Demand resurgence after COVID
We believe that once the pandemic subsides, we are likely to see greater spends on infrastructure, which would lead to higher demand for our services.

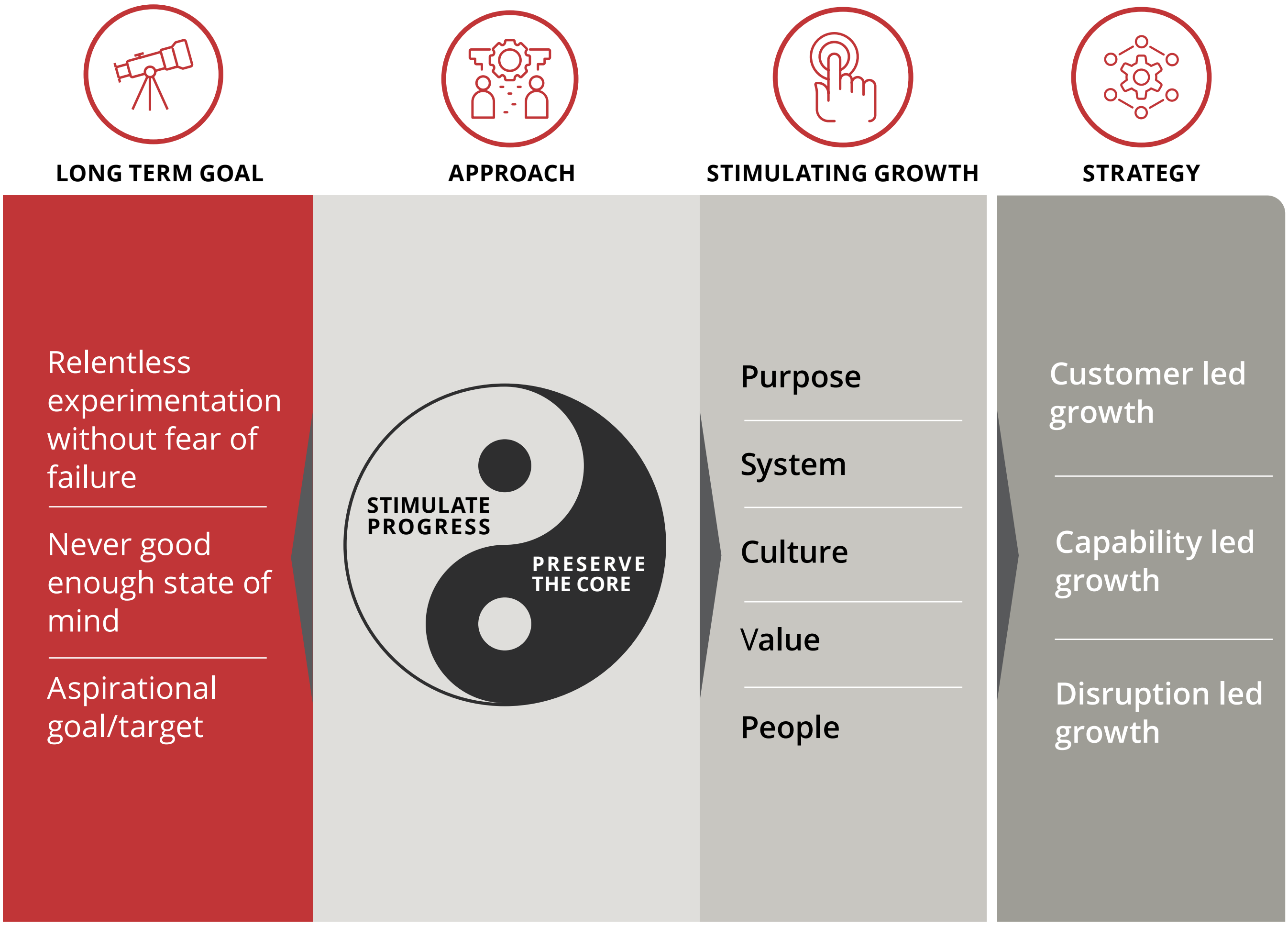
Essential services leading to greater demand inelasticity
The significant stability in our demand base resulting from our 'essential' nature will continue to stand us in good stead in a volatile environment.

Labour reforms
The reforms will increase compliance burden on weaker players, leading to accelerated formalisation.

Flux in the competitive landscape
The flux, on the back of greater working capital stress, especially among smaller players and some of the larger players as well, will result in an increased demand for our services.

Accelerated adoption of tech
With customers becoming comfortable with tech solutions, which have been jumpstarted due to COVID, we believe that delivery models will become non-linear and involve complex and complete solution selling – design to implementation to monitoring.

With the underlying fundamentals of our strategy remaining the same, we will continue to build our business like a self-sustaining ecosystem that grows stronger by invigorating the shared common roots. Going forward, we will preserve our purpose, core values, people and culture, while simultaneously stimulating progress by pursuing customer-led, capability-led and disruption-led opportunities. To support our aspirational targets and de-risk our business, we have planned a 3-lever change/scale management agenda.



Vision 2025 was a year-long effort that involved a lot of iteration with our regional and branch leaders, functional teams in finance/ IT and HR. This was done to ensure that there was a broad consensus around our approach and everyone 'owns' the goals.

We aim to be a better and a bigger SIS – one that is better for the employees, customers and investors. Our Vision 2025 plan will hopefully motivate our employees to reach our aspirations.

Market leading position to

DOUBLE DIGIT

Market Share

Service to

SOLUTION PROVIDER

with 20% EBITDA from Solution based contracts

Technology and innovation

Adopting the Digital Way

Post COVID, businesses have made a swift transition or shift towards the digital. At SIS too, we have taken significant steps towards accelerating the adoption of technology – both for internal productivity and customer solution purposes. Leveraging modern technology will be a key enabler and differentiator for us. We have been consistently investing in best-in-class systems to help improve our service delivery, internal business processes, productivity and efficiency of operations.

INTERNAL PRODUCTIVITY

We have been using a slew of internal tools over the years to manage all areas of our operations – from Automated Recruitment Kiosk (ARK), SalesMaxx (CRM and sales), iOPS (intelligent operations), iPorter (operations management for hospitals). While this constituted Version 1 of our technology efforts, over the last two years, we have been investing in the next phase of technology, seeking to build sufficient scale potential to handle 4-5x the current volume of operations.

E-invoice

We began submitting digitally signed invoices with all relevant attachments, through a well-developed application. This enhances customer experience and speeds up the entire collection process, thus reducing working capital.

Face recognition based attendance

Capturing the attendance through mobile phone devices at our facility management businesses significantly improved the recording system of attendance and payroll processing, and significantly reduced the time for payroll disbursements.

Collaboration platforms

Real-time messaging and video calling services such as MS Teams, CISCO Webex and Zoom services have helped our initial kick-off meetings / discussion with multiple new and potential customers during the COVID-19 lockdown across India and international markets.

It also helped us establish a virtual presence in our existing customers sites and in getting a closer view of how things are being handled locally at the entry/exit points where our guards and housekeeping staff was tirelessly performing tasks despite stringent lockdown restrictions enforced by the local governments.

Migration to Oracle Fusion

As part of the Group's Business Process Re-engineering initiatives, we have successfully migrated few of our entities in the FM vertical to a newer ERP software. The software enables us to add a new customer, raise an invoice, manage collections and reconcile the receipt, thus giving us end-to-end operational efficiency.

Our processes are being rewritten to offer ease of doing business for our customers, while keeping compliance and employee welfare in mind. In the last 18 months, we have rolled out our MySIS HRMS platform, FYLE (expenses management) and Deloitte (compliance management tool). We will be rolling out our digital attendance management solutions in the near future.

SERVICE DELIVERY

Customers are increasingly comfortable with technology-based solutions and SIS has been at the forefront of evangelising them. Our alarm monitoring and response business, VProtect, has won orders to take the business to over 12,000 sites, a 3x increase over the previous year. This will make us among the top 3 players in e-surveillance in India. We believe that we are poised to grab the leadership position in the industry with a strong team and nationwide execution capabilities. Similarly, in our system integration business at TechSIS, we have ended the year with our highest ever revenues.

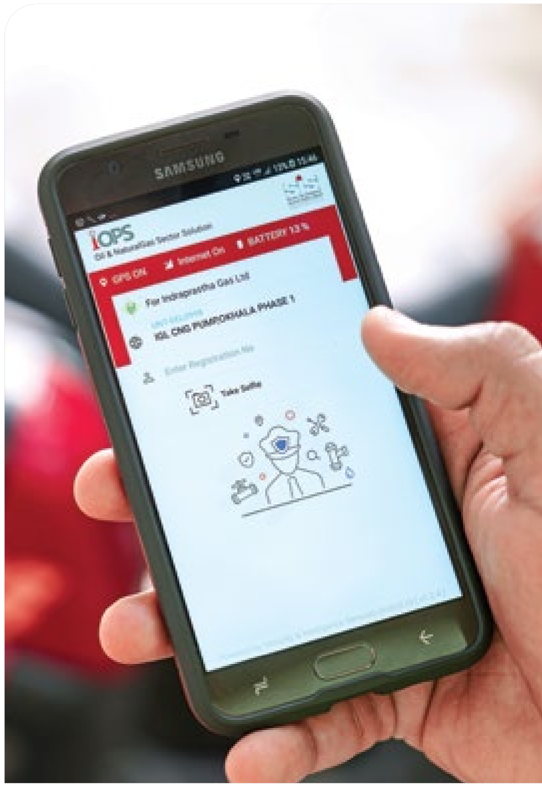
We believe that as more segments see the success of these efforts, currently largely in the BFSI space, the addressable market will open up manifold.

In our FM business, we launched innovative disinfection and cleaning technologies such as the Upper Room GUV technology and IAQ Solutions (robotic duct cleaning) for few key clients.

Similarly in Australia, we have been a leader in the identification, development and deployment of innovative technology-based solutions. We have started delivering drone-based detection and monitoring solutions. We are also seeing a lot of demand for body-worn cameras and thermographic cameras to supplement our existing guarding solution. Our alarm monitoring business both under SXP and P4G has also been seeing steep growth.

WAY FORWARD

We are in the middle of an intensive business transformation exercise that covers all aspects of our processes and systems to ensure uniformity in our technology processes across all our business units. We are hopeful of significant increases in productivity and operational efficiencies as these systems are rolled out. The teams have worked remotely and efficiently through the pandemic to ensure that timelines are adhered to. Our early efforts in this direction have been commended by our customers and internal stakeholders and we look to accelerate the rollout of a completely tech-enabled system in the next couple of years.



Security Solutions India

SIS offers a gamut of comprehensive security solutions that includes, providing security personnel for both traditional and specialised guarding, technology-led security solutions, e-surveillance, system integration, alarm monitoring and response services, to a wide range of customers across private and public sector and government undertakings across the country.

QUICK FACTS

#1
Security solutions company in India

7,182
Customers in India

182
Pan-India branches

155,028
Team in India

20
Regional Operations Control Centres

19,592
Operating sites

India's security solutions industry has seen a sustained period of high growth over the past years on the back of good economic growth, increasing concerns about crime and terrorism, poor policing infrastructure and rapid urbanisation. While this year has been slow after years of high growth, the industry is an inherently resilient and a demand-inelastic segment. Furthermore, the industry was classified as an essential service provider by the Ministry of Home Affairs during the national lockdown in 2020 due to the ongoing COVID-19 pandemic, which re-enforced the vital nature of our services. The industry has been projected to grow at a CAGR of 14.3% from ₹ 806 Billion in FY19 to reach ₹ 1,574 Billion in FY24 (Source: Freedonia Report on India Security Solutions and Facility Management, March 2020).

Given the current macro-economic conditions in India, we currently look forward to increasing our market share by leveraging our market leadership position in the India security solutions industry. Our focus is always to deliver the most efficient solutions to our customers, while emphasising technology and automation to establish benchmarks and improve our service delivery.

SEGMENT STRENGTHS

01

Nurturing talent
We have the largest and most robust recruitment and training infrastructure giving us a supply chain that enables us to hire, train and deploy over 25,000+ employees annually.

02

Compliance and governance
Being a market leader in this segment, we are proud of our compliance policies and practices, making it our USP for increasingly demanding customers.

03

Reach
With over 180+ branches, our micro market presence ensures that we are always available to all our customers with a pan-India operational presence with local servicing and relationship management capabilities.

04

Reputation/track record
Our proven track record of 37+ years of successful service delivery has enabled us to develop and nurture long-standing relationships with 7,200+ customers.

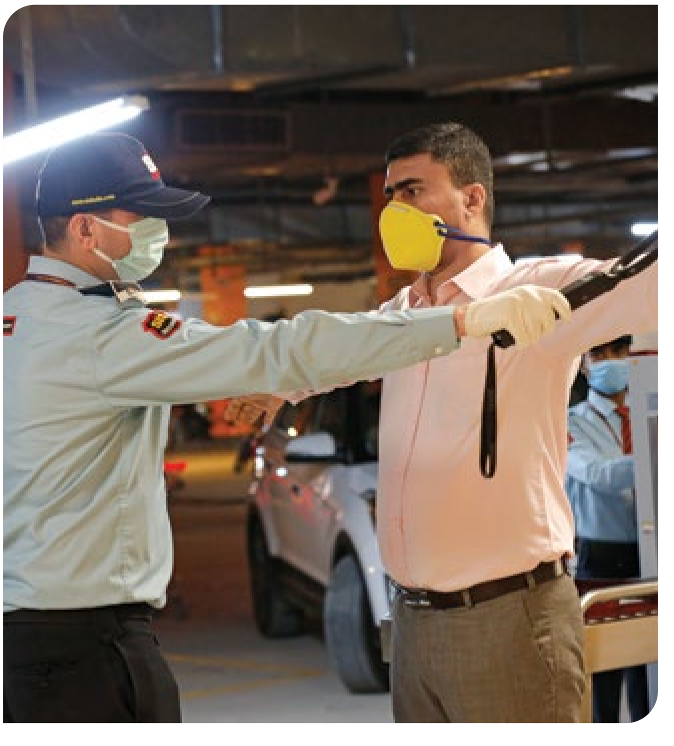
05

Solutions
We are pioneers in building technology-led manpower-based solutions that deliver efficiency and ensure effective service delivery.

CORE SOLUTIONS

- Security guards / officers
- Armed guards
- Command and control centre
- Access control / entry automation
- Closed-circuit television monitoring

Sector	Sales mix (%)
IT/ITES/telecom	10
Educational institution	8
Healthcare	8
Automobile	7
Steel and heavy industries	7
Government	7
BFSI	6
Engineering and constructions	6
Retail and entertainment	6
Oil and gas	6
Power, metal and mining	5
Logistics	4
Hospitality, real estate and townships	3
FMCG	3
Others	14



A LOOK AT FY21

- Despite the pandemic, our India Security Solutions segment demonstrated strong resilience and ended the year with revenues of ₹34,880 Million, an overall reduction of only 1% compared to previous year revenues of ₹ 35,280 Million. The revenues during the year took a dip in the first few months until July 2020 post which there was a steady uptick through the year. We deeply respect the confidence that was reposed in us by our customers who continued to use our services through the lockdowns and also prioritised payments to us in a tough market for credit and working capital. Our employees worked hand in hand with the customers to ensure that their security needs were enhanced and reconfigured during the crisis.
- Our EBITDA margins declined from 6% in FY20 to 5.5% in FY21 on the back of significant expenditure on supply of PPE kits, medical kits, training and transportation of employees (during lockdown) carried out during the year. We also made significant savings on our overheads with minimal travel and reduced spends on consultancy, rentals, business development and reduced CAPEX.
- SLV's exposure to retail, entertainment and hospitality segments caused a marginal reduction in top-line. However post Q3, the business bounced back to pre-COVID levels.
- UNIQ largely maintained its monthly recurring businesses, with majority of the customers only opting to reduce headcounts at a few sites/ locations.
- VProtect saw a three-fold increase in contracted orders, ending the year with an order book of over 12,000 sites form around 4,000 at the end of FY20.
- We ended the year with a monthly run-rate of ₹ 3,090 Million as against ₹ 3,020 Million in FY20. This clearly demonstrates that we are one of the least impacted and first to recover in this segment.

FINANCIAL PERFORMANCE (₹ IN MILLION)

	March 31, 2021	March 31, 2020	%age change
Revenue from Operations	34,879.3	35,279.7	-1.1
EBITDA	1,902.3	2,109.4	-9.8
EBITDA (%)	5.5	6.0	
Revenue share in overall business (%)	38.0	41.6	
EBITDA share in overall business (%)	36.5	40.5	

ROADMAP

The second wave of COVID-19 hit India with vengeance and the coming few months will be a turbulent time for the division – both health wise and business wise. However, we are better prepared to harness all our learnings and expertise to help our customers with any surge requirements, backup staff, transportation and other arrangements.

We are also constantly working with customers to streamline their requirements and believe that customers will increasingly adopt blended/holistic solutions to maintain a safer and secure work environment for their employees. Our COVID-19 response plan combined facilities management solutions and other services under the Circle of Safety umbrella to cater to these requirements and ensure seamless service delivery.

ALARM MONITORING & RESPONSE SERVICES
PROTECT
An SIS Group Enterprise

The SIS Group launched VProtect in 2017 to offer state-of-the-art video-verified and integrated security response services primarily to both B2B (BFSI, Retail, Warehousing and Logistics and SMEs) and residential customers with a private and dedicated response fleet. We are employing cloud computing and mobile application technologies for cost optimisation, while adopting reliable, affordable and easy-to-operate technology.

Our customers' security is our priority. We, therefore, utilise sophisticated hardware systems, which ensure robust connectivity using wireless applications. VProtect offers peace of mind to our end users, besides providing easy-to-use applications and a fast response. We provide our customers a comprehensive mobile app that enhances efficiency and facilitates usage.

CORE SOLUTIONS

- Alarm monitoring and response
- Medical and personal emergency systems
- Fire suppression
- Perimeter protection system

VPROTECT EDGE

- **24 Hour monitoring**
  We have a monitoring centre that tracks events and alerts real time.
- **Low maintenance cost of security**
  Employing round-the clock services of a guard can be expensive for a residence or SMB and our solution is ideal to reduce overall cost.
- **Prevents crime in the immediate vicinity**
  Installation of security system results in reduction in crime rate in the locality, even for those who do not have a system but live in the same locality.
- **Emergency response**
  In the event of a fire or medical emergency, the monitoring centre will ensure immediate response from the required civic authorities.
- **Provides remote access**
  A person can monitor their property from anywhere and control and adjust the locks, lights, etc. remotely.

A LOOK AT FY21

- We consistently improved our revenue month on month since April 2020 – March 2021
- Being a fully online, tech-based service ensured zero disruption to our services.
- We were able to optimise our cost elements across organisation.
- During 2020, we successfully migrated our monitoring platform from Spain to India and are now comparable with global brands.
- We successfully developed and implemented OTP solutions, interlocking doors, smoke screen and AI-enabled solution for CCTV monitoring.
- We maintained 94% retention for B2C customers and added 956 sites.
- We won two large-size contracts with leading public sector banks in the country for 8,500 sites. Their implementation will begin in June 2021.

ROADMAP

We will continue to focus on customised B2B solution offerings especially across the BFSI, retail and logistic markets in each of our seven city clusters. We will develop applications that can offer response capabilities on a real-time basis, as it is being widely considered as a key differentiator in the current scenario. We believe that the COVID-19 pandemic has provided us with the opportunity to present next-generation security solutions to the client, where e-surveillance will perform the majority of functions that traditional physical guarding was achieving, but in a more efficient way.

International Security Solutions

SIS International is present in 3 different geographies – Australia, Singapore, and New Zealand. The International Business unit had the highest ever revenues, highest ever EBITDA and cash flows, despite the once-in-a-generation crisis that hit the economies in these markets.

QUICK FACTS

#1
Security solutions provider in Australia

8,816
Team strength

8,744
Customers

22,531
Operational sites

AMONG Top 3
Players in Singapore

AMONG Top 3
Players in New Zealand

MSS is Australia's largest security solutions company. We had another milestone year in FY21 with highest ever revenues and growth rate, despite being affected by the COVID-19 pandemic and the multiple stages of lockdown Australia endured. During the year under review, we acquired the remaining 49% stake in Southern Cross Protection (SXP), thus making us the sole 100% stakeholder in the mobile patrol business.

We continue offering our solutions to customers across Australia's aviation, defence, healthcare, mining, oil and gas, manufacturing, education and heavy construction markets, besides several governmental institutions.

The SXP business continued to grow strongly in the mobile patrolling space and is now an AUD 120 Million business. The business recorded significant growth during the year on the back of offering ad-hoc casual guarding services to quarantine hotels and isolation facilities, coupled with incremental revenue from existing customers to provide additional guarding services.

During the pandemic, the local government in Australia decided to appoint private security agencies to safeguard its COVID-19 isolation facilities and quarantine hotels. MSS offered customised safety and security solutions to these facilities during FY21 and will continue to offer some part of these services even in FY22. Despite subdued tender activity and reduced business across the aviation, retail and entertainment sector for most of the year, our Australian businesses (MSS and SXP) witnessed top-line growth of 11.9% (on a constant currency basis) mainly on the back of providing ad-hoc casual guarding and patrolling services to both the government and private customers.

In Singapore, we operate Henderson Security Solutions, where we have a 60% stake. It is a premium security company with over 200 sites in Singapore, with customer segments that include residential condominiums, public transport and commercial spaces.

In New Zealand, we operate Platform 4 Group Ltd., where we have a 51% stake. It provides security solutions, alarm monitoring, mobile patrols and event-related solutions to the New Zealand market. We have strengthened our presence in New Zealand by acquiring contracts of two highly synergistic businesses in FY21 – Guardforce Securities and Conroy Security. Both these businesses are based out of Auckland and helps strengthen our existing market position in the North Island region.

CORE SOLUTIONS

- Security guards / officers
- Armed guards
- Firemen
- Fire suppression
- Maritime security
- Aviation security
- Perimeter protection
- Command and control centre
- Paramedic and allied health
- Rowing and mobile patrols
- Alarm monitoring
- Access control / entry automation
- Closed-circuit television
- Intrusion detection
- Fire detection

SEGMENT STRENGTHS

01

Customer retention
Our top 10 customers have been with us for over seven years because of superior customer servicing.

02

Well-trained teams
Our patrol teams are adept at handling various types of cases.

03

Qualified leadership
Our stable, high calibre and experienced leadership team has helped in deep customer engagement over the years.

04

Deep expertise
Our security guards are well equipped to handle specialised services such as at airports, sporting events and mobile patrols.

05

Reputation
We are highly regarded by all regulatory and police authorities who value our insights and relationships.

Sector	Sales mix (%)
Defence	12
Government	35
Commercial/ industrial	10
Mining	10
Education	8
Aviation	6
Healthcare	6
BFSI/ IT	6
Entertainment / Events	2
Others	5

ROADMAP

Given the rise in COVID-19 cases globally, almost all the managed isolation sites and hotel quarantine facilities have extended the contract period for a large portion of FY22, however, at reduced requirements. On a smaller scale, it is also expected that at most of our customer sites, residual COVID-19 related services will be required across various market segments, e.g., temperature checking. Apart from that, Aviation, Retail, Entertainment and Events businesses continue to remain subdued now but are expected to pick-up during FY22, with both New Zealand and Australia already hosting a multitude of events with restricted public attendance.

A LOOK AT FY21

- The segment crossed ₹ 45,300 Million in revenues this year, a 22.3% growth in ₹ terms and a growth of 10.7% in constant currency terms basis, despite a poor economy and reduction in the Aviation and Events businesses.
- Margin uptick by 30 bps, i.e., from 6.1% in FY20 to reach 6.4% in FY21 – a result of high-margin government contracts to safeguard the COVID-19 isolation facilities and quarantine hotels across both Australia and New Zealand markets, in addition to significant cost-saving measures undertaken by the Group, which included reduced travel and discretionary spend.
- P4G is performing in line with the plans at the time of acquisition and post-acquisition of the contracts of Guardforce Security and Conroy Security is poised to become a complete solution provider including guarding, alarms and events.
- We ended the year with a monthly run-rate of ₹ 4,158 Million in March 2021 as against ₹ 3,090 Million in March 2020.

FINANCIAL PERFORMANCE (₹ IN MILLION)

	March 31, 2021	March 31, 2020	%age change
Revenue from Operations	45,303.5	37,055.5	22.3
EBITDA	2,919.1	2,270.2	28.6
EBITDA (%)	6.4	6.1	
Revenue share in overall business (%)	49.6	43.7	
EBITDA share in overall business (%)	56.1	43.6	

Facility Management Solutions

The industry is forecast to grow from ₹ 1,055 Billion in FY19 to ₹ 2,328 Billion in FY24(E), at 17% CAGR*. The market size includes housekeeping solutions, technical/hard facility management, pest control, landscaping, catering, and even solutions provided by OEM vendors under the service contracts.

*(Source: Freedonia Report on India Security Solutions and Facility Management, March 2020)

The cleaning services market in India contributes ~62% of the total soft FM services market, while pest control accounts for 10% share. Other soft FM services include business support services such as catering, office and help desk support, gardening and landscaping and laundry and guest house management, among others.

The FM segment comprises DTSS, SMC, RARE Hospitality and TerminixSIS. We are the second largest FM business in the country offering integrated facility management solutions supported by the strongest management team, robust processes and the use of superior quality machinery and technology.

QUICK FACTS

#2
Largest facility management services company in India

1,765
Customers

92
Branches

6,362
Operational sites

55,656
Team strength

SEGMENT STRENGTHS

01

Wide footprint
We have the largest branch network among all FM companies in India and this unparalleled reach gives us strong local presence in all key cities and towns, thus enabling better customer servicing and sales outreach.

02

Integrated offerings
We are the only firm that can offer end-to-end business service solutions comprising security, facility management, pest control, etc. and this is a big competitive advantage for us as customers look to reduce their number of vendor relationships.

03

Deep domain expertise
We have deep skills in large and critical domains such as healthcare, pharmaceuticals, e-commerce, warehousing, etc. that gives us pricing power and business resilience especially in turbulent times such as now

04

Technology-led solution offerings
Continuous investment in technology has helped us establish a clear differentiator for customers – our technology interventions range from better solutions such as anti-microbial surface treatment and robotic duct cleaning to launching iPorter, Smart Cadre and Computerised Maintenance Management System for MEP services.

05

Output-based service delivery models
We have been experimenting with various contracting models and currently a sizeable portion of our business comes from SLA-based models which drives better resource utilisation and potential margin upsides.

CORE SOLUTIONS

Hard solutions
- Mechanical and electrical maintenance
- Plumbing solutions
- Asset management strategies
- Preventive maintenance solutions
- Short-term repairs
- Heating, ventilation and air-conditioning

Soft solutions
- Cleaning and housekeeping
- Pest control
- Office support

Sector	Sales mix (%)
IT / ITES	25
Pharm and Healthcare	19
Commercial / Offices	23
Manufacturing	11
Others	8
Hotels & Restaurants	1
Retail	3
Education	1
BFSI	3
Government	6

A LOOK AT FY21

- The FM segment has been the most impacted segment among all our businesses, with revenues for the segment declining by 12% in FY21 over FY20, primarily on account of reduction in volumes in certain highly impacted segments such as railways, hospitality and retail coupled with extended work from home for IT/ ITeS customers.
- Newly designed and customised solutions helped de-risk our business while also offering more relevant solutions for the current crisis.
- Railways, which is one of our other strong customer segments, witnessed a 41% reduction in revenue on an annual basis, with no operations for almost first half of the financial year.
- With majority of the malls, retail, events, hospitality, railways, and travel opening post Q3 FY21, the segment has seen significant volume uptick in the last 4-5 months.
- With the onset of the new wave of COVID towards the end of the year, impact on the recovery is to be seen.

- Adoption of e-attendance (now at 98% of the sites), e-invoicing and digital training helped us seamlessly work through the COVID-19 lockdown phase with minimal disruption.
- We ended the year with monthly revenue run rate of ₹ 1,020 Million in March 2021 as against ₹ 1,160 Million in March 2020.

FINANCIAL PERFORMANCE (₹ IN MILLION)

	March 31, 2021	March 31, 2020	%age change
Revenue from Operations	11,272.6	12,801.5	-11.9
EBITDA	393.9	843.3	-53.3
EBITDA (%)	3.5	6.6	
Revenue share in overall business (%)	12.4	15.1	
EBITDA share in overall business (%)	7.6	16.2	

ROADMAP

In a post-COVID world, we believe that spends on facility management will increase as companies seek to make their offices safer and more hygienic. This approach is likely to tilt the customers towards higher quality service providers with better trained manpower. Customers will look for more measurable and tech-enabled solutions and move to a shared services or hybrid model, which would require service providers to deliver quantified outcomes and commercials also contracted accordingly. Similarly, there would be greater emphasis on life cycle cost optimisation for facilities with the vendors expected to take a long-term view rather than a yearly pricing contractual model.

TERMINIX SIS

Secured from pest...Assured by world's best

Terminix SIS is a joint venture (JV) between the SIS Group and Terminix (one of the world's largest pest management service provider) formed in 2011.

With one of the widest networks/ reaches across the country along with being classified as an essential services provider, Terminix SIS was able to successfully offer pest control solutions effortlessly even during the COVID-19 pandemic. Our pest control business has witnessed increased traction since the COVID-19 crisis as companies have increased their requirements, specifications and intensity of disinfection solutions. During the crisis phase too, we were able to operationally deliver across the country, despite our employees facing several logistical challenges.

A LOOK AT FY21

- We recorded a strong 25% revenue growth last year in the face of tough conditions.
- We were quick to launch disinfection services and the team displayed high degree of teamwork and situational leadership to deliver services in very challenging circumstances.
- We recorded higher gross margin by customising services and offering specialised/ ad-hoc services.
- There was a significant increase in EBITDA margin through the year, despite undercutting by competition, with higher gross margin coupled with operating leverage.
- We maintained high quality of service and strong customer relationships with facility management players to remain their preferred vendor.
- We received continuous one-time orders throughout the year, with focus remaining highly on recurring businesses.

CORE SOLUTIONS

- Pest control
- Termite control
- Fumigation services
- Sanitisation services

ROADMAP

We will have greater focus on segments such as food processing plants, food retail, hotels and healthcare segments where there is higher need and affordability for our services. We will also target higher wallet share from existing customers through value-added solutions such as rodent entry closures, termite control, and disinfection solutions.

Cash Logistics Solutions

The Cash Logistics business is a JV with Prosegur of Spain, a world leader in cash solutions. We have a 49% holding in the JV, which is the second largest cash logistics business in India. FY21 was the second year of turnaround with continued growth in revenues and profits despite the extremely turbulent macro environment.

QUICK FACTS

#2
Largest cash logistics company in India

8,528
Team strength

50
Vaults and strong rooms in India

2,119
Cash vans

During FY21, the business was able to generate the highest EBITDA in many years, ending the year at 8.6% margin, which is the highest margin among all the verticals in the Group. This has been done by a strategic focus on non-ATM business and reduction in the overall ATM business by a portfolio rationalisation and weeding out of unviable contracts and routes. The ATM business is currently only 23% of the overall cash logistics business.

SEGMENT STRENGTHS

01

Wide reach
With a pan-India infrastructure setup and outreach capabilities, our cash business services clients across India, including the underserved markets such as North East India.

02

Technology and governance
Efficient processes and systems are in place on account of access to superior technology offered by Prosegur, in addition to financial benefits arising by the RBI regulations enforced in this sector.

03

Wide bouquet of offerings
We have an ideal balance of ATM, DSB and CIT businesses apart from new entries into cash processing, value cargo, bullion and PEGE (man behind the counter) businesses. These offer a vital diversification of revenue streams.

04

Enduring bonds
We share long and deep relationships across the ecosystem with banks, MSPs, RBI, MHA, etc.

A LOOK AT FY21

- There was some progress on the price revision under RBI/ MHA guidelines. Some of the banks are moving ahead on tariff increases and during the course of the upcoming year, we are hopeful of getting more banks signing up to tariff hikes.
- We worked with customers to provide on-call service instead of dedicated CVs, resulting in revenue protection and asset utilisation during the tough COVID time. We resorted to dynamic route management, productivity improvement, and proactive cost control. All this helped in re-aligning ground ops, merging routes, and managing through fewer routes.
- Our DSB numbers increased by >50% during the year – well above the budgeted levels.
- Despite shortfall in revenue and increase in fuel rate by almost 21.9%, gross margin improved by close to 3.2%.
- The business has turned cash-positive during the year of the pandemic, due to higher tariffs coupled with productivity improvement measures.

CORE SOLUTIONS

- Safe keeping and vault-related solutions
- ATM-related solutions
- Cash-in-transit
- Doorstep banking
- Cash pick-up and delivery
- On-site and off-site cashiers
- Bullion transportation

ROADMAP

- We plan to direct our focus on non-traditional business lines with a special emphasis on Cash Processing and SmartSafe Solutions. We are seeing good traction for these businesses. Apart from this, domestic and international bullion business has been seeing a good momentum.
- We are also approaching non-traditional customers (non- BFSI space) to propose PEGE (man behind counter) solutions.
- We are continuing our investments in technology:
  - Evaluating options for dynamic route planning to further increase operational efficiencies
  - Trip sheet automation to further control leakage of controllable costs
  - Developing on-call CIT app to facilitate the requests, deployments and subsequent billing
  - Online feedback form has been developed for CIT customers to provide feedback and increase customer retention
  - Technical approach for bullion to automate tracking consignment, record keeping and final billing

FINANCIAL PERFORMANCE (₹ IN MILLION)

	March 31, 2021	March 31, 2020	%age change
Revenue from Operations	3,303.5	3,229.3	2.3
EBITDA	284.1	284.1	0.0
EBITDA (%)	8.6	8.8	

Team SIS

Together, we Stand Strong

As one of India's top 5 private sector employers, we have successfully provided full-time employment to nearly 2,30,000 people during the pandemic-riddled FY21, despite the persistent challenges regarding manpower sourcing, training, allocation and effective resource utilisation.

EMPLOYEE MOTIVATION AND ENGAGEMENT PROGRAMMES

To motivate our sales teams and ensure they stay persistent in the face of challenges, we rolled out the following recognitions:

- **100-day Sales Campaign**
  SIS ran a 100-day Sales Campaign that saw tremendous success, as we won over 1,500 new orders. These awards were announced weekly during the 100-day campaign and monthly during phase 2 (Survival to Revival plan). The campaign created a high level of positivity and energy among the team.
- **Recognition of COVID warriors at high-risk sites**
  COVID warriors, who showed extreme commitment and courage and serviced customers, were rewarded through ceremonies held across multiple offices and client locations.
- **Leadership Connects**
  These helped us engage better with our people and included:
  - Regular Webex/MS Teams meetings to update key stakeholders and business heads on the plan and progress against the various interventions
  - Regular email campaigns to create awareness and communicate policies and guidelines related to the pandemic situation
  - Formation of task forces, city and health care SPOCs for quick support in case of exigencies

EMPLOYEE MOTIVATION AND ENGAGEMENT PROGRAMMES

Despite lockdowns and remote working situations/conditions, we completed our annual performance appraisals on schedule and we gave annual increments to a sizeable portion of our employee base.

There was very little involuntary employee attrition and we gave variable pays to employees in Q3 of the year. We also paid out salary advances to employees to pay for emergency household expenses during the year.

We conducted extensive online training programmes for both billing and non-billing employees – cross-sales, new solutions, PPE training, and also counselling sessions around handling stress and mental challenges.

EMPLOYEE HEALTH AND SAFETY (EHS)

- During the Covid pandemic, we ran a very closely monitored campaign, identifying high-risk cities, sites, and employees.
- High-risk billing employees were transferred to low-risk sites and their health was monitored on a daily basis.
- High-risk non-billing employees were asked to WFH for 6 months. Their health was monitored on a daily basis.
- All COVID positive employees were monitored through HR/COVID SPOCs, from the time of infection till the time of recovery.
- All guidelines in terms of home quarantine and hospitalisation support were provided.

PPE DRIVE

- COVID protection through PPEs of employees was the single biggest agenda of the SIS EHS campaign.
- Extensive campaigns were undertaken for PPE awareness. Video, poster campaigns and leadership messages reiterated the use of PPE.
- PPE usage was tracked through the 'Virtual COVID Marshal' system that was placed at office locations.

COVID WELFARE FUND

- **'HAMARE HEROES COVID WELFARE FUND'** was created with initial contribution from Group Chairman Shri R.K. Sinha, and from the parent company (SIS INDIA LTD), for a total corpus of ₹ 5 Crore.
- For every employee detected with COVID and every fatality, the Welfare Fund disbursed ex-gratia amount over and above the term insurance cover provided by the government or any other insurance scheme.
- By the end of April 2021, the total funds disbursed were ₹ 4 Crore to 3,220 beneficiaries.

VACCINATION DRIVE

In our endeavour to protect all our employees, we have been conducting vaccination drives for all eligible employees apart from the thousands of employees who are classified as frontline workers. We have vaccinated 106,102 employees as of May 31st, 2021 and are looking to getting all employees vaccinated by July 2021.

ESG framework and progress

Our Approach to Driving Positive Impact

We believe that our performance cannot be measured purely in terms of our profits. To be successful, we must think beyond ourselves and play an increasingly important role in the society. Through the ESG framework, we measure our performance against our environment, social, and governance agenda and make improvements where necessary. Our ESG agenda is integrated in what we do and creates concrete impact as we work to serve our customers, employees, and communities.

ENVIRONMENT

We are a service industry where there are limited environmental risks in terms of emissions, pollution, sewerage, and toxic chemical usage. As we are primarily service providers, we produce low levels of emissions and pollution, and have inconsequential land and water usage. In their risk assessment of various businesses, S&P Global Ratings gives the lowest risk rating of 1 out of 5 to business and consumer services sector as *'Business services companies generally have little to no manufacturing operations, and not much exposure to processes that create pollution or environmental waste by-product'.*

However, we are cognisant of the environmental risks posed by even the most minor of our daily tasks. We are, thus, looking to minimise the environmental impact by undertaking some prudent steps:

- Chemical usage in our facility management division and pest control division are carefully monitored and controlled. We are also adopting bio-friendly chemicals that have minimal environmental impact.
- Vehicles are being migrated to the latest BS-VI standards so that emissions are minimised.
- We have commenced environmental audit to identify areas of improvement in terms of energy and water consumption.

SOCIAL

As one of the top 5 private employers in India and a large employer in our international markets, we have an immense impact on the millions of families that directly benefit from the livelihoods that we support and the jobs that we create every year. Our social impact extends across multiple areas.

Job creation

The total number of employees at SIS has increased manifold over the years from 1,10,000 to 2,28,000. All our fresh recruits receive a 28-day training programme at our in-house training centres, which equips them with the skill sets relevant for their job and career growth. We have also started providing regular on-job training through our M-trainer programme and digital training modules. Even after employees leave our Group, we are sure that our training will provide them with many life skills.

Our training centres are located in some of the socially and economically backward areas of India, which offer scope for employment to the residents of those areas. SIS is a much-admired employer in these areas with immense brand value because of the compliant labour policies and welfare measures that we have implemented.

Supporting diversity

In India, we embrace diversity by being an equal opportunity employer. We do not distinguish in the name or gender or economic backgrounds. In Australia diversity is an intrinsic part of our operations.

If a person can fulfil the necessary criteria, regardless of age, gender, ethnicity, disability or sexuality, we welcome them to SIS. A diverse workforce creates competitive advantage and maximises the talent, potential and contribution of all SIS employees.

In Australia, we have a Cultural Awareness and Diversity in the Workplace training course that all employees must complete at induction and as an annual refresher. We have also strengthened our long-standing commitment to indigenous employment in 2015 by signing the Australian Government's Employment Parity Initiative (EPI). We believe that greater employment will, in turn, lead to sustainable economic and cultural benefits to Australia's Indigenous community.

Social welfare measures

In India, we have a variety of welfare measures that we have instituted for our employees, a prime example being the SEWA Trust through which SIS supports its vulnerable frontline workforce, & also the non billable work force by providing financial assistance at crisis situations. We have also set up a 'Humare Heroes COVID Welfare Fund. The fund was created with initial contribution from Group Chairman Shri R.K. Sinha and family, and from SIS, for a total corpus of ₹ 5 Crore on April 08, 2020. This Corpus was revised to ₹ 10 Crore in April 2021. The primary goal is to assist the welfare of our frontline billing staff. As indicated in the Human Resources section, we have also been aggressively targeting the vaccination of our frontline employees who, because of the nature of their work, are highly exposed.

In Australia, we have a Workplace Giving Program (WGP). Since the launch of WGP, MSS Security and our employees have raised close to US$ 350,000 for our selected charities – The Big Issue, Black Dog Institute, Dementia Australia, and the Royal Flying Doctor Service. Our employees have also volunteered at charity events across Australia and learned more about each charity through internal awareness campaigns.

GOVERNANCE

We have started the assessment of our governance scores on the basis of guidelines and frameworks suggested by the Bombay Stock Exchange, International Finance Corporate, Organisation for Economic Co-operation and Development (OECD), the Securities and Exchange Board of India (SEBI) and various other regulatory bodies around the world. We have done a self-assessment of our governance on multiple parameters, which we will get audited subsequently by a recognised firm.

We have looked at multiple areas covering Board responsibilities, rights of minority shareholders, disclosure and transparency and the role of stakeholders to provide us an internal view. This wide-ranging exercise touches upon important areas such as employee welfare, investor grievance handling, risk management, audit integrity, Board evaluation and composition, Company filings, etc.

Our self-assessment has given us a very strong rating in comparison to a wide-ranging set of listed companies and we have started an internal exercise to identify the areas where we can improve further.

We will make ESG reporting a regular feature and feel that this will provide us and our stakeholders with valuable insights about the way we function.

Our self-assessment will enable us to

- Assess the Company's governance practices
- Benchmark against global best practices
- Provide insights to investors
- Review governance practices beyond legal requirements

Board of Directors

RAVINDRA KISHORE SINHA
Chairman

Mr. R. K. Sinha is a first-generation entrepreneur and founder of the SIS Group. A journalist by profession, the foundation laid by him over 36 years back is responsible for making the SIS Group a recognised leader in the security and business support services business in Asia-Pacific with close to 230,000 permanent employees. His dream of taking the Company public came to fruition in FY18. He is actively engaged in several philanthropic activities.

RITURAJ KISHORE SINHA
Group Managing Director

Mr. Rituraj Sinha is an alumnus of the Doon School and Leeds University Business School, UK. He joined the SIS Group in 2002 after a brief stint in the banking sector in the UK. Over the years, he has built a reputation for himself in the global security and business support services industry by forging partnerships with global market leaders and orchestrating game-changing acquisitions. He is active on various industry forums and champions the cause of the private security industry at various government forums and industry associations.

UDAY SINGH
Non-executive Director

Mr. Uday Singh holds a bachelor's degree in Science (Electrical Engineering) from Birla Institute of Technology – Mesra, Ranchi and a post-graduate diploma in Management from Brilliant's School of Management, Chennai. He has over 41 years of experience in management and has, in the past, held various positions with Metallurgical & Engineering Consultants (India) Limited and Jindal Vijayanagar Steel Ltd., besides serving as Director and Business Head at Praxair Carbon Dioxide Private Limited. He has also served as the CEO of SIS till April 2018.

RITA KISHORE SINHA
Non-executive Director

Mrs. Rita Kishore Sinha holds a bachelor's degree in Arts (Hindi) and a bachelor's degree in Law from Ranchi University. She has over 34 years of experience in the legal field and is currently enrolled with the Supreme Court Bar Association.

ARVIND KUMAR PRASAD
Director – Finance

Mr. Arvind Kumar Prasad holds a bachelor's degree in Commerce from the University of Calcutta and has acquired an intermediate degree from the Institute of Chartered Accountants of India (ICAI). He comes with an experience of over 34 years.

(C) Chairman (M) Member

- Audit committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

AMRENDRA PRASAD VERMA
Independent Director

Mr. Amrendra Prasad Verma holds a master's degree in Arts (Political Science) from Patna University. He has over 35 years of experience in the banking field and has in the past worked with SBI Capital Markets Limited as Managing Director and CEO and as the Deputy Managing Director in the GE Mid Corporate Group.

DEVDAS APTE
Independent Director

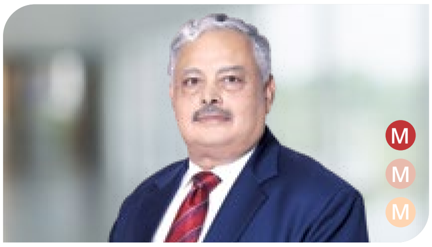
Mr. Devdas Apte has been associated with the Company since February 16, 1999. He holds a bachelor's degree in Arts from the University of Nagpur. In the past, he was also elected as a Member of Parliament (Rajya Sabha) from Jharkhand constituency.

TCA RANGANATHAN
Independent Director

Mr. TCA Ranganathan holds a bachelor's degree in Arts (Economics) from St. Stephen's College and a master's degree in Arts (Economics) from the University of Delhi. He has over 38 years of experience in banking and has, in the past, held various positions with Export Import Bank of India as the Chairman, with State Bank of Bikaner and Jaipur as the Managing Director and with State Bank of India as the General Manager of Gujarat operations.

RENU MATTOO
Independent Director

Mrs. Renu Mattoo is an English (Honours) from the University of Delhi and a post-graduate from Xavier School of Management (XLRI), Jamshedpur. She was a professor for post-graduate management at XLRI for nearly 16 years. In addition to her academic responsibilities, she was also faculty head for placement from 1980 to 1992. She is a renowned consultant and executive coach to C-level executives. Executives from ~700 companies in India and abroad have attended her management workshops. She has written over 400 articles, which have been published in many top business journals and magazines, and has been invited to read papers at various international seminars in India and abroad.



RAJAN KRISHNANATH MEDHEKAR
Independent Director

Mr. Rajan Krishnanath Medhekar is a graduate from the Birla Institute of Technology and Science (BITS), Pilani and a post-graduate in Solid State Physics from the University of Mumbai. He was an officer of the Indian Police Service (1975 Batch) and has served with distinction in several critical assignments with the Kerala State Police and with the Government of India, concluding his career as the Director General of the National Security Guard (NSG), the country's elite force for counter terrorism and anti-hijack operations. He has wide experience and deep insight into the functioning of enforcement, national security, intelligence and crime investigation systems.

SUNIL SRIVASTAV
Independent Director

Mr. Sunil Srivastav is a graduate of the University of Delhi and has an MBA degree from Banaras Hindu University. With a long career in banking, he retired as Deputy Managing Director at SBI. In his four-decade-long career, he has acquired a rich experience in all areas of banking and is a keen analyst and commentator on the banking and financial sector. Post retirement in April 2018, he has been engaged as a Senior Advisor with Edelweiss Global Wealth and Asset Management and as a Senior Advisor to the World Bank. He previously served on the Boards of Gillanders Arbuthnot Ltd., West Bengal Financial Development Corp., National Payments Corporation of India and Member Global Advisory Board of Mastercard.

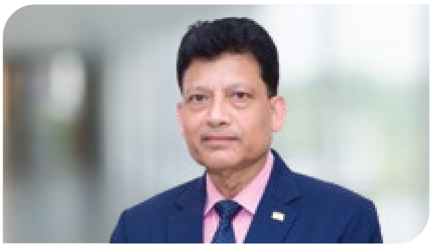
Leadership Team

MR. RITURAJ KISHORE SINHA
Group Managing Director

MR. ARVIND PRASAD
Director Finance

MR. MIKE MCKINNON
CEO, SIS International

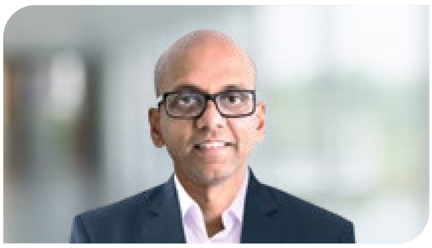
MR. DEVESH DESAI
Group Chief Financial Officer



MR. TAPASH CHAUDHURI
COO (India Security Solutions)

MR. DHIRAJ SINGH
CEO, SIS Group Enterprises

MR. BRAJESH KUMAR
CFO (Security Solutions and FM)



MR. VAMSHIDHAR GUTHIKONDA
President – M&A and Investor Relations

Corporate Information

BOARD OF DIRECTORS

Mr. Ravindra Kishore Sinha
Chairman

Mr. Rituraj Kishore Sinha
Group Managing Director

Mr. Arvind Kumar Prasad
Director-Finance

Mr. Uday Singh
Non-Executive Director

Mrs. Rita Kishore Sinha
Non-Executive Director

Mr. Amrendra Prasad Verma
Independent Director

Mr. Devdas Apte
Independent Director

Mr. T C A Ranganathan
Independent Director

Mr. Rajan Krishnanath Medhekar
Independent Director

Mrs. Renu Mattoo
Independent Director

Mr. Sunil Srivastav
Independent Director

COMPANY SECRETARY

Ms. Pushpalatha Katkuri

BANKERS

State Bank of India

Axis Bank Limited

ICICI Bank Limited

Yes Bank Limited

Kotak Mahindra Limited

Standard Chartered Bank

IDFC Bank Limited

HDFC Bank Limited

GROUP MANAGEMENT

Mr. Rituraj Kishore Sinha

Mr. Arvind Kumar Prasad

Mr. Mike McKinnon

Mr. Devesh Desai

Mr. Tapash Chaudhri

Mr. Dhiraj Singh

Mr. Brajesh Kumar

Mr. Vamshidhar Guthikonda

AUDITORS

Saxena and Saxena
Chartered Accountants

Registered Office
Annapoorna Bhawan,
Telephone Exchange Road,
Kurji
Patna – 800 010

Corporate Office
A-28 & 29, Okhla
Industrial
Area, Phase-1
New Delhi – 110 020

Corporate Identity Number
L75230BR1985PLC002083
Website
www.sisindia.com

Directors Report

To the Members,

Your Directors are pleased to present the 37th Annual Report on the business and operations of the Company together with the audited financial statements for the financial year ended March 31, 2021.

FINANCIAL HIGHLIGHTS

The Company's financial performance for the year ended March 31, 2021 is summarized in the table below:

All amounts in ₹ million except share data

	Standalone		Consolidated	
	Financial Year 2020-21 ("FY 21")	Financial Year 2019-20 ("FY 20")	**Financial Year 2020-21 ("FY 21")**	Financial Year 2019-20 ("FY 20")
Net Revenue	30,041	29,959	91,273	84,852
Revenue Growth %	0.27	19.67	7.57	19.62
Earnings before financial charges, depreciation and amortization, and taxes (EBITDA)	1,710	1,912	5,208	5,204
Depreciation and Amortization	415	535	1,130	1,283
Financial charges	702	756	1,273	1,517
Others (Other income and other entries arising from business combination)	263	449	4,778	531
Share of Profit / (Loss from Associates)	-	-	5	(44)
Reported Earnings/Profit before taxes (PBT)	856	1,070	7,588	2,891
Tax Expenses	285	(293)	1,154	(26)
Add / (Less): Exceptional Items	-	-	(2,762)	-
Pro-forma Earnings / Profit after taxes (PAT)	571	1,363	3,672	2,917
Add / (Less): One-off adjustments	-	(500)	-	(662)
Reported Net Earnings/Profit after tax (PAT)	571	863	3,672	2,255

On a standalone basis, the Company's revenues, at ₹ 30,041 Million during the year under review, increased by 0.3%, EBITDA at ₹ 1,710 Million decreased by 10.6% and, profit after tax at ₹ 571 Million decreased by 33.9%, as compared to the previous year.

On a consolidated basis, during the year under review, the SIS Group's revenues at ₹ 91,273 Million increased by 7.6%, EBITDA at ₹ 5,208 Million increased by 0.1% and, profit after tax at ₹ 3,672 Million increased by 62.9%, as compared to the previous year.

The SIS Group is continues to be amongst the largest security and facility management services companies in the Asia-Pacific region with revenues continuing to grow at a rate more than the industry growth rate with clear leadership positions in India and Australia and significant presence in Singapore and New Zealand.

SIGNIFICANT DEVELOPMENTS

Change of name of the Company to SIS Limited

The name of the Company has been changed to "SIS Limited" from "Security and Intelligence services (India) Limited" and a fresh certificate of incorporation in the name of "SIS Limited" was issued by the Registrar of Companies on January 13, 2021.

Acquisition of Additional shareholding of SLV Security Services Private Limited

During the year under review, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

Acquisition of the uniform business division of SIS Group Enterprises Limited on slump sale basis

During the year under review, the Company entered into a Business Transfer Agreement with SIS Group Enterprises Limited ("SIS Group Enterprises") to purchase the business, assets, liabilities, and employees of the uniform business division of the SIS Group Enterprises on slump sale basis at an aggregate consideration of ₹ 4.21 Million. The transaction was approved by the audit committee of the Board.

Acquisition of additional shareholding of Southern Cross Protection Pty Ltd

During the year under review, a subsidiary of the Company acquired all the remaining shareholding and voting rights of 49% in SX Protective Holdings Pty Ltd ("SXP"), a subsidiary of the Company, for an aggregate consideration of ₹ 1,912.9 Million (AUD 36.8 Million) and as a result SXP and its subsidiaries became wholly owned subsidiaries of the Company.

Acquisition of additional shareholding of Rare Hospitality and Services Private Limited

During the year under review, the Company acquired the entire remaining shareholding of 17.11% in Rare Hospitality and Services Private Limited ("RHPL"), a subsidiary of the Company, for an aggregate consideration of ₹ 56.3 Million and as a result RHPL became a wholly owned subsidiary of the Company.

Acquisition of additional shareholding of ADIS Enterprises Private Limited by Dusters Total Solution Services Private Limited

During the year under review, Dusters Total Solution Services Private Limited, a wholly owned subsidiary of the Company, acquired all of the remaining shareholding of 49% in ADIS Enterprises Private Limited ("AEPL"), an indirect subsidiary of the Company, for an aggregate consideration of ₹ 9.8 Million and as a result AEPL became a wholly owned subsidiary of the Company.

Issue of Non-Convertible Debentures

During the year under review, the Company has issued 1,900 Secured Rated Listed Redeemable Non-Convertible Debentures (“the Debentures”) of face value of ₹ 1.00 Million each, aggregating to ₹ 1,900 Million, on a private placement basis. The Debentures carry a coupon rate of 7.90% p.a. payable annually and are redeemable at par after 2 years from the date of allotment. The debentures are secured by way of security created over a portion of the Company’s shareholding in one of its subsidiary companies.

OPERATIONS AND BUSINESS PERFORMANCE

The financial year under review was an extremely challenging environment for the economic and business environment caused by the COVID-19 pandemic. This pandemic also took huge toll on both physical and mental health of the general population. The SIS Group rose to the challenge caused by this unprecedented environment and, not only managed to keep revenues and profits steady but also ensured the welfare of its employees and clients and implemented several actions and measures to protect our frontline workers by ensuring a safe working environment for them.

During the year, when several Governments announced the COVID-19 lockdowns at various points of time, all our businesses were listed as an essential service provider by the respective governments through various notifications both at Central and State level and across all geographies in which we operate and, as a result, the SIS Group was in a position to provide uninterrupted services throughout the lockdown period to ensure that our customers could continue running their business smoothly. In several instances, we were also assisting multiple government agencies in discharging their duties successfully. At the same time, the Group proactively implemented several measures to ensure the safety and welfare of our employees at our offices and client sites and were able to ensure uninterrupted operations at client sites too.

Security Services

Security services – India

During the year under review, we consolidated our position as the largest security services company in India. Despite a challenging macro-economic climate marked by a steep GDP decline as a result of the COVID-19 pandemic, we ensured uninterrupted operations for our clients and were successful in keeping our revenues relatively stable. This reflects the essential nature of our services, the relative demand inelasticity and our strong execution capabilities.

SIS continues to be the largest security service company in India and the results during the year under review and the superior service provided to its clients has reinforced this leadership position.

The number of security personnel employed by the Group in India as on March 31, 2021 was 1,52,200. Significant operational improvements were achieved by leveraging technology-based solutions and it has contributed to the growth in productivity and operating profits for the year under review.

In addition to the Group’s implementation of several productivity measures, this financial year included significant cost saving initiatives that includes restricted travel, reduced capex spend, minimal conference related expenses. However, such productivity efforts were offset by additional Covid related spends such as PPE Kits, Covid training and welfare and additional expenses on employee accomodation and travel. This has decreased the EBITDA margins this year from 6.0% at ₹ 2,109 Million in FY20 to 5.5% at ₹ 1,902 Million in FY21.

Security services – International

The Group provides security services internationally through its subsidiaries in Australia, Singapore, and New Zealand. In Australia, we operate through MSS Security Pty Ltd (“MSS”) and Southern Cross Protection Pty Ltd (“SXP”). The International business has recorded its highest historical growth rate ending the year at ₹ 45,303 Million in revenues which is a 22.3% increase over FY20.

On a consolidated basis, the Security services – International segment, comprising MSS, SXP, Henderson Group and P4G recorded revenues of AUD 850 Million during the year under review against AUD 768 Million in the previous year. This represents a growth of 10.7% (on a constant currency basis) over the previous year. In Australia, our revenues grew by 23.5%, while the broader Australia economy has shown a degrowth. While the general economic environment was challenging due to the restrictions in travel and tourism as a result of the COVID-19 pandemic, the business rose to the occasion, and reached out to clients to assure and ensure uninterrupted operations and its leadership position in the country resulted in selection by the government to provide security services to the government’s dedicated isolation facilities and quarantine hotels. This revenue more than offset the reduction of revenues from existing clients who were impacted by the restrictions in travel and tourism as a result of the COVID-19 pandemic. It is a testament to the superior service offering of our business and a reflection of the essential nature of the business.

In New Zealand, P4G continued to build on its market position and client base and enhanced its market share and service portfolio by acquiring the business contracts of Guardforce Securities Ltd and Conroy Security during the year.

We continue to be No.1 in Australia with over 21% market share, outpacing market growth. Despite the low general economic growth, both the Australia and New Zealand businesses showed strong margin improvements on the back of increased revenues, continued profit improvement initiatives and productivity measures.

Directors Report Contd.

The EBITDA for the segment was AUD 55.3 Million (6.5% of revenues) against AUD 45.9 Million (6.0% of revenues) for FY20 representing a 20.7% increase over the previous year.

Electronic Security Solutions

1. **ManTech** - Our electronic security business recorded a revenue of ₹ 245.1 Million during the year under review compared to ₹ 200.0 Million in the previous year. This is our highest ever revenues. We continue to sell and provide technology-based security solutions to our customers, and by doing so, we are innovating our modes of solution delivery.

   Whilst we are making continued investments and improvements in our internal systems to improve operational productivity, we also look to expand our security business in a non-linear manner, thereby reducing dependency on manpower and deploying customized solutions.

2. **Alarm Monitoring and Response** – We provide these services to individual homes and small business and commercial establishments and operate this business under the brand VProtect. During the year under review, we expanded our presence in the B2B space by winning marquee customers and a significant volume of new orders in the BFSI sector.

   We have clearly established our capability of providing monitoring and response services to customer locations and sites pan-India and the number of sites secured by us, increased from 1,350 (as on March 2019) to reach 3,500 sites as on March 2021 and with a confirmed order with two of India's leading public sector banking institutions to install, maintain and monitor alarm monitoring and response services for 8,500 ATM sites to be commissioned in FY22.

   We are confident of strengthening our presence further in this space with the BFSI sector constantly looking at innovative solutions to help their security needs. We are continuing to invest in the latest Artificial Intelligence and Machine Learning technology to give us an added technological advantage over our competitors. We have recently won a couple of large sized contracts

Facility Management

The Group's facility management business comprises:

i. Service Master Clean Limited ("SMC"), Dusters Total Solutions Services Private Limited ("Dusters") and Rare Hospitality & Services Private Limited in the business of housekeeping and cleaning services;

ii. Terminix SIS India Private Limited ("Terminix SIS"), a joint venture with Terminix, in the pest control business; and

iii. Adis Enterprises Private Limited ("Adis"), specializing in Operations & Maintenance in the Pharmaceutical vertical.

The year saw a decrease in our facility management business with revenues going down from ₹ 12,802 Million in FY 20 to reach ₹ 11,273 Million in FY 21, a decrease of 11.9 % as a result of reduction in operations at certain highly impacted segments like Railways, Hospitality and IT/ ITeS.

The healthcare expertise in our facility management businesses proved particularly useful during the COVID-19 pandemic as our hospital and pharmaceutical clients reached out to us to provide additional services for their deep cleaning, disinfection, sanitation, and other surge work.

Our B2G business with our Railways vertical continues to expand with more services and more stations under coverage. However, due to the stringent travel restrictions imposed for majority of the fiscal ended FY 2020-21, the Railways business contributed only 6% of the overall business it usually generates.

Terminix SIS continues to deliver a strong performance year-on-year, especially in FY 21, with rising demands for one-time sanitization, fumigation and disinfection services. This has also helped the business convert many of these one-time client into long term business relationships. It recorded a revenue growth of 25% over FY 20 with an EBITDA % of 21.4% for FY 21. The business continues to develop and deploy newer solutions designed and sold during COVID-19 times, where disinfection and hygiene requirements are taking more precedence than usual.

The consolidated EBITDA of the facility management segment went down from ₹ 843 Million in FY 20 to ₹ 394 Million in FY 21, a decrease of 53.3%, whilst the EBITDA margin reduced drastically from 6.6% in FY 20 to reach 3.5% in FY 21. The decline in EBITDA and margins is largely on account of the impact of reduced revenues and operating leverage impact.

The One SIS programme, which was launched originally as Totally Facility Management (TFM) programme in FY19, is spearheaded primarily by the FM business. It aims to provide integrated solutions comprising security services, facility management, pest control and other allied services to the clients, under a common contractual arrangement.

Cash Logistics (a joint venture with Prosegur)

On a consolidated basis, the cash logistics business' revenues increased by 2.3% over the previous year. We reduced exposure to the ATM business and continue to focus on the non-ATM business, which includes retail banking and cash-in-transit business. We now operate over 2,119 cash vans, service 10,800 ATMs and provide doorstep banking services across 11,183 pickup points and operate 50 vaults and strong rooms across the country.

The migration to the Reserve Bank of India ('RBI') and the Ministry of Home Affairs ('MHA') guidelines announced during FY19 has been slow, but our patience and optimistic approach with the banks meant that we did receive price revision on a select basis in FY 21.

OUTLOOK

The industries we operate in, and the services we provide, are closely linked to the overall economic growth of the country. India's economy, which was on a downtrend for the past few years, preceding Covid, has worsened further with the steep economic shocks due to the COVID-19 crisis. Various economic research houses were forecasting a 9-10% growth for the Indian economy this year coming off a low base in FY21 but these forecasts are bound to see some adverse impact from the Covid second wave in India.

However, we believe, that the SIS Group will possibly be the least impacted and the first to recover given the essential and relatively resilient nature of our services.

The longer-term trends, however, continue to be robust with the underlying drivers all showing the right momentum. In the security services vertical, this growth comes on the back of continued urbanization, higher threat perception, inadequate police force and shift from less-organized local players to well-organized national players. The Freedonia Group (a business research company) ("Freedonia"), in its March 2019 report has forecasted that the India security industry will grow from ₹ 80,000 Crores in FY19 to ₹ 157,000 Crores by FY24 at a CAGR of ~14%. Out of this, the technology led security solutions segment is estimated to grow at over 19% during this period.

Similarly, in the Facility Management ('FM') vertical, increased focus on health, hygiene, and sanitation in the post-COVID-19 times, will lead to newer solutions, more intensified cleaning, reliance on professional vendors and greater outsourcing etc. Freedonia has forecasted that the FM vertical will grow from ₹ 100,000 Crores in FY19 to ₹ 230,000 Crores by FY24 at a CAGR of ~19%.

We also believe that the ongoing COVID-19 crisis will provide us opportunities to increase our market share due to our proven delivery capability and our unique ability to design solutions to meet our clients' requirements. We have historically grown at over 1.5 times the industry growth across geographies and we believe that we are well placed to continue to outperform the industry in the future too.

Our International business has demonstrated strong growth year after year and continues to maintain its No. 1 position in the Australian market. With our strong brand name and continuous investments in people and technology, we believe that we will maintain this market leadership position in Australia. Our international markets are better placed from a macro-economic and health standpoint and we believe that in FY22 too, these geographies will contribute healthily to reduce volatility in the overall group business.

The cash logistics industry has seen slower growth over the past years due to slowdown in ATM expansion and the general structure of the industry. We believe that the ecosystem for cash logistics is likely to undergo a significant shift with the slow but steady adoption of the RBI regulations and MHA guidelines that were announced in FY19. We have steadily moved away from the ATM business and now have a larger exposure to the DSB and CIT businesses. This coupled with steady tariff upticks are likely to hold the cash logistics in good stead over the coming years.

We are also witnessing increasing requirements from customers expressing an intent to invest in, and deploy, electronic security systems as part of their security deployment. At the same time, there is an increasing segment of consumers who are seeking to adopt electronic security as a service ("ESAS"). This presents a huge opportunity for players such as SIS, who can curate and provide man-tech solutions which provide integrated security solution to the customers.

Our focus remains to drive strong organic growth and at the same time continuously look to expand on our service offerings by acquiring businesses in niche markets/territories and customer segments. We believe that by continuously investing in systems, processes, training and recruiting the best personnel and managers, we would be able to continue to deliver superior services to customers.

MATERIAL CHANGES & COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY FROM THE END OF FINANCIAL YEAR TILL THE DATE OF THE REPORT.

There have been no material changes and commitments, affecting the financial position of the Company which occurred between the end of the financial year to which the financial statements relate and the date of this report.

Subsequent to the year-end, 1,500 Non-convertible Debentures of ₹ 1 Million each aggregating to ₹ 1,500 Million were redeemed/repaid on their maturity on April 13, 2021.

OTHER SIGNIFICANT MATTERS FROM THE END OF FINANCIAL YEAR

Effective April 16, 2021, the Company had acquired all of the remaining shareholding of 49% in Uniq Security Solutions Private Limited ("USSPL"), a subsidiary of the Company, for an aggregate consideration of ₹ 510.20 Million and as a result USSPL, and its 100% subsidiaries, became wholly owned subsidiaries of the Company.

DIVIDEND AND TRANSFER TO RESERVES

The Board of the Company do not recommend any dividend on the Equity Shares of the Company for the financial year ended March 31, 2021.

In terms of the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") as amended from time to time, your Company has formulated a Dividend Distribution Policy. This Policy is available on the Company's website at https://sisindia.com/investors/policies-and-code-of-conduct.

TRANSFER TO RESERVES

The company has not proposed to transfer any amount to the general reserve.

BUYBACK OF EQUITY SHARES

During the year ended March 31, 2021, the Board of Directors and Shareholders have approved the buy-back of upto 1,818,181 equity shares of face value of ₹ 5/- each (representing 1.24% of the total paid-up equity share capital of the Company as on March 31, 2020) from the shareholders/beneficial owners of equity shares of the Company as on the Record Date, being April 9, 2021, on a proportionate basis, through the tender offer process as prescribed under the SEBI (Buyback of Securities) Regulations, 2018, at a price of ₹ 550/-, payable in cash, for an aggregate maximum amount of ₹ 1,000 Million.

The Company has submitted a Draft Letter of Offer with SEBI and the stock exchanges on April 1, 2021 and the approval from SEBI is awaited.

Directors Report Contd.

CREDIT RATING

Nature of Instrument	Name of Credit Rating Agency	Credit Rating Assigned
Non-Convertible Debentures	CRISIL Ratings Limited	CRISIL AA- (Stable)

SHARE CAPITAL

During the year under review, 16,63,784 equity shares of ₹ 5 each were allotted upon exercise of options by the employees under the Company's Employee Stock Option Plan.

As on March 31, 2021, the authorised capital of the Company is ₹ 1,350.00 Million divided into 270,000,000 equity shares of ₹ 5 each, and the paid-up equity share capital of the Company is ₹ 741.51 Million consisting of 148,301,758 equity shares of ₹ 5 each.

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures on particulars of loans, guarantees and investments as on March 31, 2021 are provided in the Notes to the financial statements.

PUBLIC DEPOSITS

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014 and, as such, no amount of principal or interest was outstanding, as on the date of the Balance Sheet.

CORPORATE GOVERNANCE

The Company's business and operations are managed by a professional team of managers led by the Managing Director under the supervision and control of the Board of Directors. The Company maintains and practices the highest standards of Corporate Governance and adheres to the Corporate Governance requirements as stipulated by Securities and Exchange Board of India (SEBI) and the Act.

In terms of Regulation 34 of the SEBI Listing Regulations, the Corporate Governance Report for the year under review is presented in a separate section and forms an integral part of this Report. A certificate from a Practicing Company Secretary on its compliance, is annexed to the Report.

CORPORATE SOCIAL RESPONSIBILITY

The SIS Group, comprising SIS Limited and its subsidiaries, associates, and joint ventures ("SIS Group"), has been at the forefront of bringing social change in the lives of thousands of people in India. It employs more than 220,000 people, of which a large majority come from the less privileged sections of society with limited means for education, development, and livelihood. The SIS Group has been instrumental in improving lives of these people through training, development and providing them employment opportunities.

Our Board of Directors, our Management and all our employees subscribe to the philosophy of compassionate care. We believe that a business must give back to society and to the environment and community in which they operate in such a manner that helps in building a secure, healthy, knowledgeable, and a sustainable society and business. Corporate Social Responsibility (CSR) has been an integral part of the way that the SIS Group conducts its business since its inception. The SIS Group set up the SEWA trust for the betterment of lives of the employees. The SIS Group has engaged in various activities in the communities that our employees live in, which has benefited thousands of people over the years. The Company has also been at the forefront in imparting and encouraging skills-based training to people from backward and less developed communities across the country.

The Policy on CSR has been formalized based on the vision and principles of the SIS Group. The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable and beneficial engagement with the society and the environment in which the Group operates. It aims at enhancing welfare measures of the society based on the immediate and long term social and environment consequences of the SIS Group's activities. This Policy specifies the projects and programmes that can be undertaken, directly or indirectly, the modalities of execution and the monitoring thereof.

The scope of the Policy has been kept as wide as possible, so as to allow the SIS Group to respond to changing and immediate societal needs and maintain flexibility, but at the same time focus on a specific set of activities that bring long term benefit to society.

One of the internal objectives of the CSR Policy is to seek an active participation of employees of the Company at all the locations. Employees will be encouraged to volunteer their time and effort in respect of SIS Group sponsored programmes or on their initiatives. The Company will recognize the efforts put in by employees in CSR activities. A widespread awareness of the CSR initiatives of the SIS Group will be conducted and the SIS Group seeks an active and wide participation from employees and encourages any suggestions and project ideas from them.

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company as adopted by the Board and the initiatives undertaken by the Company on CSR activities during the year under review are set out in **Annexure- I**. The CSR Policy is available on the Company's website at https://sisindia.com/investors/policies-and-code-of-conduct.

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company provides a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Internal Complaints Committees have been constituted to enquire into complaints, and to recommend appropriate action, wherever required in compliance with the provisions of the said Act.

During the year under review, your Company has received 2 complaints under the aforesaid Act, and the internal review of both the complaints is under progress.

NOMINATION AND REMUNERATION POLICY

Directors and their Appointment

The Nomination and Remuneration Committee of the Board has approved the criteria for determining qualifications, positive attributes, and independence of Directors in terms of the Act and the rules made thereunder, both in respect of Independent Directors and other Directors as applicable. This policy, inter alia, requires that Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with experience in business/ finance/ law/ public administration and enterprises. It endeavors to create a broad basing in the composition of the Board to make available the right balance of skills, experience, and diversity of perspectives appropriate to the Company. The Articles of Association of the Company provide that the strength of the Board shall not be fewer than three nor more than fifteen. Directors are generally appointed/ re-appointed with the approval of the members for a period of three to five years or a shorter duration, in accordance with any arrangements and/or guidelines as determined by the Board from time to time.

The Policy relating to remuneration of Directors, Key Managerial Personnel, Senior Management, and other employees is available on the Company's website at https://sisindia.com/investors/policies-and-code-of-conduct.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, a separate section on Business Responsibility Report, describing the initiatives taken by the Company from environmental, social and governance perspective, forms an integral part of this Report.

RELATED PARTY TRANSACTIONS

During the year under review, all contracts/arrangements entered by your Company with related parties, were on an arm's length basis. There are no material transactions with any related party as defined in the Act. All related party transactions, entered for the year under review, have been approved by the Audit Committee, wherever applicable.

Since all the contracts/arrangements/transactions with related parties, during the year under review, were at arm's length and were not material, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Companies (Accounts of Companies) Rules, 2014, is not applicable. The details of contracts and arrangements with related parties for the financial year ended March 31, 2021, are given in the standalone financial statements forming part of this Annual Report.

The Policy on related party transactions is available on the Company's website at https://sisindia.com/investors/policies-and-code-of-conduct.

RISK MANAGEMENT

The Board of Directors have approved the risk management policy and the main objectives of the policy are (a) to ensure the key risks are identified, assessed, quantified, appropriately mitigated, minimized, and managed; (b) to establish a framework for the Company's risk management process and to ensure its implementation; and (c) to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

The Board of Directors have formed a Risk Management Committee to frame, implement and monitor the risk management plan for the Company.

As on March 31, 2021, the Committee comprises of the following directors:

1. Mr. Amrendra Prasad Verma, Independent Director,
2. Mr. Rituraj Kishore Sinha, Managing Director, and
3. Mr. Arvind Kumar Prasad, Director – Finance.

Mr. Amrendra Prasad Verma is the Chairman of the Committee. The Committee is responsible for monitoring and reviewing the strategic risk management plans of the Company and ensuring its effectiveness.

During the year under review, the Company has finalized the Risk Management Framework and created a risk library covering the identified risks pertaining to its business operations and the potential impact of such risks. The major risks have been identified and compiled by the Company and reviewed and approved by the Risk Management Committee. Risks are identified and prioritized based on the severity, probability and potential impact on the Company. Process owners have been identified for each risk for monitoring and reviewing the progress of implementation of the risk mitigation plans.

The Risk Management Committee has reviewed and approved the risk management framework, risk library and risk mitigation plan and the Company is in the process of implementing the action plans for managing the major risks.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report for the year under review as stipulated in SEBI Listing Regulations is presented in a separate section forming part of this Annual Report.

INTERNAL FINANCIAL CONTROLS

Our rapid growth, while a matter of great satisfaction, continues to put pressure on our internal systems and processes. It is important that we work to ensure that these continue to keep pace with the business growth and that our policies remain current and relevant in the rapidly changing business landscape. Information systems are being continuously evaluated and revamped to deliver timely and relevant information to various stakeholders to arm them with the necessary information and tools to enable them to compete in a tough market and environment. We believe that IT and information systems are critical in today's world and we have several dedicated groups of people constantly

Directors Report Contd.

working to continuously evolve and improve these systems to keep abreast of the fast-changing environment.

The Company's system of continuous internal audits ensures that laid down processes and practices are followed and complied with and that quality processes are strictly adhered to. Financial discipline is emphasized at all levels of the business and adherence to quality systems and focus on customer satisfaction are critical for the Company to retain and attract customers and business and these are followed rigorously. At the same time, the Group is strengthening its core business systems which will result in more robust controls and uniformity and consistency of practices and processes across the Group.

An Audit Committee comprising independent members of the Board has been constituted which plans and monitors the various Internal Audit programmes and reviews the reports and action plans arising therefrom. The Managing Director, Director – Finance and the Chief Financial Officers are invitees to the meetings of the Committee.

The Internal Auditors, who are an independent function within the Group, reporting to the Audit Committee, review the adequacy and efficacy of the key internal controls. The scope of the audit activity is guided by the annual audit plan, which is approved by the Audit Committee of the Board. We also appoint professional and reputed audit firms from time to time to conduct internal audits of the larger and more critical operations of the Group.

Besides the financial audits, quality management system procedures are continuously audited by internal and external auditors to ensure that company's business practices conform to the requirements of customers.

The Directors believe that the Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information. Internal Audit team of the Company evaluates the functioning and quality of internal controls and reports its adequacy and effectiveness through periodic reporting. During the year under review, such controls were tested and no reportable material weakness in the design or operation were observed.

SUBSIDIARIES/ ASSOCIATES AND JOINT VENTURES

As on March 31, 2021, the Company has 38 subsidiary companies, 3 associates and 1 joint venture.

During the year under review, the following entities ceased to be the subsidiaries of the Company as these entities have been deregistered:

1. Cage Security Guard Services Pty Ltd, Charter Customer Services Pty Ltd, Southern Cross FLM Pty Ltd and Eymet Security Consultants Pty Ltd effective February 4, 2021; and
2. Cage Security Alarms Pty Ltd effective February 18, 2021

Pursuant to the provisions of Section 129 (3) of the Act, a report on the performance and financial position of each of the subsidiaries, associates and joint venture companies is provided in the prescribed 'Form AOC-1' in **Annexure II** to this Report.

The Policy for determining material subsidiaries is available on the Company's website at https://sisindia.com/investors/policies-and-code-of-conduct.

Pursuant to the provisions of Section 136 of the Act, the audited standalone and consolidated financial statements of the Company have been placed on the Company's website, www.sisindia.com. Further, the audited financial statements in respect of subsidiary companies, are available on the website of the Company at https://sisindia.com/investors/financials-subsidiary-companies.

PEOPLE AND TRAINING

We continue to improve and develop tools and processes, to recognize and reward employees at all levels across the Company. We deeply value their contribution to the Company's performance every year by investing in their training and development programmes, in addition to the leadership development programmes. The Performance Management Process ("PMP") tool across the Group is designed to scientifically measure and track the performance of employees at all levels and we believe this will help us to recognize and reward performance, and also retain, reward, attract and sustain talent and to have a common platform of performance management across the Group. The total employees in the SIS Group at the end of the year under review were more than 228,000.

During the COVID-19 pandemic, the Company enhanced and prioritized its focus on the health and well being of employees and on ensuring business continuity. We implemented enhanced policies and procedures that we constantly updated to reflect the underlying health situation and comply with local regulations. We asked high risk employees to operate remotely and securely and implemented a roster plan for other employees to minimise the risk of infection and keep them safe and secure. We also provided regular updates and published educational material on precautionary measures to be adopted and practiced by the employees. Infected employees were monitored on a continuous basis till the time of recovery and all guidelines and support in terms of home quarantine and hospitalization support were provided.

In our endeavour to protect the employees, we commenced vaccination drives and have enabled vaccination for almost 18,000 employees till the end of April 2021.

The Board took cognizance of the pandemic and its impact on the overall business, environment and safety, health and wellbeing of the employees and approved a special expenditure of ₹ 50 Million to be spent on enhanced measures to protect our employees on account of the COVID-19 pandemic and on appropriating the same as part of its overall CSR obligations.

In the emergence of the ongoing massive second COVID wave, the Company has adopted various preventive measures and extended complete support towards testing and hospitalization.

During the year under review, a special "**Humare Heroes COVID Welfare Fund**" was set up with an initial corpus of ₹ 50 Million to extend medical and other assistance to COVID infected employees and to assist and provide support in the welfare of our frontline staff.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure III** to this Report.

EMPLOYEE STOCK OPTION PLAN (ESOP)

To reward employees for their contribution to your Company and to provide an incentive for their continuous contribution to the organization's success, the Company has instituted an employee stock option scheme, namely, ESOP 2016 on July 27, 2016. ESOP 2016 envisages the grant of such number of options (together with exercised options) enabling the eligible employee stock option holders the right to apply for equity shares of the Company.

Disclosures with respect to stock options, as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ("the Regulations"), are available on the Company's website, https://sisindia.com/investors/investor-information/company-announcement.

The Company's Auditors, Saxena and Saxena have certified that the Employee Stock Option Plan of the Company has been implemented in accordance with the Regulations and the resolutions passed by the members in this regard.

DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

a. Pursuant to the provisions of Section 152 of the Act read with the rules framed thereunder, Mr. Rituraj Kishore Sinha, Managing Director and Mr. Arvind Kumar Prasad, Director Finance, are liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

b. Appropriate resolutions seeking approval of the members forms part of the Notice convening the 37th AGM of the Company.

c. During the year under review, there has been no change in the Board of Directors and KMP.

DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and also confirmed that there has been no change in the circumstances affecting their status as Independent Directors of the Company.

COMMITTEES OF THE BOARD

As on March 31, 2021, the Board constituted the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, and a Risk Management Committee. A detailed note on the composition of the Board and its committees is provided in the Corporate Governance Report. In addition, the Board constitutes other committees to perform specific roles and responsibilities as may be specified by the Board from time to time.

MEETINGS OF THE BOARD

During the year under review, 5 (five) meetings of the Board were held on April 30, 2020, July 29, 2020, October 29, 2020, February 3, 2021, and February 15, 2021.

BOARD EVALUATION

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board of Directors have carried out an annual evaluation of its own performance, its committees and individual directors.

Further details regarding the evaluation are provided in the Corporate Governance Report, which forms part of this report.

AUDITORS AND AUDIT REPORTS

Saxena and Saxena, Chartered Accountants (Firm Registration No. 006103N) have been appointed as the statutory auditors of the Company for a period of 5 consecutive years, till the conclusion of 38th AGM to be held in the year 2022.

Pursuant to the provisions of Section 139(1) of the Act, ratification of the appointment of the statutory auditors, by the members at every AGM during the period of their appointment has been withdrawn from the said section effective May 7, 2018. Accordingly, no resolution is proposed for ratification of appointment of statutory auditors at the ensuing AGM.

The Auditors' Report does not contain any qualification, reservation or adverse remark and the auditors have issued an unmodified opinion on both the standalone and consolidated financial statements.

The statutory auditors have confirmed that they satisfy the criteria of independence in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and the provisions of the Act.

Competence and experience of the auditor

Saxena & Saxena, Chartered Accountants is a Peer Reviewed firm established in 1986 having a PAN presence in India with head office at New Delhi along with branches in Kolkata and Vadodara. The firm is managed by qualified and experienced partners having experience of more than 40 years in the field of audit of Indian companies as well as international companies. The firm is providing audit services to public sector undertakings and various other reputed industrial houses for more than three decades.

Directors Report Contd.

Mr. Dilip Kumar Saxena, signing partner of Saxena & Saxena was a Director in Syndicate Bank appointed by the Government of India and was the Chairman of the audit committee. He has extensive experience of more than 15 years in handling the annual audits of corporates and public sector undertakings.

The firm is empaneled with Comptroller and Auditor General of India (CAG), Reserve Bank of India (RBI), Indian Bank's Association (IBA) for ASM (Agencies for Specialized Monitoring) for conducting Forensic Audits.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204 of the Act read with the rules framed thereunder, the Board of Directors had appointed Mr. Sudhir V Hulyalkar, Company Secretary in Practice, to conduct the secretarial audit of the Company for the financial year ended March 31, 2021.

The Secretarial Audit Report, issued by Mr. Sudhir V Hulyalkar for the financial year 2020-21 is provided in **Annexure IV** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

COMPLIANCE WITH THE SECRETARIAL STANDARDS

Your Company is in compliance with the Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI) related to the Board and General Meetings.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, there were no instances of fraud committed against your Company by its officers and employees, which required the auditors to report to the Audit Committee and/or the Board under Section 143(12) of the Act and the Rules made thereunder.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION

Considering the nature of activities of the Company, the provisions of Section 134(m) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Research and Development, Technology Absorption are not applicable to the Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The details of the foreign exchange earnings and expenditure are as follows:

Particulars	2020-21
Foreign exchange earnings	-
Foreign exchange expenditure	28.78

ANNUAL RETURN

As per the requirements of Section 92(3) of the Act and the rules made thereunder, the extract of the annual return as on March 31, 2021 is available on the Company's website at https://sisindia.com/investors/investor-information/company-announcement.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS/COURTS IF ANY

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future.

Your Company had neither filed any application, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 at the end of the year.

VIGIL MECHANISM

Your Company has established a Vigil Mechanism for reporting of concerns through the Whistle Blower Policy of the Company. The Policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about illegal and unethical behavior that could adversely impact the Company's operations, business performance. During the year under review, no personnel has been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company https://sisindia.com/investors/policies-and-code-of-conduct.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134 (5) of the Act, the Directors of your Company confirm that:

- In the preparation of the accounts for the year ended March 31, 2021 the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- Accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year;
- Proper and sufficient care for the maintenance of adequate accounting records have been taken in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis;
- Internal financial controls have been laid down and followed by your Company and that such internal financial controls were adequate and operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

GREEN INITIATIVES

In view of the ongoing Covid pandemic, members may note that the Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those

Members whose email addresses are registered with the Company/ Depositories.

Members may also note that the Notice and Annual Report 2020-21 will be available on the Company's website www.sisindia.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of CDSL www.evotingindia.com.

In case of any change in your email address, you are requested to please inform the same to your Depository (in case you hold the shares in dematerialized form) or to the Company/ Registrar and Transfer Agent (in case you hold the shares in physical form).

APPRECIATION/ACKNOWLEDGEMENT

Your Directors place on record their gratitude to the Central Government, various State Governments and Company's Bankers and advisors for the valuable advice, guidance, assistance, co-operation, and encouragement they have extended to the SIS Group from time to time. The Directors also take this opportunity to thank the Company's customers, suppliers, and shareholders for their consistent support to the Company.

Last but not the least, the Directors also sincerely acknowledge the significant contributions made by all the employees especially during the COVID-19 times and applaud them for their dedication and commitment to your Company.

CAUTIONARY STATEMENT

Statements in this Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied.

For and on behalf of the Board of Directors

Noida
April 28, 2021

Ravindra Kishore Sinha
Chairman

Directors Report Contd.

ANNEXURE I

Annual Report on Corporate Social Responsibility (CSR) Activities

1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Corporate Social Responsibility (CSR) Policy of the Company has been formalized based on the vision and principles of the SIS Group. The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable and beneficial engagement with the society and the environment in which the Group operates. It aims at enhancing welfare measures of the society based on the immediate and long term social and environment consequences of the Group's activities. This Policy specifies the projects and programmes that can be undertaken, directly or indirectly, the modalities of execution and the monitoring thereof.

2. COMPOSITION OF CSR COMMITTEE:

Sl. No.	Name of the Director & Designation	Position in committee	Number of meetings of CSR Committee during the year	
			Held	Attended
1	Mr. Ravindra Kishore Sinha, Chairman	Chairperson	1	1
2	Mr. Rajan Krishnanath Medhekar, Independent Director	Member	1	1
3	Mr. Devdas Apte, Independent Director	Member	1	1

3. The web-link of composition of the CSR committee, CSR Policy and CSR projects approved by the Board is: www.sisindia.com/investors/corporate-social-responsibility

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

   Not Applicable as the Company was not required to spend more than ₹ 10 crores during the three immediately preceding financial years.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Not Applicable**

6. AVERAGE NET PROFIT OF THE COMPANY AS PER SECTION 135(5): ₹ 952.42 Million

7. (a) 2% of average net profit of the company as per section 135(5): ₹. 19.05 Million

   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

   (c) Amount required to be set off for the financial year, if any: Nil

   (d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 19.05 Million

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ Million)	Amount Unspent (in ₹.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
35.84	Nil				

(b) Details of CSR amount spent against ongoing projects for the financial year: Not Applicable

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
				Location of the project				Mode of implementation - Through implementing agency	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	State	Dist.	Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No)	Name	CSR Regn. number
1	Promoting Education and educational projects	(II)	No	Telangana	Siddhipet	400,000	No	Nigama Needam	N.A.
				Delhi	New Delhi	2,500,000	No	Deendayal Research Institute	N.A.
				Uttarakhand	Tehri Garhwal	2,500,000	No	Shree Sanatan Dharmseva Sangh Parmarthik Trust	N.A.
				Maharashtra	Nagpur	1,000,000	No	Bharatiya Shikshan Mandal	N.A.
				Gujarat	Rajkot	1,500,000	No	Vimal Research Society for Agro Biotech & Cosmic Power	N.A.
				Haryana	Gurugram	500,000	No	Diksha Foundation	N.A.
				Tamil Nadu	Chennai	1,500,000	No	Centre for Policy Studies	N.A.
2	Programs towards betterment of health	(I)	No	Delhi	New Delhi	15,159,999	Yes Direct	N.A.	N.A.
				Gujarat	Gir Somnath	2,500,000	No	Shree Keshav Smarak Samiti	N.A.
				Gujarat	Vadodara	500,000	No	Soliji Yoga Foundation	N.A.
				Delhi	New Delhi	500,000	No	Sri Ram Yoga Mandir Trust	N.A.
				Madhya Pradesh	Indore	1,000,000	No	Doctor Hedgewar Smarak Samiti	N.A.
3	Protection of national heritage	(V)	No	Madhya Pradesh	Bhopal	2,500,000	No	Narmada Samagra	N.A.
4	Programmes in connection with rural development	(X)	No	Delhi	New Delhi	500,000	No	Rashtriya Sewa Bharati	N.A.
5	Relief to Poor, shelter, social welfare etc.	(VIII)	Yes	Bihar	Patna	3,276,940	No	Awasar	N.A.
	Total					**35,836,939**			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 35.84 Million

Directors Report Contd.

(g) Excess amount for set off, if any:

Sl. No.	Particulars	Amount (₹ Million)
i.	2% of average net profit of the company as per section 135(5)	19.05
ii.	Total amount spent for the Financial Year	35.84
iii.	Excess amount spent for the financial year [(ii)-(i)]	16.79
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	16.79

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable

   (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not Applicable

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Ravindra Kishore Sinha
Chairman- CSR Committee

Rituraj Kishore Sinha
Managing Director

ANNEXURE II

Statement Containing Salient Features of the Financial Statements of Our Subsidiaries and Associates and Joint Ventures

(Pursuant to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule (5) of the Companies (Accounts) Rules, 2014)

PART A: SUBSIDIARIES

All amounts in ₹ million

Sl. No.	Name of the Subsidiary	Reporting Currency	Closing exchange rate	Financial period ended	Share Capital	Reserve and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (loss) before tax	Provision for tax	Profit / (loss) after tax	Proposed Dividend *	% of shareholding
1	Service Master Clean Ltd	₹	NA	31-Mar-21	195.13	1,110.79	2,692.09	1,386.17	249.28	2,839.50	(77.71)	26.70	(104.41)	-	100.00
2	Tech SIS Ltd	₹	NA	31-Mar-21	148.00	(110.08)	266.25	228.33	-	245.09	(51.31)	(12.89)	(38.42)	-	100.00
3	Terminix SIS India Pvt Ltd	₹	NA	31-Mar-21	225.00	(183.56)	197.37	155.93	-	293.75	49.33	13.32	36.01	-	50.01
4	Dusters Total Solutions Services Pvt Ltd	₹	NA	31-Mar-21	28.02	1,736.50	2,951.75	1,187.23	19.27	7,073.16	177.03	105.10	71.93	-	100.00
5	SIS Business Support Services and Solutions Pvt Ltd	₹	NA	31-Mar-21	0.10	(0.21)	30.98	31.09	-	0.80	(0.32)	(0.08)	(0.24)	-	100.00
6	SISCO Security Services Pvt Ltd	₹	NA	31-Mar-21	0.10	0.03	0.16	0.03	-	0.06	-	-	-	-	100.00
7	SLV Security Services Pvt Ltd	₹	NA	31-Mar-21	25.00	(134.71)	986.32	1,096.03	-	2,660.29	8.38	5.52	2.86	-	See Note 4 below
8	Rare Hospitality and Services Pvt Ltd	₹	NA	31-Mar-21	11.69	57.55	465.75	396.51	0.03	1,064.13	69.51	5.86	63.65	-	100.00
9	Uniq Security Solutions Pvt Ltd (formerly Uniq Detective and Security Services Pvt Ltd)	₹	NA	31-Mar-21	18.00	509.79	885.43	357.64	3.58	1,753.91	112.13	22.24	89.89	-	51.00
10	Uniq Detective and Security Services (AP) Pvt Ltd	₹	NA	31-Mar-21	0.10	(0.47)	13.86	14.23	-	37.76	3.34	0.40	2.94	-	51.00
11	Uniq Detective and Security Services (Tamilnadu) Pvt Ltd	₹	NA	31-Mar-21	0.10	(2.54)	5.93	8.37	-	14.96	0.98	0.41	0.57	-	51.00
12	Uniq Facility Services Pvt Ltd	₹	NA	31-Mar-21	1.00	1.33	29.26	26.93	-	94.38	4.38	1.71	2.67	-	51.00
13	SIS Alarm Monitoring and Response Services Pvt Ltd (formerly SIS Prosegur Alarm Monitoring and Response Services Pvt Ltd)	₹	NA	31-Mar-21	400.00	(334.85)	326.55	261.40	-	183.43	(25.72)	(20.06)	(5.66)	-	100.00
14	Adis Enterprises Pvt Ltd	₹	NA	31-Mar-21	0.10	6.97	13.99	6.92	-	39.65	0.48	0.10	0.38	-	100.00
15	One SIS Solutions Pvt Ltd	₹	NA	31-Mar-21	0.10	(0.01)	1.91	1.82	-	1.84	0.02	0.01	0.02	-	100.00
16	SIS International Holdings Ltd	AUD	0.018	31-Mar-21	222.80	0.03	223.00	0.17	-	-	-	-	-	-	100.00
17	SIS Asia Pacific Holdings Ltd	AUD	0.018	31-Mar-21	222.80	0.06	224.10	1.24	-	-	-	-	-	-	100.00
18	SIS Australia Holdings Pty Ltd	AUD	0.018	31-Mar-21	222.80	46.20	827.74	558.74	-	-	-	0.07	(0.07)	-	100.00
19	SIS Australia Group Pty Ltd	AUD	0.018	31-Mar-21	880.08	838.70	10,803.71	9,084.93	750.00	-	121.02	67.79	53.23	98.28	100.00
20	SIS Group International Holdings Pty Ltd	AUD	0.018	31-Mar-21	0.56	(1,157.94)	3,205.31	4,362.69	192.65	-	(1,274.61)	(2.21)	(1,272.40)	-	100.00
21	MSS Strategic Medical and Rescue Pty Ltd	AUD	0.018	31-Mar-21	0.56	205.48	579.13	373.09	-	1,740.51	37.02	11.14	25.88	-	100.00

Directors Report Contd.

All amounts in ₹ million

Sl. No.	Name of the Subsidiary	Reporting Currency	Closing exchange rate	Financial period ended	Share Capital	Reserve and surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit / (loss) before tax	Provision for tax	Profit / (loss) after tax	Proposed Dividend *	% of shareholding
22	SIS MSS Security Holdings Pty Ltd	AUD	0.018	31-Mar-21	835.51	639.67	3,276.17	1,800.99	-	-	316.45	95.35	221.10	313.91	100.00
23	MSS Security Pty Ltd	AUD	0.018	31-Mar-21	557.01	6,895.27	14,341.09	6,888.81	-	36,729.50	1,860.10	558.50	1,301.60	314.53	100.00
24	Australian Security Connections Pty Ltd	AUD	0.018	31-Mar-21	0.56	-	0.56	-	-	-	-	-	-	-	100.00
25	SX Protective Holdings Pty Ltd (Formally Andwills Pty. Limited)	AUD	0.018	31-Mar-21	(84.26)	145.35	(81.43)	(142.52)	-	-	(17.35)	-	(17.35)	124.17	100.00
26	SX Protective Services Pty. Ltd.	AUD	0.018	31-Mar-21	13.93	(13.93)	-	-	-	-	-	-	-	145.92	100.00
27	Southern Cross Protection Pty. Ltd.	AUD	0.018	31-Mar-21	115.47	1,098.91	2,276.36	1,061.98	218.63	7,080.48	985.89	191.84	794.05	160.70	100.00
28	Southern Cross FLM Pty Ltd	AUD	0.018	31-Mar-21	-	-	-	-	-	5.12	5.12	-	5.12	-	0.00
29	Southern Cross Loss Prevention Pty Ltd	AUD	0.018	31-Mar-21	-	-	-	-	-	-	39.54	-	39.54	60.73	100.00
30	Cage Security Alarms Pty. Limited	AUD	0.018	31-Mar-21	-	-	-	-	-	0.04	(176.35)	(7.06)	(169.29)	-	0.00
31	Cage Security Guard Services Pty Ltd	AUD	0.018	31-Mar-21	-	-	-	-	-	45.58	(51.69)	0.01	(51.70)	-	0.00
32	Eymet Security Consultants Pty Ltd	AUD	0.018	31-Mar-21	-	-	-	-	-	-	(5.69)	(3.34)	(2.35)	-	0.00
33	Askara Pty Ltd	AUD	0.018	31-Mar-21	-	0.79	22.66	21.87	-	227.74	0.13	4.57	(4.44)	-	100.00
34	Charter Customer Services Pty Ltd	AUD	0.018	31-Mar-21	-	-	-	-	-	8.58	(110.26)	-	(110.26)	-	0.00
35	Charter Security Protective Services Pty Ltd	AUD	0.018	31-Mar-21	0.01	221.78	309.84	88.05	-	347.26	20.36	(8.81)	29.17	-	100.00
36	Charter Security (NZ) Pty Limited	AUD	0.018	31-Mar-21	0.01	(0.01)	-	-	-	17.60	1.68	0.48	1.20	61.33	100.00
37	MSS AJG Pty Ltd	AUD	0.018	31-Mar-21	21.57	(36.42)	683.01	697.86	-	1,254.74	218.39	60.98	157.41	-	100.00
38	Platform 4 Group Limited	NZD	0.018	31-Mar-21	0.01	125.92	144.48	18.55	-	122.20	15.54	4.74	10.80	-	51.00
39	Triton Security Services Limited	NZD	0.018	31-Mar-21	0.01	125.92	144.48	18.55	-	122.20	15.54	4.74	10.80	-	51.00
40	The Alarm Center Limited	NZD	0.018	31-Mar-21	0.05	8.55	8.84	0.24	-	12.05	0.67	0.20	0.47	-	51.00
41	SIS Henderson Holdings Pte Ltd	SGD	0.018	31-Mar-21	0.05	8.55	8.84	0.24	-	12.05	0.67	0.20	0.47	-	60.00
42	Henderson Security Services Pte Ltd	SGD	0.018	31-Mar-21	978.60	106.63	1,086.10	0.87	-	-	(2.00)	(0.47)	(1.53)	-	60.00
43	Henderson Technologies Pte Ltd	SGD	0.018	31-Mar-21	86.92	1,572.20	1,969.76	310.64	-	2,486.20	749.32	30.82	718.50	-	60.00

* Includes dividend declared/distributed/paid during the year.

Notes:

1. Turnover represents revenue from operations
2. Names of subsidiaries which are yet to commence operations: None
3. Names of subsidiaries which have been liquidated or sold during the year: During the year, Cage Security Guard Services Pty Ltd, Charter Customer Services Pty Ltd, Southern Cross FLM Pty Ltd, Eymet Security Consultants Pty Ltd and Cage Security Alarms Pty Ltd have been deregistered.
4. During the year under review, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

PART B: ASSOCIATES AND JOINT VENTURES

All amounts in ₹ million

Sl. No.	Name of the associates / joint ventures	Latest audited balance sheet date	Share of Associates/Joint Ventures held by the Group on the year end			Description of how there is significant influence	Reason why the associate/ joint venture is not consolidated	Net worth attributable to shareholding as per latest audited balance sheet @	Profit / (loss) for the year	
			Number	Amount of investment	Extent of holding				Considered in consolidation	Not Considered in consolidation
1	SIS Cash Services Private Limited	31-Mar-21	97,08,696	380.32	49%	Associate company	NA	712.34	46.13	48.01
2	SIS Prosegur Holdings Private Limited *	31-Mar-21	NA	NA	NA	Associate company	NA	NA	NA	NA
3	SIS Prosegur Cash Logistics Private Limited **	31-Mar-21	NA	NA	NA	Associate company	NA	NA	NA	NA
4	Habitat Security Pty Ltd	31-Mar-21	49	2.91	49%	Joint Venture company	NA	6.48	2.54	2.65

* Wholly owned subsidiary of SIS Cash Services Private Limited

** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited

@ Net worth considered for SIS Cash Services Private Limited, consolidated group of entities

Notes:

1. Names of associates or joint ventures which are yet to commence operations: None
2. Names of associates or joint ventures which have been liquidated or sold during the year: None

For and on behalf of the Board

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & Facility Management)

Pushpalatha Katkuri
Company Secretary

Place: Noida
Date: April 28, 2021

Directors Report Contd.

ANNEXURE III

A. INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary during the financial year 2020-21, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name of the Director/Key Managerial Personnel and Designation	Ratio of the remuneration of each Director to the Median Remuneration of Employees for the financial year 2020-21	% Increase in remuneration in the financial year 2020-21
Mr. Ravindra Kishore Sinha, Chairman	133:1	@
Mr. Rituraj Kishore Sinha, Managing Director	57:1	@
Mr. Arvind Kumar Prasad, Director – Finance	31:1	@
Mrs. Rita Kishore Sinha, Non-Executive Director	^	^
Mr. Uday Singh, Non-Executive Director	^	^
Mr. Devdas Apte, Independent Director	^	^
Mr. Amrendra Prasad Verma, Independent Director	^	^
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan, Independent Director	^	^
Mr. Rajan Krishnanath Medhekar, Independent Director	^	^
Mrs. Renu Mattoo, Independent Director	^	^
Mr. Sunil Srivastav, Independent Director	^	^
Mr. Devesh Desai, Chief Financial Officer(1)	517:1	@
Mr. Brajesh Kumar, Chief Financial Officer (Security Solutions and Facility Management)(2)	64:1	@
Ms. Pushpalatha K, Company Secretary(3)	32:1	@

Remuneration includes salary, allowances, performance linked incentive and bonus.

@ There was no increase in the remuneration during the financial year 2020-21, However, the gross remuneration paid to Mr. Devesh Desai, Mr. Brajesh Kumar and Ms. Pushpalatha K increased as compared to previous year, as a result of exercise of the employee stock options during the year.

^ Since the remuneration to Non-Executive and Independent Directors includes only sitting fee for attending meetings of the Board and Committees, the ratio of their remuneration to median remuneration and percentage increase in remuneration is not comparable and hence, not stated.

(1) Remuneration includes ₹ 76,461,832 on account of the exercise of 175,060 employee stock options during FY 2021

(2) Remuneration includes ₹ 4,165,980 on account of the exercise of 9,800 employee stock options during FY 2021

(3) Remuneration includes ₹ 1,991,569 on account of the exercise of 5,480 employee stock options during FY 2021

2. The percentage increase in the median remuneration of employees in the financial year 2020- 21 is 2.60%.
3. There were 134,306 permanent employees on the rolls of Company as on March 31, 2021.
4. Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2020-21, was 0.05% over the previous financial year and there was no increase in the remuneration of managerial personnel during the year.
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

B. INFORMATION PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

Name and Designation	Age	Remuneration received (Gross in ₹)	Qualification	Experience (In Years)	Date of Commencement of employment	Previous employment/ Position held
TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN.						
Mr. Devesh Desai, Chief Financial Officer	52	88,108,158[1]	B. Com. & C.A.	30	01-Sep-2008	Deccan Aviation Limited- VP Finance & Controller
Mr. Dhiraj Singh, CEO (Facility Management & Emerging Business)	51	48,874,329[2]	B Tech & MBA	27	21-Oct-2013	Telamon Investment Advisors and Consultants Pvt. Ltd.- Director
Mr. Narayan Lenka, Executive Vice President- South Zone	50	28,378,673[3]	B.A. (Hons.) in Economics	26	16-May-1994	N.A.
Mr. Ravindra Kishore Sinha, Chairman	69	22,711,584	B.A.	35	02-Jan-1985	Security & Intelligence Services proprietorship- Proprietor
Mr. Sanjay Shankar Ojha, Executive Vice President-West Zone	55	19,655,382[4]	M.A. B.Ed.	26	16-May-1994	N.A.
Mr. Vinod K Advani, Executive Vice President-NAG	50	18,713,745[5]	BE, Master of Management Studies	26	04-Oct-2010	Accor Services- Head Sales & Affiliations
Mr. Tapash Chaudhuri, Chief Operating Officer (Security Solutions)	61	18,335,980[6]	B.E.	40	08-July-2013	G4S Secure Solutions India Pvt. Ltd.- CEO
Mr. Pushpendra Kumar, Vice President- Mumbai Region	49	17,472,941[7]	MBA	24	22-Dec-1996	N.A.
Mr. Sanjeev Kumar, Vice President-Haryana Region	48	17,165,135[8]	B.A.(Hons.)	22	12-Dec-1998	N.A.
Mr. Sanjeev Kumar Rao, Vice President-Noida Region	45	15,542,156[9]	B.Com	21	20-Dec-2001	TSM- Pawar & Pawar Udyog – Sales Executive
Other employees employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000/- or more per annum.						
Mr. Rajesh Kumar Sinha, Vice President	52	15,496,176[10]	B.Sc. (Hons.) MBA	27	12-Apr -1993	N.A.
Mr. Sunil Kumar, Vice President	47	15,326,491[11]	B.A. (Hons.) in Economics, MBA in Human Resource Management	24	23-Dec-1996	N.A.
Mr. Jayant Kumar Singh, Vice President	46	14,089,931[12]	B.Sc. (Hons.) in Physics and PGDBA	22	24-Jan-2005	Singh Group of Companies- Branch Manager
Mr. Vamshidhar Guthikonda, President (M & A) and Investor Relations	45	13,494,804[13]	B. Com (Hons.), ICWA and PGDM	20	04-Apr-2016	IANGEL Services Private Limited - Founder and CEO
Mr. P Sunmukha Rao, Vice President	45	13,298,250[14]	B.Sc. (Hons.) in Computer Science	22	12-Dec-1998	N.A

Directors Report Contd.

Name and Designation	Age	Remuneration received (Gross in ₹)	Qualification	Experience (In Years)	Date of Commencement of employment	Previous employment/ Position held
Mr. R S Murali Krishna, Executive Vice President	40	12,498,412[15]	CA and PGDM from ISB Hyderabad	19	07-Sep-2017	Ernst &Young LLP- Vice President – Transactional Advisory Group
Mr. Brajesh Kumar, Chief Financial Officer (Security Solutions & FM)	51	10,929,693[16]	B.Com., C.A. and DISA	25	05-Nov-2004	P.B.& Co., Chartered Accountants-Partner
Mr. Vinaya Kumar Srivastawa, President (Security Solutions)	57	10,508,158[17]	B.Com	35	01-May-1986	N.A.
Mr. Gopal Krishna Sinha, Deputy General Manager	44	10,429,272[18]	PGDBM, LLM	21	06-Mar-2007	Laurent and Benon Management Consultants Limited - Sr. Consultant HR

Other employees employed for a part of the year and in receipt of remuneration aggregating ₹ 8,50,000/- or more per month. Nil

(1) Remuneration includes ₹ 76,461,832 on account of the exercise of 175,060 employee stock options during FY 2021
(2) Remuneration includes ₹ 36,884,730 on account of the exercise of 1,05,400 employee stock options during FY 2021
(3) Remuneration includes ₹ 23,185,963 on account of the exercise of 54,700 employee stock options during FY 2021
(4) Remuneration includes ₹ 14,447,400 on account of the exercise of 33,000 employee stock options during FY 2021
(5) Remuneration includes ₹ 12,902,400 on account of the exercise of 28,000 employee stock options during FY 2021
(6) Remuneration includes ₹ 8,781,675 on account of the exercise of 21,000 employee stock options during FY 2021
(7) Remuneration includes ₹ 14,173,575 on account of the exercise of 39,000 employee stock options during FY 2021
(8) Remuneration includes ₹ 13,714,850 on account of the exercise of 37,000 employee stock options during FY 2021
(9) Remuneration includes ₹ 12,821,200 on account of the exercise of 28,000 employee stock options during FY 2021
(10) Remuneration includes ₹ 12,633,600 on account of the exercise of 28,000 employee stock options during FY 2021
(11) Remuneration includes ₹ 12,388,600 on account of the exercise of 28,000 employee stock options during FY 2021
(12) Remuneration includes ₹ 10,858,400 on account of the exercise of 28,000 employee stock options during FY 2021
(13) Remuneration includes ₹ 4,783,779 on account of the exercise of 11,528 employee stock options during FY 2021
(14) Remuneration includes ₹ 10,379,600 on account of the exercise of 28,000 employee stock options during FY 2021
(15) Remuneration includes ₹ 4,651,840 on account of the exercise of 12,800 employee stock options during FY 2021
(16) Remuneration includes ₹ 4,165,980 on account of the exercise of 9,800 employee stock options during FY 2021
(17) Remuneration includes ₹ 4,286,400 on account of the exercise of 9,500 employee stock options during FY 2021
(18) Remuneration includes ₹ 7,841,925 on account of the exercise of 21,000 employee stock options during FY 2021

Notes:

i. Remuneration includes salary, allowances, performance linked incentive and perquisite value of stock options exercised during the year.
ii. The nature of employment for the above-mentioned employees is contractual.
iii. None of the above employees is a relative of any Director of the Company except Mr. Ravindra Kishore Sinha, who is related to Mrs. Rita Kishore Sinha and Mr. Rituraj Kishore Sinha.
iv. Except Mr. Ravindra Kishore Sinha, Chairman, none of the employees mentioned above hold 2% or more of the paid-up equity share capital of the Company.

ANNEXURE IV

Form No. MR-3
Secretarial Audit Report

for the financial year ended on March 31, 2021

[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,
SIS Limited (Formerly known as Security and Intelligence Services (India) Limited)
Regd. Office: Annapoorna Bhawan,
Telephone Exchange Road, Kurji,
Patna - 800010

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SIS LIMITED** (hereinafter called 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 March 31, 2021, 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 the financial year ended on March 31, 2021 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI'):

   (a) The 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) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;(No instances for compliance requirements during the year);

   (e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

   (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

   (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Act and dealing with client;

   (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, (No instances for compliance requirements during the year);

   (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

   (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. The Private Security Agencies (Regulation) Act, 2005 and applicable States Rules made thereunder;

vii. All other Labour, Employee and Industrial Laws to the extent applicable to the Company;

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above wherever applicable.

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 period under review were carried out in compliance with the provisions of the Act.

Directors Report Contd.

Adequate notices were given to all directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance 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 are carried through majority and recorded in the minutes and there were no dissenting views.

I further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the following events / actions took place having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. The Company has issued and allotted in total 16,63,784 equity shares (including bonus shares marked for those employees in terms of earlier bonus issue), on various dates during the year to the eligible employees of the Company pursuant to Company's Employees Stock Option Plan, 2016.
2. The name of the Company was changed from "Security and Intelligence Services (India) Limited" to "SIS Limited" and the Memorandum of Association and Articles of Association was amended accordingly, by passing the Special Resolution in a general meeting held through Postal Ballot concluded on December 31, 2020 and has obtained the fresh Certificate of Incorporation from the Registrar of Companies dated 13 January 2021.Through the same postal ballot, the Company has also amended the Objects Clause of the Memorandum of Association by passing the Special Resolution, to make the current objects more clear to include the provision of electronic and all forms of security by whatever means. Again through the same postal ballot, the Company has also amended the liability clause, just to replace with the sentence as provided in the Companies Act, 2013.
3. Through the postal ballot concluded on March 20, 2021, the Company has passed
   (a) Special Resolution under Section 42 of the Act and Rules made thereunder for issue of Secured Redeemable Rated Listed Non-Convertible Debentures up-to ₹ 250 Crores on private placement basis in one or more tranches.

   (b) Special Resolution for the buyback by the Company of up to 18,18,181 fully paid-up equity shares having a face value of ₹ 5/- each ("Equity Shares"), at a price of ₹ 550/- per Equity Share, on a proportionate basis through the "tender offer" route in accordance with Section 68 of the Act and Rules made thereunder and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018.

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No.: 6040 CP No. : 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000200652

Place: Bengaluru
Date: April 28, 2021

Annexure to Secretarial Audit Report

To,
The Members,
SIS Limited (Formerly known as Security and Intelligence Services (India) Limited)
Patna – 800010

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No.: 6040 CP No. : 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000200652

Place: Bengaluru
Date: April 28, 2021

Report on Corporate Governance

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is based on the principles of equity, fairness, integrity, transparency, accountability, and commitment to values. The Company has fair, transparent, and ethical governance practices and maintains and practices the highest level of corporate governance across all its business segments. Corporate Governance is implemented through board governance processes, internal control systems and processes, and audit mechanisms.

The Company has adopted a Code of Conduct for its employees including the Directors which includes a Code of Conduct for Independent Directors suitably incorporating the duties of independent directors as laid down in the Companies Act, 2013 ("the Act").

Your Company confirms compliance with the applicable Corporate Governance requirements stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

II. BOARD OF DIRECTORS

a) Composition of the Board

i. As on March 31, 2021, the Company's Board comprises of 11 Directors, of which 6 are Independent Directors (including 1 woman director), 2 are Non-Executive Directors (including 1 woman director), and 3 are Executive Directors. The Board is well diversified, and its composition is in conformity with the provisions of the Act and SEBI Listing Regulations.

ii. The Company has an effective mechanism for succession planning which focuses on orderly succession of Directors and Senior Management Team.

iii. As mandated by SEBI Listing Regulations, none of the Directors on the Board is a member of more than ten Board-level committees and Chairman of more than five such committees, across all such companies in which he/she is a Director. None of the Directors of the Company serves as an Independent Director in more than seven listed companies.

iv. No Director is related to any other Director on the Board, except for Mr. Ravindra Kishore Sinha, Mrs. Rita Kishore Sinha and Mr. Rituraj Kishore Sinha who are related inter se.

v. In terms of Regulation 25(8) of SEBI Listing Regulations, Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. Based on the declarations received from the Independent Directors, the Board of Directors have confirmed that all the Independent Directors meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and under Section 149(6) of the Act and that they are independent of the management.

vi. Independent Directors have also confirmed that in terms of the provisions of Rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, they have included their names in the data bank maintained by the Indian Institute of Corporate Affairs.

vii. The details of the Board of Directors of the Company and the directorships and committee positions held by them as on March 31, 2021 are as under:

Name of the Director	Category	Number of Directorships in other Companies (including the Company)*		Number of the Committee positions held in other Companies (including the Company)#		Directorships in other listed entity (Category of Directorship)
		Chairman	Member	Chairman	Member	
Mr. Ravindra Kishore Sinha (Chairman)	Promoter, Executive	1	10	-	-	-
Mr. Rituraj Kishore Sinha (Managing Director)	Promoter, Executive	-	9	-	1	-
Mr. Arvind Kumar Prasad (Director – Finance)	Executive	-	4	-	-	-
Mr. Uday Singh	Non-Executive	-	9	-	-	-
Mrs. Rita Kishore Sinha	Non-Executive	-	10	-	-	-
Mr. Devdas Apte	Independent	-	2	-	1	-
Mr. Amrendra Prasad Verma	Independent	-	5	4	3	1. Electro Steel Castings Limited (Independent) 2. Solar Industries India Limited (Independent)
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan	Independent	-	2	1	1	1. Orient Electric Limited (Independent)
Mr. Rajan Krishnanath Medhekar	Independent	-	3	-	4	1. Geojit Financial Services Limited (Independent) 2. Dwarikesh Sugar Industries Limited (Independent)

Name of the Director	Category	Number of Directorships in other Companies (including the Company)*		Number of the Committee positions held in other Companies (including the Company)#		Directorships in other listed entity (Category of Directorship)
		Chairman	Member	Chairman	Member	
Mrs. Renu Mattoo	Independent	-	2	-	1	-
Mr. Sunil Srivastav	Independent	-	7	2	2	1. Paisalo Digital Limited (Independent) 2. Eros International Media Limited (Independent) 3. Star Paper Mills Limited (Independent) 4. Solar Industries India Limited (Independent)

* Excludes Private Limited Companies (which are not subsidiaries of public companies), Foreign Companies, LLPs and Companies registered under Section 8 of the Act (i.e., companies with charitable objects).

\# Includes only Audit Committee and Stakeholder's Relationship Committee as per the provisions of SEBI Listing Regulations.

b) Number of Board meetings

During the year under review, the Board of Directors met 5 times on April 30, 2020, July 29, 2020, October 29, 2020, February 03, 2021, and February 15, 2021. The necessary quorum was present for all the meetings. The maximum time gap between any two consecutive meetings did not exceed 120 days.

c) Attendance of Directors

Details of attendance of Directors at the Board meetings and at the last Annual General Meeting (AGM) held during the year under review are as under:

Name of the Director	Number of board meetings during the year 2020-21		Whether attended last AGM held on July 20, 2020
	Held	Attended	
Mr. Ravindra Kishore Sinha	5	5	Yes
Mr. Rituraj Kishore Sinha	5	5	Yes
Mr. Arvind Kumar Prasad	5	5	Yes
Mr. Uday Singh	5	5	Yes
Mrs. Rita Kishore Sinha	5	5	Yes
Mr. Devdas Apte	5	5	No
Mr. Amrendra Prasad Verma	5	5	Yes
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan	5	5	Yes
Mr. Rajan Krishnanath Medhekar	5	5	Yes
Mrs. Renu Mattoo	5	5	Yes
Mr. Sunil Srivastav	5	5	Yes

d) Directors with pecuniary relationship or business transaction with the Company

The Executive Directors receive salary, perquisites and allowances and the Non-Executive Directors receive sitting fees for attending meetings of the Board and Committees.

e) Remuneration of Directors

(i) Details of remuneration paid to Executive Directors during the year under review are given below:

(in ₹)

Name of the Director	Salary	Perquisites, allowances and other benefits	Performance linked incentive	Stock Option details, if any,	Total
Mr. Ravindra Kishore Sinha, Chairman	12,612,000	10,099,584	-	-	22,711,584
Mr. Rituraj Kishore Sinha, Managing Director	4,416,000	5,275,296	-	-	9,691,296
Mr. Arvind Kumar Prasad, Director – Finance	2,400,000	2,812,380	-	-	5,212,380

Notes:

1. The above figures do not include provision for gratuity, leave encashment and premium paid for health insurance and the contribution paid by the Company towards provident fund.
2. There is no provision for payment of severance pay.

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(ii) Details of remuneration paid to Non-Executive/Independent Directors for the year under review are as under:

(in ₹)

Name of the Director	Sitting Fees*
Mrs. Rita Kishore Sinha	375,000
Mr. Uday Singh	375,000
Mr. Devdas Apte	8,25,000
Mr. Amrendra Prasad Verma	1,125,000
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan,	975,000
Mr. Rajan Krishnanath Medhekar	1,275,000
Mrs. Renu Mattoo	6,00,000
Mr. Sunil Srivastav	6,00,000

*Sitting fees comprises payment made to Non-Executive/Independent Directors for attending Board/Committee meetings.

During the year under review, there are no pecuniary relationship or transaction between the Company and its Non-Executive/Independent Directors.

f) Number of shares and convertible instruments held by Non-Executive Directors

The details of equity shares of the Company held by the Directors as on March 31, 2021 are given below:

Name of the Director and Category	Number of equity shares held
Mrs. Rita Kishore Sinha, Non-Executive	24,222,110
Mr. Uday Singh, Non-Executive	524,594

g) Skills/Expertise/Competence of Board of Directors

The Board has identified the following skills/expertise/competencies for the effective functioning of the Company which are currently available with the Board.

Strategy and Planning	Experience in reviewing and guiding corporate strategy, annual budgets and business plans and overseeing major capital expenditures and acquisitions.
Governance	Experience in developing governance practices, protecting the interests of stakeholders and building long-term effective stakeholder engagements.
Finance	Ability to understand the (a) financial statements; (b) accounting principles used for the preparation of the financial statements; (c) internal controls; and (d) procedures for financial reporting.
Leadership	Experience in understanding the organizational processes, strategic planning, and risk management. Ability to effectively represent the vision, mission, and values of the Company with the key stakeholders.

Directors possess the following skills/expertise/competence:

Sl. No.	Director Name	Skill/ expertise/ competence
1	Mr. Ravindra Kishore Sinha	Finance, Governance, Leadership, Board Experience, Strategy and M&A, Risk, Marketing, Supply chain and Subject Expertise
2	Mr. Rituraj Kishore Sinha	Finance, Governance, Leadership, Board Experience, Strategy and M&A, Risk, Marketing, Supply chain, R & D/ Innovation and Subject Expertise
3	Mr. Arvind Kumar Prasad	Finance, Board Experience, Digital Tech, Audit/ Tax, Risk and Subject Expertise
4	Mr. Uday Singh	Finance, Leadership, Board Experience, Strategy and M&A, Risk and Subject Expertise
5	Mrs. Rita Kishore Sinha	Board Experience, Legal Experience and Subject Expertise
6	Mr. Devdas Apte	Finance, Board Experience and Stakeholder Engagement
7	Mr. Amrendra Prasad Verma	Finance, Governance, Board Experience, Risk and Subject Expertise
8	Mr. TCA Ranganathan	Finance, Governance, Board Experience and Risk
9	Mr. Rajan Krishnanath Medhekar	Finance, Governance, Board Experience, Risk and Subject Expertise
10	Mrs. Renu Mattoo	Board Experience and Human Resources
11	Mr. Sunil Srivastav	Finance, Governance, Board Experience and Risk

h) Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on October 29, 2020, without the presence of Non-Independent Directors and the management. The Independent Directors, *inter-alia*, reviewed the performance of Directors, Board Committees and board as a whole and Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors.

i) Code of conduct

The Board of Directors has laid down a 'Code of Conduct' for the Board of Directors and Senior Management. The Code of Conduct is available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2021/05/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf

All Board members and Senior Management Personnel have confirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2021. A declaration to that effect signed by the Managing Director is attached and forms part of this Report.

j) Familiarization Programme for Independent Directors

The Familiarization program aims to provide insight to the Independent Directors to understand the nature of the industry in which the Company operates, business model of the Company, its stakeholders, leadership team, senior management, operations, policies and industry perspective and issues. The Independent Directors are made aware of their roles, rights, and responsibilities at the time of their appointment/re-appointment through a formal letter of appointment.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. On an on-going basis, the Directors are familiarized with the Company's business, its operations, business plans, strategy, functions, policies and procedures at the Board and Committee meetings. Changes in the regulatory framework and its impact on the operations of the Company are also presented at the Board/Committee meetings.

The details of the familiarization program for Independent Directors are available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2021/05/Familiarization-programme-for-Independent-Director.pdf

k) Nomination and Remuneration Policy

The Remuneration Policy is available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2021/05/Nomination-and-Remuneration-Policy.pdf. Performance Management System is primarily based on competencies and values. The Company closely monitors the growth and development of talent in the Company to align personal aspiration with the organisation's goal.

Remuneration of Directors

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends all decisions relating to the remuneration of Directors to the Members for their approval, wherever necessary.

The Company pays remuneration by way of salary, perquisites, and allowances to the Executive Directors. Sitting fee of ₹ 75,000 per meeting is paid to the Non-Executive/Independent Directors for attending meetings of the Board and Committees.

l) Performance Evaluation

A formal evaluation framework for evaluation of the Board's performance, performance of its Committees and individual Directors of the Company, including the Chairman of the Board, in terms of the provisions of the Act and the SEBI Listing Regulations, is in place.

The Board of Directors have carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and SEBI Listing Regulations.

The performance of the Board was evaluated by the Board based on criteria such as the board composition, structure, meetings and procedures, information and functioning etc. and the performance of the committees was evaluated based on criteria such as the composition of committees, effectiveness of committee meetings, etc. The Independent Directors were evaluated based on criteria such as participation, decision-making capacity, strategic perspective, Chairmanship of Committees, attendance, and preparedness for the meetings etc.

The above criteria are based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

In a separate meeting of independent directors, performance of non-independent directors, the Board as a whole and the Chairman of the Company was evaluated, considering the views of executive directors and non-executive directors.

m) Prevention of Insider Trading

In compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, and to prevent misuse of unpublished price sensitive information, your Company has formulated and adopted a Code of Conduct for Directors, designated employees, and connected persons to prevent insider trading in the equity shares of the Company.

o) Directors and Officers Insurance

In line with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has a Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

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p) Acceptance of recommendation of Committees

The Board of Directors has accepted the recommendations received from its mandatory/ non-mandatory committees and that none of the recommendations made by any of the Committees has been rejected by the Board.

III. COMMITTEES OF THE BOARD

The Board has constituted various Committees with specific terms of reference in line with the provisions of the Listing Regulations and the Act.

As on March 31, 2021, the Company had 5 mandatory Committees of the Board, Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

Details of the role and composition of these Committees, including the number of meetings held during the financial year and attendance at meetings, are given below.

A. Audit Committee

As on March 31, 2021, the Audit Committee has four Independent Directors viz. Mr. Amrendra Prasad Verma, Mr. Devdas Apte, Mr. TCA Ranganathan and Mr. Rajan Krishnanath Medhekar. All Members of the Audit Committee are financially literate and possess accounting or financial management knowledge.

The Managing Director, Director-Finance and Chief Financial Officers are invited for the meetings of the Audit Committee. The Company Secretary acts as the Secretary to the Committee. The Committee invites representatives of the statutory auditors and internal auditors to be present at its meetings.

The Chairman of the Audit Committee was present at the last AGM of the Company held on July 20, 2020.

Quarterly Reports are placed before the Committee on matters relating to the Insider Trading Code.

During the year under review, 4 Audit Committee meetings were held on April 30, 2020, July 29, 2020, October 29, 2020 and February 3, 2021 and the gap between the two meetings did not exceed one hundred and twenty days.

The composition of the Audit Committee and the details of meetings attended by the Members are given below.

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Amrendra Prasad Verma	Independent, Non-Executive	Chairman	4	4
Mr. Devdas Apte	Independent, Non-Executive	Member	4	4
Mr. TCA Ranganathan	Independent, Non-Executive	Member	4	4
Mr. Rajan Krishnanath Medhekar	Independent, Non-Executive	Member	4	4

The terms of reference of the Audit Committee include the following:

(a) oversee the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;

(b) make recommendations for appointment, remuneration and terms of appointment of auditors of the Company;

(c) approve payment to statutory auditors for any other services rendered by them;

(d) review with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors' report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

(ii) changes, if any, in accounting policies and practices and reasons for the same;

(iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

(iv) significant adjustments made in the financial statements arising out of audit findings;

(v) compliance with listing and other legal requirements relating to financial statements;

(vi) disclosure of any related party transactions; and

(vii) modified opinion(s) in the draft audit report.

(e) review, with the management, the quarterly financial statements before submission to the board of directors for their approval;

(f) review, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to our board of directors to take up steps in this matter;

(g) review and monitor the auditor's independence and performance, and effectiveness of audit process;

(h) approve or subsequently modify transactions of the Company with related parties;

(i) scrutinise inter-corporate loans and investments;

(j) conduct valuation of undertakings or assets of the Company, wherever it is necessary;

(k) evaluate internal financial controls and risk management systems;

(l) review, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) review the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) discuss with internal auditors of any significant findings and follow up thereon;

(o) review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(p) discuss with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) to review the functioning of the whistle blower mechanism;

(s) approve the appointment of the Chief Financial Officer of the Company (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(t) carry out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the board of directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority;

(u) Review of information by Audit Committee:

(a) management discussion and analysis of financial condition and results of operations;

(b) statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) internal audit reports relating to internal control weaknesses;

(e) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(f) statement of deviations in terms of the SEBI Listing Regulations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

(ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

(v) review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

B. Nomination and Remuneration Committee

As on March 31, 2021, the Nomination and Remuneration Committee ("NRC") has three Independent Directors viz. Mr. TCA Ranganathan, Mr. Amrendra Prasad Verma, and Mr. Sunil Srivastav. The Company Secretary acts as the Secretary to the Committee.

During the year under review, 2 meetings of NRC were held on April 30, 2020 and February 3, 2021. The Chairman of the NRC was present at the last AGM held on July 20, 2020.

The composition of the NRC and the details of meetings attended by the Members are given below:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. TCA Ranganathan	Independent, Non-Executive	Chairman	2	2
Mr. Amrendra Prasad Verma	Independent, Non-Executive	Member	2	2
Mr. Sunil Srivastav	Independent, Non-Executive	Member	2	2

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The terms of reference of the Nomination and Remuneration Committee includes the following:

(i) identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the board of directors their appointment and removal and carry out evaluation of every director's performance (including that of independent directors);

(ii) formulate the criteria for determining qualifications, positive attributes and independence of a director;

(iii) formulation of criteria for evaluation of performance of independent directors and the board of directors;

(iv) recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees;

(v) devise a policy on diversity of the Board;

(vi) consider whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vii) perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014; and

(viii) perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI s(Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

C. Stakeholders' Relationship Committee

As on March 31, 2021, the Stakeholders' Relationship Committee has three Independent Directors viz., Mr. Amrendra Prasad Verma, Mr. Rajan Krishnanath Medhekar, and Mrs. Renu Mattoo. The Committee is headed by Mr. Amrendra Prasad Verma, Non-Executive Independent Director. Ms. Pushpalatha K, Company Secretary, is the Compliance Officer of the Company.

During the year under review, 1 Stakeholders Relationship Committee meeting was held on April 30, 2020.

The composition of the Stakeholders Relationship Committee and the details of meeting attended by Members are given below:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Amrendra Prasad Verma	Independent, Non-Executive	Chairman	1	1
Mr. Rajan Krishnanath Medhekar	Independent, Non-Executive	Member	1	0
Mrs. Renu Mattoo	Independent, Non-Executive	Member	1	1

The Chairman of the Stakeholders' Relationship Committee was present at the last AGM held on July 20, 2020.

The terms of reference of the stakeholders' relationship committee includes the following:

(a) redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

(b) giving effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/ consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(c) overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

(d) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Act or SEBI Listing Regulations, or by any other regulatory authority.

The details of the shareholder's complaints received and redressed during the financial year ended March 31, 2021 are provided below:

Opening balance	Received during the year	Resolved during the year	Closing balance
-	3	3	-

D. Corporate Social Responsibility Committee

As on March 31, 2021, the Corporate Social Responsibility Committee has three directors viz. Mr. Ravindra Kishore Sinha, Mr. Devdas Apte and Mr. Rajan Krishnanath Medhekar and the role of the Committee is as under:

a. formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

b. recommend the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013; and

c. monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year, one meeting of the CSR Committee was held on July 29, 2020.

The Composition of the CSR Committee and the details of meetings attended by the Members are given below:

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Ravindra Kishore Sinha	Executive	Chairman	1	1
Mr. Devdas Apte	Independent, Non-Executive	Member	1	1
Mr. Rajan Krishnanath Medhekar	Independent, Non-Executive	Member	1	1

E. Risk Management Committee

As on March 31, 2021, the Risk Management Committee has three directors viz. Mr. Rituraj Kishore Sinha, Managing Director, Mr. Amrendra Prasad Verma, Independent Director and Mr. Arvind Kumar Prasad – Director Finance. The terms of reference of the Committee are as follows:

a. To identify and prioritize strategic and operational risks, develop appropriate mitigation strategies, and conduct periodic reviews of the progress on the management of identified risks;

b. To implement and maintain a risk management framework which identifies, assesses, manages, and monitors the Company's business risks; and

c. To put in place the appropriate systems and procedures to proactively monitor and manage the inherent risks in businesses with relatively high-risk profiles.

During the year, one meeting of the Risk Management Committee was held on June 30, 2020.

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Amrendra Prasad Verma	Independent Director	Chairman	1	1
Mr. Rituraj Kishore Sinha	Managing Director	Member	1	0
Mr. Arvind Kumar Prasad	Director Finance	Member	1	1

The Chief Financial Officer is invited to the Committee meetings. The Company Secretary acts as the secretary to the Committee.

IV. GENERAL BODY MEETINGS

a. Details of the General Meetings of the Company held in the last three years along with details of special resolutions as passed by the Members, are given below:

Financial Year	Date, Time, and Venue	Particulars of special resolution
2017-18 Extra-Ordinary General Meeting	May 31, 2017 at 5:30 p.m. at A-28 & 29, Okhla Industrial Area, Phase-1, New Delhi-110020	1. Increase in the remuneration of Mr. Ravindra Kishore Sinha, Chairman of the Company. 2. Appointment of Mr. Rituraj Kishore Sinha as Managing Director of the Company. 3. Re-appointment and remuneration of Mr. Uday Singh, as Chief Executive Officer and Whole-time Director of the Company. 4. Appointment of Mr. Arvind Kumar Prasad as Whole-Time Director of the Company.
2017-18 Extra-Ordinary General Meeting	July 10, 2017 at 10:00 a.m. at A-28 & 29, Okhla Industrial Area, Phase-1, New Delhi-110020	Amendment of Articles of Association.
2017-18 Annual General Meeting	June 28, 2018 at 12:30 p.m. at Hotel Maurya, Fraser Road, South Gandhi Maidan, Patna - 800 001	1. Revision in the remuneration of Mr. Ravindra Kishore Sinha, Chairman of the Company. 2. Revision in the remuneration of Mr. Rituraj Kishore Sinha, Managing Director of the Company. 3. Revision in the remuneration of Mr. Arvind Kumar Prasad, Director Finance of the Company.
2018-19 Annual General Meeting	June 28, 2019 at 12:30 p.m. at Hotel Maurya, Fraser Road, South Gandhi Maidan, Patna - 800 001	1. Re-appointment of Mr. Ravindra Kishore Sinha, as Chairman of the Company and to fix his remuneration. 2. Approval for continuation of directorship of Mr. Devdas Apte, as Non-Executive Director of the Company. 3. Re-appointment of Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan, as an Independent Director of the Company for a period of 5 years. 4. Revision in the remuneration of Mr. Rituraj Kishore Sinha, Managing Director of the Company. 5. Revision in the remuneration of Mr. Arvind Kumar Prasad, Director- Finance of the Company.
2019-20 Annual General Meeting	July 20, 2020 at 12:00 p.m. through Video Conferencing / Other Audio-Visual Means	1. Re-appointment of Mrs. Renu Mattoo as an Independent Director and continuation of Mrs. Mattoo, as a Non-Executive Director. 2. Re-appointment of Mr. Rajan Krishnanath Medhekar as an Independent Director of the Company, for another period of 2 years.

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b. Details of special resolutions passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

I. Date of Postal Ballot Notice : November 23, 2020

Voting Period : December 2, 2020 (from 09:00 hrs. IST) to December 31, 2020 (to 17:00 hrs. IST).

Date of Declaration of Result : January 1, 2021

Date of Approval : December 31, 2020

Person who conducted the Postal Ballot : Mr. Sudhir V Hulyalkar, Company Secretary in Practice, Bangalore, was appointed to act as the Scrutinizer for conducting the postal ballot and e - voting exercise.

Details of Voting

Resolution Description	No. of Votes Polled	Votes cast in favor		Votes cast against	
		No. of Votes	%	No. of Votes	%
Change of name of the Company from "Security and Intelligence Services (India) Limited" to "SIS Limited" and consequent amendments to the Memorandum of Association and Articles of Association of the Company.	12,28,89,036	12,28,88,767	99.9998	269	0.0002
Alteration of the Objects Clause of the Memorandum of Association of the Company.	12,28,89,033	12,28,88,789	99.9998	244	0.0002
Alteration of the Liability Clause of the Memorandum of Association of the Company.	12,28,89,033	12,28,88,761	99.9998	272	0.0002

II. Date of Postal Ballot Notice : February 15, 2021

Voting Period : February 19, 2021 (from 09:00 hrs. IST) to March 20, 2021 (to 17:00 hrs. IST).

Date of Declaration of Result : March 22, 2021

Date of Approval : March 20, 2021

Person who conducted the Postal Ballot : Mr. Sudhir V Hulyalkar, Company Secretary in Practice, Bangalore, was appointed to act as the Scrutinizer for conducting the postal ballot and e - voting exercise.

Details of Voting

Resolution Description	No. of Votes Polled	Votes cast in favor		Votes cast against	
		No. of Votes	%	No. of Votes	%
Issue of Secured Redeemable Rated Listed Non-Convertible Debentures upto ₹ 250,00,00,000 on private placement basis in one or more tranches.	12,35,56,891	12,35,52,679	99.9966	4,212	0.0034
Buyback of up to 18,18,181 Equity Shares at a price of ₹ 550/- per Equity Share, on a proportionate basis, through the "tender offer" route in accordance with the Act and the SEBI Buyback Regulations.	12,35,58,201	12,35,57,831	99.9997	370	0.0003

Procedure for postal ballot

In compliance with Section 108 and 110 and other applicable provisions of the Act, read with the Rules made thereunder, and the Circulars issued by the Ministry of Corporate Affairs in relation to "clarification on passing of ordinary and special resolutions by companies under the Act and the Rules made thereunder", the Company had provided electronic voting (e-voting) facility, to all its members through e-voting platform of Central Depository Services (India) Limited.

Postal ballot notices were sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories as on the record date and all the notices were placed on the Company's website for information of the members. The Company had also published notices in the newspapers about the postal ballot and the process as required under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

The consolidated results of the voting were submitted to the stock exchanges and displayed on the Company's website, www.sisindia.com.

c. Details of special resolution proposed to be conducted through postal ballot

No special resolution is proposed to be conducted through postal ballot.

V. OTHER DISCLOSURES

i. Disclosures regarding Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence as prescribed under the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

A detailed profile of the Directors who are seeking appointment / re-appointment at the ensuing AGM of the Company is given under the explanatory statement to the Notice convening the AGM of the Company.

ii. Means of Communication

- Quarterly/half-yearly/annual results of the Company are normally published in Financial express (all editions), Hindustan Hindi (Patna edition). The results are displayed on the website of the Company, www.sisindia.com and the stock exchanges on which the equity shares/debentures of the Company are listed.
- At the end of each quarter, the Company organizes earnings call with the analysts and investors and all official news releases and presentations made to Institutional Investors/Analysts are also displayed on the Company's website.
- Disclosures pursuant to various provisions of the SEBI Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of the Company are listed and are also displayed on the Company's website.

iii. Details of material related party transactions that may have potential conflict with the interests of the Company

During the year under review, there are no material related party transactions that may have a potential conflict with the interest of the Company at large.

All contracts/arrangements/transactions entered into with related parties during the year were at arm's length basis. All related party transactions were approved by the Audit Committee and are reviewed by the Audit Committee on a quarterly basis.

The policy on related party transactions is available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2021/05/Policy-on-dealing-with-Related-Party-Transactions.pdf.

iv. Whistle Blower Policy

The Company has established a Vigil Mechanism for reporting concerns through the Whistle Blower Policy of the Company. The Policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about illegal and unethical behavior. During the year, no personnel has been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company and the weblink is https://sisindia.com/wp-content/uploads/2021/05/Details-of-the-establishment-of-Vigil-mechanism-Whistle-Blower-Policy.pdf

v. Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by the stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the applicable provisions of the SEBI Listing Regulations and as well as other applicable regulations of the SEBI. There have been no instances of non-compliances by the Company on any matters related to capital markets during the last three years and no penalty or strictures have been imposed by SEBI or the Stock Exchanges or any statutory authority.

vi. Compliance with mandatory requirements

The Company has complied with all the mandatory requirements under the SEBI Listing Regulations.

vii. Status of Compliance of non-mandatory requirement

a. Modified Opinion(s) in Audit Report

The Auditors have issued an unmodified opinion on the standalone and consolidated financial statements of the Company.

Report on Corporate Governance Contd.

b. Reporting of Internal Auditor

Internal auditors make quarterly presentations to the audit committee on their reports.

VI. None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by Mr. Sudhir V Hulyalkar, Company Secretary in Practice forms part of this Report.

VII. Subsidiary Companies

Service Master Clean Limited and Dusters Total Solutions Services Private Limited are the material non-listed subsidiaries of the Company. The Company has a policy for determining 'material subsidiaries' and the same is available on the Company's website at https://sisindia.com/wp-content/uploads/2021/05/Policy-on-determining-Material-Subsidiaries.pdf.

The Audit Committee reviews the financial statements, in particular, the investments made by its subsidiary companies. The minutes of the Board meetings of the subsidiary companies along with the significant developments are periodically placed before the Board of Directors of the Company.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and necessary management resources.

VIII. General Shareholder Information

i. Annual General Meeting for FY 2020-21

Date	:	June 25, 2021
Day	:	Friday
Time	:	12:00 p.m. IST
Venue	:	Video Conferencing / Other Audio-Visual Means

ii. Financial Calendar:

Financial Year of the Company	:	1st April to 31st March
For the quarter ending June 30, 2021	:	July, 2021
For the quarter/half-year ending September 30, 2021	:	October, 2021
For the quarter/nine-months ending December 31, 2021	:	January, 2022
For the quarter/year ending March 31, 2022	:	April, 2022
38th Annual General Meeting for the year ending March 31, 2022	:	June, 2022

iii. Dividend payment date : N.A.

iv. Date of Book Closure/Record date : N.A.

v. Listing on stock exchanges :

Equity Shares	Non-convertible Debentures
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Tel: 022-22721233/34 Website: www.bseindia.com	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, Plot No. C–1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: 022 26598100 - 8114 Website: www.nseindia.com
National Stock Exchange of India Limited (NSE) Exchange Plaza, Plot No. C–1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: 022 26598100 - 8114 Website: www.nseindia.com	

Annual Listing fee has been paid to BSE and NSE and no amount is outstanding.

vi. Name and address of the Debenture Trustee:

VISTRA ITCL (INDIA) LIMITED
IL&FS Financial Centre, Plot No C22,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

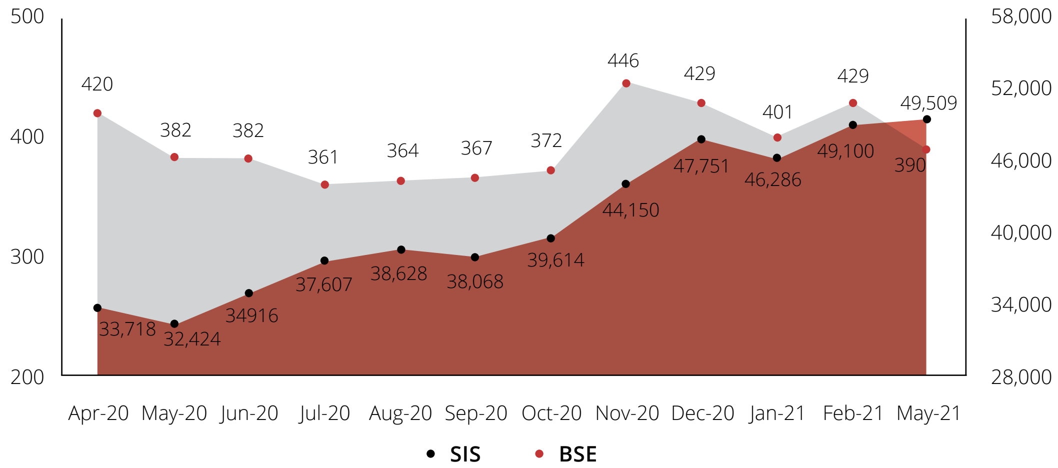
vii. Stock Codes/Symbol	:	BSE	:	540673
		NSE	:	SIS

viii. Market price data- high, low during each month in FY 2020-21:

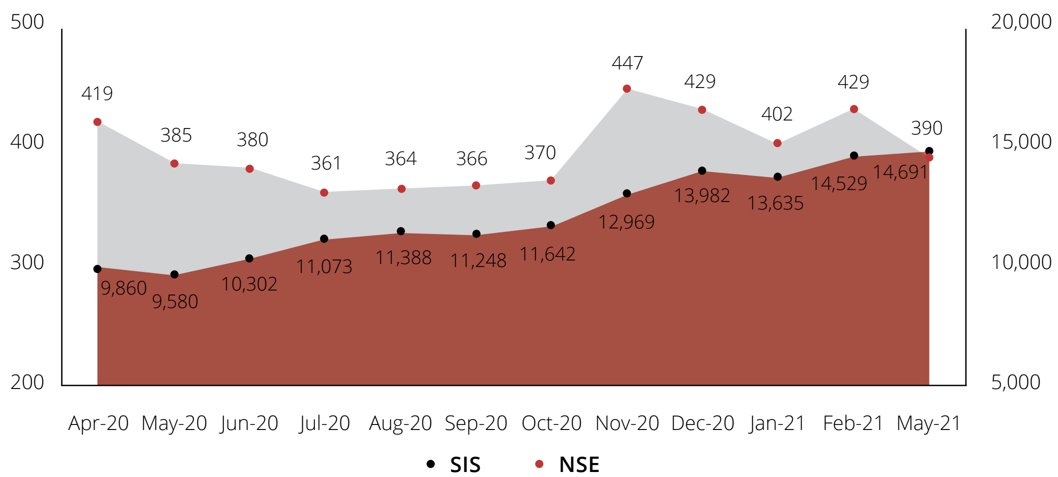
Month	BSE				NSE			
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume
Apr-20	450.20	387.00	420.05	26,368	449.00	382.65	419.30	10,19,809
May-20	425.00	323.90	382.25	40,608	426.80	322.10	384.55	17,23,329
Jun-20	419.00	357.00	382.40	73,913	418.80	357.35	380.30	10,64,768
Jul-20	399.00	339.00	360.55	14,45,365	400.00	336.25	361.25	26,03,851
Aug-20	423.55	353.00	364.40	1,02,069	423.85	356.45	363.70	27,24,693
Sep-20	395.00	313.65	367.35	4,64,394	396.00	341.00	366.35	14,51,560
Oct-20	404.00	347.75	371.75	4,14,366	403.70	347.05	370.20	18,32,237
Nov-20	449.85	359.00	445.90	3,19,413	450.00	359.00	446.65	42,93,974
Dec-20	478.00	407.70	429.20	2,47,724	477.40	408.85	429.45	32,67,135
Jan-21	436.00	376.95	401.10	2,50,295	433.75	385.00	401.55	25,63,113
Feb-21	465.00	396.05	429.20	28,43,737	459.00	396.05	428.95	59,64,400
Mar-21	437.00	389.80	390.30	1,90,250	435.30	389.05	390.15	23,04,953

viii. Performance of Equity Shares price in comparison to BSE Sensex and Nifty

SIS Vs BSE Sensex



SIS Vs NSE Nifty



Report on Corporate Governance Contd.

ix. Dividend Policy

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Act. The dividend, if any, will depend on several factors, including but not limited to growth plans, capital requirements and the available distributable surplus. This Policy is available on the Company's website at https://sisindia.com/investors/policies-and-code-of-conduct.

x. Registrars and Transfer Agents

Name and Address : Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083
Telephone: +91 22 4918 6200
Fax: +91-22 4918 6195
E-mail : rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

xi. Share Transfer System:

99.91% of the equity shares of the Company are held in demat form. Transfer of these shares are done through the depositories with no involvement of the Company.

The Registrars and Share Transfer Agent have put in place an appropriate Share Transfer System to ensure timely share transfers. Share transfers are registered and returned in the normal course within an average period of 15 days from the date of receipt if the documents are clear in all respects. Requests for dematerialization of shares are processed and confirmation is given to the respective depositories i.e., NSDL and CDSL within 21 days.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 1, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

xii. Address for members' correspondence

Members are requested to correspond with the Registrars and Share Transfer Agents at the below given address on all matters relating to transfer/dematerialization of shares, payment of dividend and any other query relating to equity shares of the Company.

Registrar and Share Transfer Agents:

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai 400 083
Telephone : +91 22 4918 6270
Fax : +91-22 4918 6060
E-mail : rnt.helpdesk@linkintime.co.in

Members are requested to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

Members may contact the Compliance Officer at the following address:

Ms. Pushpalatha Katkuri
Company Secretary and Compliance Officer
106, 1st Floor, Ramanashree Arcade,
18, M.G. Road, Bangalore, Karnataka – 560 001, India,
Ph.: 080-2559 0801, E-mail: shareholders@sisindia.com

xiii. Shareholding as on March 31, 2021:

a. Distribution of equity shareholding as on March 31, 2021:

No. of equity shares held	No. of shares held	% Shareholding	Number of shareholders	% of Shareholders
1 to 500	23,42,706	1.58	39,584	95.89
501-1000	6,01,397	0.40	828	2.01
1001-2000	5,06,355	0.34	350	0.85
2001-3000	3,81,609	0.26	150	0.36
3001-4000	2,07,619	0.14	58	0.14
4001-5000	2,04,494	0.14	44	0.11
5001-10000	8,24,736	0.56	117	0.28
10001 and above	14,32,32,842	96.58	149	0.36
Grand Total	**14,83,01,758**	**100.00**	**41,280**	**100.00**

b. Categories of shareholding as on March 31, 2021:

Category	No. of shareholders	Number of equity shares held	% of holding
Promoters and Promoter Group- A	10	10,80,80,795	72.88
Public – B			
Domestic - B1			
Bodies Corporate	248	17,69,810	1.19
Mutual Funds	16	86,27,100	5.82
Alternate Investment Funds	3	8,70,784	0.59
Financial Institutions/ Banks	1	180	0.00
NBFCs registered with RBI	2	1,350	0.00
Hindu Undivided Family	1,297	2,62,038	0.18
Other Individuals	38,800	65,12,554	4.39
Clearing Members	109	1,12,613	0.08
Trust	2	1,25,439	0.08
Directors	2	8,54,994	0.58
Insurance Companies	1	32,413	0.03
IEPF	1	286	0.00
Total B1	**40,482**	**1,91,69,561**	**12.94**
Foreign- B2			
Foreign Nationals	7	37,87,323	2.55
Non-Resident (Non Repatriable)	194	64,995	0.04
Non-resident Indians	543	2,12,936	0.14
Foreign Portfolio Investors	44	1,69,86,148	11.45
Total B2	**788**	**2,10,51,402**	**14.18**
Total B (B1+B2)	**41,270**	**4,02,20,963**	**27.12**
Grand Total	**41,280**	**14,83,01,758**	**100.00**

c. Top ten equity shareholders of the Company as on March 31, 2021:

S. No.	Name of the shareholder	Number of equity shares held	% of holding
1	Ravindra Kishore Sinha	5,87,27,312	39.60
2	Rita Kishore Sinha	2,42,22,110	16.33
3	Rituraj Kishore Sinha	1,64,20,380	11.07
4	Rivoli Sinha	48,18,953	3.25
5	Vocational Skills Council India Private Limited	36,01,252	2.43
6	Malabar Select Fund	32,26,082	2.18
7	Government Pension Fund Global	30,69,945	2.07
8	Malabar India Fund Limited	29,94,768	2.02
9	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	26,58,082	1.79
10	Steinberg India Emerging Opportunities Fund Limited	22,00,000	1.48
	Total	**12,19,38,884**	**82.22**

xiv. Dematerialization of shares and liquidity:

As on March 31, 2021, 14,81,74,048 equity shares representing 99.91% of the total equity share capital of the Company were held in dematerialized form.

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE285J01028.

xv. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no outstanding convertible instruments as on March 31, 2021 except employee stock options.

The Company has not issued any GDRs / ADRs / Warrants in the past and hence as on March 31, 2021 the Company does not have any outstanding GDRs / ADRs / Warrants.

Report on Corporate Governance Contd.

xvi. Unclaimed dividends

Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 (seven) years from the date of transfer to unpaid dividend account of the Company, is liable to be transferred to the Investor Education and Protection Fund ("IEPF")

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

The Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends /shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at https://sisindia.com/investors/dividend.

The Members, who have so far not claimed the dividend for the year ended March 31, 2014, or any subsequent years, are requested to submit their claim to the Company's Registrar and Transfer Agent.

The details of unpaid/unclaimed dividends from the year 2013-14 onwards, are as under:

Date of declaration	Due Date for Transfer of Unpaid/ Unclaimed to IEPF
13-December-2014	18-January-2022
21-March-2016	26-April-2023
29-January-2018	06-March-2025
28-June-2018	03-August-2025
28-June-2019	03-August-2026
20-February-2020	27-March-2027

xvii. Commodity price risk or foreign exchange risk and hedging activities.

Information with respect to 'Foreign Currency Risk' is provided in the relevant notes to the financial statements.

xviii. Credit Ratings obtained for the debt instruments

Nature of Instrument	Name of Credit Rating Agency	Credit Rating Assigned
Non-Convertible Debentures	CRISIL Ratings Limited	AA- (Stable)

xix. Statutory Auditors

Saxena & Saxena, Chartered Accountants (Firm Registration No. 006103N) have been appointed as the Statutory Auditors of the Company. The particulars of payment of fees to the Statutory Auditors, on consolidated basis are provided below:

Particular	Amount in ₹ million
Services as statutory auditors	2.14
Services for other matters	1.00
Total	**3.14**

xx. Sexual Harassment

The Company is committed to provide a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The below table provides details of complaints received/ disposed during the financial year 2020-21.

No. of complaints pending at the beginning of the year	:	3
No. of complaints filed during the year	:	2
No. of complaints disposed-off during the year i.e. complaints pending at the beginning of the year	:	3
No. of complaints pending at the end of the year	:	2

xxi. Compliance

The Certificate issued by Mr. Sudhir V Hulyalkar, Company Secretary in Practice, confirming that the Company has complied with the conditions of Corporate Governance is annexed to and forms part of this report.

Declaration on Code of Conduct

I, Rituraj Kishore Sinha, Managing Director of the Company, to the best of my knowledge and belief, confirm that all the members of the Board and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2021.

Place: Noida
Date: April 28, 2021

Rituraj Kishore Sinha
Managing Director

Certification by CEO and CFO Under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors
SIS Limited

We, Rituraj Kishore Sinha, Managing Director and Devesh Desai, Chief Financial Officer hereby certify that:

a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2021 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2021 are fraudulent, illegal, or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) (i) There has not been any significant change in internal control over financial reporting during the year under review;

   (ii) Any significant changes to the accounting policies during the year have been disclosed in the notes to the financial statements; and

   (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: Noida
Date: April 28, 2021

Rituraj Kishore Sinha
Managing Director

Devesh Desai
Chief Financial Officer

Report on Corporate Governance Contd.

Certificate on Corporate Governance

To,
The Members,
SIS Limited (Formerly known as Security and Intelligence (India) Limited)

I have examined the compliance of conditions of corporate governance, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by SIS Limited (the Company) for the year ended on March 31, 2021.

The Compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with all the applicable mandatory conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040, CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000200731

Place: Bengaluru
Date: April 28, 2021

Certificate on Directors' Appointment and Continuation on the Board of Directors of SIS Limited

(Formerly Security and Intelligence Services (India) Limited)

(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015)

I have examined the relevant records of the SIS Limited (the Company) and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Securities and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on willful defaulters as declared by the banks and made available on the web sites of credit information companies registered with the Reserve Bank of India and based on such examination, I hereby certify that none of the directors on the board of the Company as on March 31, 2021 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

Sudhir Vishnupant Hulyalkar
Company Secretary in Practice
FCS No: 6040, CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040C000200564

Place: Bengaluru
Date: April 28, 2021

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	:	L75230BR1985PLC002083
2.	Name of the Company	:	SIS Limited
3.	Registered address	:	Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna, Bihar - 800010
4.	Website	:	www.sisindia.com
5.	E-mail id	:	investorrelations@sisindia.com
6.	Financial Year reported	:	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	Security services
8.	List three key products/services that the Company manufactures/ provides (as in balance sheet)	:	Security services
	(a) Number of International Locations (Provide details of major 5)	:	Nil
	(b) Number of National Locations	:	Training centers – 20, Branches - 353 Registered and corporate offices: The registered office is situated in Patna (Bihar) and the Corporate office is situated in New Delhi
9.	Markets served by the Company (Local/State/National/International)	:	India

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital	:	₹ 741.51 Million
2.	Total Turnover	:	₹ 30,040.79 Million
3.	Total profit after taxes	:	₹ 570.93 Million
4.	Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	6.28%
5.	List of activities in which expenditure in 4 above has been incurred:-		
	(a) Promoting Education and educational projects		
	(b) Programs towards betterment of health		
	(c) Responsibility Protection of national heritage		
	(d) Programmes in connection with rural development		
	(e) Relief to Poor, shelter, social welfare etc.		

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies? Yes
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

   No
3. Do any other entity/entities (e.g., suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

   No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies
   1. DIN: 00945635
   2. Name: Mr. Ravindra Kishore Sinha
   3. Designation: Chairman

(b) Details of the BR head

No.	Particulars	Details
1	DIN (if applicable)	Mr. Ravindra Kishore Sinha, Chairman of the Board and Chairman of the CSR committee, oversees the BR implementation. The Company does not have a BR head as of now.
2	Name	
3	Designation	
4	Telephone number	
5	e-mail id	

2. Principle-wise (as per NVGs) BR Policy/policies

01

Business should conduct and govern themselves with Ethics, Transparency and Accountability. (Business Ethics)

02

Business should provide goods and services that are safe and contribute to sustainability throughout their life circle. (Product Responsibility)

03

Business should promote the well-being of all employees. (Wellbeing of Employees)

04

Business should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised. (Stakeholder Engagement and CSR)

05

Business should respect and promote human rights. (Human Rights)

06

Business should respect, protect, and make efforts to restore the environment. (Environment)

07

Business, when engaged in influencing public and regulatory policy, should do so in a responsible manner. (Public Policy)

08

Business should support inclusive growth and equitable development. (CSR)

09

Business should engage with and provide value to their customers and consumers in a responsible manner. (Customer Relations)

(a) Details of compliance (Reply in Y/N)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Remarks
1	Do you have a policy/ policies for....	Y	N	Y	Y	N	N	N	Y	N	The Board has formulated the policies applicable to the Company.
2	Has the policy being formulated in onsultation with the relevant stakeholders?	Y	NA	Y	Y	NA	NA	NA	Y	NA	All the policies have been formulated in consultation with the Management of the Company and are approved by the Board.
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	NA	Y	Y	NA	NA	NA	Y	NA	All the policies are in compliance with respective applicable regulations.
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board of Director?	Y	NA	Y	Y	NA	NA	NA	Y	NA	All the policies have been approved by the Board and have been signed by the Chairman.
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	NA	Y	Y	NA	NA	NA	Y	NA	The members of the respective Committees will oversee policy implementation.
6	Indicate the link for the policy to be viewed online?	https://sisindia.com/investors/policies-and-code-of-conduct									

Business Responsibility Report Contd.

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	Remarks
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	NA	Y	Y	NA	NA	NA	Y	NA	The policies have been formally communicated to internal and external stakeholders, wherever applicable and required and are also available on the company's website at https://sisindia.com/investors/policies-and-code-of-conduct
8	Does the company have in-house structure to implement the policy/ policies.	Y	NA	Y	Y	NA	NA	NA	Y	NA	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	NA	Y	Y	NA	NA	NA	Y	NA	
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The Board reviews the working, implementation, and effectiveness of the policies from time to time.									

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)	Considering the business activities of the Company and the nature of its business, the Board has not felt the need to formulate certain policies. However, the Board reviews the requirements from time to time and will formulate relevant policies as and when the need is felt by the Board.								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year - Annual

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, the Company publishes its Sustainability Report annually. The BR report for FY21 forms part of the Annual Report.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1.	a) Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No.	No.
	b) Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs /Others?	Yes. The Company's governance structure is guided by its core values of Integrity, Commitment, Passion, Speed and Ownership. The Corporate Principles and the Code of Conduct cover the Company and all its subsidiaries, joint ventures and associates and are applicable to all the employees of the Company and its subsidiaries, joint ventures, and associates.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	SIS stakeholders includes our investors, clients, employees, partners, government, and local communities. During the year, there were no complaints received relating to ethics, bribery and corruption. For details of investor complaints, please refer Corporate Governance Report in the Annual Report.

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	The Company is primarily engaged in the business of security services
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional): Not applicable a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain? b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	The Company's business does not involve the sale or purchase of goods or products and so this is not applicable to the Company.
3.	Does the company have procedures in place for sustainable sourcing (including transportation)? a. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.	The Company's business does not involve the sale or purchase of goods or products and so this is not applicable to the Company.
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Though the Company's business does not involve the sale or purchase of goods wherever possible, an effort is made to source goods and products used in the Company's business from local suppliers and encouraging them to register themselves under the relevant regulations.
5.	Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.	The Company's business does not involve the sale or purchase of goods or products and so this is not applicable to the Company.

Principle 3 - Businesses should promote the well-being of all employees

1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	155,028 as at March 31, 2021
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis	1
3.	Please indicate the Number of permanent women employees	9,105
4.	Number of permanent employees with disabilities	Nil
5.	Do you have an employee association that is recognized by management	There is no employee association
6.	What percentage of your permanent employees is members of this recognized employee association	Not applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at work place in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. During the year under review, the Company has received two complaints and the internal review of these complaints is under progress. No complaints were received in the matters relating to child labour, forced labour, involuntary labour.
8.	What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year? a. Permanent Employees b. Permanent Women Employees c. Casual/Temporary/Contractual Employees d. Employees with Disabilities	1. Permanent Employees – 100% 2. Permanent Women Employees – 100% 3. Casual/Temporary/Contractual Employees – 100% 4. Employees with Disabilities – Not applicable Safety is of paramount importance to the Company. All employees of the Company are provided with safety training as part of their initial training and induction programme. The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation by a combination of onsite, mobile based and offsite training.

Business Responsibility Report Contd.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

1.	Has the company mapped its internal and external stakeholders?	Yes
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.	Yes. More than 95% of the employees of the Company belong to the disadvantaged, vulnerable & marginalized sections of society and the business of the Company provides them the opportunity to earn a reasonable livelihood and enter the organised workforce. Additionally, the Company also regularly engages in activities to improve the society and environment in which it operates.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Yes. Please refer to the section "Corporate Social Responsibility" in this Annual Report.

Principle 5 - Businesses should respect and promote human rights

1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?	Not applicable
2.	How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?	We are committed to and are compliant with all statutory laws and regulations and have put in place grievance redressal and whistleblower mechanisms for issues faced by the employees and for any complaints they have. In the reporting year, there were no complaints against the Company.

Principle 6 - Business should respect, protect, and make efforts to restore the environment

1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/others.	Not applicable
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Not applicable
3.	Does the company identify and assess potential environmental risks? Y/N	Not applicable
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?	Not applicable
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Not applicable
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Not applicable
7.	Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	Not applicable

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:	Yes. The Company is a member of Federation of Indian Chambers of Commerce and Industry (FICCI), Security Ligue and Overseas Security Advisory Council (OSAC).
2.	Have you advocated / lobbied through above associations for the advancement or improvement of public good? Yes/No; If yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes. The chambers/associations mentioned above engage with regulatory bodies from time to time for matters concerning its members.

Principle 8 - Businesses should support inclusive growth and equitable development

1.	Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.	More than 95% of the employees of the Company belong to the disadvantaged, vulnerable & marginalized sections of society and the business of the Company provides them the opportunity to earn a reasonable livelihood and enter the organised workforce. Additionally, the Company also regularly engages in activities to improve the society and environment in which it operates. Our community development programmes are intended to contribute towards a better quality of life for the people and uplift the marginalized sections of the society. We are guided by our comprehensive Corporate Social Responsibility (CSR) Policy which has also been posted on our website. Health, education, water, infrastructure and livelihood are some of our important CSR focus areas.
2.	Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?	In-house and through implementing agency. Please refer CSR activities in the Directors Report section of the Annual Report.
3.	Have you done any impact assessment of your initiative?	Yes
4.	What is your company's direct contribution to community development projects- Amount in ₹ and the details of the projects undertaken.	₹ 15.16 Million For more details, please refer CSR activities in the Directors Report section of the Annual Report
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes, we do regular monitoring of our projects to ensure that they are adopted and sustainable within the communities.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner

1.	What percentage of customer complaints/ consumer cases are pending as on the end of financial year.	Nil. The business of the company involves the provision of services to other businesses and does not involve the provision of services to individual consumers.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks(additional information)	The Company's business does not involve the sale of goods or products and so this is not applicable to the Company.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.	No
4.	Did your company carry out any consumer survey/customer satisfaction trend	Yes. We interact with our clients on a regular basis and across multiple platforms in order to gain feedback on the quality of our services.

Management Discussion and Analysis

The SIS Group is a market leader in security, facility management and cash logistics services and operates in India, Australia, Singapore, and New Zealand.

The SIS Group, through its subsidiaries, associates and joint ventures is engaged in providing security and related services consisting of manned guarding, training, physical security, paramedic and emergency response services; loss prevention, asset protection and mobile patrols; facility management services consisting of cleaning, house-keeping and pest control management services; cash logistics services consisting of cash-in- transit, door step banking, ATM cash replenishment activities and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of trading and installation of electronic security devices and systems.

The financial year 2020-21 ("FY21") was a challenging year due to the ongoing global COVID-19 pandemic, however the multiple lockdowns and the pandemic have reinforced the essential need for our services, which are a business continuity imperative for a safe workplace and society. Our revenues for the Group crossed ₹ 90,000 million during the year, in the process becoming one of the largest security and facility management companies in APAC. We ended FY21 with consolidated revenues of over ₹ 91,273 million, an increase of 7.6% over the previous year. In FY21, the consolidated EBITDA increased marginally to reach ₹ 5,208 million, representing an increase of 0.1%.

Despite significant cost savings measures implemented especially on SG&A costs along with margin / business improvement initiatives across the entire group, the consolidated EBITDA margin decreased by 400 basis points from 6.1% in FY20 to 5.7% in FY21 due to precautionary provisions being created, expenditure on PPE kits/ Covid related welfare and training measures and additional spends on employee accommodation, travel and food in certain geographies.

The SIS Group continued its investment in technology to enhance its internal productivity and at the same part improvise on the solutions offered to the customers. Our Group has launched two new Man-Tech based solutions for ensuring that employers can offer a safer workplace environment to their employees – Safe and Secure Access and Virtual COVID Marshall. These integrated security solutions were developed in Q1 FY'21 and have seen strong traction since April 2020. We believe such technology led investments would ensure the development of a unique value proposition with all our customers, leading to deepening our engagement with them. All our segments have shown strong growth during the year: -

- **Security Services - India –** we ended the year at ₹ 34,879 million of revenues which is a 1.1% decrease over FY20. The EBITDA margin decreased from 6.0% in FY20 to 5.5% in FY21 mainly on account of precautionary provisions being created in the books and Covid related expenses as mentioned above, Significant cost savings across business lines (₹ 400 million), in addition to continued profit improvement initiatives have improved the margins in this segment. Our customers have stood by us and they are prioritizing payments to essential service providers.
- **Security Services - International –** Our International business had its best year ever in terms of growth with MSS (along with SXP) continuing to outpace the general market growth. The revenue growth was aided by provision of special services to the government for securing quarantine facilities and isolation centers. We ended the year at revenues of ₹ 45,303 million which is a 22.3% increase over FY20 on ₹ basis. The EBITDA margin also increased from 6.0% in FY20 to 6.4% in FY21 primarily owing to higher margins on the special services contracts, in addition to cost saving measures adopted across all the international businesses.
- **Facility Management** – Our Facility Management Business was the most impacted segment due to the ongoing pandemic, experiencing a revenue reduction of ₹ 1,530 million over FY 20, i.e. 11.9% drop primarily attributing to revenue decline on a few high impact segments like Railways, IT/ITeS, Airports, Retail and Hospitality. Railways used to contribute close to 10% of the segment's revenue and it remained shut for large part of H1 FY'21. The EBITDA margin also witnessed a gradual decline and reached 3.5% in FY21 primarily on account of operating leverage impact with decline in revenues. Many of these segments, did experience a service volume uptick in Q3 & Q4, and because of that our H2 FY'21 performance of the Facilities management segment, provides a clear roadmap of recovery.

For a detailed summary of the segment wise performance, please refer to the other sections in this report from pages 18 – 33. The SIS Group has always delivered high return ratios despite an increasing capital base and this year also we displayed our commitment to fiscal prudence by delivering a Return on Capital Employed (ROCE) of 19.0% and an adjusted Return on Net Worth (RONW) of 22.8%. The Debt Equity ratio decreased from 0.95 in March 2020 to reach 0.80 in March 2021. The reduced borrowings were on account of lesser usage of working capital requirements during the current financial year.

A summary of our financial performance during the year is indicated in the tables below:

(In ₹ Crs)

Particulars	Full Year Numbers		Change
	FY21	FY20	%age
Revenue	**9,127.3**	**8,485.2**	7.6%
EBITDA	520.8	520.4	0.1%
%	5.7%	6.1%	
Depreciation	98.6	105.8	-6.8%
Finance Costs	107.1	113.5	-5.6%
Other income & share of profit/(loss) in associates	202.1	48.7	314.6%
Earnings Before Taxes (Operating)	**517.2**	**349.9**	47.8%
Less: Acquisition related costs / (income)			
- Depreciation & Amortization	14.5	22.6	
- Finance costs	20.2	38.3	
Earnings Before Taxes (Reported)	**482.6**	**289.1**	66.9%
%	5.3%	3.4%	
Tax Expenses	115.4	-2.6	
Profit After Taxes			
(Pro Forma)	**367.2**	**291.7**	25.9%
%	4.0%	3.4%	
Add / (Less): One-off adjustments*	-	66.2	
Profit After Taxes (Reported)	**367.2**	**225.5**	62.9%
%	4.0%	2.7%	

(A) ECONOMIC SCENARIO

The year has been marked by a steep slowdown in the Indian economy, with steady GDP downgrades through the year and COVID-19 crisis in March 2020. Despite this weak economic backdrop, SIS has continued its strong growth, outpacing industry growth once again, as a market leader. This is a testimony to demand resilience, our unique business model and the execution capabilities of the SIS leadership and management who have demonstrated relentless focus on capability enhancement, solution design and customer experience enhancement.

(B) RESILIENCE OF DEMAND RE-INFORCED DURING COVID-19 CRISIS

All our service lines have been classified as essential services by all Governments during the COVID-19 crisis and resultant lockdown. Our phenomenal frontline workers have been acting as the first line of defense for banks, hospitals, govt. offices, ecommerce warehouses, grocery marts that remained operational as also thousands of establishments that remained closed like manufacturing facilities, corporate parks, IT/ITeS, RWAs, Retail amongst others. We continue to operate at high capacity during the crisis period.

Most of our clients required immediate support in setting up additional medical screening, COVID isolation room procedures, sanitation and disinfection services etc., and we utilized our experience across our businesses in various countries to establish the required protocols and ensured that our clients were able to continue their business operations and at the same time we also ensured that our employees were supported and cared for. We took the initiative to equip our frontline workers with PPE kits, medical screening equipment, COVID Protocols, training, chemicals and supplies so that they can operate safely.

(C) COVID-19, AN OPPORTUNITY TO RESHAPE AND CONSOLIDATE THE INDUSTRY

To an extent, one could say that SIS is a proxy for Indian economy as our highly diversified customer base represents possibly every industrial segment. We believe that the business and operating environment will not be the same and the impact of the COVID-19 pandemic will be felt across the society and economy in ways which are not yet apparent. We expect that the impact on the general economic and business environment could reflect on cashflows, revenues and operating margins across the broader industry in the short term.

While our services have been classified as essential services, we believe that the focus and priority of the Government will be the major blue-collar employment generating and essential services sectors like ours.

The SIS Group management has generated unprecedented customer goodwill by supporting businesses through this crisis, often going beyond our mandate and contract terms. Our COVID Response Plan and its execution has been well received and appreciated by all stakeholders and has also emerged as a benchmark in our industry.

Considering the general economic outlook for FY21, SIS Group management has created plans to focus on operations continuity, prioritizing employee health & safety, ensuring enough liquidity, cost management and accelerating digital transformation. We are also

Management Discussion and Analysis Contd.

positioning our solutions through our unique Circle of Safety programme.

(D) INDUSTRY OUTLOOK

Security Services

As per Freedonia research, the security solutions market in India is poised to grow at a CAGR of 14% between 2019-2024. Nearly 65% of the market is controlled by smaller, non-compliant players. Some of the key growth drivers of the organized industry include the following:

- Strict enforcement of regulations such as minimum wages, provident fund norms, gratuity, insurance, etc.
- Greater economic activity – industries, commercial buildings, retail, education, infrastructure etc.
- Increased threat perception and security risk awareness
- B2C security is the next frontier for security industry with current offerings being outdated in their comprehensiveness

Facility Management

The Facility Management industry continues to benefit from increased outsourcing. Some of the key growth drivers of the facility management industry include:

- Greater awareness of cleanliness and Hygiene
- Government playing a pro-active role in outsourcing
- More outsourcing by corporates who were hitherto insourcing
- Increasing penetration of modern commercial real estate and comfort of developers with outsourcing to established players
- Emerging sectors like healthcare, pharmaceuticals, food and beverage, restaurants etc. demanding high levels of cleanliness that cannot be provided by inhouse personnel

The Indian Facility Management industry is expected to grow at 17% p.a over the period 2019-2024, as per Freedonia Research. The Facility Management industry too has a large unorganized sector which accounts for 75% of the industry, however the unorganized sector is gradually ceding space to the organized players with the greater focus on regulatory compliance by the government and poor fiscal position of many of these players.

(E) RISKS AND CONCERNS.

Operating risks:

The revenue streams in the security or facility management industry are recurring in nature, which gives a high degree of predictability to the revenue and cash flows. However, with a widespread operational network covering close to 19,000 sites, we need to ensure that each of these sites operates to the same exacting quality standards across the length and breadth of the country.

Over the past 4 decades we have developed a lot of learnings in foreseeing risks and the mitigation measures needed. These run across the gamut – in hiring, training, evaluation and in control systems to ensure that risks of slippage are minimized. We also continually invest in technology to simplify the process of managing operations across all these sites. A high degree of standardization is needed – so that measurement and reporting is simplified.

Workplace risks:

We have a robust health and safety policy aimed at ensuring the safety of our employees and the people working at our customer sites. Our HR policies comply with health and safety regulations in our operations. Through a systematic analysis and control of risks, we believe that accidents and occupational health hazards can be significantly reduced. Hence, we conduct proper training for the management as well as employees. We have implemented work safety measures to ensure a safe working environment at our customer sites.

Financial risk

The Group's operations expose it to market risk, credit risk and liquidity risk. The Group's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

For more details on the Group's financial risk management, please refer to note 40 in the standalone financial statements and note 41 in the consolidated financial statements.

(F) INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY.

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial statements.

Our rapid growth, while a matter of great satisfaction, continues to put pressure on our internal systems and processes. It is important that we work to ensure that these continue to keep pace with the business growth and that our policies remain current and relevant in the rapidly changing business landscape. The SIS Group's information systems are continuously evaluated and revamped in order to deliver timely and relevant information to various stakeholders so as to arm them with the necessary information and tools to enable them to compete in a tough market and environment. We believe that IT and information systems are critical in today's world and we have several dedicated groups of people constantly working to continuously evolve and improve these systems to keep abreast of the fast-changing environment.

The Company's system of continuous internal audits ensures that established processes and practices are followed and complied with and that quality processes are strictly adhered to. Financial discipline is emphasized at all levels of the business and adherence to quality systems and focus on customer satisfaction are critical for the Company to retain and attract customers and business and these are followed rigorously. At the same time, the Group is strengthening its core business systems which will result in more robust controls and uniformity and consistency of practices and processes across the Group.

(G) MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED.

SIS is one of the largest private sector employers in India and we continue to create massive number of jobs in all our businesses. We impact thousands of families by providing them a steady livelihood which is further backed by our strong compliance regime. We also go beyond the mandated wages and benefits by providing them health and medical benefits, ESOPs that are very forward looking. During the year, the total no. of people employed by the SIS Group went from 240,000 in March 2020 to 2,28,000 in March 2021. More than the sheer numbers, our care for our employees extends to making them the cornerstone of our Vision 2025.

The business is people-intensive, and the proper management of this resource is key to success, profitability, and sustainability. At the SIS Group, we possess the largest trained manpower supply chain in India with integrated capabilities to source, train and deploy a large manpower base. We have 20 training centre across 14 states possessing state-of-the-art infrastructure and providing up-to-date courses, with capacity to churn out more than 25,000 trained guards every year. Besides, SIS also possesses robust pan-India recruitment capabilities, providing a perpetual source of manpower.

We feel proud that our people management skills have led to low attrition at the middle and senior management level. They form the backbone of SIS and by providing them a visible career path and the required skills, SIS is well placed to maximize the opportunities before us.

Independent Auditors' Report

To the Members of
SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') ("the Company"), which comprise the Balance Sheet as at March 31, 2021, Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules there under, 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 audit opinion on the standalone financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation & disclosures of revenue Auditing standards require us to make a rebuttable presumption that the fraud risk from revenue is a significant risk. A significant proportion of the Company's revenue is derived from contracts with customer and consist of rendering of services. Revenue is measured at the fair value of consideration received or receivable. Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts. Revenue is recognized in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Further, the contractual terms also underpin the measurement and recognition of revenue and profit. The Company is therefore required to make operational and financial assumptions. **Judgements include:** • Interpretation of complex contract terms; • Allocation of revenue to performance conditions; and • Combining of obligations where the services are related. The nature of the Services provided by the Company also gives rise to significant amount of variable work which is recorded as accrued unbilled income with corresponding profit recognition. Accrued unbilled income as on March 31, 2021 aggregated to INR 1,951.52 million.	**How our audit addressed the Key audit matter** Our audit is based on the evaluation of internal control environment and on the other analytical procedures, including system-based analysis of certain balance sheet and statement of profit and loss items of the Company. We have also tested the operating effectiveness of the key controls over the contract process including contract monitoring, billings and approvals and IT controls over certain systems used to generate the information. The basis for the evaluation of internal control has been Company's internal control framework for financial reporting. The testing of controls and amounts has been performed on a sample basis. **We have completed the following audit procedures:** • Obtained a sample of contracts to confirm that revenue had been appropriately recognized. • Tested a sample of accrued unbilled income balance with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied. Based on our audit, no significant observations have been noted which have resulted in reporting to the audit committee. Our overall conclusion is that there are, in all material respects, proper processes in place to recognize the correct billed and unbilled revenue in the financial statement.

Key Audit Matter	Auditor's Response
Uncertain tax positions and deferred tax assets	**How our audit addressed the Key audit matter**
The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. Where the amount of tax payable is uncertain, the Company establishes provisions based on management's judgment of the probable amount of the future liability. The company has material certain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes.	Obtained details of completed tax assessments and demands during the year ended March 31, 2021 from management. We have checked management's underlying assumptions in estimating the tax provision and the possible outcome of any disputes. Additionally, we considered the effect of additional information in respect of uncertain tax positions as at April 1, 2020 to evaluate whether any change was required to management's position on these uncertainties.
In addition, the Company has recognized INR 809.77 million of deferred tax assets at March 31, 2021. The recognition of deferred tax assets involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support utilization of these assets.	In respect of creation of deferred tax assets, we have evaluated management's assessment of certain tax benefits under the Income Tax Act, 1961, which constitute a significant part of deferred tax assets. In respect of the recoverability of deferred tax assets, we considered completed tax assessments and also evaluated management's assessment of how these assets will be realized and whether there will be sufficient taxable profits in future periods to support their recognition. We evaluated the Company's future profitability forecast and the process by which they were prepared. Based on our procedures, future profitability forecasts supported the recoverability of the deferred tax assets recognized.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone 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 standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE 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 standalone financial statements that give a true and fair view of the state of affairs, profits, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 standalone 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 standalone 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 standalone 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with relevant rules issued thereunder.

   e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure A"**. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      - The Company has disclosed the impact of pending litigations on its financial position in the notes to the financial statements;

- The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
- There were no amount to be transferred by the Company to the Investor Education and Protection Fund.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in **"Annexure B"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Saxena & Saxena**
Chartered Accountants
(Firm's Registration. No. 006103N)

CA Dilip Kumar
(Partner)
Membership No. 082118
UDIN: 21082118AAAALK8729

Place: New Delhi
Date: April 28, 2021

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** as of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls over financial reporting of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** ("the Company") as of March 31, 2021 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting 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.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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, 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditors' 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes 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 authorisations of management and directors of the Company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Saxena & Saxena**
Chartered Accountants
(Firm's Registration. No. 006103N)

CA Dilip Kumar
(Partner)
Membership No. 082118
UDIN: 21082118AAAALK8729

Place: New Delhi
Date: April 28, 2021

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** of even date)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The fixed assets have been physically verified by the management at reasonable intervals. As informed, the discrepancies noticed on physical verification of fixed assets as compared to book records were not material and have been properly dealt with in the books of account.

   c) With respect to immovable properties of land and buildings, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed / court orders approving schemes of arrangements/ amalgamations provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.

2. a) As explained to us, inventories have been physically verified by the management at regular intervals during the year.

   b) The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.

3. a) The Company has given unsecured loans to companies listed in the Register maintained under Section 189 of the Companies Act, 2013.

   b) In our opinion, the rate of interest and other terms and conditions of the grant of such loans are not, prima facie, prejudicial to the Company's interest.

   c) In our opinion, and according to the information and explanations given to us, the schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

   d) There are no overdue amounts in respect of such loans.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013, in respect of grant of loans, making investments and providing guarantees and securities, where applicable.

5. The Company has not accepted any deposits from the public during the year. Accordingly, paragraph 3(v) of the order is not applicable to the Company.

6. The Central Government of India has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the order is not applicable to the Company.

7. a) Statutory dues including provident fund, employees' state insurance, income tax, goods and service tax, professional tax, custom duty, cess and other statutory dues applicable to the Company have generally been regularly deposited with the appropriate authorities.

   b) There were no outstanding statutory dues as at March 31, 2021 for a period of more than six months from the date they became payable.

   c) Details of dues of Income-tax and Service Tax, which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of statute	Nature of dues	Amount (in INR million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	0.18	2011-2012	Appellate Authority – upto Commissioners level (at Madurai)
Finance Act, 1994	Service tax	1.55	2011-2012	Appellate Authority – upto Comm. appeal level (Commissioner Appeal allowed, however sent back to commissioner)
Finance Act, 1994	Service tax	0.19	2014-2016	Appelate Authority- upto commissioner level
Finance Act, 1994	Service tax	67.89	2014-17	Appelate Authority- upto Pr. Commissioner Livel
Finance Act, 1994	Service tax	32.49	2015-16	Appelate Authority- upto Pr. Commissioner Livel

8. In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to financial institutions, banks, Government or debenture holders.

9. a) The Company has raised term loans during the year and the same have been applied for the purposes for which they were raised.

   b) During the current year the company has not raised moneys by way of initial public offer or further public offer.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanation given to us, and on the basis of our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

12. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company and, therefore, paragraph 3 (xii) of the Order is not applicable.

13. In our opinion and according to the information and explanation given to us, and on the basis of our examination of the records of the Company, transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and, therefore, paragraph (xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanation given to us, and on the basis of our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year and, therefore, paragraph 3 (xv) of the Order is not applicable.

16. The Company is not required to be registered under Section 45 IA of the Reserve Bank of India (RBI) Act, 1934.

For **Saxena & Saxena**
Chartered Accountants
(Firm's Registration. No. 006103N)

CA Dilip Kumar
(Partner)
Membership No. 082118
UDIN: 21082118AAAALK8729

Place: New Delhi
Date: April 28, 2021

Balance Sheet

as at March 31, 2021

All amounts in ₹ million except share data

Particulars		Note No.	As at March 31, 2021	As at March 31, 2020
A	**ASSETS**			
	Non – current assets			
	Property, plant and equipment	4	1,018.48	1,246.20
	Capital work-in-progress	4	-	10.64
	Other intangible assets	5	6.98	17.41
	Intangible assets under development	5	114.07	41.03
	Financial assets			
	(i) Investments	6	5,243.19	4,981.19
	(ii) Other non-current financial assets	7	527.46	625.14
	Deferred tax assets (net)	8	809.77	1,078.60
	Income tax assets (net)	8	938.14	1,273.56
	Other non – current assets	9	11.93	6.57
	Total non – current assets		**8,670.02**	**9,280.34**
	Current assets			
	Inventories	10	182.05	168.84
	Financial assets			
	(i) Trade receivables	11	4,455.15	4,649.03
	(ii) Cash and cash equivalents	12	2,061.91	502.08
	(iii) Bank balances other than above	12	1,980.66	492.12
	(iv) Other current financial assets	7	2,168.26	2,366.86
	Other current assets	9	673.66	753.96
	Total current assets		**11,521.69**	**8,932.89**
	Total assets		**20,191.71**	**18,213.23**
B	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	13	741.51	733.19
	Other equity	14	7,375.90	6,846.52
	Total equity		**8,117.41**	**7,579.71**
	Liabilities			
	Non – current liabilities			
	Financial liabilities			
	(i) Borrowings	15	2,859.34	2,610.04
	(ii) Other non-current financial liabilities	17	394.85	414.02
	Provisions	19	627.64	469.39
	Total non-current liabilities		**3,881.83**	**3,493.45**
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	15	2,990.00	3,706.26
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises	16	1.85	0.03
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	78.51	129.48
	(iii) Other current financial liabilities	17	4,058.65	2,322.47
	Other current liabilities	20	974.97	918.42
	Provisions	19	88.49	63.41
	Total current liabilities		**8,192.47**	**7,140.07**
	Total liabilities		**12,074.30**	**10,633.52**
	Total equity and liabilities		**20,191.71**	**18,213.23**

The accompanying notes form an integral part of these financial statements.

As per our report on even date

For **Saxena & Saxena**
Chartered Accountants
(Firm's Regist rat ion. No. 006103N)

For and on behalf of the Board

CA. Dilip Kumar
(Partner)
Membership No. 082118

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: Noida
Date: April 28, 2021

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Statement of Profit & Loss

for the year ended March 31, 2021

All amounts in ₹ million except share data

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
1	**INCOME**			
	a) Revenue from operations	22	30,040.79	29,958.81
	b) Other income	23	265.23	440.32
	c) Other gain/(loss)	24	(2.34)	8.83
	Total Income (a+ b +c)		**30,303.68**	**30,407.96**
2	**EXPENSES**			
	a) Purchases of stock-in-trade		385.15	394.11
	b) Changes in inventories of stock - in- trade	25	(13.21)	(6.71)
	c) Employee benefits expense	26	26,619.92	26,110.92
	d) Finance costs	28	702.08	756.36
	e) Depreciation and amortization expenses	29	414.75	534.79
	f) Other expenses	30	1,338.93	1,548.80
	Total expenses (a + b + c + d + e + f)		**29,447.62**	**29,338.27**
3	**Profit before tax and exceptional items (1-2)**		**856.06**	**1,069.69**
4	Exceptional items		-	-
5	**Profit before tax (3+4)**		**856.06**	**1,069.69**
6	**Tax expense**			
	a) Current tax	8	0.83	62.23
	b) Deferred tax	8	284.30	144.18
	Total tax expense		**285.13**	**206.41**
7	**Profit for the year (5-6)**		**570.93**	**863.28**
8	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	26	(61.28)	16.52
	b) Income tax relating to these items	8	15.42	(4.16)
	Other comprehensive income / (loss) for the year (net of taxes)		**(45.86)**	**12.36**
9	**Total comprehensive income for the year (7+8)**		**525.07**	**875.64**
10	Earnings per share (EPS) (face value INR 5 per share)	31		
	(a) Basic (INR)		3.88	5.89
	(b) Diluted (INR)		3.86	5.79
11	Weighted average equity shares used in computing earnings per equity share	31		
	(a) Basic (Nos.)		14,70,67,507	14,66,36,099
	(b) Diluted (Nos.)		14,77,46,111	14,89,69,024

The accompanying notes form an integral part of these financial statements.

As per our report on even date

For Saxena & Saxena
Chartered Accountants
(Firm's Regist rat ion. No. 006103N)

For and on behalf of the Board

CA. Dilip Kumar
(Partner)
Membership No. 082118

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: Noida
Date: April 28, 2021

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Statement of Changes in Equity
for the year ended March 31, 2021

All amounts in ₹ million except per share data

A. EQUITY SHARE CAPITAL

Particulars	Amounts
As at April 1, 2019	**733.13**
Issued on exercise of stock options	0.06
As at March 31, 2020	**733.19**
Issued on exercise of stock options	8.32
As at March 31, 2021	**741.51**

B OTHER EQUITY

Year ended March 31, 2020

Particulars	Reserves and Surplus				Other Reserves	Application Money Pending Allotment	Total Other Equity
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debenture Redemption Reserve		
As at April 1, 2019	**3,897.32**	**189.04**	**2,126.38**	**213.23**	**125.00**	**-**	**6,550.97**
Profit / (loss) for the year	-	-	863.28	-	-	-	863.28
Other comprehensive income / (loss)	-	-	12.36	-	-	-	12.36
Total Comprehensive Income for the year	**-**	**-**	**875.64**	**-**	**-**	**-**	**875.64**
Impact of change in accounting policies on adoption of new accounting standards	-	-	(19.23)	-	-	-	(19.23)
Employee share-based payment expense	-	-	-	41.40	-	-	41.40
Exercise of employee stock options	1.31	-	-	(1.31)	-	-	-
Issue of bonus shares (refer note 13)	-	(0.05)	-	-	-	-	(0.05)
Final / Interim dividends	-	-	(549.89)	-	-	-	(549.89)
Dividend distribution tax	-	-	(52.32)	-	-	-	(52.32)
Creation of debenture redemption reserve	-	-	(125.00)	-	125.00	-	-
As at March 31, 2020	**3,898.63**	**188.99**	**2,255.58**	**253.32**	**250.00**	**-**	**6,846.52**

Statement of Changes in Equity
for the year ended March 31, 2021

All amounts in ₹ million except per share data

Year ended March 31, 2021

Particulars	Reserves and Surplus				Other Reserves	Application Money Pending Allotment	Total Other Equity
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debenture Redemption Reserve		
As at April 1, 2020	**3,898.63**	**188.99**	**2,255.58**	**253.32**	**250.00**	**-**	**6,846.52**
Profit / (loss) for the year	-	-	570.93	-	-	-	570.93
Other comprehensive income / (loss)	-	-	(45.86)	-	-	-	(45.86)
Total Comprehensive Income for the year	**-**	**-**	**525.07**	**-**	**-**	**-**	**525.07**
Employee share-based payment expense	-	-	-	4.07	-	-	4.07
Exercise of employee stock options	180.16	-	-	(180.16)	-	-	-
Issue of bonus shares (refer note 13)	-	(0.05)	-	-	-	-	(0.05)
Creation of debenture redemption reserve	-	-	(125.00)	-	125.00	-	-
Application money received	-	-	-	-	-	0.29	0.29
As at March 31, 2021	**4,078.79**	**188.94**	**2,655.65**	**77.23**	**375.00**	**0.29**	**7,375.90**

The accompanying notes form an integral part of these financial statements.

As per our report on even date

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

CA. Dilip Kumar
(Partner)
Membership No. 082118

Place: Noida
Date: April 28, 2021

For and on behalf of the Board

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2021

All amounts in ₹ million except share data

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	856.06	1,069.69
	Adjusted for:		
	Depreciation and amortization expenses	414.75	534.79
	Unrealised Foreign exchange (gain) / loss	9.94	(2.93)
	Net (gain) / loss on sale of property, plant and equipment	(7.60)	(5.90)
	Finance costs	702.08	756.36
	Interest income classified as investing cash flows	(260.40)	(132.09)
	Provision for doubtful debts	129.44	80.97
	Dividend Income	(4.83)	(308.23)
	Employee stock option compensation expense	2.42	35.04
	Operating profit / (loss) before working capital changes	**1,841.86**	**2,027.70**
	Movement in working capital:		
	Decrease / (increase) in trade receivables	77.29	(1,256.22)
	Decrease / (increase) in inventories	49.75	(6.71)
	Decrease / (increase) in other current assets	81.94	(121.70)
	Decrease / (increase) in other current financial assets	184.40	(248.60)
	(Decrease) / increase in trade payables	(152.97)	(25.81)
	(Decrease) / increase in provisions	122.05	108.98
	(Decrease) / increase in other current liabilities	87.85	175.44
	(Decrease) / increase in other current financial liabilities	247.96	107.86
	Decrease / (increase) in other non-current assets	0.05	0.05
	Decrease / (increase) in other non-current financial assets	102.11	(33.98)
	(Decrease) / increase in other non-current financial liabilities	(9.93)	7.96
	Cash (used in) / generated from operations	**2,632.36**	**734.97**
	Direct tax (paid), net of refunds	334.59	(401.35)
	Net cash inflow / (outflow) from operating activities	**2,966.95**	**333.62**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property plant and equipment and changes in capital work-in-progress	(212.26)	(285.08)
	Proceeds from sale / disposal of property, plant and equipment	25.39	9.95
	Investment in subsidiary (refer note 6)	(250.91)	(1,097.77)
	(Investment in) / redemption of fixed deposits	(1,599.81)	213.30
	Restricted balances	112.00	133.00
	Interest received	260.18	106.52
	Dividend received	4.83	307.39
	Net cash inflow / (outflow) from investing activities	**(1,660.58)**	**(612.69)**

Statement of Cash Flows

for the year ended March 31, 2021

All amounts in ₹ million except share data

Particulars		Year ended March 31, 2021	Year ended March 31, 2020
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issue of share capital (net of share issue expenses)	8.56	0.01
	Proceeds from term loans	12.77	211.65
	Repayment of term loans	(229.95)	(213.06)
	Bonds/debentures issued / (repaid/redeemed)	1,900.00	-
	Interest paid	(593.78)	(693.92)
	Dividends paid to Company's shareholders	-	(549.31)
	Tax on dividends paid	-	(52.32)
	Changes in lease liability	(127.88)	(118.62)
	Net cash inflow / (outflow) from financing activities	**969.72**	**(1,415.57)**
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**2,276.09**	**(1,694.64)**
E.	Cash and cash equivalents at the beginning of the year	(3,204.18)	(1,509.54)
	Cash and cash equivalents at the end of the year (D+E)	**(928.09)**	**(3,204.18)**
Reconciliation of cash and cash equivalents as per the statement of the cash flows			
	Cash and cash equivalents as per above comprise of the following:	March 31, 2021	March 31, 2020
	Cash and cash equivalents	2,061.91	502.08
	Cash credit	(2,990.00)	(3,706.26)
	Balances as per statement of cash flows	**(928.09)**	**(3,204.18)**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report on even date

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

For and on behalf of the Board

CA. Dilip Kumar
(Partner)
Membership No. 082118

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: Noida
Date: April 28, 2021

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Notes to the Financial Statements

All amounts in ₹ million except share data

1. COMPANY OVERVIEW

SIS Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company is listed on the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna, Bihar – 800010, India, and its principal place of business is situated at A-28 & 29, Okhla Industrial Area, Phase I, New Delhi – 110020

The name of the Company has been changed to 'SIS Limited' from 'Security and Intelligence Services (India) Limited' and a fresh certificate of incorporation in the name of 'SIS Limited was issued by the Registrar of Companies on January 13, 2021.

The Company is directly and indirectly engaged in rendering security and related services consisting of manned guarding, training, and indirectly engaged in paramedic and emergency response services; loss prevention, asset protection and mobile patrols; facility management services consisting of cleaning, house-keeping and pest control management services in the areas of facility management; cash logistics services consisting of cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of trading and installation of electronic security devices and systems through its subsidiaries, joint ventures and associates.

These financial statements were authorized for issue by the directors on April 28, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) and comply in all material respects with the Ind-AS and other applicable provisions of the Companies Act, 2013 ("the Companies Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind-AS are notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements are presented in Indian Rupees (INR) and are rounded off to the nearest millions ('Mn') except per share data and unless stated otherwise. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following material items which have been measured at fair value as required by relevant Ind-AS:

a) certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;

b) assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;

c) share based payments; and

d) The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.

Accounting policies have been applied consistently to all periods presented in these financial statements. Further, previous year figures have been regrouped/re-arranged, wherever necessary.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable or required.

Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds and debentures and mutual funds that have quoted price. The fair value of all financial instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

In accordance with Ind-AS 113, 'Fair value measurement', assets and liabilities are to be measured based on the following valuation techniques:

(i) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

(ii) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

(iii) Cost approach – Replacement cost method.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it is:

(i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period; or

(iv) Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

All other assets are classified as non-current.

A liability is current when it is:

(i) Expected to be settled in the normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be settled within twelve months after the reporting period; or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Property, plant and equipment

Recognition and measurement

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Items of property, plant and equipment ('PPE') are initially recognized at cost. Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and costs directly attributable towards bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year during which such expenses are incurred.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress ('CWIP').

Depreciation

The Company depreciates property, plant and equipment over the estimated useful lives using the written down value method from the date, the assets are available for use.

The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	60 years
Plant and machinery	8 to 15 years
Leasehold improvement	Shorter of useful life or lease period
Right-of-use assets	Lease period
Computer equipment	3 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8 years

Based on technical assessment, the useful lives as given above best represent the period over which

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

the management expects to use these assets. The estimated useful lives for these assets may therefore be different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values are generally not more than 5% of the original cost of the asset. The asset's residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Additions are depreciated on a pro-rata basis from the date, the asset is available for use till the date the assets are derecognised.

An item of property, plant and equipment and any significant part, initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of such expenditure can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using written down value method over their estimated useful lives of 60 years. The useful life has been determined based on a technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and measurement

Intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised software development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on a written down value method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted accordingly. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Category	Useful life
Computer software	5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

include external direct costs of materials, services, and direct payroll and related costs of employees' time spent on the project.

e) Investment in subsidiaries, associates and joint ventures

A subsidiary is an entity over which the Company has control. The Company controls an investee entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. This is generally the case where the Company holds between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control exist are similar to those necessary to determine control over the subsidiaries.

Investments in subsidiaries, associates and joint ventures is accounted for at cost less impairment loss, if any. The said investments are tested for impairment whenever circumstances indicate that their carrying value may exceed the recoverable amount.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

(i) Debt instruments at amortised cost

(ii) Debt instruments at fair value through other comprehensive income (FVTOCI)

(iii) Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)

(iv) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of profit and loss. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables.

Financial instruments at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(ii) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income calculated using the EIR method, impairment losses & reversals and

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instruments at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain /loss on assets measured at FVTPL are presented in the statement of profit and loss within other gains/losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments
All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of profit and loss within other gains/ losses in the period in which it arises.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

(i) The rights to receive cash flows from the asset have expired, or

(ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Similarly, where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets
The Company recognizes loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. How the Company determines whether there has been a significant increase in the credit risk has been detailed in the notes to the financial statements. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Borrowings
After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares which are mandatorily redeemable are classified as liabilities. The dividends on these preference shares, to the extent such dividends are mandatorily payable, are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible debenture/ bond/ preference share or a zero-coupon debenture/ bond/ preference share or compulsorily convertible debenture/preference shares where the price of conversion of the debenture/ preference shares into equity share is not fixed, is determined using a market rate of interest for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of a liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Financial guarantee contracts
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee, with corresponding increase in investment in subsidiary. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss as other gains/losses.

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Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends upon whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Derivatives which are not designated as hedges are accounted for at fair value through profit or loss and are included in other gains/ losses.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines changes in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company of the counterparty.

g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

h) Current and deferred tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and unused tax credits.

Current tax

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

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(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

(i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss

(ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

W.e.f. April 01, 2019 the Company is not subject to Minimum Alternate Tax ('MAT') as the Company has adopted lower corporate tax rate as per section 115BAA of Income Tax Act. Uptill March 31, 2019, Minimum Alternate Tax ('MAT') credit was recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal income-tax during the specified period.

i) Inventories

Inventories are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost includes custom duty, freight and other charges as applicable. The Company periodically reviews inventories to provide for diminution in the value of, and/or any unserviceable or obsolete, inventories.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit facilities) as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Non-current assets held for sale/distribution to owners and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale/distribution to owners if their

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carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and where a sale is considered highly probable. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn and Management must be committed to the sale/distribution being completed within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognised for any subsequent increases in fair value less costs to sell/ distribute an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale/ distribution of the non-current asset (or disposal group) is recognised on the date of derecognition.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

(i) Represents a separate major line of business or geographical area of operations,

(ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or

(iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

l) Equity share capital

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

n) Provisions and contingent liabilities

Provisions

A provision is recognized when the Company has a present legal or a constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised for legal claims and service warranties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an interest expense.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. In respect of losses that are covered by insurance, such losses are recognised as an expense when there is clear evidence or determination or probability that any portion of the loss is not expected to be settled through insurance or other forms of recovery.

Asset Retirement Obligations (ARO)

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset and amortised or depreciated in the same manner as the asset to which it pertains. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

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Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

o) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants relating to income or expenditure / expenses are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and recognised on a straight-line basis over the expected lives of related assets and presented within other income.

p) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts recognised as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, service tax, value added tax, goods and services tax and amounts collected on behalf of third parties.

At the inception of the new contractual arrangement with the customer, the Company identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer.

Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts. Revenue is recognized in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

Revenue is recognized as follows:

(i) Revenue from services represents the amounts receivable for services rendered.

(ii) For non-contract-based business, revenue represents the value of goods delivered or services performed.

(iii) For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognized in the period in which the service is rendered.

(iv) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.

(v) Unearned revenue (contract liabilities) represents revenue billed but for which services have not yet been performed and is included under Advances from customers. The same is released to the statement of profit and loss as and when the services are rendered.

(vi) Revenue from the use of assets such as rent for using property, plant and equipment is recognized on a straight-line basis over the terms of the related leases unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. The Company provide normal warranty provisions for general repairs for one year on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight-line basis over the extended warranty period in case warranty is provided to customer for a period beyond one year.

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Rendering of services
In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements
When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

Interest income
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends
Dividend income from investments is recognised in profit or loss as other income when the Company's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and amount of the dividend can be measured reliably.

Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increase and is included in revenue in the statement of profit or loss due to its operating nature.

q) Foreign currency translation
The financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency, i.e., the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates prevailing at the date, the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing as at the reporting date.

Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and translation differences are recognized in OCI with the accumulation in other equity as foreign currency translation reserve. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The equity items denominated in foreign currencies are translated at historical cost.

r) Employee benefits
The Company's employee benefits mainly include wages, salaries, bonuses, compensated absences, defined contribution to plans, defined benefit plans and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the employees of the Company.

Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits and compensated absences expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts

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expected to be paid when the liabilities are settled. The liability for compensated absences is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as employee benefits payable under other financial liabilities, current.

Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or legally obliged or where there is a past practice that has created a constructive obligation.

Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to a specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Re-measurements arising out of actuarial gains / losses are immediately taken into the statement of profit and loss and are not deferred.

In respect of those employees who are entitled to an encashment of the leave at the end of every calendar year, a provision is created to account for the liability.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Company operates the following post-employment schemes:

i) Defined contribution plans such as provident fund and employees' state insurance; and

ii) Defined benefit plans such as gratuity.

Defined contribution plan

The Company's policy to contribute on a defined contribution basis for eligible employees, to Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Company has a defined benefit plan, viz., Gratuity, for all its employees, the liability for which is accrued and provided for as determined by an independent actuarial valuation. A portion of this liability for gratuity is contributed to a fund administered and operated by a reputed insurance company. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

Present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government bonds at the end of the reporting periods that have approximately similar terms to the related obligation.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

Past service costs are recognised in profit or loss on the earlier of:

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognises related restructuring costs.

The net interest is calculated by applying the above mentioned discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in the employee benefits expense in the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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Equity settled stock-based compensation
Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of options granted under various Employee Share option plans is recognised as an employee benefits expense with a corresponding increase in equity (share option outstanding account).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates in the period of change, if any, in the profit or loss, with corresponding adjustment to equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

s) Borrowing costs
Borrowing costs include interest calculated on the effective interest rate method, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of the assets that necessarily take a substantial period of time to get ready for their intended use or sale ('qualifying assets'), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the statement of profit and loss within finance costs in the period in which they are incurred.

t) Exceptional items
Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.

u) Leases

Company as a lessee
The Company's lease asset classes primarily consist of leases for buildings, equipment and vehicles. For any new contracts entered into or changed on or after April 1, 2019, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

(i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company

(ii) The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

(iii) The Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets using the written down value method from the lease commencement date to the earlier of the end of the

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useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Extension and termination options are included in a number of leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprises of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Lease liability and right-of-use assets have been separately presented in the notes to the financial statements under 'Other financial liability' and 'Property, plant and equipment' (except those meeting the definition of investment property) respectively. Lease payments have been classified as 'Cash flows from financing activities'.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless payments are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increase under "Other Income" in the statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

v) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, other than inventories and deferred tax assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

w) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

Diluted Earnings per share amounts are computed by dividing the net profit attributable to the equity holders of the Company (after deducting preference dividends and attributable taxes but after adjusting the after income tax effect of interest and other financing cost associated with dilutive potential equity shares) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

x) Cash dividend and non-cash distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the carrying value of the assets to be distributed in case of distributions in which all owners of the same class of equity instruments are treated equally or the distributed asset is ultimately controlled by the same party or parties both before and after the distribution, and at fair value of the assets to be distributed in other cases, with such value recognised directly in equity. For this purpose, a group of individuals shall be regarded as controlling an entity when, as a result of contractual arrangements, they collectively have the power to govern its financial and operating policies so as to obtain benefits from its activities, and that ultimate collective power is not transitory. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss or directly in the equity as approved by the National Company Law Tribunal / applicable regulatory or other authority.

y) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.4 Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs ('MCA') via notification dated March 24, 2021, amended Division I, II and III of Schedule III of the Companies Act, 2013 and are applicable for accounting period starting on/ from April 1, 2021.

Key amendments relating to Division II impacting Ind AS financial statements are as follows:

Balance Sheet:

a. Additional disclosures in the statement of changes in equity like changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period

b. Revised format for disclosure of shareholding of promoters

c. Revised format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development

d. Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current

e. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used

f. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

a. Additional disclosures relating to Corporate Social Responsibility (CSR)

b. Additional disclosures relating to undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the impact of these amendments and ensure compliance with the law.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Use of estimates and judgment

The preparation of the financial statements in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made various judgements, which have the most significant effect on the amounts recognised in the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

(i) Estimation of current tax expense and payable – Note 8

(ii) Estimated useful life of intangible assets – Note 2.3.d

(iii) Estimation of defined benefit obligation – Note 26

(iv) Recognition of deferred tax assets for carried forward of tax losses – Note 8

(v) Impairment of trade receivables – Note 11

(vi) Whether assets held for distribution to owners meet the definition of discontinued operations – Note 2.3.k

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There are no reasonable foreseeable changes in these key estimates which would have caused an impairment of these assets.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 27.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 8

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible asset under development

The Company capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Uncertainties relating to the global health pandemic from COVID-19

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.

Notes to the Financial Statements Contd.

All amounts in ₹ million except per share data

4. PROPERTY, PLANT & EQUIPMENT

Year ended March 31, 2020

Description of Assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2020
	As at April 1, 2019	Additions during the year	Sale and adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Sale and adjustments	As at March 31, 2020	
Buildings	95.18	500.06	(14.90)	580.34	15.98	136.72	(12.13)	140.57	439.77
Leasehold improvement	103.78	42.47	-	146.25	12.71	53.55	-	66.26	79.99
Plant & Machinery	145.50	16.91	-	162.41	16.58	39.10	-	55.68	106.73
Furniture & Fixture	448.26	24.65	(0.01)	472.90	220.23	60.36	-	280.59	192.31
Vehicles	373.17	70.10	(29.33)	413.94	126.61	84.88	(25.41)	186.08	227.86
Office equipment	407.79	74.33	(0.40)	481.72	203.29	110.98	(0.28)	313.99	167.73
Computer equipment	83.09	22.09	-	105.18	39.36	34.01	-	73.37	31.81
	1,656.77	**750.61**	**(44.64)**	**2,362.74**	**634.76**	**519.60**	**(37.82)**	**1,116.54**	**1,246.20**
Capital work-in-progress	9.46	1.18	-	10.64	-	-	-	-	10.64
Grand Total	**1,666.23**	**751.79**	**(44.64)**	**2,373.38**	**634.76**	**519.60**	**(37.82)**	**1,116.54**	**1,256.84**

Year ended March 31, 2021

Description of Assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2021
	As at April 1, 2020	Additions during the year	Sale and adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	Sale and adjustments	As at March 31, 2021	
Buildings	580.34	78.31	(3.62)	655.03	140.57	126.75	(2.13)	265.19	389.84
Leasehold improvement	146.25	7.52	(2.46)	151.31	66.26	32.95	(2.28)	96.93	54.38
Plant & Machinery	162.41	27.82	-	190.23	55.68	32.95	-	88.63	101.60
Furniture & Fixture	472.90	15.22	(0.06)	488.06	280.59	49.49	(0.02)	330.06	158.00
Vehicles	413.94	22.11	(19.89)	416.16	186.08	73.81	(17.05)	242.84	173.32
Office equipment	481.72	42.46	(116.34)	407.84	313.99	70.85	(99.76)	285.08	122.76
Computer equipment	105.18	4.29	-	109.47	73.37	17.52	-	90.89	18.58
	2,362.74	**197.73**	**(142.37)**	**2,418.10**	**1,116.54**	**404.32**	**(121.24)**	**1,399.62**	**1,018.48**
Capital work-in-progress	10.64	-	(10.64)	-	-	-	-	-	-
Grand Total	**2,373.38**	**197.73**	**(153.01)**	**2,418.10**	**1,116.54**	**404.32**	**(121.24)**	**1,399.62**	**1,018.48**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

4. PROPERTY, PLANT & EQUIPMENT (Contd.)

(i) Details for right-of-use assets is as below

Particulars	Building	Total
Recognised on adoption of Ind AS 116	326.90	326.90
Additions during the year	166.78	166.78
Derecognised during the year	(2.77)	(2.77)
Depreciation during the year	(132.73)	(132.73)
Balance as on March 31, 2020	**358.18**	**358.18**
Additions during the year	52.93	52.93
Derecognised during the year	(1.48)	(1.48)
Depreciation during the year	(122.74)	(122.74)
Balance as on March 31, 2021	**286.89**	**286.89**

(ii) Assets under construction

Capital work in progress (CWIP) as at March 31, 2020 comprises expenditure for building in the course of construction which got capitalized during the year ended March 31, 2021 as reflected above in sale and adjustments.

(iii) Property, Plant and Equipment pledged as security

Refer note 15 for information on Property, Plant and Equipment pledged as security by the Company.

(iv) Contractual obligations

Refer note 33(a) for disclosure on contractual commitments for the acquisition of Property, Plant and Equipment.

5. OTHER INTANGIBLE ASSETS

Year ended March 31, 2020

Description of Assets	Gross block				Accumulated amortisation				Net carrying value as at March 31, 2020
	As at April 1, 2019	Additions during the year	Sale and adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Sale and adjustments	As at March 31, 2020	
Computer software *	75.32	16.45	-	91.77	59.17	15.19	-	74.36	17.41
Intangible assets under development **	20.77	20.26	-	41.03	-	-	-	-	41.03
Grand Total	**96.09**	**36.71**	**-**	**132.80**	**59.17**	**15.19**	**-**	**74.36**	**58.44**

Year ended March 31, 2021

Description of Assets	Gross block				Accumulated amortisation				Net carrying value as at March 31, 2021
	As at April 1, 2020	Additions during the year	Sale and adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	Sale and adjustments	As at March 31, 2021	
Computer software *	91.77	-	-	91.77	74.36	10.43	-	84.79	6.98
Intangible assets under development **	41.03	73.04	-	114.07	-	-	-	-	114.07
Grand Total	**132.80**	**73.04**	**-**	**205.84**	**74.36**	**10.43**	**-**	**84.79**	**121.05**

* Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.

** Intangible assets under development consist of expenditure on development of a new Enterprise Resource Planning (ERP) software.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

6. INVESTMENTS

Particulars	March 31, 2021	March 31, 2020
Non-current investments		
Investments in Equity Instruments		
Investment in Subsidiaries		
Unquoted equity shares (fully paid)		
4,000,000 (March 31, 2020: 4,000,000) equity shares in SIS International Holdings Ltd. of AUD 1/- each fully paid up	249.07	249.07
11,512,800 (March 31, 2020: 11,512,800) equity shares in Service Master Clean Limited of INR 10/- each fully paid up	131.23	128.39
11,252,250 (March 31, 2020: 11,252,250) equity shares in Terminix SIS India Private Limited of INR 10/- each fully paid up	114.26	114.26
14,800,000 (March 31, 2020: 7,300,000) equity shares in Tech SIS Limited of INR 10/- each fully paid up #	152.30	77.00
800,000 (March 31, 2020: 800,000) equity shares in SIS Australia Group Pty Ltd. of AUD 1/- each fully paid up	47.93	47.93
2,801,666 (March 31, 2020: 2,801,666) equity shares in Dusters Total Solutions Services Private Limited of INR. 10/- each fully paid up *	1,965.58	1,964.20
Equity shares in SLV Security Services Private Limited of INR 100/- each fully paid up *	825.96	765.70
1,169,213 (March 31, 2020 : 969,213) equity shares in RARE Hospitality and Services Private Limited of INR. 10/- each fully paid up *#	518.86	402.54
918,000 (March 31, 2020 : 918,000) equity shares in Uniq Security Solutions Services Private Limited (formerly known as Uniq Detective and Security Services Private Limited) of INR. 10/- each fully paid up	520.48	519.57
10,000 (March 31, 2020: 10,000) equity shares in SISCO Security Services Private Limited of INR 10/- each fully paid up	0.10	0.10
10,000 (March 31, 2020: 10,000) equity shares in SIS Business Support Services and Solutions Private Limited of INR 10/- each fully paid up	0.10	0.10
29,000,000 (March 31, 2020: 29,000,000) equity shares in SIS Alarm Monitoring and Response Services Private Limited of INR 10/- each fully paid up *	293.30	290.66
10,000 (March 31, 2020: 10,000) equity shares in One SIS Solutions Private Limited of INR 10/- each fully paid up **	0.10	0.10
Total Investment in subsidiaries (A)	**4,819.27**	**4,559.62**
Investment in associates		
Unquoted equity shares (fully paid)		
7,788,892 (March 31, 2020: 7,788,892) equity shares in SIS Cash Services Private Limited of INR 10/- each fully paid up	77.89	77.89
Total Investment in associates (B)	**77.89**	**77.89**
Total investment in equity instruments (A+B)	**4,897.16**	**4,637.51**
Investments in debentures or bonds		
175 (March 31, 2020: 175) Non-convertible debentures in SIS Cash Services Private Limited of INR 1,000,000/- each fully paid up	175.00	175.00
120 (March 31, 2020: 120) Non-convertible debentures in SIS Alarm Monitoring and Response Services Private Limited of INR 1,000,000/- each fully paid up	120.00	120.00
300,000 (March 31, 2020: 300,000) Optionally convertible debentures in Terminix SIS India Private Limited of INR 100/- each fully paid up	29.07	28.72
49 (March 31, 2020: 49) Optionally convertible debentures in Service Master Clean Limited of INR 1,000,000/- each fully paid up	21.96	19.96
Total Investments in debentures or bonds	**346.03**	**343.68**
Total non-current investments	**5,243.19**	**4,981.19**
Current investments		

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

6. INVESTMENTS (Contd.)

Particulars	March 31, 2021	March 31, 2020
Total current investments	**-**	**-**
Total investments	**5,243.19**	**4,981.19**
Aggregate book value of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	5,243.19	4,981.19
Aggregate amount of impairment in value of investments	-	-

* Refer note 36 regarding the investments made during the year in respective subsidiaries

** Incorporated during the year ended March 31, 2020.

During the year ended March 31, 2021 and March 31, 2020, the Company has converted loans given to respective subsidiaries into equity investments

7. OTHER FINANCIAL ASSETS

Particulars	March 31, 2021	March 31, 2020
Other non-current financial assets		
Security deposits (unsecured, considered good)	282.46	287.11
Loans to related parties (unsecured, considered good)	234.60	326.96
Margin money in the form of fixed deposits *	10.40	9.87
Fixed deposit maturing after 12 months	-	1.20
Total Other non-current financial assets	**527.46**	**625.14**
Other current financial assets		
Unbilled revenue	1,951.52	1,980.20
Security deposits (unsecured, considered good)	144.78	194.67
Loans to related parties (unsecured, considered good)	-	125.00
Interest accrued on deposits / investments	15.23	29.43
Other Receivables	56.73	37.56
Total other current financial assets	**2,168.26**	**2,366.86**
Total financial assets	**2,695.72**	**2,992.00**

* Fixed deposits have been pledged as margin money against bank guarantees.

No loans or other advances are due from directors or other officers of the Company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 38.

8. INCOME TAX

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2021	March 31, 2020
Current income tax:		
Current income tax charge	0.83	62.23
Deferred tax:		
Decrease / (increase) in deferred tax assets (net)	284.30	144.18
Income tax expense / (credit) reported in the statement of profit and loss	**285.13**	**206.41**

OCI section:

Tax related to items recognised in OCI during the year:

Particulars	March 31, 2021	March 31, 2020
Tax expense / (credit) on re-measurements of defined benefit plans	(15.42)	4.16
Income tax charged to OCI	**(15.42)**	**4.16**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

8. INCOME TAX (Contd.)

Tax related to items recognised directly in equity during the year:

Particulars	March 31, 2021	March 31, 2020
Aggregate current and deferred tax arising in the reporting period and not recognized in profit or loss or other comprehensive income, but directly debited/credited to equity	-	10.33
Income tax credited / (charged) to equity	**-**	**10.33**

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2021 and March 31, 2020:

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax from continuing operations	856.06	1,069.69
Accounting profit before income tax	856.06	1,069.69
Statutory income tax rate	25.17%	25.17%
Income tax expense at statutory rate	215.45	269.22
Change in applicable tax rate on application of section 115BAA of Income Tax Act, 1961 *	-	250.49
Reversal of Minimum Alternative Tax (MAT) *	-	221.48
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	63.92	(496.44)
Benefit of Indexation on investments	-	(39.64)
Non-deductible expenses for tax purposes		
Corporate social responsibility expenditure	9.02	2.05
Donation	0.15	14.20
Other non-deductible expenses	(3.02)	0.40
Income taxed at differential rates		
Dividend from foreign subsidiaries taxed at a different/lower rate	(0.39)	(15.35)
Tax expense reported in the statement of profit and loss	**285.13**	**206.41**

*During the year ended March 31, 2020, as per Section 115BAA of Income Tax Act, the Company has after evaluation, decided to adopt the option of for lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 34.94% (including surcharge and cess) for the Financial Year 2019-20. The current tax for the financial year 2019-20 has therefore, been calculated @ 25.17% and the deferred tax assets / liabilities have been adjusted accordingly. As a result of this option, MAT credit available in the books will not be eligible to be carried forward and has been adjusted through the Profit and Loss Account.

The effective tax rate applicable to the Company for the financial year 2021-22 would be 25.17% (including surcharge and cess) based on the law as it exists on the date of these financial statements.

The balance in deferred tax assets (liabilities) comprises temporary differences attributable to:

Particulars	March 31, 2021	March 31, 2020
Property, plant and equipment / Intangible assets	112.70	78.54
Defined benefit obligations	202.09	179.51
Deductions in respect of certain benefits under the Income Tax Act, 1961	206.18	563.61
Accruals and others	234.33	235.04
Allowance for doubtful debts – trade receivables	52.95	20.38
Unused tax losses	1.52	1.52
Minimum Alternative Tax (MAT) credit entitlement	-	-
Total deferred tax assets / (liabilities)	**809.77**	**1,078.60**

Reflected in the balance sheet as follows:

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets	809.77	1,078.60
Deferred tax liabilities	-	-
Deferred tax assets / (liabilities), net	**809.77**	**1,078.60**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

8. INCOME TAX (Contd.)

Reconciliation of deferred tax assets / (liabilities), net:

Particulars	Property, plant and equipment / Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Accruals and others	Allowance for doubtful debts – trade receivables	Unused tax losses	Minimum Alternative Tax (MAT) credit entitlement	Total
As at April 1, 2019	**242.85**	**175.10**	**492.28**	**60.53**	**22.96**	**1.41**	**221.48**	**1,216.61**
Tax income / (expense) during the period recognised in profit or loss	(22.35)	8.57	71.33	22.22	(2.58)	0.11	(221.48)	(144.18)
Tax income / (expense) during the period recognised in OCI	-	(4.16)	-	-	-	-	-	(4.16)
Tax income / (expense) during the period recognised through equity	(141.96)	-	-	152.29	-	-	-	10.33
As at March 31, 2020	**78.54**	**179.51**	**563.61**	**235.04**	**20.38**	**1.52**	**-**	**1,078.60**
Tax income / (expense) during the period recognised in profit or loss	34.11	7.16	(357.43)	(0.71)	32.57	-	-	(284.30)
Tax income / (expense) during the period recognised in OCI	-	15.42	-	-	-	-	-	15.42
Addition on business combination	0.05	-	-	-	-	-	-	0.05
As at March 31, 2021	**112.70**	**202.09**	**206.18**	**234.33**	**52.95**	**1.52**	**-**	**809.77**

Income tax assets:

Particulars	March 31, 2021	March 31, 2020
Opening balance	**1,273.56**	**944.77**
Taxes paid	364.82	462.18
Refund received	(699.41)	(71.16)
Current tax payable for the year	(0.83)	(62.23)
Income tax assets	**938.14**	**1,273.56**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

9. OTHER ASSETS

Particulars	March 31, 2021	March 31, 2020
Other non-current assets		
Capital advances	8.96	3.89
Other advances	2.97	2.68
Total other non-current assets	**11.93**	**6.57**
Other current assets		
Prepaid expenses	60.18	90.99
Other advances	321.33	464.98
Other current assets	292.15	197.99
Total other current assets	**673.66**	**753.96**
Total other Assets	**685.59**	**760.53**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

10. INVENTORIES

Particulars	March 31, 2021	March 31, 2020
Uniforms	182.05	168.84
Total inventories at the lower of cost and net realisable value	**182.05**	**168.84**

11. TRADE RECEIVABLES

Particulars	March 31, 2021	March 31, 2020
Trade receivables	4,665.56	4,730.00
Less: Allowance for expected credit loss	210.41	80.97
Total trade receivables	**4,455.15**	**4,649.03**

Break-up of security details:

Particulars	March 31, 2021	March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	4,455.15	4,649.03
Doubtful	210.41	80.97
Total	**4,665.56**	**4,730.00**
Less:Impairment Allowance (allowance for expected credit loss)	210.41	80.97
Total trade receivables	**4,455.15**	**4,649.03**

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 38.

Refer note 39 for the Company's policy regarding impairment allowance on trade receivables and Company's credit risk management processes.

For outstanding balances, terms and conditions relating to related party receivables, refer note 38.

12. CASH AND BANK BALANCES

Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks:		
– On current accounts	37.35	498.71
– Bank deposits with original maturity of three months or less	2,023.25	1.18
Cash on hand	1.31	2.19
Total	**2,061.91**	**502.08**

Bank balances lying in various current accounts bear no interest.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

Other bank balances

Particulars	March 31, 2021	March 31, 2020
Unclaimed dividend accounts	1.36	1.30
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	1,542.64	0.75
Ristricted balances	-	112.00
Margin money *	436.66	378.07
Total	**1,980.66**	**492.12**

* Pledged as security/Margin Money against guarantees issued by banks on behalf of the Company

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

13. EQUITY SHARE CAPITAL

Authorised share capital

Particulars	(Nos. in million)	(INR million)
As at April 1, 2019 (Equity shares of INR 10 each)	**135.00**	**1,350.00**
Increase consequent to sub-division of shares *	135.00	-
As at March 31, 2020 (Equity shares of INR 5 each)	**270.00**	**1,350.00**
Increase/(decrease) during the year	-	-
As at March 31, 2021 (Equity shares of INR 5 each)	**270.00**	**1,350.00**

Issued, subscribed and paid up equity capital

Particulars	(Nos. in million)	(INR million)
As at April 1, 2019 (Equity shares of INR 10 each)	**73.31**	**733.13**
Issued on exercise of stock options	0.01	0.06
Increase consequent to sub-division of shares *	73.32	-
As at March 31, 2020 (Equity shares of INR 5 each)	**146.64**	**733.19**
Issued on exercise of stock options	1.66	8.32
As at March 31, 2021 (Equity shares of INR 5 each)	**148.30**	**741.51**

* Pursuant to the Ordinary Resolution passed by the shareholders by way of postal ballot on December 17, 2019, the Company has sub-divided each equity share of face value of INR 10 each, fully paid up, into 2 (two) equity shares of face value of INR 5 each, fully paid up, effective January 16, 2020, which was the record date.

The Board of Directors of the Company, at its meeting held on February 15, 2021, has approved a proposal to buy-back upto 1,818,181 equity shares of face value of 5/- each of the Company for an aggregate amount not exceeding 1,000 million, being 1.24% of the total paid up equity share capital of the Company as on March 31, 2020, at INR 550 per equity share. The shareholders of the Company approved the proposal on March 20, 2021, by way of a special resolution through postal ballot. The record date has been fixed as April 9, 2021 for determining the names of the shareholders eligible to participate in the buyback and the related entitlement.

Notes (pre share sub-division effect):

a. Of the above, 2,210,500 and 62,457,240 equity shares were allotted as fully paid Bonus Shares by capitalization of general reserve during the year ended March 31, 2006 and March 31, 2017 respectively.

b. Mr. Uday Singh was the holder of 79,000 unpaid shares in SIS International Holdings Ltd., a wholly owned subsidiary. In terms of a letter dated December 1, 2009, Mr. Singh had the option to exchange these shares for shares of the Company in a manner reflecting the fair value of these shares, reduced by the amounts unpaid on them. Subsequently, in lieu of these shares and suitably adjusted for amounts unpaid thereon, Mr. Singh was allotted 40,565 Equity Shares during the year ended March 31, 2017, at a ratio as determined in accordance with a valuation report prepared by a SEBI registered merchant banker.

c. During the year ended March 31, 2018, the Company completed an Initial Public Offering (IPO) of its shares consisting of a fresh offer of 4,444,785 equity shares of INR 10 each at a premium of INR 805 per share and an offer for sale of 5,120,619 equity shares of INR 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO amounted to INR 3,410.47 (million) (net of issue expenses). The equity shares of the Company were listed on NSE and BSE effective August 10, 2017.

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share and to participate in dividends in proportion to the number of and amounts paid on the shares held. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

13. EQUITY SHARE CAPITAL (Contd.)

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	58.73	39.60%	59.27	40.42%
Rita Kishore Sinha	24.22	16.33%	24.22	16.52%
Rituraj Kishore Sinha	16.42	11.07%	16.70	11.39%

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2019 *	March 31, 2018 *	March 31, 2017 *
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	10,480	10,480	2,11,960	65,480	12,49,14,480
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	81,130
Equity shares bought back	-	-	-	-	-

* Number of shares has been restated to give effect of share sub-division

During the year ended March 31, 2021, 1,048 (March 31, 2020: 1,048) options issued to employees were exercised by them and equity shares were allotted. Further, in terms of the ESOP 2008, the equity shares allotted on the exercise of the options shall be adjusted for the bonus issue of 10 shares for every 1 equity share announced by the Company on July 27, 2016. Accordingly, a total number of 11,528 (March 31, 2020: 11,528) equity shares were allotted by the Company on exercise of 1,048 (March 31, 2020: 1,048) options by the employees, which included a total number of 10,480 (March 31, 2020: 10,480) equity shares allotted by the Company as bonus shares pursuant to the said terms of ESOP 2008.

Shares reserved for issue under options

Employees share options

Refer note 27 for details regarding employee share options issued by the Company.

14. OTHER EQUITY

Particulars	March 31, 2021	March 31, 2020
Reserves and surplus		
Securities premium	4,078.79	3,898.63
General reserve	188.94	188.99
Retained earnings	2,655.65	2,255.58
Share options outstanding account	77.23	253.32
Total reserves and surplus (A)	**7,000.61**	**6,596.52**
Other reserves		
Debenture redemption reserve	375.00	250.00
Total other reserves (B)	**375.00**	**250.00**
Share Application Money Pending Allotment (C)	0.29	-
Total other equity (A+B+C)	**7,375.90**	**6,846.52**

Securities premium

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**3,898.63**	**3,897.32**
Exercise of share options	180.16	1.31
Balance at the end of year	**4,078.79**	**3,898.63**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

14. OTHER EQUITY (Contd.)

General reserve

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**188.99**	**189.04**
Capitalisation on issue of bonus shares	(0.05)	(0.05)
Balance at the end of year	**188.94**	**188.99**

Retained earnings

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**2,255.58**	**2,126.38**
Net Profit / (loss) for the year	570.93	863.28
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit plans directly in retained earnings	(45.86)	12.36
Impact of change in accounting policies on adoption of new accounting standards	-	(19.23)
Appropriations-		
- Final / interim dividend	-	(549.89)
- Dividend distribution tax	-	(52.32)
- Transfer to debenture redemption reserve	(125.00)	(125.00)
Balance at the end of year	**2,655.65**	**2,255.58**

Share options outstanding account

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**253.32**	**213.23**
Stock option compensation expense	4.07	41.40
Transferred to securities premium on exercise of share options	(180.16)	(1.31)
Balance at the end of year	**77.23**	**253.32**

Debenture Redemption Reserve

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**250.00**	**125.00**
Transfer from retained earnings	125.00	125.00
Balance at the end of year	**375.00**	**250.00**

Share Application Money Pending Allotment

Particulars	March 31, 2021	March 31, 2020
Share application money pending allotment	0.29	-

Nature and purpose of Reserves

Securities Premium

Security premium is used to record the premium on issue of shares or other securities such as debentures or bonds. The reserve is utilised in accordance with the Companies Act, 2013.

General Reserve

The general reserve is the result of a company's transferring a certain amount of profit from the account of retained earnings to the general reserve account. The purpose of setting up a general reserve account is to meet potential future unknown liabilities. In other words, the general reserve is a free reserve which can be utilized for any purpose after fulfilling certain conditions.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

14. OTHER EQUITY (Contd.)

Share Options outstanding Account

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under the company's' employee share option plans. The Company has two share option schemes under which options to subscribe for the Company's shares have been granted to certain executives and senior employees. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 27 for further details of these plans.

Debenture redemption reserve

Pursuant to the provisions of the Act, the Company is required to create debenture redemption reserve out of the profits which is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve will be transferred to retained earnings.

Share application money pending allotment

Share application money pending allotment represents the exercise price received from employees of the Company against share options on which allotment is not yet made.

15. BORROWINGS

Particulars	Note	March 31, 2021	March 31, 2020
Non-current Borrowings			
Secured			
Bonds/ Debentures			
- Non convertible debentures	a	3,397.43	1,495.12
Term Loans			
From Banks			
- HDFC Bank Limited	b	19.06	57.17
- Kotak Mahindra Bank Limited	c	247.69	336.78
- Vehicle Loan from various banks	d	64.76	100.97
From other parties			
- Vehicle Loan from others	f	49.23	82.66
Total secured borrowings		**3,778.17**	**2,072.70**
Unsecured			
Bonds/ Debentures			
Rupee Denominated Bonds issued to SIS Australia Group Pty Limited, a subsidiary company	g	747.01	746.47
Term Loans			
- Yes Bank Limited	h	-	18.73
Total unsecured borrowings		**747.01**	**765.20**
Total non-current borrowings		**4,525.18**	**2,837.90**
Current maturity of long term loans		(1,665.84)	(227.86)
Non-current borrowings (as per balance sheet)		**2,859.34**	**2,610.04**
Current borrowings			
Secured			
Loans repayable on demand			
From Banks			
- Kotak Mahindra Bank Limited	i	400.00	650.00
- Axis Bank Limited	i	540.00	631.48
- HDFC Bank Limited	i	1,000.00	400.00
- ICICI Bank Limited	i	-	684.78
- Standard Chartered Bank	i	460.00	650.00
- State Bank of India	j	390.00	390.00
- Yes Bank Limited	k	200.00	-
Total secured borrowings		**2,990.00**	**3,406.26**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

15. BORROWINGS (Contd.)

Particulars	Note	March 31, 2021	March 31, 2020
Unsecured			
Loans repayable on demand			
From Banks			
- HDFC Bank Limited		-	300.00
Total unsecured borrowings		**-**	**300.00**
Current borrowings (as per balance sheet)		**2,990.00**	**3,706.26**
Aggregate Secured borrowings		6,768.17	5,478.96
Aggregate Unsecured borrowings		747.01	1,065.20

Notes:

Long Term Borrowings - Secured:

Bonds/debentures:

a) i) ICICI Prudential Assets Management Company Limited has subscribed to 1,500 non-convertible debentures (NCDs) of INR 1,000,000/- each. The NCDs carry interest @ 9.50% per annum, payable annually. The NCDs are secured against 85.92% shareholding in Dusters total solutions services private limited, a subsidiary of the Company. The debentures are redeemable after 3 years from the date of issue. i.e. April 13, 2021. As on March 31, 2021, ICICI Prudential Credit Risk Fund is holding the NCDs. Subsequent to the balance sheet date the NCDs has been redeemed/repaid on April 13, 2021.

ii) ICICI Prudential Assets Management Company Limited has subscribed to 1,900 non-convertible debentures (NCDs) of INR 1,000,000/- each. The NCDs carry interest @ 7.90% per annum, payable annually. The NCDs shall be secured against 85.68% shareholding in Dusters total solutions services private limited, a subsidiary of the Company. The debentures are redeemable after 2 years from the date of issue. i.e. March 30, 2023. As on March 31, 2021, ICICI Prudential Credit Risk Fund is holding the NCDs.

Term loans:

b) Secured by way of first charge on the movable fixed assets of the Company purchased out of the term loan proceeds and second pari passu charge on stock and book debts of the Company both present and future. The loan is repayable in 16 equal quarterly instalments of INR 9.53 million each, with repayment to commenced from November 2017 and is scheduled to be repaid during FY 2021 – 22.

c) Secured by way of first charge on the movable fixed assets of the Company purchased out of the term loan proceeds and second parri passu charge on receivables/ current assets of the Company both present and future. The loan is repayable in 18 equal quarterly instalments beginning from the end of the 1st quarter after the end of moratorium Period of six months.

d) Vehicle Loan from Banks are secured by hypothecation of vehicles purchased against the loan taken from that Bank. The loans have various repayment schedules and last instalment repayment is scheduled on February 2024.

e) The terms loans mentioned above except vehicle loans, carry interest at quarterly/half-yearly/year MCLR plus spread margin ranging from 75 bps to 145 bps (March 31, 2020: 75 bps to 145 bps). The vehicle loans carry interest from 8.25% to 10.50% per annum.

Other loans and advances:

f) Vehicle Loan from Other Financiers are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that financier(s). The loans carry interest from 8.25% to 10.50% per annum and have various repayment schedules and last instalment repayment is scheduled on January 2025.

Long term borrowings – Unsecured:

Bonds/debentures:

g) SIS Australia Group Pty Limited, a subsidiary, has subscribed to 750 Rupee Denominated Bonds (RDBs) of face value of INR 1,000,000/- each. The RDBs will constitute direct, unconditional and unsecured obligations of the Company to repay the issue price plus interest @ 8% per annum. These RDB's shall be redeemed within 9 years from the date of issue with a lock-in-period of 3 years from the date of issue and interest is payable half yearly.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

15. BORROWINGS (Contd.)

Term loans - unsecured:

h) The loan carries interest MCLR plus 50 bps and is repayable in 16 equal quarterly instalments of INR 9.37 million each, with repayment commenced from November 2016 and has been completed in August 2020.

Short term borrowings - Secured loans repayable on demand:

i) Secured by first pari passu charges over the current assets and immovable fixed assets and second pari passu charge over movable assets.

j) Secured by first pari passu charges over the current assets and immovable fixed assets and first charge over movable assets (both present and future) of the Company and second pari passu charge is with other working capital lenders.

The short-term borrowings charges is excluding assets specifically charged to term lenders, if any.

k) Secured by first pari passu charge over current assets both present and future.

l) The loans repayable on demand mentioned above, carry interest at quarterly/half yearly/yearly MCLR plus spread margin ranging from 70 bps to 80 bps (March 31, 2020: 25 bps to 80 bps) for cash credit facility and ranging from 5.50% p.a. to 5.80% p.a. for WCDL facilities.

16. TRADE PAYABLES

Particulars	March 31, 2021	March 31, 2020
Non-current	-	-
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises	1.85	0.03
- total outstanding dues of creditors other than micro enterprises and small enterprises	78.51	129.48
Total current trade payables	**80.36**	**129.51**
Total	**80.36**	**129.51**

The terms and conditions of the above financial liabilities are as follows:

a. Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-60 days which vary by vendor and type of service.

b. For outstanding balances, terms and conditions with related parties, refer to note 38

Based on the information available with the Company, the amount payable to creditors who have been identified as "suppliers" within the meaning of "Micro, Small and Medium Enterprises Development (MSMED) Act, 2006" is as below:

Particulars	March 31, 2021	March 31, 2020
Principal amount and the interest [INR Nil (March 31, 2020 –Nil)] due thereon	1.85	0.03
Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
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 MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
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 for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

17. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2021	March 31, 2020
Non-current		
Financial guarantees	3.90	4.50
Lease liability	390.95	409.52
Total other non-current financial liabilities	**394.85**	**414.02**
Current		
Interest accrued but not due on borrowings	198.14	152.25
Current maturity of long term borrowings (refer note 15)	1,665.84	227.86
Lease liability	62.52	64.26
Financial guarantees	2.31	0.83
Unclaimed/unpaid dividends	1.36	1.30
Employee benefits payable	1,980.77	1,679.43
Other payables and accruals	147.71	196.54
Total other current financial liabilities	**4,058.65**	**2,322.47**
Total other financial liabilities	**4,453.50**	**2,736.49**

Contractual maturities of lease liabilities

Details of contractual maturities of lease liabilities recognised as on balance sheet date on undiscounted basis is as below:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Undiscounted value	Present value	Undiscounted value	Present value
Within one year	114.91	62.52	119.28	64.26
After one year but not more than five years	396.96	250.67	375.52	213.61
More than five years	171.07	140.28	250.27	195.91
Total minimum lease payments	**682.94**	**453.47**	**745.07**	**473.78**
Amounts representing finance charges	(229.47)	-	(271.29)	-
Present value of minimum lease payments	453.47	453.47	473.78	473.78

18. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets:						
Investments						
-Bonds and debentures	-	-	346.03	-	-	343.68
Trade receivables	-	-	4,455.15	-	-	4,649.03
Cash and cash equivalents	-	-	2,061.91	-	-	502.08
Other Bank balances	-	-	1,980.66	-	-	492.12
Loans	-	-	234.60	-	-	451.96
Other financial assets	-	-	2,461.12	-	-	2,540.04
Total Financial Assets	**-**	**-**	**11,539.47**	**-**	**-**	**8,978.91**
Financial Liabilities:						
Trade payables	-	-	80.36	-	-	129.51
Borrowings	-	-	7,515.18	-	-	6,544.16
Other financial liabilities	-	-	2,787.66	-	-	2,508.63
Total Financial Liabilities	**-**	**-**	**10,383.20**	**-**	**-**	**9,182.30**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

18. FINANCIAL INSTRUMENTS BY CATEGORY (Contd.)

Fair Values of assets and liabilities carried at amortised costs are as follows:

Particulars	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value Level 2 inputs	Carrying Value	Fair Value Level 2 inputs
Financial Assets:				
Investments	346.03	321.08	343.68	336.34
Trade receivables	4,455.15	4,455.15	4,649.03	4,649.03
Cash and cash equivalents	2,061.91	2,061.91	502.08	502.08
Other Bank balances	1,980.66	1,980.66	492.12	492.12
Loans	234.60	208.72	451.96	334.37
Other financial assets	2,461.12	2,461.12	2,540.04	2,540.04
Total Financial Assets	**11,539.47**	**11,488.64**	**8,978.91**	**8,853.98**
Financial Liabilities:				
Trade payables	80.36	80.36	129.51	129.51
Borrowings	7,515.18	7,515.18	6,544.16	6,544.16
Other financial liabilities	2,787.66	2,787.66	2,508.63	2,508.63
Total Financial Liabilities	**10,383.20**	**10,383.20**	**9,182.30**	**9,182.30**

The Company has assessed that the fair value of cash and short-term deposits, trade receivables, capital creditors, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The Company does not have any financial assets/liabilities in Level 3 items for the years ended March 31, 2021 and March 31, 2020.

Valuation processes

The finance department of the Company includes the team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every 3 months, in line with the Company's quarterly reporting period. External valuer's assistance is also taken for valuation purposes where required.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discounts rate are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counter parties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit management group.
- Volatility used for option pricing model is based on historical volatility of comparable companies.
- Contingent consideration – estimated based on expected cash outflows arising from the forecasted sales and the entities; knowledge of the business and how the current economic environment is likely to impact it.

19. PROVISIONS

Particulars	March 31, 2021		March 31, 2020	
	Non-current	Current	Non-current	Current
Gratuity	627.64	15.45	469.39	-
Leave liabilities	-	73.04	-	63.41
Total	**627.64**	**88.49**	**469.39**	**63.41**

Refer note 26 for details of employee benefits.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

20. OTHER LIABILITIES

Particulars	March 31, 2021	March 31, 2020
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	957.34	863.05
Others	17.63	55.37
Total other current liabilities	**974.97**	**918.42**
Total other liabilities	**974.97**	**918.42**

21. GOVERNMENT GRANTS

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year	-	-
Received during the year	79.52	191.70
Released to the statement of profit and loss	(79.52)	(191.70)
As at the end of the year	-	-
Current	-	-
Non-current	-	-

The Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees joined till March 31, 2019 meeting specified criteria. The grant is paid by the Government on a monthly basis in the first three years of employment of eligible new employees on fulfilment of certain conditions. Accordingly, such Government Grant is taken to profit or loss when the conditions are met and the grants are received.

22. REVENUE FROM OPERATIONS

Particulars	March 31, 2021	March 31, 2020
Sale of products (traded goods)		
Revenue from sale of electronic security devices	104.87	62.33
Total (A)	**104.87**	**62.33**
Rendering of services		
Security services		
From guarding and other security services	29,226.09	29,161.45
Other services		
From training fees	79.09	75.98
Total rendering of services	**29,305.18**	**29,237.43**
Other operating revenues	630.74	659.05
Total (B)	**29,935.92**	**29,896.48**
Revenue from operations (A+B)	**30,040.79**	**29,958.81**

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers.

Particulars	March 31, 2021	March 31, 2020
Revenue by time of recognition		
At a point in time (sale of equipments)	104.87	62.33
Over the period of time	29,935.92	29,896.48
Total	**30,040.79**	**29,958.81**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

23. OTHER INCOME

Particulars	March 31, 2021	March 31, 2020
Interest income *	260.40	132.09
Dividend income from subsidiaries	4.83	308.23
Total	**265.23**	**440.32**

*includes interest income on income tax refunds

24. OTHER GAIN /(LOSS)

Particulars	March 31, 2021	March 31, 2020
Net gain/(loss) on sale of property, plant and equipment	7.60	5.90
Foreign exchange gain/(loss)	(9.94)	2.93
Total	**(2.34)**	**8.83**

25. CHANGES IN INVENTORY OF STOCK-IN-TRADE

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	168.84	162.13
Inventory at the end of the year	182.05	168.84
Changes in inventory of stock-in-trade - (increase)/decrease	**(13.21)**	**(6.71)**

26. EMPLOYEE BENEFITS EXPENSE

(a) Employee benefits expense include:

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	23,919.09	23,411.13
Contribution to provident and other funds	2,534.16	2,641.16
Government grants (Note 21)	(79.52)	(191.70)
Employee share-based payment expense	2.42	35.04
Gratuity expense	152.42	135.61
Leave compensation	9.97	14.06
Staff welfare expenses	81.38	65.62
Total	**26,619.92**	**26,110.92**

(b) Unfunded Scheme – Leave obligations

Leave obligations cover the Company's liability for sick and earned leave.

The provision for leave obligations is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months:

Particulars	March 31, 2021	March 31, 2020
Current leave obligation not expected to be settled within next 12 months	54.46	46.58

Unfunded Schemes:

Particulars	March 31, 2021	March 31, 2020
Present value of unfunded obligations	73.04	63.41
Expenses to be recognized in the statement of profit and loss	9.97	14.06
Discount rate (per annum)	4.60%	5.25%
Salary escalation rate (per annum)	8.00%	8.00%

The liability for earned and sick leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

26. EMPLOYEE BENEFITS EXPENSE (Contd.)

(c) Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of the salary (subject to a limit of INR 15,000 salary per month) as per regulations. The contributions are made to a statutory provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Further, contributions are made in respect of Employees' State Insurance Scheme, for specified employees, at the rate of 3.25% (4.75% upto June 30, 2019) of the gross pay as per regulations. The contributions are towards medical benefits provided by the Government to the employees. The contributions are made to employees' state insurance authorities administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Contributions to provident fund and employees' state insurance scheme are recognized as an expense as they become payable which coincides with the period during which relevant employee services are received. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Particulars	March 31, 2021	March 31, 2020
Expense recognised during the period towards defined contribution plans	2,534.16	2,641.16

(d) Defined benefits plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of completed years of service, subject to completion of five years of service and other conditions. The gratuity plan is a partly funded plan and the Company makes contributions to a fund administered and operated by a reputed insurance company. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Company has invested the 100% plan assets in the funds managed by insurance companies.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Expenditure to be recognized during the year:

Particulars	March 31, 2021	March 31, 2020
Current service cost	129.36	111.44
Interest cost	23.06	24.17
Total amount recognised in profit or loss	**152.42**	**135.61**
Remeasurements		
Return on plan assets, excluding amounts included in interest income	4.25	9.27
Loss / (gain) from changes in financial assumptions	22.09	36.78
Experience loss / (gain)	34.94	(62.57)
Total loss / (gain) recognised in other comprehensive income	**61.28**	**(16.52)**

Change in present value of defined benefit obligation is summarized below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2021	March 31, 2020
Defined benefit obligation at the beginning of year	**630.37**	**545.49**
Current service cost	129.36	111.44
Interest cost	29.24	32.11
Remeasurements	57.03	(25.79)
Benefits paid	(27.88)	(32.88)
Defined benefit obligation at the end of year	**818.12**	**630.37**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

26. EMPLOYEE BENEFITS EXPENSE (Contd.)

Reconciliation of fair value of Plan Assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	**160.98**	**154.77**
Interest income	6.18	7.94
Remeasurements	(4.25)	(9.27)
Contribution by employer	40.00	40.42
Benefits paid	(27.88)	(32.88)
Fair value of plan assets at the closing of the year	**175.03**	**160.98**

Reconciliation of fair value of Assets and Obligations:

Reconciliation of fair value of Assets and Obligations	March 31, 2021	March 31, 2020
Fair value of plan assets	175.03	160.98
Present value of obligation	(818.12)	(630.37)
Asset / (liability) recognized in balance Sheet	**(643.09)**	**(469.39)**

The present value of defined benefit obligation relates to active employees only.

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one-off contributions. The Company intends to continue to contribute to the defined benefit plans to achieve a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Company's plans are shown below:

Principal Assumptions:

Principal actuarial assumptions	March 31, 2021	March 31, 2020
Discount rate	4.60%	5.25%
Future salary increase		
- Non-billing / indirect employees	8.00%	8.00%
- Billing /direct employees	5.00%	5.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	39.00%	39.00%
- 31 & above	28.00%	28.00%
Non billing employees		
- Age from 21-30 years	27.00%	27.00%
- 31-40	16.00%	16.00%
- 41-50	12.00%	12.00%
- 51 & above	16.00%	16.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	March 31, 2021	March 31, 2020
Discount rate		
0.5% increase	(2.09%)	(2.09%)
0.5% decrease	2.18%	2.19%
Future salary increases		
0.5% increase	2.08%	2.08%
0.5% decrease	(2.02%)	(2.02%)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

26. EMPLOYEE BENEFITS EXPENSE (Contd.)

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment and regulatory changes.

The Company has selected a suitable insurer to manage the funds in such a manner as to ensure that the investment positions are managed with an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The insurer, on behalf of the Company, actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

Defined benefit liability and employer contributions

The weighted average duration of the post-employment benefit plan obligations and expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	March 31, 2021	March 31, 2020
The weighted average duration of the post-employment benefit plan obligations (in years)	4.27	4.10

Maturity profile:	March 31, 2021	March 31, 2020
Less than a year	190.47	146.68
Between 1-2 years	152.95	124.19
Between 2-5 years	326.68	252.64
Over 5 Years	349.73	291.44
Total	**1,019.83**	**814.95**

(e) Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which govern, and are likely to impact, the contributions by the Company towards certain employee benefits. The government has released draft rules for these Codes and has invited suggestions from stakeholders which are under active consideration by the concerned Ministry. The effective date of these Codes have not yet been notified and the Company will assess the impact of these codes as and when they become effective and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

27. SHARE-BASED PAYMENTS

The Company has two Employee Stock Option plans namely ESOP 2008 and ESOP 2016.

ESOP 2008 (pre share sub-division effect)

a) Under ESOP 2008 Employee Share options were granted in 2008, 2011, 2014, 2015 and 2016 and 59,000 options, 30,000 Options, 30,500 Options, 3,500 options and 2,096 options respectively have been granted.

b) All options granted in 2008 have been either exercised or lapsed.

c) Out of the 30,000 options granted in 2011, 21,700 options were exercised and the remaining 8,300 options have lapsed/ forfeited.

d) Out of the 30,500 options granted in 2014, all were vested and exercised (including 1,500 options during the year ended March 31, 2018) during the year March 31, 2019.

e) Out of the 3,500 Options granted in 2015, all were vested and exercised during the year ended March 31, 2017.

f) Out of the 2,096 Options granted in 2016, the same will vest and be eligible for exercise over four financial years. Of these, 2,096 options have been vested and exercised.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

27. SHARE-BASED PAYMENTS (Contd.)

g) All options under ESOP 2008 will now be governed by the terms of ESOP 2016 except in respect of vesting and exercise which will still be governed by the terms mentioned in the respective grant letters. The Options issued under ESOP 2008 will be adjusted for the bonus issue of ten equity shares for every equity share held as on September 20, 2016, as and when such options are exercised.

h) During the year ended March 31, 2020, upon exercise of stock options by the eligible employees, the Company has allotted 5,764 equity shares of INR 10 each.

i) During the year ended March 31, 2021, upon exercise of stock options by the eligible employees, the Company has allotted 5,764 equity shares of INR 10 each.

ESOP 2016 (pre share sub-division effect)

a) Under ESOP 2016, the Company granted 1,216,000 options on August 01, 2016 which will vest over four financial years and be eligible for exercise, subject to certain conditions, after August 1, 2020.

b) Of these options:

  i 62,760 options have been forfeited on account of the respective employees no longer in employment

  ii 1,153,240 have vested till March 31, 2021, out of these Options, a total of 803,448 options were exercised during the year ended on March 31, 2021

c) During the year ended March 31, 2018, the Company issued a further 32,415 options to eligible employees which will vest over three financial years and be eligible for exercise, subject to certain conditions, after August 1, 2020. 32,415 have vested till March 31, 2021, out of these options, a total of 22,680 options were exercised during the year ended on March 31, 2021.

d) During the year ended March 31, 2019, the Company issued a further 1,500 options to eligible employee which will vest over three financial years and be eligible for exercise, subject to certain conditions, after October 3, 2020 and have been vested during the year ended on March 31, 2021.

e) During the year ended March 31, 2019, the Company issued a further 9,000 options to eligible employee which will vest over three financial years and be eligible for exercise, subject to certain conditions, after October 3, 2021. 9,000 options have been forfeited on account of the respective employees no longer in employment.

f) During the year ended March 31, 2021, upon exercise of stock options by the eligible employees, the Company has allotted 826,128 equity shares of INR 10 each.

Options granted under the aforesaid plans carry no dividend or voting rights.

Movements during the year (post share sub-division effect)

Year ended March 31, 2020

Particulars	ESOP 2008	ESOP 2016			Total
	ESOPs granted in				
	2016-17 *	2016-17	2017-18	2018-19	
Outstanding stock options as on April 1, 2019	**2,096**	**23,16,900**	**64,830**	**21,000**	**24,04,826**
Exercise Price	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-
Exercise Period (from the date of grant of the option)	4 years	4 years	3 years	2 years #	
Options issued during the year	-	-	-	-	-
Options vested and exercised during the year**	1,048	1,100	-	-	2,148
Options forfeited/lapsed during the year	-	27,920	-	-	27,920
Outstanding stock options as at March 31, 2020	**1,048**	**22,87,880**	**64,830**	**21,000**	**23,74,758**
Excercisable stock options as at March 31, 2020	-	-	-	-	-

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

27. SHARE-BASED PAYMENTS (Contd.)

Year ended March 31, 2021

Particulars	ESOP 2008	ESOP 2016			Total
	ESOPs granted in				
	2016-17 *	2016-17	2017-18	2018-19	
Outstanding stock options as on April 1, 2020	**1,048**	**22,87,880**	**64,830**	**21,000**	**23,74,758**
Exercise Price	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-
Exercise Period (from the date of grant of the option)	4 years	4 years	3 years	2 years #	
Options issued during the year	-	-	-	-	-
Options vested and exercised during the year**	1,048	16,06,896	45,360	-	16,53,304
Options forfeited/lapsed during the year	-	7,120	-	18,000	25,120
Outstanding stock options as at March 31, 2021	**-**	**6,73,864**	**19,470**	**3,000**	**6,96,334**
Excercisable stock options as at March 31, 2021	-	6,73,864	19,470	3,000	6,96,334

* Prior to bonus adjustment

Exercise period for 18,000 options is 2 years from October 03, 2021 and for 3,000 options is 2 years from October 03, 2020.

**The weighted average share price (post share sub-division effect) at the date of exercise of options during the year ended March 31, 2021 was INR 416.33 (March 31, 2020: INR 464.05).

There were no cancellations or modifications to the awards in March 31, 2021 or March 31, 2020.

Share options outstanding at the end of the year have the following details (post share sub-division effect):

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (INR) @	Fair value (INR)	Share options outstanding March 31, 2021	Share options outstanding March 31, 2020
Plan I ESOP 2008 : Grant V (a) *	IV	04-Apr-16	04-Apr-20	04-Apr-21	5.00	99.46	-	11,528
Plan II (ESOP 2016): Grant V	I	01-Aug-16	01-Aug-17	01-Aug-22	5.00	95.41	67,386	2,28,788
Plan II (ESOP 2016): Grant V	II	01-Aug-16	01-Aug-18	01-Aug-22	5.00	95.41	1,34,773	4,57,576
Plan II (ESOP 2016): Grant V	III	01-Aug-16	01-Aug-19	01-Aug-22	5.00	95.41	2,02,159	6,86,364
Plan II (ESOP 2016): Grant V	IV	01-Aug-16	01-Aug-20	01-Aug-22	5.00	95.41	2,69,546	9,15,152
Plan II (ESOP 2016): Grant II	I	03-Jan-18	03-Jan-19	01-Aug-22	5.00	561.09	5,841	17,806
Plan II (ESOP 2016): Grant II	II	03-Jan-18	03-Jan-20	01-Aug-22	5.00	561.09	5,841	17,806
Plan II (ESOP 2016): Grant II	III	03-Jan-18	01-Aug-20	01-Aug-22	5.00	561.09	7,788	23,740
Plan II (ESOP 2016): Grant III	I	29-Jan-18	29-Jan-19	01-Aug-22	5.00	596.70	-	1,644
Plan II (ESOP 2016): Grant III	II	29-Jan-18	29-Jan-20	01-Aug-22	5.00	596.70	-	1,644
Plan II (ESOP 2016): Grant III	III	29-Jan-18	01-Aug-20	01-Aug-22	5.00	596.70	-	2,192
Plan II (ESOP 2016): Grant IV	I	13-Dec-18	13-Dec-19	03-Oct-23	5.00	379.66	-	6,000
Plan II (ESOP 2016): Grant IV	I	13-Dec-18	13-Dec-19	03-Oct-22	5.00	379.66	2,000	2,000
Plan II (ESOP 2016): Grant IV	II	13-Dec-18	03-Oct-20	03-Oct-23	5.00	379.66	-	6,000
Plan II (ESOP 2016): Grant IV	II	13-Dec-18	03-Oct-20	03-Oct-22	5.00	379.66	1,000	1,000
Plan II (ESOP 2016): Grant IV	III	13-Dec-18	03-Oct-21	03-Oct-23	5.00	379.66	-	6,000
Total							**6,96,334**	**23,85,240**

@ For pre-bonus issue options, additional shares on account of bonus adjustment are issued without cost to the employee.

* Post bonus adjustment of ten equity shares for every one equity share held.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

27. SHARE-BASED PAYMENTS (Contd.)

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the market price being the latest available closing price prior to the date of the grant and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option as detailed below:

Grant date	Volatility	Market price (INR) *	Average life of the options (in Years)	Risk-free interest rate	Dividend Yield
01-Apr-15	22.97%	99.10	1.46	7.83%	1.75%
01-Apr-15	22.22%	107.96	1.04	7.84%	1.75%
04-Apr-16	27.77%	107.96	1.50	7.02%	1.75%
04-Apr-16	25.49%	107.96	2.50	7.13%	1.75%
04-Apr-16	25.65%	107.96	3.50	7.32%	1.75%
04-Apr-16	27.57%	107.96	4.50	7.38%	1.75%
01-Aug-16	29.18%	107.96	5.00	7.10%	1.75%
03-Jan-18	30.94%	568.93	2.58	6.91%	0.25%
29-Jan-18	31.27%	604.68	2.51	6.92%	0.25%
13-Dec-18	36.21%	386.45	2.81	7.16%	0.25%

* Post bonus adjustment, where applicable and post share sub-division effect.

In respect of options granted by the Company prior to listing of its shares on stock exchanges, the market value of shares was determined on the basis of valuation carried out by a SEBI registered merchant banker. The valuation was carried out using a combination of Market Approach (by using market multiples of comparable listed companies) and Cost Approach.

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2021	March 31, 2020
Employee option plan	2.42	35.04
Total employee share-based payment expense	**2.42**	**35.04**

The company has issued/granted share options to employees of its certain subsidiaries for which cost of INR 1.65 million (March 31, 2020: INR 6.36 million) is charged to respective subsidiary and reimbursed to the company.

28. FINANCE COSTS

Particulars	March 31, 2021	March 31, 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss	604.77	655.80
Interest on lease liability	57.94	57.50
Other finance costs	39.37	43.06
Total	**702.08**	**756.36**

29. DEPRECIATION AND AMORTIZATION EXPENSES

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment (Note 4)	404.32	519.60
Amortization of intangible assets (Note 5)	10.43	15.19
Total	**414.75**	**534.79**

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All amounts in ₹ million except share data

30. OTHER EXPENSES

Particulars	March 31, 2021	March 31, 2020
Training expenses	11.95	9.26
Other Direct Operating Cost	46.38	21.33
Uniform and kit items	74.56	67.60
Recruitment incentive expenses	15.99	50.32
Selling expenses	3.24	1.51
Administrative expenses:		
-Travelling and conveyance	180.50	285.34
-Postage and telephone	31.42	34.98
-Stationary and printing	17.21	25.27
-Rent *	196.47	214.33
-Rates & taxes	51.23	35.42
-Insurance	69.48	59.80
-Repairs and maintenance:		
- Buildings	0.43	1.38
- Machinery	4.99	6.84
- Others	26.78	39.93
-Vehicle hire charges	89.54	89.16
-Payments to auditors (Refer details below)	2.11	1.70
-Legal and professional fees	130.22	209.68
-Bad and doubtful debts provided/written off	129.44	80.97
-Expense towards corporate social responsibility	35.84	51.25
-Other administration and general expenses #	221.15	262.73
Total	**1,338.93**	**1,548.80**

* Rent expenses pertained to short-term leases and low value assets.

"Other Administration and General expenses" includes an amount of INR 0.05 (March 31, 2020: INR 6.60 million) towards contribution to a political party in terms of Section 182 of the Companies Act, 2013.

Payment to Auditors

Particulars	March 31, 2021	March 31, 2020
As auditor:		
Audit fee	1.70	1.70
In other capacity:		
Other services (certification fees)	0.41	-
Total payment to auditors	**2.11**	**1.70**

Details of CSR expenditure

Particulars	March 31, 2021	March 31, 2020
(a) Gross amount required to be spent by the Company during the year	**19.05**	**17.64**
(b) Amount spent during the year:		
(i) Promoting education to children including primary, secondary and university education, building schools, colleges and training institutions including provision for full time residential institutions and full student sponsorship, promoting and sponsoring girl education at all levels, women education and self-employment training, other educational projects	13.18	30.03
(ii) Local community health check camps, building hospitals, clinics, diagnostic centres and associated infrastructure, blood donation camps and other specific ailment camps.	19.66	11.50
(v) Protection of national heritage	2.50	1.50
(vi) Programmes in connection with rural development	0.50	2.50
(vii) Promotion of sports, culture and research activities	-	5.72
Total amount spent	**35.84**	**51.25**

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

31. EARNINGS PER SHARE (EPS)

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Particulars	March 31, 2021	March 31, 2020
Profit attributable to equity holders of the Company :		
Continuing operations	570.93	863.28
Profit attributable to equity holders of the Company for basic earnings	**570.93**	**863.28**
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**570.93**	**863.28**
Weighted average number of equity shares for basic EPS (Numbers)	14,70,67,507	14,66,36,099
Effect of dilution:		
Stock options (Numbers)	6,78,604	23,32,925
Weighted average number of equity shares adjusted for the effect of dilution	**14,77,46,111**	**14,89,69,024**
Nominal value of equity shares (INR)	5.00	5.00
Earnings per share		
- Basic (INR)	3.88	5.89
- Diluted (INR)	3.86	5.79

32. DISTRIBUTIONS MADE AND PROPOSED

Particulars	March 31, 2021	March 31, 2020
Cash dividends on equity shares declared and paid:		
Final dividend @ INR Nil per share (March 31, 2019: INR 3.50 per share)	-	256.61
Dividend distribution tax on proposed dividend *	-	20.83
Interim dividend @ INR Nil per share (March 31, 2020: INR 2.00 per share)	-	293.28
Dividend distribution tax on Interim dividend *	-	31.49
Proposed dividends on equity shares:		
Final dividend @ INR Nil per share (March 31, 2020: INR Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-

* Net of tax credit of INR Nil and INR 60.71 million availed on dividend received from subsidiary during the year ended March 31, 2021 and March 31, 2020, respectively.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at the reporting date.

33. COMMITMENTS AND CONTINGENCIES

(a) Capital commitment

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	2.66	0.08

(b) Commitment for purchase of non-controlling interests

Commitment towards SLV Security Services Private Limited ('SLV')

Effective September 01, 2018, the Company has acquired 51% of the outstanding equity shares of SLV Security Services Private Limited for an aggregate consideration of INR 505.00 million. In addition, the share purchase agreement provides for acquisition of 100% of the outstanding equity shares, by August 2020, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula. However, while a purchase consideration based on a specified formula is payable on exercise of such options, the final purchase consideration shall be computed only after the three years of initial acquisition based on the overall remaining 49% shareholding, at the date of initial purchase of the shares by the Company, and any purchase consideration paid after the initial acquisition shall be treated as an advance for this purpose.

Effective February 10, 2020, the Company acquired an additional shareholding of 39.01% in SLV Security Services Private Limited, a subsidiary of the Company, for an aggregate consideration of INR 254 million. With this acquisition, the Company held 90.01% of the outstanding equity shares in SLV as at March 31, 2020.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

33. COMMITMENTS AND CONTINGENCIES (Contd.)

During the year ended March 31, 2021, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

Commitment towards Rare Hospitality and Services Private Limited ('RARE')

Effective November 01, 2018, the Company has acquired 80% of the outstanding equity shares of Rare Hospitality and Services Private Limited for an aggregate consideration of INR 319.66 million. In addition, the share purchase agreement provides for acquisition of 100% of the outstanding equity shares, by July 2020, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula. However, while a purchase consideration based on a specified formula is payable on exercise of such options, the final purchase consideration shall be computed only after the three years of initial acquisition based on the overall remaining 20% shareholding, at the date of initial purchase of the shares by the Company, and any purchase consideration paid after the initial acquisition shall be treated as an advance for this purpose.

During the year ended March 31, 2020, the Company increased its ownership interest to 82.89% consequent to the fresh equity infusion in RARE.

During the year ended March 31, 2021, the Company acquired entire remaining shareholding of 17.11% in Rare Hospitality and Services Private Limited ('RHPL'), a subsidiary of the Company, for an aggregate consideration of INR 56.3 million which resulted in RHPL becoming a wholly owned subsidiary of the Company.

Commitment towards Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited')

Effective February 01, 2019, the Company has acquired 51% of the outstanding equity shares of Uniq Detective and Security Services Private Limited for an aggregate consideration of INR 515.00 million. In addition, the share purchase agreement provides for acquisition of 100% of the outstanding equity shares, by September 2020, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula. However, while a purchase consideration based on a specified formula is payable on exercise of such options, the final purchase consideration shall be computed only after the three years of initial acquisition based on the overall remaining 49% shareholding, at the date of initial purchase of the shares by the Company, and any purchase consideration paid after the initial acquisition shall be treated as an advance for this purpose.

Commitment towards Dusters Total Solutions Services Private Limited

Effective August 19, 2016, the Company acquired 78.72% of the outstanding equity shares of Dusters Total Solutions Services Private Limited for an aggregate consideration of INR 1,169.03 million. In addition, the share purchase agreement (SPA), executed on August 06, 2016 provides for acquisition of 100% of the outstanding equity shares, by August 2019, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula. The Company has increased it's shareholding upto 100% during the year ended March 31, 2020, hence no further commitment towards the transaction.

(c) Contingent liabilities

Particulars	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debt:		
- Litigation matters with respect to direct taxes	-	-
- Litigation matters with respect indirect taxes	102.29	69.80
Other money for which the Company is contingently liable	2.55	2.55
Total	**104.84**	**72.35**

The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2021.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

33. COMMITMENTS AND CONTINGENCIES (Contd.)

Disputed claims against the Company, including claims raised by the tax authorities and which are pending in appeal /court and for which no reliable estimate can be made of the amount of the obligation, are not provided for in the accounts. However, the present obligation, if any, as a result of past events with a possibility of outflow of resources, when reliably estimable, is recognized in the accounts as an expense as and when such obligation crystallises.

34. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no significant events that occurred after the Balance Sheet date except as disclosed in note 15.

35. OPERATING SEGMENT

Particulars	March 31, 2021	March 31, 2020
Revenue from security services	30,040.79	29,958.81
EBIDTA from security services	1,710.00	1,911.69

The Company is required to disclose segment information based on the 'management approach' as defined in Ind AS 108-Operating Segments, which in how the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on the analysis of the various performance indicators. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of rendering security services in India. Accordingly, the Company is a single CGU, hence single segment Company. The information as required under Ind AS 108 is available directly from the financial statements, hence no separate disclosures have been made.

36. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

Acquisitions during the year ended March 31, 2021

a. Acquisition of additional interest in SLV Security Services Pvt. Ltd (SLV)

During the year ended March 31, 2021, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

b. Acquisition of Rare Hospitality and Services Pvt. Ltd (Rare)

Effective March 04, 2021, the Company acquired entire remaining shareholding of 17.11% in Rare Hospitality and Services Private Limited ('RHPL'), a subsidiary of the Company, for an aggregate consideration of INR 56.3 million which resulted in RHPL becoming a wholly owned subsidiary of the Company.

Acquisitions during the year ended March 31, 2020

a. Acquisition of additional interest in SLV Security Services Pvt. Ltd (SLV)

On February 10, 2020, the Company acquired an additional 39.01% of the outstanding equity shares of SLV Security Services Private Limited, increasing its ownership interest to 90.01%. An interim cash consideration of INR 254.00 million was paid to the non-controlling shareholders in terms of the agreement entered into at the time of initial acquisition of controlling interest in that company.

b. Acquisition of additional interest SIS Alarm Monitoring and Response Services Private Limited (Alarms)

Effective May 1, 2019, the Company acquired an additional 50% of the voting rights and shares, in addition to the 50% already held, directly and indirectly, in SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited) ("Alarms") for an aggregate consideration of INR 200 million. Alarms was formerly a jointly controlled entity and, as a result, has now become an indirect wholly owned subsidiary of the Company.

c. Acquisition of remaining shareholding in Dusters Total Solutions Services Pvt. Ltd

Effective July 30, 2019, the Company acquired all of the remaining shareholding of 6.94% in Dusters Total Solutions Services Private Limited ("DTSS"), a subsidiary of the Company, for an aggregate consideration of INR 525.95 million which resulted in DTSS becoming a wholly owned subsidiary of the Company.

Notes to the Financial Statements Contd.

All amounts in ₹ million except per share data

37. INTERESTS IN OTHER ENTITIES

Information about subsidiaries

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1	Service Master Clean Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
2	Tech SIS Limited	India	Trading and installation of electronic security devices and systems	100.00%	100.00%	0.00%	0.00%
3	Terminix SIS India Private Limited	India	Pest Control Management Services	50.01%	50.01%	49.99%	49.99%
4	Dusters Total Solutions Services Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
5	SIS Business Support Services and Solutions Private Limited	India	Rendering business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6	SISCO Security Services Private Limited	India	Rendering security and related services in areas of manned guarding	100.00%	100.00%	0.00%	0.00%
7	SLV Security Services Private Limited	India	Providing manned guarding, facilities management and business process outsourcing.	$	90.01%	$	9.99%
8	Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	82.89%	0.00%	17.11%
9	Uniq Security Solutions Services Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	India	Providing Security Services.	51.00%	51.00%	49.00%	49.00%
10	Uniq Detective and Security Services (AP) Private Limited *	India	Providing Security Services.	51.00%	51.00%	49.00%	49.00%
11	Uniq Detective and Security Services (Tamilnadu) Private Limited *	India	Providing Security Services.	51.00%	51.00%	49.00%	49.00%
12	Uniq Facility Services Private Limited *	India	Providing facility management services.	51.00%	51.00%	49.00%	49.00%
13	SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited) #	India	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
14	ADIS Enterprises Private Limited	India	Providing facility management services	100.00%	51.00%	0.00%	0.00%
15	ONE SIS Solutions Private Limited	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	100.00%	0.00%	0.00%
16	SIS International Holdings Limited	British Virgin Islands	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
17	SIS Asia Pacific Holdings Limited	Malta	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
18	SIS Australia Holdings Pty Ltd	Australia	Holding company for Australia	100.00%	100.00%	0.00%	0.00%
19	SIS Australia Group Pty Ltd **	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
20	SIS Group International Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
21	MSS Strategic Medical and Rescue Pty Ltd	Australia	Provision of paramedic and emergency response services	100.00%	100.00%	0.00%	0.00%
22	SIS MSS Security Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%

Notes to the Financial Statements Contd.

All amounts in ₹ million except per share data

37. INTERESTS IN OTHER ENTITIES (Contd.)

Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
23 MSS Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
24 Australian Security Connections Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
25 MSS AJG Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
26 SX Protective Holdings Pty Ltd (Formally known as Andwills Pty. Limited) ***	Australia	Holding company	100.00%	42.36%	0.00%	57.64%
27 SX Protective Services Pty. Ltd.	Australia	Holding company	100.00%	45.56%	0.00%	54.44%
28 Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
29 Southern Cross FLM Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
30 Southern Cross Loss Prevention Pty Ltd ****	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
31 Cage Security Alarms Pty. Limited ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
32 Cage Security Guard Services Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
33 Eymet Security Consultants Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
34 Askara Pty Ltd ****	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
35 Charter Customer Services Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
36 Charter Security Protective Services Pty Ltd ****	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
37 Charter Security (NZ) Pty Limited ****	New Zealand	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
38 Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	51.00%	51.00%	49.00%	49.00%
39 Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	51.00%	51.00%	49.00%	49.00%
40 The Alarm Center Limited	New Zealand	Alarm Monitoring and Response Services	51.00%	51.00%	49.00%	49.00%
41 SIS Henderson Holdings Pte Ltd	Singapore	Holding company	60.00%	60.00%	40.00%	40.00%
42 Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	60.00%	60.00%	40.00%	40.00%
43 Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	60.00%	60.00%	40.00%	40.00%

* Wholly owned subsidiaries of Uniq Security Solutions Services Private Limited (formerly known as Uniq Detective and Security Services Private Limited)
**41% ownership interest is held through SIS Group International Holdings Pty Ltd, Australia, a step-down subsidiary of the Company.
*** Apart from Ordinary shares, SIS Australia Group Pty Ltd., also holds D class shares in SX Protective Holdings Pty Ltd (formerly known as Andwills Pty Limited) effectively giving it 100% (March 31, 2020: 51.01%) voting power in that company and in Southern Cross Protection Pty limited and its subsidiaries.
**** Wholly owned subsidiaries of Southern Cross Protection Pty limited.
# During the year ended March 31, 2020, SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited) has become subsidiary of the Company (refer note 36)
Entities have been deregistered during the year ended March 31, 2021.
$ During the year ended March 31, 2021, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

37. INTERESTS IN OTHER ENTITIES (Contd.)

Associates

The Associates considered in the preparation of the financial statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2021	March 31, 2020
1	SIS Cash Services Private Limited	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
2	SIS Prosegur Holdings Private Limited *	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
3	SIS Prosegur Cash Logistics Private Limited **	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%

* Wholly owned subsidiary of SIS Cash Services Private Limited

** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited

Joint ventures in which the Company is a joint venturer

The joint ventures considered in the preparation of the financial statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2021	March 31, 2020
1	Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

38. RELATED PARTY TRANSACTIONS

Note 37 above provides the information about the Company's structure.

Name of related parties

Key Management Personnel and their relatives	Associates/Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company
Mr. Ravindra Kishore Sinha (Chairman)	SIS Cash Services Private Limited	Saksham Bharat Skills Limited
Mr. Uday Singh (Non-executive director)	SIS Prosegur Holdings Private Limited	Security Skills Council India Limited
Mr. Rituraj Kishore Sinha (Managing director)	SIS Prosegur Cash Logistics Private Limited	SIS Group Enterprises Limited
Mr. Arvind Kumar Prasad (Director - Finance)	Habitat Security Pty Ltd (Joint venture)	Mritunjay Educational Foundation Limited
Mrs. Rita Kishore Sinha – Non-executive director		Rituraj Resorts Limited
Mr. Arun Batra - Independent director (resigned w.e.f. October 24, 2019)		Mahamanav Mritunjay Institute of Yoga & Alternative Medicine Limited
Mr. Amrendra Prasad Verma – Independent director		Sunrays Overseas Private Limited
Mr. T C A Ranganathan – Independent director		Vardan Overseas Private Limited
Mr. Devdas Apte – Independent director		SIS Asset Management Limited
Mr. Rajan Krishnanath Medhekar – Independent director		Superb Intelligence Services Private Limited
Ms. Renu Mattoo – Independent director		Lotus Learning Private Limited
Mr. Sunil Srivastav - Independent director		
Mr. Devesh Desai (Chief financial officer)		
Mr. Brajesh Kumar (Chief financial officer – Security Solutions and Facility Management)		
Ms. Pushpalatha Katkuri (Company secretary)		

Notes to the Financial Statements Contd.

All amounts in ₹ million except per share data

38. RELATED PARTY TRANSACTIONS (Contd.)

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	Subsidiaries		Associates		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company		Total	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
Purchase of property, plant and equipment	**31.45**	22.21	**-**	-	**-**	-	**-**	-	**31.45**	22.21
Purchase of goods / receiving of services / expenses reimbursed by the Company	**112.92**	105.10	**1.48**	0.34	**-**	-	**65.85**	317.69	**180.25**	423.13
Sale of goods / rendering of services / expenses reimbursed by related party	**153.03**	119.20	**12.50**	12.21	**-**	-	**75.62**	100.01	**241.15**	231.42
Investments made	**-**	69.00	**-**	75.00	**-**	-	**-**	-	**-**	144.00
Loans given	**-**	132.00	**-**	-	**-**	-	**-**	-	**-**	132.00
Repayment of loans given *	**142.36**	30.00	**-**	-	**-**	-	**-**	-	**142.36**	30.00
Interest expense on bonds / debentures / loans	**60.00**	60.00	**-**	-	**-**	-	**-**	-	**60.00**	60.00
Interest income on bonds or debentures or loans	**55.80**	64.21	**19.25**	12.55	**-**	-	**0.84**	7.08	**75.89**	83.84
Dividend income	**4.83**	308.23	**-**	-	**-**	-	**-**	-	**4.83**	308.23
Salary & remuneration paid **	**-**	-	**-**	-	**65.58**	61.98	**-**	-	**65.58**	61.98
Rent paid	**-**	-	**-**	-	**16.56**	16.57	**70.76**	66.04	**87.32**	82.61
Uniform business acquired under slump sale	**-**	-	**-**	-	**-**		**4.78**	-	**4.78**	-

* During the year ended March 31, 2020, out of convertible loan of INR 100.00 million given to RARE, INR 70.00 million has been converted into equity investments and INR 30.00 million has been return back. Further to this, the Company has also converted loan given to Tech SIS Limited into equity investment of INR 75.00 million (March 31, 2020: 25.00 million) during the year ended March 31, 2021.
** Post-employment benefits are actuarially determined for the Company as a whole and hence not separately provided

Notes to the Financial Statements Contd.

All amounts in ₹ million except per share data

38. RELATED PARTY TRANSACTIONS (Contd.)

Balances outstanding at end of the year

Particulars	Subsidiaries		Associates		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company		Total	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
Trade payables / other payables	**51.51**	47.41	**-**	-	**-**	-	**19.68**	81.08	**71.19**	128.49
Trade receivables / other receivables	**270.93**	182.49	**110.89**	103.39	**-**	-	**87.53**	82.12	**469.35**	368.00
Loans and advances to related party	**234.59**	451.96	**-**	-	**-**	-	**-**	-	**234.59**	451.96
Bonds and debentures	**747.01**	746.47	**-**	-	**-**	-	**-**	-	**747.01**	746.47
Investment in shares	**4,819.27**	4,559.63	**77.89**	77.89	**-**	-	**-**	-	**4,897.16**	4,637.52
Investment in bonds / debentures	**171.02**	168.69	**175.00**	175.00	**-**	-	**-**	-	**346.02**	343.69
Financial guarantee provided	**6.21**	5.33	**-**	-	**-**	-	**-**	-	**6.21**	5.33

Terms and conditions of transactions with related parties

Transactions relating to dividends paid, subscription for new equity shares were on the same terms and conditions that applied to other shareholders.

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to market rate, where specified, in terms of the transactions, and settlement occurs in cash. For the year ended March 31, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

39. FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support the financing of the operations of its subsidiaries, joint ventures and associates. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations, loans, security and other deposits.

The Company's operations expose it to market risk, credit risk and liquidity risk. The Company's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, loans and deposits given, FVTOCI investments and derivative financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates which arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency revenue and cash flows. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company has limited foreign currency transactions and has limited exposure to foreign currency assets and liabilities resulting in the foreign currency risk being low.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in recent years and may continue to do so in the future. Consequently, the results of the Company's operations may be affected as the Indian Rupee appreciates/ depreciates against these currencies.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	March 31, 2021	March 31, 2020
Foreign Currency Risk in INR	AUD	AUD
Financial liabilities	51.51	47.40
Net exposure to foreign currency risk	**51.51**	**47.40**

Sensitivity

The sensitivity of profit or loss to change in the exchange rates arises mainly from foreign exchange denominated financial instruments are as follows:

Particulars	Impact on profit after tax	
	March 31, 2021	March 31, 2020
Sensitivity		
INR/AUD-Increase by 5%	2.58	2.37
INR/AUD-Decrease by 5%	(2.58)	(2.37)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

39. FINANCIAL RISK MANAGEMENT (Contd.)

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings:		
- Loan repayble on demand	2,990.00	3,706.26
- Loans	266.75	412.68
Fixed rate borrowings		
- Bonds/ Debentures	3,397.43	1,495.12
- Vehicle loan	113.99	183.63
- Others	747.01	746.47
Total	**7,515.18**	**6,544.16**

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind-AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	March 31, 2021	March 31, 2020
Interest rates - increase by 25 basis points *	8.14	10.30
Interest rates - decrease by 25 basis points *	(8.14)	(10.30)

*Holding all other variables constant

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue. These are unsecured and are managed by the Company through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. No single customer accounted for more than 10% of the accounts receivable as of March 31, 2021 and March 31, 2020, respectively and revenues for the year ended March 31, 2021 and March 31, 2020, respectively. There is no significant concentration of credit risk. The Company uses the expected credit loss ('ECL') method to assess the loss allowance for Trade receivables and Unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The company does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures, if any.

The credit risk for financial assets other than bank balances and trade receivables are considered low.

Significant estimates and judgements

Impairment of financial assets

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions. The company estimates loss arising on trade receivables as a percentage of sales based on past trends and such loss is directly debited to revenue instead of creating a provision for impairment of receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Surplus funds are invested in bank fixed deposits or used to temporarily reduce the balance of cash credit accounts to optimize interest costs.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, shareholder equity, and finance leases.

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

39. FINANCIAL RISK MANAGEMENT (Contd.)

The below table summarises the Company's long-term debt that will mature in less than one year based on the carrying value of borrowings reflected in the financial statements.

Particulars	March 31, 2021	March 31, 2020
Company's long-term debt	4,525.18	2,837.90
Company's long-term debt that will mature in less than one year from reporting period	1,665.84	227.86
	36.81%	**8.03%**

The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and significant portion of short-term debt maturing within 12 months can be rolled over with existing lenders. The Company believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2021

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	2,990.00	1,549.48	116.31	2,866.39	-	7,522.18
Lease liability	-	28.73	86.18	396.96	171.07	682.94
Other financial liabilities	-	2,129.84	-	-	-	2,129.84
Trade payables	-	80.36	-	-	-	80.36
Financial guarantee contracts	-	0.58	1.73	3.90	-	6.21

Year ended March 31, 2020

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	3,706.26	61.93	164.09	2,624.54	-	6,556.82
Lease liability	-	29.82	89.46	375.52	250.27	745.07
Other financial liabilities	-	1,877.27	-	-	-	1,877.27
Trade payables	-	129.51	-	-	-	129.51
Financial guarantee contracts	-	0.21	0.62	4.50	-	5.33

As a matter of policy, the Company does not carry out any hedging activities.

There have been no default in servicing borrowings and/ or breaches in loan covenants.

The entity has the following financial assets which are subject to the impairment requirements of Ind AS 109. On assessment of the future cash flows arising from these assets, the Company believes that there is no provision required to be made for impairment losses on these assets.

Particulars	March 31, 2021	March 31, 2020
Financial Assets:		
Investments	346.03	343.68
Trade receivables	4,455.15	4,649.03
Loans	234.60	451.96
Other financial assets	2,461.12	2,540.04
Total	**7,496.90**	**7,984.71**

40. ADDITIONAL CAPITAL DISCLOSURES

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholder value and support its strategies and operating requirements. The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with a focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements

Notes to the Financial Statements Contd.

All amounts in ₹ million except share data

40. ADDITIONAL CAPITAL DISCLOSURES (Contd.)

for the Company's operations are generally met through operating cash flows generated and supplemented by long-term and working capital borrowings from banks.

The Company's objectives when managing capital are to:

a) safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) Maintain an optimal capital structure to optimise the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants to which it is subject. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a ratio, which is Net Debt divided by EBITDA. The Company defines Net Debt as borrowings less cash and cash equivalents including bank balances and deposits irrespective of their duration / maturity.

Particulars	March 31, 2021	March 31, 2020
Borrowings (Note 15)	5,849.34	6,316.30
Current portion of long term debt (Note 15)	1,665.84	227.86
Lease liability	453.47	473.78
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(4,052.97)	(1,005.27)
Net Debt	**3,915.68**	**6,012.67**
EBITDA	**1,710.00**	**1,911.69**
Net debt to EBIDTA ratio	**2.29**	**3.15**

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it simultaneously meets financial covenants attached to its borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

Dividends

The Company declares and pays dividends in Indian Rupees. According to the Companies Act, 2013 any dividend should be declared only out of accumulated distributable profits. A company may, before the declaration of any dividend, transfer a percentage of its profits for that financial year, as it may consider appropriate, to the reserves.

The Board, at its meeting dated April 28, 2021, has not proposed final dividend for the year ended March 31, 2021 (March 31, 2020: INR Nil per share).

The Board of Directors at its meeting held on September 21, 2016 had approved the issue of bonus shares in the proportion of 10:1, i.e. 10 (ten) equity shares of INR 10 each for every 1 (one) fully paid-up equity share held as on September 15, 2016 pursuant to resolution passed by the shareholders on July 27, 2016. The Company has not issued any bonus shares out of capitalisation of its revaluation reserves or unrealised profits.

As per our report on even date

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

For and on behalf of the Board

CA. Dilip Kumar
(Partner)
Membership No. 082118

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: Noida
Date: April 28, 2021

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Independent Auditors' Report

To the Members of
SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** (the "Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), its associates and its joint ventures, which comprise the Consolidated Balance Sheet as at March 31, 2021, Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year ended on that date, and notes to the financial statements including, a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, its consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated 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 Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Audit of Impairment Testing of Goodwill & Other Acquisition related intangible Assets Goodwill and other acquisition related intangible assets, including customer relationships, customer contracts comprise a significant portion in the consolidated balance sheet as on March 31, 2021 corre¬sponding to the percentage (approx. 61%) of the total non-current assets. These items are sub¬ject to management's assessments and assumptions, and with regards to the significance and complexity in the assessment of the value of this balance sheet item, we have considered this as a key audit matter. The Group annually performs a test to assess the value of goodwill and if there is any need for impairment (where the carrying value of the assets exceeds it's recoverable value). The Group has an established process to test for such impairment, based on the identified cash generating units (CGU), as described in note 5. This process implies that the Group prepare the impairment testing model based on business plans and financial plans covering five years. The cash flows beyond the period of five years are extrapolated based using the estimated growth rates. The process therefore contains assumptions that have a significant impact on the impairment testing. This includes assumptions on sales growth, margin development and discount rate (WACC). These parameters are as such affected by unexpected future market or economic conditions, particularly those relating to the cash flow forecast and the applied discount rate.	**How our audit addressed the Key audit matter** When testing for impairment of goodwill and other acquisition-related intangible assets, in order to ensure primarily the valuation and accuracy, we have performed audit procedures including, evaluation of the assumptions as disclosed in note 5 as well as that the model used are in accordance with Ind AS. We have tested and evaluated the models and methodology used in impairment testing. On a sample basis we have tried, verified, evaluated and challenged the data used in the calculation versus the Group's long-term plans and where possible external information. We have focused on assessed growth rates, margin developments and discount rate applied per cash generating unit. We also followed-up the accuracy and inherent quality of the Group's process to prepare business plans and financial plans based on the historic outcome. Control of the sensitivity in the valuation for negative changes to key assumptions, that either individually or collectively could imply an impairment of goodwill. Assessment that the accounting and disclosures provided in the financial statements are correct based on the impairment test performed, particularly for information on the sensitivity in the valuations as disclosed in Note 5 Comparison of the disclosures in the annual report to the requirement of Ind AS and found them to be consistent in all material aspects. Based on our audit, it is however our conclusion that Group's assumptions are such that they are within acceptable intervals.

Key Audit Matter	Auditor's Response
The value according to the test corresponds to the value of discounted cash flow for identified cash generating units. Even if a unit passes the impairment test, a future negative development compared to the assumptions and assessments that constituted the basis for the test can imply that there is a need for an impairment write-down. The risk for impairment is larger for the entities acquired in previous years, and that currently perform worse in comparison with the approved business plan. Other acquisition related intangible assets are subject to depreciations/amortisation according to plan. For these assets, an impairment test is performed if there is any indicator for the same.	
Accuracy of recognition, measurement, presentation & disclosures of revenue Auditing standards require us to make a rebuttable presumption that the fraud risk from revenue is a significant risk. A significant proportion of the Group's revenue is derived from contracts with customer and consist of rendering of services. Revenue is measured at the fair value of consideration received or receivable. Revenue is recognized when the control is transferred to the customer and when the Group has completed its performance obligations under the contracts. Revenue is recognized in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services. Further, the contractual terms underpin the measurement and recognition of revenue and profit and the Group is therefore required to make operational and financial assumptions. **Judgements include:** • Interpretation of complex contract terms; • Allocation of revenue to performance conditions; and • Combining of obligations where the services are related. The nature of the Group's activities also gives rise to significant amount of variable work which is recorded as accrued unbilled income with corresponding profit recognition. Accrued unbilled income as on March 31, 2021 aggregated to ₹ 4,079.90 million.	**How our audit addressed the Key audit matter** Our audit is based on the evaluation of internal control environment and on the other analytical procedures, including system-based analysis of certain Balance sheet and statement of profit and loss items in case of the Parent and have relied upon the audit report of other companies in case of other subsidiaries, associates & joint ventures. We have tested the operating effectiveness of the key controls over the contract process including contract monitoring, billings and approvals and IT controls over certain systems used to generate the information. The basis for the evaluation of internal control has been Group's internal control framework for financial reporting. The testing of controls and amounts has been performed on a sample basis. We have also completed the following audit procedures: • Obtained a sample of contracts to confirm that revenue had been appropriately recognized and for a sample of fixed revenue contracts recalculated the expected revenue for the year; • Tested a sample of accrued unbilled income balance with supporting documentation which includes attendance record, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied. Based on our audit, no significant observations have been noted which have resulted in reporting to the audit committee. Our overall conclusion is that there are, in all material respects, proper processes in place to recognize the correct billed as well as unbilled revenue in the financial statement.
Uncertain tax positions and deferred tax assets The Group operates in a complex multinational tax environment and is subject to a range of tax risks during the normal course of business including transaction related tax matters and transfer pricing arrangements. Where the amount of tax payable is uncertain, the Group establishes provisions based on management's judgment of the probable amount of the future liability. The Group has material certain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes. In addition, the Group has recognized ₹ 2,406.74 million of deferred tax assets at March 31, 2021. The recognition of deferred tax assets involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support utilization of these assets.	**How our audit addressed the Key audit matter** Obtained details of completed tax assessments and demands for the year ended March 31, 2021 from management. We have checked the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. Additionally, we considered the effect of additional information in respect of uncertain tax positions as at April 1, 2019 to evaluate whether any change was required to management's position on these uncertainties in case of the Parent and have relied upon the audit report of other companies in case of other subsidiaries, associates & joint ventures.. In respect of creation of deferred tax assets, we have evaluated management's assessment of certain tax benefits under the Income Tax Act, 1961, which constitute a significant part of deferred tax assets. In respect of the recoverability of deferred tax assets, we evaluated management's assessment of how these assets will be realized and whether there will be sufficient taxable profits in future periods to support their recognition. We evaluated the Group's future profitability forecast and the process by which they were prepared. Based on our procedures, future profitability forecasts supported the recoverability of the deferred tax assets recognized.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Parent's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements and our auditor's report thereon

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our 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.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Parent's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs, consolidated profits, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its Associates and Joint Ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its Associates and Joint Ventures are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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, which have been used for the purpose of preparation of the consolidated financial statements by the management of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and of its Associates and Joint Ventures are responsible for assessing the ability of the Group and of its Associates and Joint Ventures 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 Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its Associates and Joint Ventures are also responsible for overseeing the financial reporting process of the Group and of its Associates and Joint Ventures.

AUDITOR'S RESPONSIBILITY

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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 ability of the Group and its Associates and Joint Ventures 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 consolidated 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 auditor's report. However, future events or conditions may cause the Group and its Associates and Joint Ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the

disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are independent auditor. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

1. We did not audit the financial statements/ financial information of 33 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 27,626.37 Mn as at March 31, 2021, total revenues of ₹ 55,059.66 Mn, total net profit after tax of ₹ 2,445.93 Mn and total comprehensive income of ₹ 2,488.91 Mn and net cash inflow of ₹ 1,897.35 million, for the year ended on that date, as considered in the Consolidated Results included in the Statements. The Consolidated Results also include the Group's share of net profit of ₹ 5.46 Mn for the year ended March 31, 2021, as considered in the consolidated Ind AS financial statements, in respect of 3 associates and 1 jointly controlled entities, whose financial statements have not been audited by us.
2. The financial statements of 3 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 3,426.73 Mn as at March 31, 2021, total revenues of ₹ 2,642.89 Mn, total net profit after tax of ₹ 774.99 Mn and total comprehensive income of ₹ 510.15 Mn for the period ended on that date, as considered in the Consolidated Results included in the Statements, have not been audited and have been prepared by the subsidiary's management and furnished to us by the Management.
3. The financial statements of 33 subsidiaries, 3 associates and 1 jointly controlled entities have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
4. Our opinion on the Consolidated Results, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and associates, and our report, in so far as it relates to the aforesaid subsidiaries, jointly controlled entities and associates, is based solely on the reports of the other auditors.
5. The comparative financial information for the year ended March 31, 2020, in respect of 41 subsidiaries and 4 associates/ jointly controlled entities, included in the Consolidated Results and included in the Statements, prepared in accordance with Ind AS have been audited by other auditors and have been relied upon by us.
6. Certain of these subsidiaries and associates/ jointly controlled entities are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries and associates/ jointly controlled entities from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates/ jointly controlled entities is based on the report of other auditors and the conversion adjustments prepared by the Parent's management and audited by us.

Our opinion on the Consolidated Ind AS Financial Statements, and our audit on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on work done and the reports of other auditors.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by section 143 (3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including (including Other Comprehensive Income), Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act, read relevant rules issued there under.

   e) On the basis of the written representations received from the directors of the parent as on March 31, 2021 taken on record by the Board of Directors of the parent and the reports of statutory auditors of its subsidiary companies, associate companies and joint ventures incorporated in India, none of the directors of the Group companies, its associate companies and jointly controlled entities incorporated in India is disqualified as on March 31, 2021 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 over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A" which is based on the auditor's reports of the Company and its subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i. The consolidated financial statements disclose impact of pending litigations on the consolidated financial position of the Group, its associates and joint ventures.

      ii. The Group did not have any long-term contracts including derivatives for which there were any material foreseeable losses.

      iii. There were not any amounts to be transferred by the Parent and its subsidiary companies, associate companies and joint ventures incorporated in India to the Investor Education and Protection Fund.

For **Saxena & Saxena**
Chartered Accountants
(Firm's Registration. No. 006103N)

CA Dilip Kumar
(Partner)
Membership No. 082118
UDIN: 21082118AAAALL1772

Place: New Delhi
Date: April 28, 2021

Annexure "A" to the Independent Auditors' Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** as of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

OPINION

We have audited the internal financial controls over financial reporting of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** (hereinafter referred to as "Company") and its subsidiary companies, which are incorporated in India as of March 31, 2021, in conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended on that date.

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the respective companies 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.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Board of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 ICAI"). 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 the respective Group'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 Act.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 internal financial controls system over financial reporting of the Company and its subsidiary companies, which are companies incorporated in India.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Group's internal financial control over financial reporting 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 Group's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Group;
- 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 Group are being made only in accordance with authorizations of management and directors of the Company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Group's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **Saxena & Saxena**
Chartered Accountants
(Firm's Registration. No. 006103N)

CA Dilip Kumar
(Partner)
Membership No. 082118
UDIN: 21082118AAAALL1772

Place: New Delhi
Date: April 28, 2021

Consolidated Balance Sheet

as at March 31, 2021

All amounts in ₹ million except per share data

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
A	**ASSETS**			
	Non – current assets			
	Property, plant and equipment	4	2,564.11	2,662.12
	Capital work-in-progress	4	50.37	16.59
	Goodwill	5	11,413.21	12,322.66
	Other intangible assets	5	1,621.73	1,610.12
	Intangible assets under development	5	118.05	111.82
	Investments in associates and joint ventures	6	383.23	380.03
	Financial assets			
	(i) Investments	6	549.82	549.82
	(ii) Other non-current financial assets	7	560.97	560.35
	Deferred tax assets (net)	8	2,406.74	2,450.27
	Income tax assets (net)	8	1,586.68	1,923.98
	Other non – current assets	9	10.55	14.70
	Total non – current assets		**21,265.46**	**22,602.46**
	Current assets			
	Inventories	10	308.93	338.59
	Financial assets			
	(i) Investments	6	2.38	1.18
	(ii) Trade receivables	11	12,430.13	11,749.68
	(iii) Cash and cash equivalents	12	8,542.76	4,171.26
	(iv) Bank balances other than (iii) above	12	2,337.61	1,965.99
	(v) Other current financial assets	7	4,330.66	4,633.85
	Other current assets	9	1,178.08	1,056.00
	Assets classified as held for distribution to shareholders of subsidiary	36	2.22	2.22
	Total current assets		**29,132.77**	**23,918.77**
	Total assets		**50,398.23**	**46,521.23**
B	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	13	741.51	733.19
	Other equity	14	17,566.12	13,151.00
	Equity attributable to owners		**18,307.63**	**13,884.19**
	Non-controlling Interests	38	20.73	3.02
	Total equity		**18,328.36**	**13,887.21**
	Liabilities			
	Non – current liabilities			
	Financial liabilities			
	(i) Borrowings	15	7,420.78	6,298.66
	(ii) Other non-current financial liabilities	17	914.21	5,502.84
	Provisions	19	1,413.85	1,176.09
	Deferred tax liabilities (net)	8	475.07	518.61
	Total non- current liabilities		**10,223.91**	**13,496.20**
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	15	4,224.76	5,422.90
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises	16	20.11	15.63
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	641.36	522.42
	(iii) Other current financial liabilities	17	11,198.56	8,667.18
	Other current liabilities	20	1,563.22	1,622.18
	Provisions	19	3,689.43	2,577.74
	Current tax liabilities (net)	8	505.70	306.95
	Liabilities classified as held for distribution to shareholders of subsidiary	36	2.82	2.82
	Total current liabilities		**21,845.96**	**19,137.82**
	Total liabilities		**32,069.87**	**32,634.02**
	Total equity and liabilities		**50,398.23**	**46,521.23**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report on even date

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

CA. Dilip Kumar
(Partner)
Membership No. 082118

Place: Noida
Date: April 28, 2021

For and on behalf of the Board

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2021

All amounts in ₹ million except per share data

	Particulars	Note No.	Year ended March 31, 2021	Year ended March 31, 2020
1	**INCOME**			
	a) Revenue from operations	22	91,273.04	84,851.66
	b) Other income	23	1,198.60	156.11
	c) Other gain/(loss)	24	3,579.34	375.34
	Total Income (a+ b +c)		**96,050.98**	**85,383.11**
2	**EXPENSES**			
	a) Cost of materials consumed	25	314.56	256.18
	b) Purchases of stock-in-trade		456.32	618.21
	c) Changes in inventories of stock - in- trade	26	29.66	(42.07)
	d) Employee benefits expense	27	70,564.79	68,963.02
	e) Finance costs	28	1,272.50	1,517.23
	f) Depreciation and amortization expenses	29	1,130.30	1,283.41
	g) Other expenses	30	14,699.91	9,852.39
	Total expenses (a + b + c + d + e + f + g)		**88,468.04**	**82,448.37**
3	**Profit before tax and exceptional items (1-2)**		**7,582.94**	**2,934.74**
4	Share of profit/(loss) of associates / joint ventures		5.46	(44.03)
5	Exceptional items	5	2,762.46	-
6	**Profit before tax (3+4-5)**		**4,825.94**	**2,890.71**
7	**Tax expense**			
	a) Current tax	8	1,060.37	809.71
	b) Deferred tax	8	93.47	(173.53)
	Total tax expense		**1,153.84**	**636.18**
8	**Profit for the year (6-7)**		**3,672.10**	**2,254.53**
9	**Other comprehensive income**			
	Items that will be reclassified to profit or loss:			
	a) Foreign exchange gain/loss on monetary items included in net investment in foreign operations		757.43	(180.99)
	b) Income tax relating to these items		-	-
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	27	(2.95)	(4.69)
	b) Income tax relating to these items	8	0.74	0.70
	Other comprehensive income / (loss) for the year (net of taxes)		**755.22**	**(184.98)**
10	**Total comprehensive income for the year (8+9)**		**4,427.32**	**2,069.55**
11	**Profit attributable to:**			
	Owners of the Parent		3,654.10	2,254.61
	Non-controlling interests	38	18.00	(0.08)
			3,672.10	**2,254.53**
12	**Other comprehensive income attributable to:**			
	Owners of the Parent		755.51	(184.89)
	Non-Controlling interests	38	(0.29)	(0.09)
			755.22	**(184.98)**
13	**Total comprehensive income attributable to:**			
	Owners of the Parent		4,409.61	2,069.72
	Non-controlling interests	38	17.71	(0.17)
			4,427.32	**2,069.55**
14	Earnings per share (EPS) (face value ₹ 5 per share)	31		
	(a) Basic (₹)		24.85	15.38
	(b) Diluted (₹)		24.73	15.13
15	Weighted average equity shares used in computing earnings per equity share	31		
	(a) Basic (Nos.)		147,067,507	146,636,099
	(b) Diluted (Nos.)		147,746,111	148,969,024

The accompanying notes form an integral part of these consolidated financial statements.

As per our report on even date

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

For and on behalf of the Board

CA. Dilip Kumar
(Partner)
Membership No. 082118

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: Noida
Date: April 28, 2021

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

All amounts in ₹ million except per share data

A. EQUITY SHARE CAPITAL

Particulars	Amounts
As at April 1, 2019	**733.13**
Issued on exercise of stock options	0.06
As at March 31, 2020	**733.19**
Issued on exercise of stock options	8.32
As at March 31, 2021	**741.51**

B OTHER EQUITY

Year ended March 31, 2020

Particulars	Reserves and Surplus						Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners	Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debenture redemption reserve	Capital reserve					
As at April 1, 2019	**3,509.99**	**188.80**	**7,731.05**	**215.80**	**125.00**	**181.24**	**(186.08)**	**-**	**11,765.80**	**3.45**	**11,769.25**
Profit for the year	-	-	2,254.53	-	-	-	-	-	2,254.53	(0.08)	2,254.45
Other comprehensive income	-	-	(3.99)	-	-	-	(180.99)	-	(184.98)	(0.09)	(185.07)
Total comprehensive income for the year	**-**	**-**	**2,250.54**	**-**	**-**	**-**	**(180.99)**	**-**	**2,069.55**	**(0.17)**	**2,069.38**
Impact of change in accounting policies on adoption of new accounting standards	-	-	(88.42)	-	-	-	-	-	(88.42)	(0.26)	(88.68)
Employee share-based payment expense	-	-	-	41.40	-	-	-	-	41.40	-	41.40
Exercise / forfeiture of employee stock options	1.31	3.69	-	(5.00)	-	-	-	-	-	-	-
Issue of bonus shares (refer note 13)	-	(6.50)	-	-	-	-	-	-	(6.50)	-	(6.50)
Final / Interim dividends	-	-	(549.89)	-	-	-	-	-	(549.89)	-	(549.89)
Dividend distribution tax	-	-	(81.11)	-	-	-	-	-	(81.11)	-	(81.11)
Allocation to non-controlling interests	-	-	0.17	-	-	-	-	-	0.17	-	0.17
Transfer to debenture redemption reserve	-	-	(125.00)	-	125.00		-	-	-	-	-
As at March 31, 2020	**3,511.30**	**185.99**	**9,137.34**	**252.20**	**250.00**	**181.24**	**(367.07)**	**-**	**13,151.00**	**3.02**	**13,154.02**

Consolidated Statement of Changes in Equity

for the year ended March 31, 2021

All amounts in ₹ million except per share data

Year ended March 31, 2021

Particulars	Reserves and Surplus						Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners	Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debenture redemption reserve	Capital reserve					
As at April 1, 2020	**3,511.30**	**185.99**	**9,137.34**	**252.20**	**250.00**	**181.24**	**(367.07)**	**-**	**13,151.00**	**3.02**	**13,154.02**
Profit for the year	-	-	3,672.10	-	-	-	-	-	3,672.10	18.00	3,690.10
Other comprehensive income	-	-	(2.21)	-	-	-	757.43	-	755.22	(0.29)	754.93
Total comprehensive income for the year	**-**	**-**	**3,669.89**	**-**	**-**	**-**	**757.43**	**-**	**4,427.32**	**17.71**	**4,445.03**
Share issues expenses incurred by subsidiary entities	-	-	(0.90)	-	-	-	-	-	(0.90)	-	(0.90)
Employee share-based payment expense	-	-	-	6.17	-	-	-	-	6.17	-	6.17
Exercise / forfeiture of employee stock options	180.16	-	-	(180.16)	-	-	-	-	-	-	-
Issue of bonus shares (refer note 13)	-	(0.05)	-	-	-	-	-	-	(0.05)	-	(0.05)
Allocation to non-controlling interests	-	-	(17.71)	-	-	-	-	-	(17.71)	-	(17.71)
Transfer to debenture redemption reserve	-	-	(125.00)	-	125.00	-	-	-	-	-	-
Application money received	-	-	-	-	-	-	-	0.29	0.29	-	0.29
As at March 31, 2021	**3,691.46**	**185.94**	**12,663.62**	**78.21**	**375.00**	**181.24**	**390.36**	**0.29**	**17,566.12**	**20.73**	**17,586.85**

The accompanying notes form an integral part of these consolidated financial statements.

As per our report on even date

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

CA. Dilip Kumar
(Partner)
Membership No. 082118

Place: Noida
Date: April 28, 2021

For and on behalf of the Board

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

All amounts in ₹ million except per share data

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	4,825.94	2,890.71
	Adjusted for:		
	Depreciation and amortization expenses	1,130.30	1,283.41
	Unrealised foreign exchange (gain) / loss	(392.74)	219.11
	Net (gain) / loss on sale of property, plant and equipment	(52.05)	(24.21)
	Finance costs	1,272.50	1,517.23
	Interest income	(4,333.15)	(726.35)
	Provision for doubtful debts	252.90	111.15
	Employee stock option compensation expense	2.42	35.04
	Other non-cash items	2,757.00	82.89
	Operating profit/(loss) before working capital changes	**5,463.12**	**5,388.98**
	Movement in working capital:		
	Decrease / (increase) in trade receivables	(92.99)	(2,533.37)
	Decrease / (increase) in inventories	94.51	(36.14)
	Decrease / (increase) in other current assets	(4.18)	323.13
	Decrease / (increase) in other current financial assets	472.06	110.42
	(Decrease) / increase in trade payables	(1.18)	(209.11)
	(Decrease) / increase in provisions	763.14	364.14
	(Decrease) / increase in other current liabilities	(25.46)	(66.84)
	(Decrease) / increase in other current financial liabilities	346.88	(131.00)
	Decrease / (increase) in other non-current assets	8.78	31.28
	Decrease / (increase) in other non-current financial assets	55.88	54.11
	(Decrease) / increase in other non-current financial liabilities	(80.77)	(6.22)
	Cash (used in) /generated from operations	**6,999.79**	**3,289.38**
	Direct tax (paid), net of refunds	(604.06)	(1,275.58)
	Net cash inflow / (outflow) from operating activities	**6,395.73**	**2,013.80**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property plant and equipment and changes in capital work in progress	(684.76)	(835.37)
	Proceeds from sale/disposal of property, plant and equipment	220.28	60.23
	Investment made	(2,146.49)	(1,444.59)
	Proceeds from sale of investments	-	37.04
	(Investment in) / redemption of fixed deposits	(1,890.03)	171.80
	Restricted balances	1,740.76	(874.37)
	Interest received	1,122.40	126.59
	Dividend received	2.72	-
	Net cash inflow / (outflow) from investing activities	**(1,635.12)**	**(2,758.67)**

Consolidated Statement of Cash Flows

for the year ended March 31, 2021

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	7.65	0.01
	Foreign exchange gain / (loss) realized	(2.15)	-
	Proceeds from term loans	5,284.59	986.42
	Repayment of term loans	(5,475.24)	(483.41)
	Bonds/debentures issued / (repaid/redeemed)	1,900.00	-
	Interest paid	(909.17)	(985.88)
	Dividends paid to Parent's shareholders	-	(550.16)
	Tax on dividends paid	-	(81.11)
	Changes in lease liability	(367.32)	(298.98)
	Net cash inflow / (outflow) from financing activities	**438.36**	**(1,413.11)**
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**5,198.97**	**(2,157.98)**
E.	Cash and cash equivalents at the beginning of the year	(1,251.64)	841.34
F.	Translation adjustments	370.67	21.31
G.	Cash balances added on acquisition	-	43.69
	Cash and cash equivalents at the end of the year (D+E+F+G)	**4,318.00**	**(1,251.64)**

	Reconciliation of cash and cash equivalents as per the statement of the cash flows		
	Cash and cash equivalents as per above comprise of the following:	March 31, 2021	March 31, 2020
	Cash and cash equivalents	8,542.76	4,171.26
	Cash credit	(4,224.76)	(5,422.90)
	Balances as per statement of cash flows	4,318.00	(1,251.64)

The accompanying notes form an integral part of these consolidated financial statements.

As per our report on even date

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

For and on behalf of the Board

CA. Dilip Kumar
(Partner)
Membership No. 082118

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: Noida
Date: April 28, 2021

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

Notes to the Consolidated Financial Statements

All amounts in ₹ million except per share data

1. GROUP OVERVIEW

SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company is listed on the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna, Bihar – 800010, India, and its principal place of business is situated at A-28 & 29, Okhla Industrial Area, Phase I, New Delhi – 110020

The name of the Parent has been changed to 'SIS Limited' from 'Security and Intelligence Services (India) Limited' and a fresh certificate of incorporation in the name of 'SIS Limited' was issued by the Registrar of Companies on January 13, 2021.

SIS Limited ("the Parent") and its subsidiaries, associates and joint ventures ("Group" or "SIS Group") is engaged in rendering security and related services consisting of manned guarding, training, physical security, paramedic and emergency response services; loss prevention, asset protection and mobile patrols; facility management services consisting of cleaning, house-keeping and pest control management services in the areas of facility management; cash logistics services consisting of cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of trading and installation of electronic security devices and systems.

These financial statements are the consolidated financial statements of the Group consisting of SIS Limited and its subsidiaries, associates and joint ventures in accordance with applicable accounting standards. A list of subsidiaries is included in note 37.

These financial statements were authorized for issue by the directors on April 28, 2021.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) and comply in all material respects with the Ind-AS and other applicable provisions of the Companies Act, 2013 ("the Companies Act") and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind-AS are notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements are presented in Indian Rupees (₹) rounded off to nearest millions ('Mn') except per share data, unless stated otherwise. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following material items which have been measured at fair value as required by relevant Ind-AS:

a. Certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;

b. Assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;

c. Share based payments; and

d. The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.

e. Liability in respect of forward contract/ call and put options for acquisition of Non-controlling interests are measured at fair value.

f. Contingent liability and indemnification of asset acquired in a business combination are measured at fair value.

Accounting policies have been applied consistently to all periods presented in these financial statements. Further, previous year figures have been regrouped/re-arranged, wherever necessary.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable or required.

Fair value measurement

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds and debentures and mutual funds that have quoted price. The fair value of all financial instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Notes to the Consolidated Financial Statements Contd.

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Level 2 - Inputs other than quoted prices included within Level 1 t hat are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity / preference securities included in level 3.

In accordance with Ind-AS 113, Fair Value Measurement, assets and liabilities are to be measured based on the following valuation techniques:

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent, its subsidiaries and share of in net assets of associates and joint ventures as at, and for the year then ended. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.
- Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent, i.e., year ended on March 31.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. The policy for accounting for Business combinations explains the accounting for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind-AS 12 on Income Taxes applies to

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temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary,
- Derecognises the carrying amount of any non-controlling interests,
- Derecognises the cumulative translation differences recorded in equity,
- Recognises the fair value of the consideration received,
- Recognises the fair value of any investment retained,
- Recognises any surplus or deficit in profit or loss,
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest
Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Parent's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

2.4 Summary of significant accounting policies

a) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- t is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

b) Property, plant and equipment

Recognition and measurement
An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. Items of property, plant and equipment ('PPE') initially recognized at cost. Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year during which such expenses are incurred.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work- in- progress ('CWIP').

Depreciation
The Group depreciates property, plant and equipment over the estimated useful lives using the written down

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value method (and straight-line method in respect of certain subsidiaries) from the date the assets are available for use.

Category	Useful life
Buildings	60 years
Plant and machinery	3-15 years
Leasehold improvement	Shorter of 10 years or lease period
Right-of-use assets	Lease period
Computer equipment	2-6 years
Furniture and fixtures	2.5-13 years
Office Equipment	3-11 years
Vehicles	3-8 years

Based on technical assessment, the useful lives as given above best represent the period over which the management expects to use these assets. The estimated useful lives for these assets may therefore be different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values are generally not more than 5% of the original cost of the asset.

The assets residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Additions are depreciated on a pro-rata basis from the date the asset is available for use till the date the assets are derecognised.

An item of property, plant and equipment and any significant part, initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of such expenditure can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using written down value method over their estimated useful lives of 60 years. The useful life has been determined based on a technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and measurement

Intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalized software development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life on written down value method (or straight line method in respect of certain subsidiaries) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted accordingly. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

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The estimated useful lives of assets are as follows:

Category	Useful life
Goodwill	Indefinite
Computer software	3 - 10 years
Brand name	Indefinite
Customer contracts	Expected contract duration
Customer relationship	Expected relationship duration
License & franchise fees	20 years
Non-competition agreements	The term of the respective non-compete agreements

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is allocated to cash generating units, and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or the groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the respective entities carrying out business.

Brand name

Brand name is not amortised and tested annually for impairment.

Customer contracts, customer relationship and non-competition agreements

Customer contracts, customer relationship and non-competition agreements acquired on an acquisition of business are recorded at the fair value of respective assets on the date of acquisition. Customer contracts, customer relationship and non-competition agreements are amortised based on their useful life.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials, services, and direct payroll and related costs of employees' time spent on the project.

e) Investment in subsidiaries, associates, and joint ventures

A subsidiary is an entity over which the Group has control. The Group controls an entity when it is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. This is generally the case where the Group holds between 20% and 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control exist are similar to those necessary to determine control over the subsidiaries.

The Group’s investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group’s share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The statement of profit and loss reflects the Group’s share of the results of operations of the associate or joint venture. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Dividends receivable from associates and joint ventures reduce the carrying amount of the investment.

If an entity’s share of losses of an associate or a joint venture equals or exceeds its interest in the associate or

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joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate or joint venture, for the purpose of reflecting the Group's share of the results of operations of the associate or joint venture, are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as "Share of profit of associates /joint ventures" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income FVTOCI

Financial instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of profit and loss. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables.

Financial instrument at FVTOCI

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income calculated using the EIR method, impairment losses & reversals and foreign exchange gain or loss

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in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instrument at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain /loss on assets measured at FVTPL are presented in the statement of profit and loss within other gains/losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments
All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an Instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of profit and loss within other gains/ losses in the period in which it arises.

Derecognition of financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Similarly, where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets
The Group recognizes loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. How the Group determines whether there has been a significant increase in the credit risk has been detailed in the notes to the financial statements. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any entered into by the Group that are not designated as

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hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liability at fair value through profit or loss also include liabilities arising from forward contract/ call and put options for the purpose of non-controlling interests in subsidiaries and contingent liability acquired in a business combination. The fair value gain/loss arising on such liabilities is recognized in profit or loss.

Borrowings
After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares which are mandatorily redeemable are classified as liabilities. The dividends on these preference shares, to the extent such dividends are mandatorily payable, are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible debenture/ bond/ preference share or a zero-coupon debenture/ bond/ preference share or compulsorily convertible debenture/preference shares where the price of conversion of the debenture/ preference shares into equity share is not fixed, is determined using a market rate of interest for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of a liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss as other gains/losses.

Derivatives
Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends upon whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Derivatives which are not designated as hedges are accounted for at fair value through profit or loss and are included in other gains/ losses.

Embedded derivatives
An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be

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modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Reclassification of financial instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines changes in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group of the counterparty.

g) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

h) Current and deferred tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and unused tax credits.

Current tax

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries,

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associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date .

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

W.e.f. April 01, 2019 the certain companies of the Group are not subject to Minimum Alternate Tax ('MAT') as the respective companies have adopted lower corporate tax rate as per section 115BAA of Income Tax Act. Uptill March 31, 2019, Minimum Alternate Tax ('MAT') credit was recognised as an asset only when and to the extent there is convincing evidence that the respective company will pay normal income-tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset, the said asset is created by way of a credit to the statement of profit and loss. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that respective company will pay normal income-tax during the specified period.

i) Inventories

Inventories are valued at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Cost includes custom duty, freight and other charges as applicable. The Group periodically reviews inventories to provide for diminution in the value of, and/or any unserviceable or obsolete, inventories.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Chemicals and consumables: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- Traded goods: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis or on weighted average method in respect of certain subsidiaries.
- Stores and Spares: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit facilities) as they are considered an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Non-current assets held for sale/distribution to owners and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and sale is considered highly probable. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn and Management must be committed to the sale/distribution being completed within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/distribute except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets

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and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognised for any subsequent increases in fair value less costs to sell/ distribute an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale/ distribution of the non-current asset (or disposal group) is recognised on the date of derecognition.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

l) Equity share capital

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

n) Provisions and contingent liabilities

Provisions

A provision is recognized when the Group has a present legal or a constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised for legal claims and service warranties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an interest expense.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. In respect of losses that are covered by insurance, such losses are recognised as an expense when there is clear evidence or determination or probability that any portion of the loss is not expected to be settled through insurance or other forms of recovery.

Asset retirement obligations (ARO)

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset and amortised or depreciated in the same manner as the asset to which it pertains. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made.

Liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

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o) Government grants

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to income or expenditure / expense are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognised on a straight-line basis over the expected lives of related assets and presented within other income.

p) Revenue recognition

Revenue is measured at the fair value of consideration received or receivable. Amounts recognised as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, service tax, value added tax, goods and services tax and amounts collected on behalf of third parties.

At the inception of the new contractual arrangement with the customer, the Group identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer.

Revenue is recognized when the control is transferred to the customer and when the Group has completed its performance obligations under the contracts. Revenue is recognized in a manner that depicts the transfer of goods and services to customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for those goods or services.

Revenue is recognized as follows:

a. Revenue from services represents the amounts receivable for services rendered.

b. For non-contract-based business, revenue represents the value of goods delivered or services performed.

c. For contract-based business, revenue represents the sales value of work carried out for customers during the period. Such revenues are recognized in the period in which the service is rendered.

d. Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.

e. Unearned revenue (contract liabilities) represents revenue billed but for which services have not yet been performed and is included under Advances from customers. The same is released to the statement of profit and loss as and when the services are rendered.

f. Revenue from the use of assets such as rent for using property, plant and equipment is recognized on a straight-line basis over the terms of the related leases unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. Certain subsidiaries of the Group provide normal warranty provisions for general repairs for one year on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight line basis over the extended warranty period in case warranty is provided to customer for a period beyond one year.

Rendering of services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

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Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

Interest income
For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends
Dividend income from investments is recognised in profit or loss as other income when the Group's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and amount of the dividend can be measured reliably.

Rental income
Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase and is included in revenue in the statement of profit or loss due to its operating nature.

q) Foreign currency translation
Items included in the financial statements of each entities of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency').

The consolidated financial statements of the Group are presented in Indian Rupee (₹) which is also the Parent's functional currency.

Transactions in foreign currencies are initially recorded by the entities of the Group at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing at the reporting date.

Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation or a monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and translation differences are recognized in OCI with the accumulation in other equity as foreign currency translation reserve. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The equity items denominated in foreign currencies are translated at historical cost.

On consolidation, the assets and liabilities of foreign operations are translated into ₹ at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates prevailing at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedge of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of

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the foreign operation and translated at the spot rate of exchange at the reporting date.

r) **Employee Benefits**

The Group's employee benefits mainly include wages, salaries, bonuses, compensated absences, defined contribution to plans, defined benefit plans and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the employees of the Group.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and compensated absences expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for compensated absences is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as employee benefits payable under other financial liabilities, current.

Bonus

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually or legally obliged or where there is a past practice that has created a constructive obligation.

Compensated absences

The employees of the entities of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to a specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Re-measurements arising out of actuarial gains/losses are immediately taken into the statement of profit and loss and are not deferred.

In respect of those employees who are entitled to an encashment of the leave at the end of every calendar year, a provision is created to account for the liability.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined contribution plans such as provident fund, employees' state insurance, superannuation funds and central provident fund; and

(b) Defined benefit plans such as gratuity.

Defined contribution plan

The Group's policy is to contribute on a defined contribution basis for eligible employees, to Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In respect of entities of the Group not incorporated in India, contributions to superannuation funds are recognised as an employee benefit expense as they become payable. The Group pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The central provident fund is an employment based savings scheme with employers and employees contributing a mandated amount to the Fund. The Group has no further obligation beyond making its contribution which is expected in the year in which it pertains. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit Plan

In India, the Group has a defined benefit plan, viz., Gratuity, for all its employees, and the Group's policy is to determine the liability for this benefit and to accrue and provide for the same as determined by an independent actuarial valuation. A portion of this liability for gratuity is contributed by some subsidiaries, associates and joint ventures to group gratuity policies administered and operated by reputed insurance companies. The liability or asset is recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

Present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government

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bonds at the end of the reporting periods, that have approximately similar terms to the related obligation.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Equity settled stock-based compensation
Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of options granted under various Employee Share option plans is recognised as an employee benefits expense with a corresponding increase in equity (share option outstanding account).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates in the period of change, if any, in the profit or loss, with corresponding adjustment to equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

s) Borrowing costs
Borrowing costs include interest calculated on the effective interest rate method, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of the assets that necessarily take a substantial period of time to get ready for their intended use or sale ('qualifying assets'), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in statement of profit and loss within finance costs in the period in which they are incurred.

t) Exceptional items
Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

u) Leases

Group as a lessee
The Group's lease asset classes primarily consist of leases for buildings, vehicles and equipments. For any new contracts entered into or changed on or after April 1, 2019, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Group

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assesses whether the contract meets three key evaluations which are whether:

(i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group

(ii) The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

(iii) The Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee
At lease commencement date, the Group recognises a right-of-use asset ('ROU') and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets using the written down value method (and straight-line method in respect of certain subsidiaries) from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprises of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Lease liability and right-of-use assets have been separately presented in the notes to the financial statements under 'Other financial liability' and 'Property, plant and equipment' (except those meeting the definition of investment property) respectively. Lease payments have been classified as 'financing cash flows'.

Group as a lessor
Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless payments are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increase under "Other Income" in the statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

v) Impairment of non-financial assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, other than inventories and deferred tax assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may

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All amounts in ₹ million except per share data

not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognized in the statement of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

w) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders of the Parent (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

Diluted Earnings per share amounts are computed by dividing the net profit attributable to the equity holders of the Parent (after deducting preference dividends and attributable taxes but after adjusting the after income tax effect of interest and other financing cost associated with dilutive potential equity shares) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

x) Cash dividend and non-cash distribution to equity holders of the Parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the carrying value of the assets to be distributed in case of distributions in which all owners of the same class of equity instruments are treated equally or the distributed asset is ultimately controlled by the same party or parties both before and after the distribution, and at fair value of the assets to be distributed in other cases, with such value recognised directly in equity. For this purpose, a group of individuals shall be regarded as controlling an entity when, as a result of contractual arrangements, they collectively have the power to govern its financial and operating policies so as to obtain benefits from its activities, and that ultimate collective power is not transitory. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss or directly in equity if approved by the National Company Law Tribunal/ applicable regulatory or other authority.

y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of SIS Limited have appointed a Group management committee which assesses the financial performance and position of the Group and makes strategic decisions.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated corporate expenses/income".

z) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

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ab) Business combination

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as an asset or a liability is measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value, and the resulting gain, if any, is recognised in profit or loss.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

2.5 Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs ('MCA') via notification dated March 24, 2021, amended Division I, II and III of Schedule III of the Companies Act, 2013 and are applicable for accounting period starting on/ from April 1, 2021.

Key amendments relating to Division II impacting Ind AS financial statements are as follows:

Balance Sheet:

a. Additional disclosures in the statement of changes in equity like changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period

b. Revised format for disclosure of shareholding of promoters

c. Revised format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development

d. Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current

e. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used

f. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

a. Additional disclosures relating to Corporate Social Responsibility (CSR)

b. Additional disclosures relating to undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the consolidated financial statements.

The Group will evaluate the impact of these amendments and ensure compliance with the law.

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3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Group's accounting policies, management has made various judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 8
- Estimated useful life of intangible assets – Note 2.4.d
- Estimation of defined benefit obligation – Note 27
- Estimation of provision for warranty claims – Note 19
- Estimation of fair value of contingent liabilities and liability towards forward contract or call and put options to purchase non-controlling interests in a business combination – Note 33
- Whether forward contract or call and put options to purchase non-controlling interests result in transfer of risks and rewards of ownership by non-controlling interests– Note 33
- Recognition of deferred tax assets for carried forward of tax losses – Note 8
- Consolidation decisions and classification of joint arrangements – Note 38
- Impairment of trade receivables– Note 11
- Whether assets held for distribution to owners meet the definition of discontinued operations– Note 2.4.k

Impairment

The Group assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There are no reasonable foreseeable changes in these key estimates which would have caused an impairment of these assets.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 27.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer Note 8

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Intangible asset under development
The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

Leases
Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, the importance of the underlying asset to SIS's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Uncertainties relating to the global health pandemic from COVID-19
The Group 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 Group 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 Group expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

4. PROPERTY, PLANT & EQUIPMENT

Year ended March 31, 2020

Description of Assets	Gross block						Accumulated depreciation					Net carrying value as at March 31, 2020
	As at April 1, 2019	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2020	
Buildings	99.18	-	1,143.19	(18.18)	(22.44)	1,201.75	16.07	278.42	(12.42)	(3.86)	278.21	923.54
Leasehold improvement	169.42	-	52.23	-	-	221.65	28.01	63.93	-	-	91.94	129.71
Plant & Machinery	570.42	45.05	218.29	(3.12)	(13.04)	817.60	153.49	160.58	(2.72)	11.47	322.82	494.78
Furniture & Fixture	564.43	6.56	55.11	(16.02)	(8.17)	601.91	260.21	87.65	(1.69)	(3.86)	342.31	259.60
Vehicles	724.30	0.68	301.96	(119.04)	(28.08)	879.82	229.87	208.50	(103.70)	(9.44)	325.23	554.59
Office equipment	430.79	1.35	85.30	(4.40)	-	513.04	212.04	120.65	(3.98)	-	328.71	184.33
Computer equipment	140.51	18.26	72.77	11.65	(6.51)	236.68	57.29	70.53	-	(6.71)	121.11	115.57
	2,699.05	**71.90**	**1,928.85**	**(149.11)**	**(78.24)**	**4,472.45**	**956.98**	**990.26**	**(124.51)**	**(12.40)**	**1,810.33**	**2,662.12**
Capital work-in-progress	9.81	-	8.60	(1.54)	(0.28)	16.59	-	-	-	-	-	16.59
Grand Total	**2,708.86**	**71.90**	**1,937.45**	**(150.65)**	**(78.52)**	**4,489.04**	**956.98**	**990.26**	**(124.51)**	**(12.40)**	**1,810.33**	**2,678.71**

Year ended March 31, 2021

Description of Assets	Gross block						Accumulated depreciation					Net carrying value as at March 31, 2021
	As at April 1, 2020	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2021	As at April 1, 2020	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2021	
Buildings	1,201.75	-	230.54	(24.41)	102.84	1,510.72	278.21	287.44	(25.94)	22.68	562.39	948.33
Leasehold improvement	221.65	-	8.70	(0.74)	-	229.61	91.94	43.02	(0.74)	-	134.22	95.39
Plant & Machinery	817.60	-	221.77	(165.54)	31.80	905.63	322.82	143.36	(38.67)	24.67	452.18	453.45
Furniture & Fixture	601.91	-	36.91	(2.17)	31.85	668.50	342.31	71.92	(2.80)	19.28	430.71	237.79
Vehicles	879.82	6.44	199.62	(97.82)	99.93	1,087.99	325.23	205.17	(73.62)	39.05	495.83	592.16
Office equipment	513.04	-	46.71	(119.47)	-	440.28	328.71	80.87	(101.80)	-	307.78	132.50
Computer equipment	236.68	-	35.36	(4.03)	27.46	295.47	121.11	53.97	(3.58)	19.48	190.98	104.49
	4,472.45	**6.44**	**779.61**	**(414.18)**	**293.88**	**5,138.20**	**1,810.33**	**885.75**	**(247.15)**	**125.16**	**2,574.09**	**2,564.11**
Capital work-in-progress	16.59	-	42.35	(10.64)	2.07	50.37	-	-	-	-	-	50.37
Grand Total	**4,489.04**	**6.44**	**821.96**	**(424.82)**	**295.95**	**5,188.57**	**1,810.33**	**885.75**	**(247.15)**	**125.16**	**2,574.09**	**2,614.48**

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All amounts in ₹ million except per share data

Right-of use assets

Particulars	Building	Vehicles	Equipment	Total
Recognised on adoption of Ind AS 116	833.88	34.85	-	868.73
Additions during the year	302.93	-	11.43	314.36
Derecognised during the year	(5.76)	-	-	(5.76)
Depreciation during the year	(274.24)	(17.47)	(1.42)	(293.13)
Translation adjustments	(18.60)	(1.00)	(0.59)	(20.19)
Balance as on March 31, 2020	**838.21**	**16.38**	**9.42**	**864.01**
Additions during the year	205.16	14.42	3.64	223.22
Derecognised during the year	5.17	-	-	5.17
Depreciation during the year	**(283.34)**	**(16.30)**	**(8.88)**	**(308.52)**
Translation adjustments	80.16	3.21	1.49	84.86
Balance as on March 31, 2021	**845.36**	**17.71**	**5.67**	**868.74**

(i) Assets under construction

Capital work in progress (CWIP) as at March 31, 2021 and March 31, 2020 amounting to ₹ 50.37 Mn and 16.59 Mn respectively.

(ii) Property, Plant and Equipment pledged as security

Refer to note 15 for information on property, plant and equipment pledged as security by the Group.

(iii) Contractual obligation

Refer note 33 (a) for disclosure of contractual commitment for the acquisition of property, plant and equipment.

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5. GOODWILL AND OTHER INTANGIBLE ASSETS

Year ended March 31, 2020

Description of Assets	Gross block						Accumulated depreciation					Net carrying value as at March 31, 2020
	As at April 1, 2019	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2020	
Goodwill	12,284.35	596.63	-	-	(558.32)	12,322.66	-	-	-	-	-	12,322.66
Other Intangible assets												
Computer software *	149.85	0.37	42.31	(0.61)	(34.61)	157.31	66.63	23.82	(0.61)	(24.14)	65.70	91.61
License & Franchise	25.74	-	-	-	12.29	38.03	5.94	1.98	-	12.29	20.21	17.82
Customer Contracts/ relationship	780.77	164.83	-	-	(48.59)	897.01	181.10	232.37	-	(5.10)	408.37	488.64
Brand name	820.99	-	-	-	-	820.99	-	-	-	-	-	820.99
Non-competition agreements	253.55	-	-	-	(0.10)	253.45	58.36	34.98	-	(30.95)	62.39	191.06
	2,030.90	**165.20**	**42.31**	**(0.61)**	**(71.01)**	**2,166.79**	**312.03**	**293.15**	**(0.61)**	**(47.90)**	**556.67**	**1,610.12**
Intangible Assets under development												
Computer software	75.30	-	40.84	(0.35)	(3.97)	111.82	-	-	-	-	-	111.82
Grand Total	**14,390.55**	**761.83**	**83.15**	**(0.96)**	**(633.30)**	**14,601.27**	**312.03**	**293.15**	**(0.61)**	**(47.90)**	**556.67**	**14,044.60**

Year ended March 31, 2021

Description of Assets	Gross block						Accumulated depreciation					Net carrying value as at March 31, 2020
	As at April 1, 2019	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2020	As at April 1, 2019	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2020	
Goodwill	12,322.66	24.17	-	(49.19)	1,926.52	14,224.16	-	2,762.46	-	48.49	2,810.95	11,413.21
Other Intangible assets												
Computer software *	157.31	-	98.01	(2.82)	79.46	331.96	65.70	45.84	(2.82)	64.72	173.44	158.52
License & Franchise	38.03	-	-	-	-	38.03	20.21	1.98	-	-	22.19	15.84
Customer Contracts/ relationship	897.01	15.14	-	65.76	130.05	1,107.96	408.37	152.56	(18.57)	70.04	612.40	495.56
Brand name	820.99	-	-	-	-	820.99	-	-	-	-	-	820.99
Non-competition agreements	253.45	-	-	2.50	-	255.95	62.39	44.17	18.57	-	125.13	130.82
	2,166.79	**15.14**	**98.01**	**65.44**	**209.51**	**2,554.89**	**556.67**	**244.55**	**(2.82)**	**134.76**	**933.16**	**1,621.73**
Intangible Assets under development												
Computer software	111.82	-	73.54	(76.92)	9.61	118.05	-	-	-	-	-	118.05
Grand Total	**14,601.27**	**39.31**	**171.55**	**(60.67)**	**2,145.64**	**16,897.10**	**556.67**	**3,007.01**	**(2.82)**	**183.25**	**3,744.11**	**13,152.99**

* Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.

(i) Refer note 36 for assets acquired on acquisition of business

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Intangible Assets

(ii) Impairment testing of goodwill and brands with indefinite lives

A summary of changes in the carrying amount of goodwill is as follows:

Particulars	March 31, 2021	March 31, 2020
Carrying value at the beginning of the year	**12,322.66**	**12,284.35**
Goodwill on acquisition of SLV Security Services Private Limited	-	3.81
Goodwill on acquisition of Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	-	118.86
Goodwill on acquisition of SIS Henderson Holdings Pte Ltd	(2,762.46)	38.70
Goodwill on acquisition of SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited)	-	125.18
Goodwill on acquisition of Triton Security Services Limited	-	189.81
Goodwill on acquisition of business assets of BAS Securities Limited	-	81.61
Goodwill on acquisition of NSR Securities	-	34.22
Goodwill on acquisition of ADIS Enterprises Private Limited	-	4.44
Goodwill on acquisition of business assets of Guardforce Security Ltd	16.44	-
Goodwill on acquisition of business assets of Conroy Security Limited	7.73	-
Goodwill on acquisition of Platform 4 Group Ltd	(49.19)	-
Translation differences	1,878.03	(558.32)
Carrying value at the end of the year	**11,413.21**	**12,322.66**

The break-up of allocation of goodwill to operating segments is as follows:

Particulars	March 31, 2021	March 31, 2020
Security Services – India	2,174.32	2,174.32
Security Services – International	8,194.14	9,103.59
Facilities Management	1,044.75	1,044.75
	11,413.21	**12,322.66**

The entire goodwill relating to acquisition of SLV Security Services Private Limited, Uniq Security Solutions Private Limited and SIS Alarm Monitoring and Response Services Private Limited has been allocated to the groups of CGUs which are represented by the Security Services – India segment

The entire goodwill relating to acquisition of SX Protective Holdings Pty Ltd (Formerly known as Andwills Pty Ltd), SIS Henderson Holdings Pte Ltd, Platform 4 Group Ltd, Triton Security Limited, and acquisition of business assets of BAS Securities Limited, Redfrog Security, Conroy Security Limited and Guardforce Security Limited has been allocated to the group of CGUs which are represented by the Security Services - International segment.

The entire goodwill relating to acquisition of Dusters Total Solutions Services Private Limited, Rare Hospitality and Services Private Limited and ADIS Enterprises Private Limited has been allocated to the group of CGUs which are represented by the Facilities Management segment.

A summary of changes in the carrying amounts of brands with indefinite life as follows:

Particulars	March 31, 2021	March 31, 2020
Carrying value at the beginning of the year	820.99	820.99
Change during the year	-	-
Carrying value at the end of the year	**820.99**	**820.99**

The break-up of allocation of brands to operating segments is as follows:

Particulars	March 31, 2021	March 31, 2020
Facilities management	820.99	820.99

Impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets/plans approved by management covering a period of five years. Cash

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flows beyond the period of five years are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / groups of CGUs over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2021, and March 31, 2020, the estimated recoverable amount of the CGU exceeded its carrying amount except one of the subsidiary i.e. SIS Henderson Holdings Pte Ltd. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

During the year ended March 31, 2021, the minority shareholder of SIS Henderson Holdings Pte Ltd exercised his option to sell the remaining 40% shares in that company held by him pursuant to the agreements executed in 2019. As a result of this option being exercised irrevocably, the liability for the value of these 40% shares have reduced by ₹ 2,762.46 Mn and the same has been recognised during the year under "Other gains/losses" in the Statement of Profit and Loss. At the same time, with this future value forming a significant part of the goodwill on acquisition of this company, the Group has decided to write down the corresponding amount of goodwill by a similar amount of ₹ 2,762.46 Mn. This has been recognised as an exceptional items for the year ended March 31, 2021.

Key assumptions used for testing impairment of goodwill.

Year ended March 31, 2021

Particulars	Sales (% annual growth rate)	EBIDTA (%)	Long term growth rate (%)	Pre-tax discount rate (%)
SX Protective Holdings Pty Ltd. (Formerly known as Andwills Pty Ltd.)	1.90%	9.68%	2.00%	9.11%
Dusters Total Solutions Services Private Limited	15.00% - 25.00%	6.80%	5.00%	14.99%
SLV Security Services Private Limited	15.00%	5.20% - 6.00%	5.00%	9.87%
Rare Hospitality and Services Private Limited	12.00% - 20.00%	5.00% - 7.00%	5.00%	12.31%
Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	18.00% - 30.00%	6.30% - 6.70%	5.00%	15.00%
Static guarding business of Chubb Security, operated under MSS Security Pty Limited	1.90%	5.55%	2.00%	9.11%
SIS Henderson Holdings Pte Ltd	3% - 17.4%	5.30% - 11.21%	2.00%	9.64%
Platform 4 Group Ltd	2.80%	12.11%	1.30%	10.66%

Year ended March 31, 2020

Particulars	Sales (% annual growth rate)	EBIDTA (%)	Long term growth rate (%)	Pre-tax discount rate (%)
SX Protective Holdings Pty Ltd. (Formerly known as Andwills Pty Ltd.)	2.00%	9.40%	2.00%	9.11%
Dusters Total Solutions Services Private Limited	15.00% - 25.00%	6.80%	5.00%	14.99%
SLV Security Services Private Limited	15.00%	5.20% - 6.00%	5.00%	9.87%
Rare Hospitality and Services Private Limited	12.00% - 20.00%	5.00% - 7.00%	5.00%	12.31%
Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	18.00% - 30.00%	6.30% - 6.70%	5.00%	15.00%
Static guarding business of Chubb Security, operated under MSS Security Pty Limited	1.80%	4.63%	2.00%	9.11%
SIS Henderson Holdings Pte Ltd	3% - 11.8%	10.5% - 11%	2.50%	9.93%
Platform 4 Group Ltd	1.80%	11.32%	2.00%	10.83%

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

6. INVESTMENTS

Particulars	March 31, 2021	March 31, 2020
Non-current investments		
Investments in equity Instruments		
Investment in associates		
Unquoted equity shares (fully paid)		
9,708,696 (March 31, 2020: 9,708,696) equity shares in SIS Cash Services Private Limited of ₹ 10/- each fully paid up	380.32	377.31
Total investment in associates (A)	**380.32**	**377.31**
Investment in joint ventures		
Unquoted equity shares (fully paid)		
49 (March 31, 2020: 49) equity shares in Habitat Security Pty Ltd of AUD 1/- each fully paid up	2.91	2.72
Total investment in joint ventures (B)	**2.91**	**2.72**
Investments at FVTPL		
Unquoted equity shares (fully paid)		
5,000 (March 31, 2020: 5,000) equity shares in Saraswat Cooperative Bank Limited of ₹ 10/- each fully paid up	0.05	0.05
Total FVTPL investments (C)	**0.05**	**0.05**
Total investment in equity instruments (A+B+C)	**383.28**	**380.08**
Investments in preference shares		
17,658,153 (March 31, 2020: 17,658,153) compulsory convertible preference shares in SIS Asset Management Limited of ₹ 10/- each	177.77	177.77
Less: Provision for diminution value in Invesntment	-	-
Total investment in preference shares	**177.77**	**177.77**
Investments in debentures or bonds		
372 (March 31, 2020: 372) Non-convertible debentures in SIS Cash Services Private Limited of ₹ 1,000,000/- each fully paid up	372.00	372.00
Total investments in debentures or bonds	**372.00**	**372.00**
Total non-current investments	**933.05**	**929.85**
Current investments		
Trade Investments (at cost)		
Investments in mutual funds	2.38	1.18
Total trade investments	**2.38**	**1.18**
Total non-trade investments	**-**	**-**
Total current investments	**2.38**	**1.18**
Total investments	**935.43**	**931.03**
Aggregate book value of quoted investments and market value thereof	2.38	1.18
Aggregate book value of unquoted investments	933.05	929.85
Aggregate amount of impairment in value of investments	-	-

7. OTHER FINANCIAL ASSETS

Particulars	March 31, 2021	March 31, 2020
Other non-current financial assets		
Security deposits (unsecured, considered good)	440.49	446.45
Margin money in the form of fixed deposits *	87.66	84.77
Fixed deposit maturing after 12 months	6.44	6.05
Other non-current financial assets	26.38	23.08
Total other non-current financial assets	**560.97**	**560.35**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Particulars	March 31, 2021	March 31, 2020
Other current financial assets		
Unbilled revenue	4,079.90	4,210.74
Security deposits (unsecured, considered good)	204.47	307.00
Interest accrued on deposits / investments	25.85	35.32
Finance lease receivables	-	38.11
Other receivables	20.44	42.68
Total other current financial assets	**4,330.66**	**4,633.85**
Total financial assets	**4,891.63**	**5,194.20**

* Fixed deposits have been pledged as margin money against bank guarantees.

No loans or other advances are due from directors or other officers of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 39.

Finance leases — Group as lessor

Certain entities of the Group provide various equipment on finance lease to its customers.

Lease agreements are generally for a period of three to five years. Certain agreements provide that the lessee will own the equipment after the end of the lease period while other agreements provide an option to the lessee to purchase the equipment at a nominal value so that there is reasonable certainty that the lessee will purchase the equipment. Lease rentals are payable on monthly/quarterly basis as stipulated in the respective agreements.

Future minimum lease receivables under finance leases contracts together with the present value of the net minimum lease payments are, as follows:

Particulars	March 31, 2021		March 31, 2020	
	Minimum lease receivables	Present value	Minimum lease receivables	Present value
Within one year	-	-	39.93	38.11
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Gross investment in finance lease	-	-	39.93	38.11
Less: amounts representing finance charges	-	-	1.82	-
Present value of minimum lease receivables	-	-	**38.11**	**38.11**
Unearned finance income	-	-	1.82	-
Unguaranteed residual values accruing to the benefit of the lessor	-	-	-	-

8. INCOME TAX ASSETS, LIABILITIES AND EXPENSE

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2021	March 31, 2020
Current income tax:		
Current income tax charge	1,065.96	811.33
Adjustments in respect of current income tax expense / (reversal) of previous years	(5.59)	(1.62)
Deferred tax:		
Decrease /(increase) in deferred tax assets (net)	93.47	(173.53)
Income tax expense/(credit) reported in the statement of profit and loss	**1,153.84**	**636.18**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

OCI section:

Tax related to items recognised in OCI during the year:

Particulars	March 31, 2021	March 31, 2020
Tax expense/(credit) on re-measurements of defined benefit plans	(0.74)	(0.70)
Income tax charged to OCI	**(0.74)**	**(0.70)**

Amount recognized directly in equity:

Particulars	March 31, 2021	March 31, 2020
Aggregate current and deferred tax arising in the reporting period and not recognized in profit or loss or other comprehensive income, but directly debited/credited to equity	-	(7.56)
Income tax credited / (charged) to equity	**-**	**(7.56)**

Reconciliation of tax expense and the accounting profit multiplied by the tax rate

Particulars	March 31, 2021	March 31, 2020
Accounting profit before tax from continuing operations	4,825.94	2,890.71
Accounting profit before income tax	4,825.94	2,890.71
Income tax expense at statutory rate @ 25.17% (March 31, 2020: 25.17%)	1,214.59	727.53
Adjustments in respect of current income tax of previous years	(5.59)	(1.62)
Change in applicable tax rate for deferred tax assets and liabilities (for certain entities in the Group) *	-	400.07
Reversal of Minimum alternative tax (MAT) *	-	260.70
Exempt income under applicable tax laws	(162.81)	-
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	161.89	(846.93)
Benefit of indexation on investments	-	(39.64)
Non- Deductible expenses for tax purposes		
Corporate social responsibility expenditure	11.71	3.42
Donation	0.17	14.22
Other non-deductible expenses	(106.75)	74.09
Income taxed at differential rates		
Dividend from foreign subsidiaries taxed at a different/lower rate	(0.39)	(14.01)
Entities taxed at different rates	41.02	58.35
Tax expense reported in the statement of profit and loss	**1,153.84**	**636.18**

*During the year ended March 31, 2020, as per Section 115BAA of Income Tax Act, the Group has after evaluation, decided to adopt the option of for lower effective corporate tax rate of 25.17% (including surcharge and cess) instead of the earlier rate of 34.94% (including surcharge and cess) for the Financial Year 2019-20, for certain subsidiaries/associates/jointly controlled entities in India. The current tax for the financial year 2019-20 has therefore, been calculated @ 25.17% and the deferred tax assets / liabilities have been adjusted accordingly. As a result of this option, MAT credit available in the books will not be eligible to be carried forward and has been adjusted through the Profit and Loss Account.

The balance in deferred tax assets (liabilities) comprises temporary differences attributable to:

Particulars	March 31, 2021	March 31, 2020
Property, plant and equipment / Intangible assets	(486.34)	(466.29)
Defined benefit obligations	1,565.46	1,175.95
Deductions in respect of certain benefits under the Income Tax Act, 1961	350.90	898.98
Accruals and others	186.66	88.95
Allowance for doubtful debts – trade receivables	134.28	63.53
Unused tax losses	180.71	170.54
Total deferred tax assets/(liabilities)	**1,931.67**	**1,931.66**

Reflected in the balance sheet as follows:

Particulars	March 31, 2021	March 31, 2020
Deferred tax assets	2,406.74	2,450.27
Deferred tax liabilities	475.07	518.61
Deferred tax assets / (liabilities), net	**1,931.67**	**1,931.66**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Reconciliation of deferred tax assets (liabilities), net:

Particulars	Property, plant and equipment / Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Accruals and others	Allowance for doubtful debts – trade receivables	Unused tax losses	Minimum alternative tax (MAT) credit entitlement	Total
As at April 1, 2019	**(166.23)**	**1,172.99**	**693.82**	**(473.64)**	**83.48**	**127.62**	**260.70**	**1,698.74**
Tax income/(expense) during the period recognised in profit or loss	(225.63)	51.47	205.16	379.92	(19.61)	42.92	(260.70)	173.53
Tax income/(expense) during the period recognised in OCI	-	0.70	-	-	-	-	-	0.70
Tax income/(expense) during the period recognised through equity	(172.74)	-	-	165.18	-	-	-	(7.56)
Addition on business combination	79.15	-	-	-	-	-	-	79.15
Exchange translation	19.16	(49.21)	0.00	17.49	(0.34)	-	-	(12.90)
As at March 31, 2020	**(466.29)**	**1,175.95**	**898.98**	**88.95**	**63.53**	**170.54**	**-**	**1,931.66**
Tax income/(expense) during the period recognised in profit or loss	28.32	207.55	(548.08)	139.70	68.87	10.17	-	(93.47)
Tax income/(expense) during the period recognised in OCI	-	0.74	-	-	-	-	-	0.74
Addition on business combination	(4.02)	7.44	-	(12.68)	-	-	-	(9.26)
Exchange translation	(44.35)	173.78	-	(29.31)	1.88	-	-	102.00
As at March 31, 2021	**(486.34)**	**1,565.46**	**350.90**	**186.66**	**134.28**	**180.71**	**-**	**1,931.67**

Deferred tax assets and liabilities above have been determined by applying the income tax rates applicable to respective entities in the Group. Deferred tax assets and liabilities in relation to taxes payable by various entities/ under different tax basis have not been offset in the financial statements

Unrecognised temporary differences:

Certain subsidiaries of the Group have undistributed earnings which, if paid out as dividends would be subject to tax in the hand of the recipient. An assessable temporary difference exists but no deferred tax liability has been recognized as the Parent is able to control the timing of distribution from the subsidiaries and the earnings are expected to be utilized for their business expansion.

Income tax assets:

Particulars	March 31, 2021	March 31, 2020
Opening balance	1,923.98	1,347.43
Acquisition	-	1.70
Taxes paid	619.36	781.27
Refund received	(924.62)	(137.75)
Current tax payable for the year	(32.04)	(68.67)
Income tax assets	**1.586.68**	**1.923.98**

Current tax liabilities:

Particulars	March 31, 2021	March 31, 2020
Opening balance	306.95	173.00
Current tax payable for the year	1,028.33	741.04
Taxes paid	(928.09)	(638.70)
Refund received	30.47	33.91
Exchange translation	68.04	(2.30)
Current tax liabilities	**505.70**	**306.95**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

9. OTHER ASSETS

Particulars	March 31, 2021	March 31, 2020
Other non-current assets		
Capital advances	8.96	3.89
Other advances	1.59	10.81
Total other non-current assets	**10.55**	**14.70**
Other current assets		
Prepaid expenses	556.44	309.21
Security deposits	414.54	548.87
Other advances	207.10	197.92
Total other current assets	**1,178.08**	**1,056.00**
Total other Assets	**1,188.63**	**1,070.70**

10. INVENTORIES

Particulars	March 31, 2021	March 31, 2020
Stock-in-trade	96.89	151.17
Uniforms	187.71	173.57
Consumables	24.33	13.85
Total inventories at the lower of cost and net realisable value	**308.93**	**338.59**

11. TRADE RECEIVABLES

Particulars	March 31, 2021	March 31, 2020
Trade receivables	12,981.02	12,045.56
Less: Allowance for expexted credit loss	550.89	295.88
Total trade receivables	**12,430.13**	**11,749.68**

Break-up of security details:

Particulars	March 31, 2021	March 31, 2020
Secured, considered good	-	-
Unsecured, considered good	12,430.13	11,749.68
Doubtful	550.89	295.88
Total	**12,981.02**	**12,045.56**
Less:Impairment allowance (allowance for expected credit loss)	550.89	295.88
Total trade receivables	**12,430.13**	**11,749.68**

No trade receivable are due from directors or other officers of the entities of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 39.

Refer Note 40 for the Group's policy regarding impairment allowance on trade receivables and Group's credit risk management processes.

For outstanding balances, terms and conditions relating to related party receivables, refer note 39.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

12. CASH AND BANK BALANCES

Cash and cash equivalents

Particulars	March 31, 2021	March 31, 2020
Balances with banks:		
– On current accounts	5,903.93	3,956.33
– Bank deposits with original maturity of three months or less	2,635.84	211.57
Cash on hand	2.99	3.36
	8,542.76	**4,171.26**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Bank balances lying in various current accounts bear no interest.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

Other bank balances

Particulars	March 31, 2021	March 31, 2020
Unclaimed dividend accounts	1.36	1.30
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	1,807.07	5.14
Ristricted balances	30.02	1,545.21
Margin money *	499.16	414.34
Total	**2,337.61**	**1,965.99**

*Pledged as security/margin money against guarantees issued by banks on behalf of the group.

13. EQUITY

Authorised share capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2019 (Equity shares of ₹ 10 each)	**135.00**	**1,350.00**
Increase consequent to sub-division of shares *	135.00	-
As at March 31, 2020 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**
As at March 31, 2021 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**

Issued, subscribed and paid up equity capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2019 (Equity shares of ₹ 10 each)	**73.31**	**733.13**
Issued on exercise of stock options	0.01	0.06
Increase consequent to sub-division of shares *	73.32	-
As at March 31, 2020 (Equity shares of ₹ 5 each)	**146.64**	**733.19**
Issued on exercise of stock options	1.66	8.32
As at March 31, 2021 (Equity shares of ₹ 5 each)	**148.30**	**741.51**

* Pursuant to the Ordinary Resolution passed by the shareholders by way of postal ballot on December 17, 2019, the Parent has sub-divided each equity share of face value of ₹ 10 each, fully paid up, into 2 (two) equity shares of face value of ₹ 5 each, fully paid up, effective January 16, 2020, which was the record date.

The Board of Directors of the Parent, at its meeting held on February 15, 2021, has approved a proposal to buy-back upto 1,818,181 equity shares of face value of 5/- each of the Parent for an aggregate amount not exceeding 1,000 million, being 1.24% of the total paid up equity share capital of the Parent as on March 31, 2020, at ₹ 550 per equity share. The shareholders of the Parent approved the proposal on March 20, 2021, by way of a special resolution through postal ballot. The record date has been fixed as April 9, 2021 for determining the names of the shareholders eligible to participate in the buyback and the related entitlement.

Notes (pre share sub-division effect):

a. Of the above, 2,210,500 and 62,457,240 equity shares were allotted as fully paid Bonus Shares by capitalization of general reserve during the year ended March 31, 2006 and March 31, 2017 respectively.

b. Mr. Uday Singh was the holder of 79,000 unpaid shares in SIS International Holdings Ltd., a wholly owned subsidiary. In terms of a letter dated December 1, 2009, Mr. Singh had the option to exchange these shares for shares of the Company in a manner reflecting the fair value of these shares, reduced by the amounts unpaid on them. Subsequently, in lieu of these shares and suitably adjusted for amounts unpaid thereon, Mr. Singh was allotted 40,565 Equity Shares during the year ended March 31, 2017, at a ratio as determined in accordance with a valuation report prepared by a SEBI registered merchant banker.

c. During the year ended March 31, 2018, the Parent completed an Initial Public Offering (IPO) of its shares consisting of a fresh offer of 4,444,785 equity shares of ₹ 10 each at a premium of ₹ 805 per share and an offer for sale of 5,120,619 equity shares of ₹ 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

amounted to ₹ 3,410.47 (million) (net of issue expenses). The equity shares of the Parent were listed on NSE and BSE effective August 10, 2017.

Terms/rights attached to equity shares

The Parent has only one class of equity shares having par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share and to participate in dividends in proportion to the number of and amounts paid on the shares held. The Parent declares and pays dividends in Indian rupees.

In the event of liquidation of the Parent, the holders of equity shares will be entitled to receive the remaining assets of the Parent, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	58.73	39.60%	59.27	40.42%
Rita Kishore Sinha	24.22	16.33%	24.22	16.52%
Rituraj Kishore Sinha	16.42	11.07%	16.70	11.39%

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

Particulars	March 31, 2021	March 31, 2020	March 31, 2019 *	March 31, 2018 *	March 31, 2017 *
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	10,480	10,480	211,960	65,480	124,914,480
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	81,130
Equity shares bought back	-	-	-	-	-

* Number of shares has been restated to give effect of share sub-division

During the year ended March 31, 2021, 1,048 (March 31, 2020: 1,048) options issued to employees were exercised by them and equity shares were allotted. Further, in terms of the ESOP 2008, the equity shares allotted on the exercise of the options shall be adjusted for the bonus issue of 10 shares for every 1 equity share announced by the Company on July 27, 2016. Accordingly, a total number of 11,528 (March 31, 2020: 11,528) equity shares were allotted by the Company on exercise of 1,048 (March 31, 2020: 1,048) options by the employees, which included a total number of 10,480 (March 31, 2020: 10,480) equity shares allotted by the Company as bonus shares pursuant to the said terms of ESOP 2008.

Shares reserved for issue under options

Employees share options

Refer note 27 for details regarding employee share options issued by the Company.

14. OTHER EQUITY

Particulars	March 31, 2021	March 31, 2020
Reserves and surplus		
Securities premium	3,691.46	3,511.30
General reserve	185.94	185.99
Retained earnings	12,663.62	9,137.34
Share options outstanding account	78.21	252.20
Capital reserve	181.24	181.24
Debenture redemption reserve	375.00	250.00
Total reserves and surplus (A)	**17,175.47**	**13,518.07**
Foreign currency translation reserve (B)	**390.36**	**(367.07)**
Share application money pending Allotment (C)	0.29	-
Total other equity (A+B)	**17,566.12**	**13,151.00**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Securities premium

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**3,511.30**	**3,509.99**
Exercise of share options	180.16	1.31
Balance at the end of year	**3,691.46**	**3,511.30**

General reserve

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**185.99**	**188.80**
Exercise / forfeiture of employee stock options	-	3.69
Capitalisation on issue of bonus shares	(0.05)	(6.50)
Balance at the end of year	**185.94**	**185.99**

Share Options Outstanding Account

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**252.20**	215.80
Stock option compensation expense	6.17	41.40
Transferred to securities premium on exercise of share options	(180.16)	(5.00)
Balance at the end of year	**78.21**	**252.20**

Retained earnings

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**9,137.34**	**7,731.05**
Net Profit / (loss) for the year	3,672.10	2,254.53
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit plans directly in retained earnings	(2.21)	(3.99)
Impact of change in accounting policies on adoption of new accounting standards	-	(88.42)
Appropriations-		
- Share issue expenses incurred by subsidiary entities	(0.90)	-
- Final / Interim dividend	-	(549.89)
- Dividend distribution tax	-	(81.11)
- Allocation to non-controlling interests	(17.71)	0.17
- Transfer to debenture redemption reserve	(125.00)	(125.00)
Balance at the end of year	**12,663.62**	**9,137.34**

Capital Reserve

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**181.24**	**181.24**
Increase/ (decrease) during the year	-	-
Balance at the end of year	**181.24**	**181.24**

Debenture Redemption Reserve

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**250.00**	125.00
Transfer / created from retained earnings	125.00	125.00
Balance at the end of year	**375.00**	**250.00**

Foreign currency translation reserve

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	**(367.07)**	(186.08)
Translation reserve	757.43	(180.99)
Balance at the end of year	**390.36**	**(367.07)**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Share application money pending allotment

Particulars	March 31, 2021	March 31, 2020
Balance at the beginning of year	-	-
Application money received	0.29	-
Balance at the end of year	**0.29**	**-**

Nature and purpose of Reserves

Securities Premium

Security premium is used to record the premium on issue of shares or other securities such as debentures or bonds. The reserve is utilized in accordance with the Companies Act, 2013.

General Reserve

The general reserve is the result of a Group's transferring a certain amount of profit from the account of retained earnings to the general reserve account. The purpose of setting up a general reserve account is to meet potential future unknown liabilities. In other words, the general reserve is a free reserve which can be utilized for any purpose after fulfilling certain conditions.

Share Options outstanding Account

The share options outstanding account is used to recognize the grant date fair value of options issued to employees under the Parent's employee share option plan. Refer note 27 for details.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Group and re-measurement differences on defined benefit plans.

Debenture redemption reserve

Pursuant to the provisions of the Act, the Group is required to create debenture redemption reserve out of the profits which is to be uttilized for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve will be transferred to retained earnings.

Foreign currency translation Reserve

Translation differences included in the foreign currency translation reserve arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the balance sheet date, which differs from the rate in effect at the last measurement date of the respective item.

Share application money pending allotment

Share application money pending allotment represents the exercise price received from employees of the Group against share options on which allotment is not yet made.

15. BORROWINGS

Particulars		March 31, 2021	March 31, 2020
Non-current Borrowings			
Secured			
Bonds/ Debentures			
- Non convertible debentures	a	3,397.43	1,495.12
Term Loans			
From Banks			
- HDFC Bank Limited	b	85.17	130.72
- ICICI Bank Limited	c	90.47	-
- National Australia Bank	d	4,965.97	4,170.23
- Yes Bank Limited	e	7.14	27.45
- Small Industries Development Bank of India ('SIDBI')	f	34.32	47.55
- Kotak Mahindra Bank Limited	g	247.70	336.78

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Particulars		March 31, 2021	March 31, 2020
- Citzen Credit Co-operative Bank Limited	h	4.17	5.54
- Vehicle Loan from various banks	i	455.56	404.16
From other parties			
- Vehicle Loan from others	k	49.91	84.25
Total secured borrowings		**9,337.84**	**6,701.80**
Unsecured			
Term Loans			
- Yes Bank Limited	l	-	18.73
Total unsecured borrowings		-	18.73
Total non-current borrowings		**9,337.84**	**6,720.53**
Current maturity of long term borrowings		(1,917.06)	(421.87)
Non-current borrowings (as per balance sheet)		**7,420.78**	**6,298.66**
Current borrowings			
Secured			
Loans repayable on demand			
From Banks			
- Kotak Mahindra Bank Limited	m	400.00	650.00
- RBL Bank Ltd	n	1.10	47.17
- Axis Bank Limited	m	540.00	631.48
- HDFC Bank Limited	m	1,641.39	814.69
- ICICI Bank Limited	m	-	684.78
- Standard Chartered Bank	m	662.11	866.11
- State Bank of India	o	390.00	390.00
- Yes Bank Limited	p	430.34	838.36
- Citzen Credit Co-operative Bank Limited	q	111.38	149.85
- Commonwealth bank of Australia	s	48.44	50.46
Total secured borrowings		**4,224.76**	**5,122.90**
Unsecured			
Loans repayable on demand			
From Banks			
- HDFC Bank Limited		-	300.00
Total unsecured borrowings		-	300.00
Current borrowings (as per balance sheet)		**4,224.76**	**5,422.90**
Aggregate Secured borrowings		13,562.60	11,824.70
Aggregate Unsecured borrowings		-	318.73

Notes:

Long Term Borrowings - Secured:

Bonds/debentures:

a. i) ICICI Prudential Assets Management Company Limited has subscribed to 1,500 non-convertible debentures (NCDs) of ₹ 1,000,000/- each. The NCDs carry interest @ 9.50% per annum, payable annually. The NCDs are secured against 85.92% shareholding in Dusters total solutions services private limited. The debentures are redeemable after 3 years from the date of issue. i.e. April 13, 2021. As on March 31, 2021, ICICI Prudential Credit Risk Fund is holding the NCDs. Subsequent to the balancesheet date the NCDs has beed redeemed/ repaid on April 13, 2021.

ii) ICICI Prudential Assets Management Company Limited has subscribed to 1,900 non-convertible debentures (NCDs) of ₹ 1,000,000/- each. The NCDs carry interest @ 7.90% per annum, payable annually. The NCDs are secured against 85.68% shareholding in Dusters total solutions services private limited. The debentures are redeemable after 2 years from the date of issue. i.e. March 30, 2023. As on March 31, 2021, ICICI Prudential Credit Risk Fund is holding the NCDs.

Term loans:

b. HDFC bank Limited:

(i) Secured by way of first charge on the movable fixed assets of the Parent purchased out of the term loan proceeds and second pari passu charge on stock and book debts of the Parent both present and future. The loan is repayable in 16 equal quarterly instalments of ₹ 9.53 million each, with repayment to commenced from November 2017 and is scheduled to be repaid during FY 2021 – 22.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

(ii) Secured against an exclusive charge over the fixed assets and current assets of Service Master Clean Ltd. The term loans are repayable in 54 equal monthly instalments from the date of respective draw down, totaling ₹ 1.44 million per month with repayment commencing from January 2020 and are scheduled to be completely repaid by FY 2024-25.

c. Secured by way of first charge on the movable fixed assets of SLV Security Services Private Limited, purchased out of the term loan proceeds of the Company both present and future (excluding exclusive charge of SIDBI on the movable fixed assets). The loan carries interest @ '(MCLR + 1.50)'% per annum i.e. 9.65% per annum and is repayable in 11 quarterly equal instalments and is scheduled to be repaid during FY 2022-23.

d. Secured by all assets and share mortgages of SIS Australia Group Pty Ltd and its subsidiaries, with the exception of SIS Henderson Pte. Ltd. and its subsidiaries, Platform 4 Group Ltd, MSS AJG Pty Ltd and SX Protective Holdings Pty Ltd. (formerly known as Andwills Pty Ltd) and its subsidiaries. The loan is scheduled for repayment on its maturity (i.e. April 30, 2022). The loan carries interest @ 2.55 per annum.

e. Yes bank limited:

(i) Secured against an exclusive charge over the fixed assets and current assets of Service Master Clean Limited and a corporate guarantee from the Parent. The term loans are repayable in 42 equal monthly instalments from the date of respective draw down, totaling ₹ 1.67 million per month with repayment commenced from June 2016 and are scheduled to be completely repaid by FY 2021-22.

(ii) Secured by way of first charge on the fixed assets of Tech SIS Limited and has a corporate guarantee by the Parent. The Loan was fully repaid during FY 2020-21.

f. Secured by way of first charge on the movable fixed assets of SLV Security Services Private Limited, purchased out of loan proceeds (both present and future). The loan is repayable in monthly equal instalments and is scheduled to be repaid by FY 2023-24.

g. Secured by way of first charge on the movable fixed assets of the Parent purchased out of the term loan proceeds and second parri passu charge on receivables/ current assets of the Parent both present and future. The loan is repayable in 18 equal quarterly instalments beginning from the end of the 1st quarter after the end of moratorium Period of six months.

h. Term Loan from Citizen credit co-operative bank limited are secured by way of first charge on the fixed assets purchased out of the loan and by a second charge on the current assets of the Rare Hospitality and Services Private Limited. The loan is repayable in 60 equal monthly instalments of ₹ 0.17 million each.

i. Vehicle Loan from Banks are secured by hypothecation of vehicles purchased against the loan taken from that Bank. The loans have various repayment schedules and last instalment repayment is scheduled for February 2024.

j. The terms loans mentioned above except vehicle loans and loan from National Australia Bank ('NAB'), carry interest at quarterly/half-yearly/yearly MCLR plus spread margin ranging from 75 bps to 145 bps. The vehicle loans carry interest from 8.25% to 10.50% per annum.

Other loans and advances:

k. Vehicle Loan from others are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that respective financer(s). The loans carry interest from 8.25% to 11.10% per annum and have various repayment schedules and the last instalment repayment is scheduled for January 2025.

Long Term Borrowings – Unsecured:

Term loans-unsecured:

l. The loan carries interest at MCLR plus 50 bps and is repayable in 16 equal quarterly instalments of ₹ 9.37 million each, with repayment commenced from November 2016 and has been completed in August 2020.

Short Term Borrowings - Secured Loans repayable on demand:

m. Secured by first pari passu charges over the current assets and immovable fixed assets and second pari passu charge over movable assets.

n.: (i) Cash Credit facility from RBL Bank Limited is secured by an exclusive charge on the entire assets of SIS Alarm Monitoring and Response Services Pvt. Ltd., both present and future; and an unconditional and irrevocable corporate guarantee of SIS Limited, the holding company.

(ii) Secured by pari passu charge over stocks & book debts (both present and future) and second charge over the immovable property of ADIS Enterprises Pvt Ltd and one property of the outgoing promoter shareholders and carries interest @12.00% per annum.

o. Secured by first pari passu charges over the current assets and immovable fixed assets and first charge over movable assets (both present and future) of the Parent and second pari passu charge is with other working capital lenders. The short-term borrowings charges is excluding assets specifically charged to term lenders, if any.

p. : (i) Secured by pari passu charge over the current assets of the Parent both present and future.

(ii) Secured by first charge over all current assets and fixed assets of Service Master Clean Limited and by a Corporate Guarantee from the Parent, SIS Limited. The loan carries interest @ 9.60 % per annum which is 0.50% spread over and above 12 months YBL MCLR.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

(iii) Secured by first pari passu charge on current assets of the Dusters Total Solutions Services Pvt. Ltd .

(iv) Secured by a charge over trade receivables of Tech SIS Limited and have also been guaranteed by the Parent.

q. Secured by pari passu charge over stocks and book debts (both present and future) and second charge over the immovable property of RARE Hospitality and Services Private Limited and carries interest @ 10.00% per annum.

r. The loans repayable on demand mentioned above except loan from Commonwealth bank of Australia, carry interest at quarterly/half yearly/yearly MCLR plus spread margin ranging from 70 bps to 80 bps (March 31, 2020: 25 bps to 80 bps) for cash credit facility and ranging from 5.50% p.a. to 5.80 % p.a. for WCDL facilities.

s. The loan from Commonwealth bank of Australia is scheduled for repayment every qtr. The loan interest changes every qtr, last interest rate Jan21 0.0619%. Term 04/10/2019 to 10/06/2022. The bank debt is secured by a fixed and floating charge over the assets of the Group.

There has been no default in the payment of interest or repayment of principal in respect of the above loans/borrowings

16. TRADE PAYABLES

Particulars	March 31, 2021	March 31, 2020
Non-current	-	-
Current		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	20.11	15.63
- Total outstanding dues of creditors other than micro enterprises and small enterprises	641.36	522.42
Total current trade payables	**661.47**	**538.05**
Total trade payables	**661.47**	**538.05**

The terms and conditions of the above financial liabilities are as follows:

a. Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-60 days which vary by vendor and type of service.

b. For outstanding balances, terms and conditions with related parties, refer note 39

17. OTHER FINANCIAL LIABILITIES

Particulars	March 31, 2021	March 31, 2020
Non-current		
Liability towards forward contract to purchase non-controlling interests in subsidiaries (refer note 33)	-	528.24
Liability towards put and call options to purchase non-controlling interests in subsidiaries (refer note 33)	-	4,091.95
Lease liability	914.21	882.65
Total other non-current financial liabilities	**914.21**	**5,502.84**
Current		
Capital creditors	15.73	15.86
Interest accrued but not due on borrowings	280.38	194.58
Current maturity of long term borrowings (refer note 15)	1,917.06	421.87
Lease liability	253.20	227.04
Unclaimed/unpaid dividends	1.36	1.30
Employee benefits payable	3,180.67	2,818.68
Contingent consideration (refer note 33)	2,241.88	2,140.00
Other payables and accruals	3,308.28	2,847.85
Total other current financial liabilities	**11,198.56**	**8,667.18**
Total other financial liabilities	**12,112.77**	**14,170.02**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Contractual maturities of lease liabilities

Details of contractual maturities of lease liabilities recognised as on balance sheet date on undiscounted basis is as below:

Particulars	March 31, 2021		March 31, 2020	
	Undiscounted value	Present value	Undiscounted value	Present value
Within one year	323.87	253.20	298.44	227.04
After one year but not more than five years	863.55	691.94	848.25	620.42
More than five years	256.95	222.27	322.98	262.23
Total minimum lease payments	**1,444.37**	**1,167.41**	**1,469.67**	**1,109.69**
Amounts representing finance charges	(276.96)	-	(359.98)	-
Present value of minimum lease payments	**1,167.41**	**1,167.41**	**1,109.69**	**1,109.69**

18. FINANCIAL INSTRUMENTS BY CATEGORY

Particulars	March 31, 2021			March 31, 2020		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial Assets:						
Investments						
-Equity instruments	0.05	-	-	0.05	-	-
-Preference shares	177.77	-	-	177.77	-	-
-Bonds and debentures	-	-	372.00	-	-	372.00
-Mutual funds	2.38	-	-	1.18	-	-
Trade receivables	-	-	12,430.13	-	-	11,749.68
Cash and cash equivalents	-	-	8,542.76	-	-	4,171.26
Other Bank balances	-	-	2,337.61	-	-	1,965.99
Other financial assets	23.36	-	4,868.27	20.40	-	5,173.80
Total Financial Assets	**203.56**	**-**	**28,550.77**	**199.40**	**-**	**23,432.73**
Financial Liabilities:						
Trade payables	-	-	661.47	-	-	538.05
Borrowings	-	-	13,562.60	-	-	12,143.43
Other financial liabilities	2,241.88	-	7,953.83	6,760.19	-	6,987.96
Total Financial Liabilities	**2,241.88**	**-**	**22,177.90**	**6,760.19**	**-**	**19,669.44**

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis and the basis for that measurement is as below:

Particulars	March 31, 2021			March 31, 2020		
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Level 1 inputs	Level 2 inputs	Level 3 inputs
Financial Assets:						
Investments carried at FVTPL	2.38	-	177.82	1.18	-	177.82
Other financial assets	-	-	23.36	-	-	20.40
Total Financial Assets	**2.38**	**-**	**201.18**	**1.18**	**-**	**198.22**
Other financial liabilities	-	-	2,241.88	-	-	6,760.19
Total Financial liabilities	**-**	**-**	**2,241.88**	**-**	**-**	**6,760.19**

Valuation methodologies

Investments in equity / preference instruments: The Group's investments consist primarily of investment in equity / preference shares of unquoted companies. Management has considered cost to be approximating to fair value of such investments.

Investments in Bonds and Debentures: The Group's investments consist primarily of investment in non-convertible debentures which are not listed on stock exchanges. The fair value of such investments is determined using a combination of discounted cash flow analysis and option pricing models.

All of the resulting fair value estimates are included in Level 3 as the fair values have been determined based on present values and discount rates used are adjusted for counter party or own credit risk.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

The following table presents the change in Level 3 items for the periods ended March 31, 2021 and March 31, 2020:

Particulars	Unlisted equity securities	Indemnification asset	Contingent liability	Liability for forward contract for purchase of non-controlling interests	Liability for call and put options for purchase of non-controlling interests
As at April 1, 2019	**210.42**	**72.59**	**97.47**	**1,756.07**	**5,982.74**
Acquisitions	(32.60)	16.43	-	127.13	-
Unwinding of present value discount	-	9.91	5.82	157.16	225.52
(Gains) / loss on fair value recognized in statement of profit and loss	-	(78.53)	(103.29)	(576.31)	285.24
Discharge of liability	-	-	-	(823.81)	-
Translation adjustments	-	-	-	-	(373.55)
As at March 31, 2020	**177.82**	**20.40**	**-**	**640.24**	**6,119.95**
Unwinding of present value discount	-	2.96	-	22.23	179.74
(Gains) / loss on fair value recognized in statement of profit and loss	-	-	-	11.15	(3,145.70)
Discharge of liability	-	-	-	(163.42)	(1,912.90)
Translation adjustments	-	-	-	-	490.59
As at March 31, 2021	**177.82**	**23.36**	**-**	**510.20**	**1,731.68**
Unrealised fair value (gains) / losses recognized in statement of profit and loss related to assets and liabilities held as on reporting date:					
March 31, 2021	-	-	-	11.15	(3,145.70)
March 31, 2020	**-**	**(78.53)**	**(103.29)**	**(576.31)**	**285.24**

Fair Values of assets and liabilities carried at amortised costs are as follows:

Particulars	March 31, 2021		March 31, 2020	
	Carrying Value	Fair Value Level 2 inputs	Carrying Value	Fair Value Level 2 inputs
Financial Assets:				
Investments	372.00	360.77	372.00	357.70
Trade receivables	12,430.13	12,430.13	11,749.68	11,749.68
Cash and cash equivalents	8,542.76	8,542.76	4,171.26	4,171.26
Other Bank balances	2,337.61	2,337.61	1,965.99	1,965.99
Other financial assets	4,868.27	4,868.27	5,173.80	5,173.80
Total Financial Assets	**28,550.77**	**28,539.54**	**23,432.73**	**23,418.43**
Financial Liabilities:				
Trade payables	661.47	661.47	538.05	538.05
Borrowings	13,562.60	13,562.60	12,143.43	12,143.43
Other financial liabilities	7,953.83	7,953.83	6,987.96	6,987.97
Total Financial Liabilities	**22,177.90**	**22,177.90**	**19,669.44**	**19,669.45**

The Group assessed that fair value of cash and short-term deposits, trade receivables, capital creditors, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2021	March 31, 2020		
Unquoted equity / preference instruments	177.82	177.82	Cost	Management has considered cost to be approximating to fair value of such investments.
Indemnification asset recognised on business combination	23.36	20.40	Probability of outcome of litigation	Change in estimates by 10% results in increase/decrease in fair value by: March 31, 2021: ₹ 2.34 million March 31, 2020: ₹ 2.04 million
Contingent consideration	2,241.88	6,760.19	Probability of achieving financial projections	Change in estimates by 5% results in increase/decrease in fair value by: March 31, 2021: ₹ 112.09million March 31, 2020: ₹ 338.01 million

Valuation processes

The finance department of the Group includes team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team atleast once every 3 months, in line with the Group's quarterly reporting period. External valuers' assistance is also taken for valuation purposes.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discounts rate are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counter parties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management group.
- Volatility used for option pricing model is based on historical volatility of comparable companies.
- Contingent consideration – estimated based on expected cash outflows arising from the forecasted sales and the entities; knowledge of the business and how the current economic environment is likely to impact it.

19. PROVISIONS

Particulars	March 31, 2021		March 31, 2020	
	Non-current	Current	Non-current	Current
Gratuity	917.02	246.74	749.21	191.68
Leave liabilities	490.70	3,361.62	386.31	2,333.08
IBNR	-	62.61	-	43.69
Others	6.13	18.46	40.57	9.29
Total	**1,413.85**	**3,689.43**	**1,176.09**	**2,577.74**

IBNR

The IBNR, which is the abbreviated form of incurred but not reported (IBNR), are the reserves for claims that become due with the occurrence of the events covered under the insurance policy but have not been reported yet. The sum of IBNR losses plus reported losses yields an estimate of the total eventual liabilities the insurer will cover, known as ultimate losses.

Refer note 27 for details of employee benefits.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

20. OTHER LIABILITIES

Particulars	March 31, 2021	March 31, 2020
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	1,499.69	1,498.84
Income received in advance	23.67	117.56
Others	39.86	5.78
Total other current liabilities	**1,563.22**	**1,622.18**
Total other liabilities	**1,563.22**	**1,622.18**

21. GOVERNMENT GRANTS

Particulars	March 31, 2021	March 31, 2020
As at the beginning of the year	-	-
Received during the year	126.71	329.93
Released to the statement of profit and loss	(126.71)	(329.93)
As at the end of the year	-	-
Current	-	-
Non-current	-	-

The Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees joined till March 31, 2019 meeting specified criteria. The grant is paid by the Government on a monthly basis in the first three years of employment of eligible new employees on fulfilment of certain conditions. Accordingly, such Government Grant is taken to profit or loss when the conditions are met and the grants are received.

22. REVENUE FROM OPERATIONS

Particulars	March 31, 2021	March 31, 2020
Sale of products (traded goods)		
Revenue from sale of electronic security devices	583.66	628.27
Total (A)	**583.66**	**628.27**
Rendering of services		
Security services		
From guarding and other security services	78,371.20	70,434.77
Facility management services		
From Housekeeping, Cleaning, Facility operation & management services	11,038.06	12,661.55
From pest control services	271.57	216.34
Other services		
From training fees	79.15	76.11
Total rendering of services	**89,759.98**	**83,388.77**
Other operating revenues	929.40	834.62
Total (B)	**90,689.38**	**84,223.39**
Revenue from operations (A+B)	**91,273.04**	**84,851.66**

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All amounts in ₹ million except per share data

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2021.

Particulars	Security Services - India	Security Services - International	Facility Management	Inter-segment eliminations	Total
Revenue by time of recognition					
At a point in time (sale of equipments)	154.04	429.62	-	-	583.66
Over the period of time	34,725.24	44,873.85	11,272.58	(182.29)	90,689.38
Total	**34,879.28**	**45,303.47**	**11,272.58**	**(182.29)**	**91,273.04**
Revenue by geographical markets					
India	34,879.28	-	11,272.58	(182.29)	45,969.57
Outside India	-	45,303.47	-	-	45,303.47
Total	**34,879.28**	**45,303.47**	**11,272.58**	**(182.29)**	**91,273.04**

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2020

Particulars	Security Services - India	Security Services - International	Facility Management	Inter-segment eliminations	Total
Revenue by time of recognition					
At a point in time (sale of equipments)	113.77	514.50	-	-	628.27
Over the period of time	35,036.75	36,541.17	12,781.72	(136.25)	84,223.39
Total	**35,150.52**	**37,055.67**	**12,781.72**	**(136.25)**	**84,851.66**
Revenue by geographical markets					
India	35,150.52	-	12,781.72	(136.25)	47,795.99
Outside India	-	37,055.67	-	-	37,055.67
Total	**35,150.52**	**37,055.67**	**12,781.72**	**(136.25)**	**84,851.66**

23. OTHER INCOME

Particulars	March 31, 2021	March 31, 2020
Interest income *	1,198.60	156.11
Total	**1,198.60**	**156.11**

*includes interest income on income tax refund

24. OTHER GAIS/(LOSS)

Particulars	March 31, 2021	March 31, 2020
Net gain / (loss) on sale of property, plant and equipment	52.05	24.21
Foreign exchange gain/(loss)	392.74	(219.11)
Net gain / (loss) on financial assets/liabilities mandatorily measured at FVTPL	3,134.55	570.24
Total	**3,579.34**	**375.34**

25. COST OF MATERIALS CONSUMED

Particulars	March 31, 2021	March 31, 2020
Purchases of chemicals, consumables, and others	288.98	226.20
Uniforms and related inventories	25.58	29.98
Total	**314.56**	**256.18**

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26. CHANGES IN INVENTORY OF STOCK-IN-TRADE

Particulars	March 31, 2021	March 31, 2020
Inventory at the beginning of the year	338.59	253.61
Acquired on business combination	-	42.91
Inventory at the end of the year	308.93	338.59
Changes in inventory of stock-in-trade - (increase)/decrease	**29.66**	**(42.07)**

27. EMPLOYEE BENEFITS EXPENSE

a) Employee benefits expense include

Particulars	March 31, 2021	March 31, 2020
Salaries, wages and bonus	63,506.01	61,888.20
Contribution to provident and other funds	5,877.70	6,114.77
Government grants (Note 21)	(126.71)	(329.93)
Employee share-based payment expense	4.02	41.40
Gratuity expense	283.26	236.55
Leave compensation	342.76	344.67
Staff welfare expenses	677.75	667.36
Total	**70,564.79**	**68,963.02**

b) Unfunded Scheme – leave obligations

The below leave obligations cover liability for sick and earned leave in certain subsidiaries of the Group located in India.

The provision for leave obligations is presented as current, since the Group does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months:

Particulars	March 31, 2021	March 31, 2020
Current leave obligation not expected to be settled within next 12 months	83.22	69.58

Unfunded Schemes:

Particulars	March 31, 2021	March 31, 2020
Present value of unfunded obligations	189.69	139.80
Expenses to be recognized in the statement of profit and loss	67.55	70.68
Discount rate (per annum)	4.60%	5.25%
Salary escalation rate (per annum)	7.70%	7.70%

The liability for earned and sick leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

c) Defined contribution plans

The entities of the Group have certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the salary (subject to a limit of ₹ 15,000 salary per month) as per regulations. For entities in India, the contributions are made to the registered provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation in this regard.

Further contributions are made in respect of Employees' State Insurance Scheme, for specified employees, at the rate of 3.25% (4.75% upto June 30, 2019) of the gross pay as per regulations. The contributions are towards medical benefits provided by the Government to the employees. The contributions are made to employees' state insurance authorities administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation in this regard.

In outside India, the entities of the Group provide post-employment benefits through accumulation fund and central provident fund. The entities of the Group pay a fixed contribution at the rate of 9.5% of the basic salary into employee nominated independent superannuation (annuity) funds in relation to several state plans and insurance for individual employees. The

Notes to the Consolidated Financial Statements Contd.

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central provident fund is an employment-based savings scheme with employers and employees contributing a mandated amount to the Fund at the rate from 7.5% to 17%. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

Contributions to provident fund/ employees' state insurance/ superannuation funds are recognized as an expense as they become payable which coincides with the period during which relevant employee services are received. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Particulars	March 31, 2021	March 31, 2020
Expense recognised during the period towards defined contribution plans	5,877.70	6,114.77

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the entities of the Group provide for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the entities of the Group. The amount of gratuity payable on retirement/ termination is the employee's last drawn basic salary per month computed proportionately for 15 days salary multiplied by the number of completed years of service subject to completion of five years of service and other conditions. The gratuity plan is a funded plan for the Parent and certain subsidiaries in the Group, and those entities make contributions to group gratuity policies managed by insurance companies. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no foreign defined benefit plans. Certain entities of the Group have invested the plan assets in the insurer managed funds.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Expenditure to be recognized during the period:

Particulars	March 31, 2021	March 31, 2020
Current service cost	240.17	194.53
Interest cost	43.09	42.02
Total amount recognised in profit or loss	**283.26**	**236.55**
Remeasurements		
Return on plan assets, excluding amounts included in interest income	4.21	8.37
Loss / (gain) from changes in financial assumptions	31.69	51.80
Loss / (gain) from changes in demographic assumptions	-	2.18
Experience loss / (gain)	(32.95)	(57.66)
Total loss / (gain) recognised in other comprehensive income	**2.95**	**4.69**

Change in present value of defined benefit obligation is summarized below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2021	March 31, 2020
Defined benefit obligation at the beginning of year	1,105.85	905.35
Acquired on business combination	-	9.59
Current service cost	240.17	194.53
Interest cost	49.12	49.31
Remeasurements	(1.26)	(3.68)
Benefits paid	(48.97)	(49.25)
Defined benefit obligation at the end of year	**1,344.91**	**1,105.85**

Reconciliation of fair value of Plan Assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning of the year	164.96	158.37
Interest income	6.03	7.29
Remeasurements	(4.21)	(8.37)
Contribution by employer	63.34	56.92
Benefits paid	(48.97)	(49.25)
Fair value of plan assets at the closing of the year	**181.15**	**164.96**

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Reconciliation of fair value of Assets and obligations:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2021	March 31, 2020
Fair value of plan assets	181.15	164.96
Present value of obligation	(1,344.91)	(1,105.85)
Asset / (liability) recognized in balance Sheet	**(1,163.76)**	**(940.89)**

The present value of defined benefit obligation relates to active employees only.

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one-off contributions. The Group intends to continue to contribute to the defined benefit plans to achieve target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	March 31, 2021	March 31, 2020
Discount rate		
0.5% increase	(2.30%)	(1.96%)
0.5% decrease	2.43%	2.07%
Future salary increases		
0.5% increase	2.27%	1.93%
0.5% decrease	(2.18%)	(1.71%)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Group's plans are shown below:

Principal assumptions:

Principal actuarial assumptions	March 31, 2021	March 31, 2020
Discount rate	4.60%	5.25%
Future salary increase		
- Non-billing / indirect employees	6.00-8.00%	6.00-8.00%
- Billing /direct employees	5.00-8.00%	5.00-8.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	29-62%	29-62%
- 31 and above	28-62%	28-62%
Non billing employees		
- Age from 21-30 years	15-29%	15-29%
- 31-40	13-29%	13-29%
- 41-50	5-29%	5-29%
- 51 & above	4-29%	4-29%

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment and regulatory changes.

The Parent and certain entities of the Group have selected a suitable insurers to manage the funds in such a manner as to ensure that the investment positions are managed with an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

The insurers, on behalf of the entities of the Group, actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The entities of the Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

e) Parliament has approved the Code on Wages, 2019 and the Code on Social Security, 2020 which govern, and are likely to impact, the contributions by the Parent, its subsidiaries, jointly controlled entities and associates in India, towards certain employee benefits. The government has released draft rules for these Codes and has invited suggestions from stakeholders which are under active consideration by the concerned Ministry. The effective date of these Codes have not yet been notified and the Parent, its subsidiaries, jointly controlled entities and associates in India will assess the impact of these codes as and when they become effective and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

f) Share-based payments

The Parent has two Employee Stock Option plans namely ESOP 2008 and ESOP 2016.

ESOP 2008 (pre share sub-division effect)

a) Under ESOP 2008 Employee Share options were granted in 2008, 2011, 2014, 2015 and 2016 and 59,000 options, 30,000 Options, 30,500 Options, 3,500 options and 2,096 options respectively have been granted.

b) All options granted in 2008 have been either exercised or lapsed.

c) Out of the 30,000 options granted in 2011, 21,700 options were exercised and the remaining 8,300 options have lapsed/forfeited.

d) Out of the 30,500 options granted in 2014, all were vested and exercised (including 1,500 options during the year ended March 31, 2018) during the year March 31, 2019.

e) Out of the 3,500 Options granted in 2015, all were vested and exercised during the year ended March 31, 2017.

f) Out of the 2,096 Options granted in 2016, the same will vest and be eligible for exercise over four financial years. Of these, 2,096 options have been vested and exercised.

g) All options under ESOP 2008 will now be governed by the terms of ESOP 2016 except in respect of vesting and exercise which will still be governed by the terms mentioned in the respective grant letters. The Options issued under ESOP 2008 will be adjusted for the bonus issue of ten equity shares for every equity share held as on September 20, 2016, as and when such options are exercised.

h) During the year ended March 31, 2020, upon exercise of stock options by the eligible employees, the Company has allotted 5,764 equity shares of ₹ 10 each.

i) During the year ended March 31, 2021, upon exercise of stock options by the eligible employees, the Company has allotted 5,764 equity shares of ₹ 10 each.

ESOP 2016 (pre share sub-division effect)

a) Under ESOP 2016, the Company granted 1,216,000 options on August 01, 2016 which will vest over four financial years and be eligible for exercise, subject to certain conditions, after August 1, 2020.

b) Of these options:

   i 62,760 options have been forfeited on account of the respective employees no longer in employment

   ii 1,153,240 have vested till March 31, 2021, out of these Options, a total of 803,448 options were exercised during the year ended on March 31, 2021

c) During the year ended March 31, 2018, the Company issued a further 32,415 options to eligible employees which will vest over three financial years and be eligible for exercise, subject to certain conditions, after August 1, 2020. 32,415 have vested till March 31, 2021, out of these options, a total of 22,680 options were exercised during the year ended March 31, 2021.

d) During the year ended March 31, 2019, the Company issued a further 1,500 options to eligible employee which will vest over three financial years and be eligible for exercise, subject to certain conditions, after October 3, 2020 and have been vested during the year ended on March 31, 2021.

Notes to the Consolidated Financial Statements Contd.

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e) During the year ended March 31, 2019, the Company issued a further 9,000 options to eligible employee which will vest over three financial years and be eligible for exercise, subject to certain conditions, after October 3, 2021. 9000 options have been forfeited on account of the respective employees no longer in employment.

f) During the year ended March 31, 2021, upon exercise of stock options by the eligible employees, the Company has allotted 826,128 equity shares of ₹ 10 each.

Options granted under the aforesaid plans carry no dividend or voting rights.

Movements during the year (post share sub-division effect)

Year ended March 31, 2020

Particulars	ESOP 2008	ESOP 2016			Total
	ESOPs granted in				
	2016-17 *	2016-17	2017-18	2018-19	
Outstanding stock options as on April 1, 2019	2,096	2,316,900	64,830	21,000	2,404,826
Exercise price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Exercise period (from the date of grant of the option)	4 years	4 years	3 years	2 years #	
Options issued during the year	-	-	-	-	-
Options vested and exercised during the year**	1,048	1,100	-	-	2,148
Options forfeited/lapsed during the year	-	27,920	-	-	27,920
Outstanding stock options as at March 31, 2020	**1,048**	**2,287,880**	**64,830**	**21,000**	**2,374,758**
Excercisable stock options as at March 31, 2020	**-**	**-**	**-**	**-**	**-**

Year ended March 31, 2021

Particulars	ESOP 2008	ESOP 2016			Total
	ESOPs granted in				
	2016-17 *	2016-17	2017-18	2018-19	
Outstanding stock options as on April 1, 2020	1,048	2,287,880	64,830	21,000	2,374,758
Exercise price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Exercise period (from the date of grant of the option)	4 years	4 years	3 years	2 years #	
Options issued during the year	-	-	-	-	-
Options vested and exercised during the year**	1,048	1,606,896	45,360	-	1,653,304
Options forfeited/lapsed during the year	-	7,120	-	18,000	25,120
Outstanding stock options as at March 31, 2021	**-**	**673,864**	**19,470**	**3,000**	**696,334**
Excercisable stock options as at March 31, 2021	**-**	**673,864**	**19,470**	**3,000**	**696,334**

* Prior to bonus adjustment

Exercise period for 18,000 options is 2 years from October 03, 2021 and for 3,000 options is 2 years from October 03, 2020.

**The weighted average share price (post share sub-division effect) at the date of exercise of options during the year ended March 31, 2021 was ₹ 416.33 (March 31, 2020: ₹ 464.05).

There were no cancellations or modifications to the awards in March 31, 2021 or March 31, 2020.

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Share options outstanding at the end of the year have the following details (post share sub-division effect):

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (₹) @	Fair value (₹)	Share options outstanding March 31, 2021	Share options outstanding March 31, 2020
Plan I ESOP 2008 : Grant V (a) *	IV	04-Apr-16	04-Apr-20	04-Apr-21	5.00	99.46	-	11,528
Plan II (ESOP 2016): Grant V	I	01-Aug-16	01-Aug-17	01-Aug-22	5.00	95.41	67,386	228,788
Plan II (ESOP 2016): Grant V	II	01-Aug-16	01-Aug-18	01-Aug-22	5.00	95.41	134,773	457,576
Plan II (ESOP 2016): Grant V	III	01-Aug-16	01-Aug-19	01-Aug-22	5.00	95.41	202,159	686,364
Plan II (ESOP 2016): Grant V	IV	01-Aug-16	01-Aug-20	01-Aug-22	5.00	95.41	269,546	915,152
Plan II (ESOP 2016): Grant II	I	03-Jan-18	03-Jan-19	01-Aug-22	5.00	561.09	5,841	17,806
Plan II (ESOP 2016): Grant II	II	03-Jan-18	03-Jan-20	01-Aug-22	5.00	561.09	5,841	17,806
Plan II (ESOP 2016): Grant II	III	03-Jan-18	01-Aug-20	01-Aug-22	5.00	561.09	7,788	23,740
Plan II (ESOP 2016): Grant III	I	29-Jan-18	29-Jan-19	01-Aug-22	5.00	596.70	-	1,644
Plan II (ESOP 2016): Grant III	II	29-Jan-18	29-Jan-20	01-Aug-22	5.00	596.70	-	1,644
Plan II (ESOP 2016): Grant III	III	29-Jan-18	01-Aug-20	01-Aug-22	5.00	596.70	-	2,192
Plan II (ESOP 2016): Grant IV	I	13-Dec-18	13-Dec-19	03-Oct-23	5.00	379.66	-	6,000
Plan II (ESOP 2016): Grant IV	I	13-Dec-18	13-Dec-19	03-Oct-22	5.00	379.66	2,000	2,000
Plan II (ESOP 2016): Grant IV	II	13-Dec-18	03-Oct-20	03-Oct-23	5.00	379.66	-	6,000
Plan II (ESOP 2016): Grant IV	II	13-Dec-18	03-Oct-20	03-Oct-22	5.00	379.66	1,000	1,000
Plan II (ESOP 2016): Grant IV	III	13-Dec-18	03-Oct-21	03-Oct-23	5.00	379.66	-	6,000
Total							**696,334**	**2,385,240**

@ For pre-bonus issue options, additional shares on account of bonus adjustment are issued without cost to the employee.

* Post bonus adjustment of ten equity shares for every one equity share held.

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the market price being the latest available closing price prior to the date of the grant and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option as detailed below:

Grant date	Volatility	Market price (₹) *	Average life of the options (in Years)	Risk-free interest rate	Dividend yield
01-Apr-15	22.97%	99.10	1.46	7.83%	1.75%
01-Apr-15	22.22%	107.96	1.04	7.84%	1.75%
04-Apr-16	27.77%	107.96	1.50	7.02%	1.75%
04-Apr-16	25.49%	107.96	2.50	7.13%	1.75%
04-Apr-16	25.65%	107.96	3.50	7.32%	1.75%
04-Apr-16	27.57%	107.96	4.50	7.38%	1.75%
01-Aug-16	29.18%	107.96	5.00	7.10%	1.75%
03-Jan-18	30.94%	568.93	2.58	6.91%	0.25%
29-Jan-18	31.27%	604.68	2.51	6.92%	0.25%
13-Dec-18	36.21%	386.45	2.81	7.16%	0.25%

* Post bonus adjustment, where applicable and post share sub-division effect.

In respect of options granted by the Company prior to listing of its shares on stock exchanges, the market value of shares was determined on the basis of valuation carried out by a SEBI registered merchant banker. The valuation was carried out using a combination of Market Approach (by using market multiples of comparable listed companies) and Cost Approach.

One of the subsidiaries of the Group, Dusters Total Solutions Services Private Limited (DTSS), introduced in January 2011, the "Dusters Total Solution Employee Stock Option Plan" ('the Option Plan') to reward specific individuals in the organization for their performance to drive ownership among critical, senior professionals towards achievement of long term goals of the organization by providing avenue for significant wealth co-creation as well as to retain and attract critical senior talent with recognised potential to positively impact achievement of long-terms goals. The scheme was approved by the Board of Directors in its meeting held in March 2011 and the options are to be granted to employees of the Company. The Option

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Plan provides for the creation and issue of 125,285 options, from the forgone shares of the existing shareholder that would eventually convert into equity shares of ₹ 10 each in the hands of the employees. The total 125,285 options were granted as at March 31, 2017 out of which 63,137 options were exercised and 23,713 options were forfeited till March 31, 2018. In the financial year 2018-19 there are no new grants from the Company and 22,791 options were forfeited. Further, in the financial year 2019-20 there are no new grants from the Company and 15,644 options were forfeited.

The shares issuable under the Scheme will be issued out of the existing shares held by the existing promoter shareholders of the Company and hence there will be no fresh issuance on exercise of such options.

The number and weighted average exercise prices of share options under employee stock option plans are as follows:

Particulars	For the year ended 31 March 2021		For the year ended 31 March 2020	
	No. of options	Weighted average exercise price	No. of options	Weighted average exercise price
Details of movements				
Options outstanding as at the beginning	-	-	15,644	10.00
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Lapsed/forfeited during the year	-	-	(15,644)	10.00
Options outstanding as at the end	-	-	-	-
Options exercisable as at the end	-	-	-	-

DTSS has accounted for the above options using the fair value method as mentioned in IND AS 102 "Share Based Payments". The fair value on the date of grants, has been determined based on an independent valuation.

The fair value of the underlying shares of the company is calculated through the use of Earning Method and Discounted Cash Flow method, requiring subjective assumptions which greatly affect the calculated values. The fair value of the options has been calculated using the Black-Scholes option pricing model, considering the fair value of the shares on the date of grant, the expected term of the options, an expected dividend rate on the underlying equity shares, volatility in the share price and a risk free rate of return.

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2021	March 31, 2020
Employee option plan	4.02	41.40
Total employee share-based payment expense	**4.02**	**41.40**

28. FINANCE COSTS

Particulars	March 31, 2021	March 31, 2020
Interest and finance charges on financial liabilities not at fair value through profit or loss	1,131.26	1,365.13
Interest on lease liability	95.86	94.92
Other finance costs	45.38	57.18
Total	**1,272.50**	**1,517.23**

29. DEPRECIATION AND AMORTIZATION EXPENSE

Particulars	March 31, 2021	March 31, 2020
Depreciation on property, plant and equipment (Note 4)	885.75	990.26
Amortization of intangible assets (Note 5)	244.55	293.15
Total	**1,130.30**	**1,283.41**

30. OTHER EXPENSES

Particulars	March 31, 2021	March 31, 2020
Training expenses	73.66	83.42
Uniform and kit items	240.63	205.39
Recruitment incentive expenses	10.68	51.68
Selling expenses	36.03	56.15

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Particulars	March 31, 2021	March 31, 2020
Administrative expenses:		
-Travelling and conveyance	592.50	892.38
-Postage and telephone	266.61	226.59
-Rent *	292.23	305.60
-Rates & taxes	110.30	80.35
-Insurance	181.31	145.67
-Repairs and maintenance:		
- Buildings	12.61	17.33
- Machinery	98.27	97.48
- Others	48.95	32.71
-Vehicle hire charges	140.41	156.49
-Payments to auditors	44.35	40.51
-Legal and professional fees	629.11	596.64
-Bad and doubtful debts provided/written off	252.90	111.15
-Expense towards corporate social responsibility	42.53	56.69
-Other administration and general expenses #	11,626.83	6,696.16
Total	**14,699.91**	**9,852.39**

* Rent expenses are pertaining to short-term leases and low value assets.

#"Other Administration and General expenses" include an amount of ₹ 0.05 million (March 31, 2020: ₹ 6.60 million) towards contribution to a political party in terms of Section 182 of the Companies Act, 2013.

31. EARNINGS PER SHARE (EPS)

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Particulars	March 31, 2021	March 31, 2020
Profit attributable to equity holders of the Company :		
Continuing operations	3,654.10	2,254.61
Profit attributable to equity holders of the Company for basic earnings	3,654.10	2,254.61
Profit attributable to equity holders of the Company adjusted for the effect of dilution	3,654.10	2,254.61
Weighted average number of equity shares for basic EPS (Numbers)	147,067,507	146,636,099
Effect of dilution:		
Stock options (Numbers)	678,604	2,332,925
Weighted average number of Equity shares adjusted for the effect of dilution	147,746,111	148,969,024
Nominal value of equity shares (₹)	5.00	5.00
Earnings per share		
- Basic (₹)	24.85	15.38
- Diluted (₹)	24.73	15.13

32. DISTRIBUTIONS MADE AND PROPOSED

Particulars	March 31, 2021	March 31, 2020
Cash dividends on Equity shares declared and paid:		
Final dividend @ ₹ Nil per share (March 31, 2019: ₹ 3.50 per share)	-	256.61
Dividend distribution tax on proposed dividend	-	20.83
Interim dividend @ ₹ Nil per share (March 31, 2020: ₹ 2.00 per share)	-	293.28
Dividend distribution tax on Interim dividend	-	60.28

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at the reporting date.

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33. COMMITMENTS AND CONTINGENCIES

a) Capital commitment

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	2.66	0.08

b) Commitment towards forward contract/ put and call option to purchase non-controlling interests

Particulars	March 31, 2021	March 31, 2020
SLV Security Services Private Limited	-	112.00
Rare Hospitality and Services Private Limited	-	16.33
Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	510.20	503.63
ADIS Enterprises Private Limited	-	8.28
Liability for forward contracts/Share purchase agrrement (A)	**510.20**	**640.24**
SIS Henderson Holdings Pte Ltd	1,196.97	3,635.67
Platform 4 Group Ltd	534.71	456.28
Southern Cross Protection Pty Ltd (SXP)	-	2,028.00
Liability for put & call options (B)	**1,731.68**	**6,119.95**
Carrying value at the end of the year (A+B)	**2,241.88**	**6,760.19**

Commitment towards Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited') ('Uniq')

Effective February 01, 2019, the Company acquired 51% of the outstanding equity shares of Uniq Security Solutions Private Limited for an aggregate consideration of ₹ 515.00 Mn. In addition, the share purchase agreement (SPA), executed on December 14, 2018 provides for acquisition of 100% of the outstanding equity shares, at a price to be determined according to a pre-agreed valuation formula.

Commitment towards SIS Henderson Holdings Pte Ltd ('SISHH')

Effective February 28, 2019, SIS Group International Holdings Pty Ltd, a subsidiary of the Group, acquired 60% of the voting rights and shares in SIS Henderson Holdings Pte Ltd by way of a purchase of shares. In addition, the share purchase agreement (SPA), executed on January 25, 2019 provides an option to SIS Group International Holdings Pty Ltd to acquire the remaining voting rights and equity interests in SISHH on or after September 30, 2023. Refer note 36

Commitment towards Platform 4 Group Limited ('P4G')

Effective February 28, 2019, SIS Australia Group Pty Ltd, a subsidiary of the Group, acquired 51% of the voting rights and shares in Platform 4 Group Limited (P4G) by way of a purchase of shares. In addition, the share purchase agreement (SPA), executed on February 21, 2019 provides an option to SIS Australia Group Pty Ltd to acquire the remaining voting rights and equity interests in P4G on or after March 31, 2021.

c) Contingent liabilities

Particulars	March 31, 2021	March 31, 2020
Claims against the Group not acknowledged as debt:		
- Litigation matters with respect to direct taxes	18.86	35.35
- Litigation matters with respect indirect taxes	138.10	95.46
Other money for which the Group is contingently liable	10.10	9.98
Total	**167.06**	**140.79**

The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Group reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Group believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2021.

Disputed claims against the Group, including claims raised by the tax authorities (e.g. Service tax) and which are pending in appeal /court and for which no reliable estimate can be made of the amount of the obligation, are not provided for in the accounts. However, the present obligation, if any, as a result of past events with a possibility of outflow of resources, when reliably estimable, is recognized in the accounts as an expense as and when such obligation crystallises.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

34. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

There were no significant events that occurred after the Balance Sheet date except as disclosed in note 15.

35. SEGMENT INFORMATION

The Group is currently focused on three business groups: Security Services (India), Security Services (International) and Facility Management. The Group's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Group Management Committee, which is the Chief Operating Decision Maker ("CODM").

The Group operates primarily in 4 geographies, viz., India, Australia, Singapore and New Zealand. Outside India, the Group's business consists only of Manned Guarding and the risk and returns are similar to the business and geography in which they operate, hence segment results of these geographies are presented as International segment. Given the risks and returns of each business and geography in India and outside India in which they operate are different, the segment results of the Group are presented geographically for each the Group's business across India and International to enable better appreciation of the risks and returns of the Group across its various businesses and geographies in which they operate.

The business groups comprise the following:

- Security Services (India) – Guarding, Electronic security and home alarm monitoring and response services
- Security Services (International) – Guarding, Mobile patrols, Emergency medical response and rescue, Loss prevention and allied services
- Facility Management – Housekeeping, Cleaning, Facility operation & management and Pest control services

Particulars	March 31, 2021			March 31, 2020		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Security services – India	34,749.50	129.78	34,879.28	35,050.52	100.00	35,150.52
Security services – International	45,303.47	-	45,303.47	37,055.67	-	37,055.67
Facility Management	11,220.07	52.51	11,272.58	12,745.47	36.25	12,781.72
	91,273.04	**182.29**	**91,455.33**	**84,851.66**	**136.25**	**84,987.91**
Inter.co / inter-business elimination			(182.29)			(136.25)
			91,273.04			**84,851.66**
EBITDA						
Security services – India	1,822.24	77.27	1,899.51	2,049.30	63.76	2,113.06
Security services - International	2,919.08	-	2,919.08	2,211.67	-	2,211.67
Facility Management	469.40	(78.97)	390.43	944.39	(65.19)	879.20
	5,210.72	**(1.70)**	**5,209.02**	**5,205.36**	**(1.43)**	**5,203.93**
Inter.co / inter-business elimination			1.70			1.43
			5,210.72			**5,205.36**
Unallocated corporate expenses			(2.92)			(1.43)
			5,207.80			**5,203.93**
Finance costs			(1,070.53)			(1,134.56)
Depreciation and amortisation			529.65			(1,057.64)
Other income			1,198.60			156.11
Share of net profits from associates			5.46			(44.03)
Profit before tax reported to CODM			**5,870.98**			**3,123.81**
Exceptional items			(2,762.46)			-
Other gains/ (losses) and effect of entries resulting from consolidation and business combination accounting			1,717.42			(233.10)
Profit before tax			**4,825.94**			**2,890.71**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Particulars	March 31, 2021			March 31, 2020		
	External	Inter-segment	Total	External	Inter-segment	Total
Other information						
Trade receivables			12,430.13			11,749.68
Gross debt			14,730.01			13,253.12
Net debt			3,755.54			7,025.05
Capital expenditure			692.83			837.51

The total of non-current assets other than financial instruments and deferred tax assets by geographical location:

Particulars	March 31, 2021	March 31, 2020
India	6,655.31	7,263.40
International	11,092.62	11,778.62
Total	**17,747.93**	**19,042.02**

36. BUSINESS COMBINATIONS AND ACQUISITION OF NON-CONTROLLING INTERESTS

I. Acquisition of Guardforce Security Limited and Conroy Security Limited

On 31 July 2020, Platform 4 Group Ltd, a subsidiary of the Group acquired the business assets of Guardforce Security Limited, an Auckland based business, thereby obtaining control. Guardforce is mainly engaged in providing guards for retail, corporate, hotel or executive protection. The acquisition was made to enhance the Group's footprint in the region.

On 11 December 2020, Platform 4 Group Ltd, a subsidiary of the Group acquired the business assets of Conroy Security Limited, an Auckland based business, thereby obtaining control. Conroy Security Limited is engaged in the business of providing a wide range of guarding services like traffic control, labour hire, bar security and static guard work, including high-end event security management. The acquisition was made to enhance the Group's footprint in the region.

Purchase consideration:

Purchase consideration	Guardforce	Conroy
Cash paid for acquisition of shares	18.87	12.20
Deferred consideration	-	-
Total consideration	**18.87**	**12.20**

Net assets acquired:

The fair values of the identifiable assets and assumed liabilities as at the date of acquisition were:

Particulars	Guardforce	Conroy
Assets		
Property, plant and equipment	0.73	5.71
Intangible assets / Acquired contracts on acquisition (net of deferred tax liability)	8.37	2.56
Inventory	0.03	-
Less: Liabilities		
Other liabilities	9.31	4.83
Deferred tax liability / (assets)	(2.61)	(1.03)
Total identifiable net assets at fair value	**2.43**	**4.47**

Calculation of goodwill:

Particulars	Guardforce	Conroy
Total consideration	18.87	12.20
Less: Net identifiable assets acquired	2.43	4.47
Goodwill	**16.44**	**7.73**

II. Acquisition of remaining shareholding in Dusters Total Solutions Services Pvt. Ltd ('DTSS')

Effective July 30, 2019, the Company acquired all of the remaining shareholding of 6.94% in Dusters Total Solutions Services Private Limited ("DTSS"), a subsidiary of the Company, for an aggregate consideration of ₹ 525.95 million which resulted in DTSS becoming a wholly owned subsidiary of the Company.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

III. Acquisition of additional interest in SIS Alarm Monitoring and Response Services Private Limited ('Alarms')

Effective May 1, 2019, the Parent acquired an additional 50% of the voting rights and shares, in addition to the 50% already held, directly and indirectly, in SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited) ("Alarms") for an aggregate consideration of ₹ 200 million. Alarms was formerly a jointly controlled entity and, as a result, has now become a wholly owned subsidiary of the Group.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchase consideration	
Cash paid for acquisition of 50% of the shares	200.00
Fair value of existing equity	74.82
Total consideration	**274.82**

Net assets acquired:

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	Fair value recognised on acquisition
Assets	
Property, plant and equipment	71.90
Intangible Assets	0.37
Non-current investments	-
Cash and cash equivalents	41.16
Other bank balances	22.93
Trade receivables	10.27
Inventories	42.91
Other financial assets	6.51
Other non-financial Assets	47.04
Income tax assets	1.84
Deferred tax assets	75.33
Less: Liabilities	
Borrowings	100.00
Trade payables	15.28
Provisions	2.74
Other financial liabilities	44.49
Other non-financial liabilities	8.11
Total identifiable net assets at fair value	**149.64**

Calculation of goodwill:

Particulars	
Total consideration	274.82
Less: Net identifiable assets acquired	149.64
Goodwill	**125.18**

(i) Revenue and profit contribution

From the date of acquisition, Alarms has contributed ₹ 107.34 million of revenue and ₹ 50.37 million to the loss before tax from continuing operations to the Group for the year ended March 31, 2021.

The goodwill is attributable to the workforce, high prospective growth of the acquired business and control premium.

(ii) Acquired receivables

The fair value of acquired trade receivables is ₹ 10.27 million. The gross contractual amount of trade receivables due is ₹ 10.27 million, of which ₹ Nil million is expected to be uncollectible.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

(iii) Purchase consideration – cash outflow

Particulars	
Cash consideration	200.00
Less: Cash acquired	41.16
Bank overdraft	-
Net outflow of cash	**158.84**

IV. Acquisition of ADIS Enterprises Private Limited ('AEPL')

During the year ended March 31, 2021, Dusters Total Solutions Services Private Limited ('DTSS'), a wholly owned subsidiary of the Company, acquired entire remaining shareholding of 49% in ADIS Enterprises Private Limited ('AEPL'), subsidiary of DTSS, for an aggregate consideration of ₹ 9.81 million which resulted in AEPL becoming a wholly owned subsidiary of DTSS.

Effective February 1, 2020, Dusters Total Solutions Services Private Limited, a wholly owned subsidiary of the Company, acquired 51% of the outstanding equity shares of ADIS Enterprises Private Limited, for an aggregate consideration of ₹ 8.61 Million. In addition, the share purchase agreement (SPA), executed on December 05, 2019 provides for acquisition of 100% of the outstanding equity shares, by January 2021. The Group has accounted for the acquisition on the assumption of 100% acquisition based on SPA entered with the minority shareholders.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchase consideration	
Cash paid for acquisition of 51% of the shares	8.61
Future consideration	8.28
Total consideration	**16.89**

Net assets acquired:

The fair values of the identifiable assets and liabilities as at the date of acquisition were:

Particulars	Fair value recognised on acquisition
Assets	
Intangible Assets	7.69
Cash and cash equivalents	2.53
Inventories	5.55
Other financial assets	3.34
Other non-financial Assets	0.08
Income tax assets	0.36
Less: Liabilities	
Trade payables	0.07
Provisions	0.00
Deferred tax liabilities	0.33
Other financial liabilities	5.63
Other non-financial liabilities	1.07
Total identifiable net assets at fair value	**12.45**

Calculation of goodwill:

Particulars	
Total consideration	16.89
Less: Net identifiable assets acquired	12.45
Goodwill	**4.44**

(i) Revenue and profit contribution

From the date of acquisition, AEPL has contributed ₹ 7.04 million of revenue and ₹ 0.53 million to the loss before tax from continuing operations to the Group for the year ended March 31, 2021.

The goodwill is attributable to the workforce, high prospective growth of the acquired business and control premium.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

(ii) Acquired receivables

The fair value of acquired trade receivables is ₹ 5.55 million. The gross contractual amount of trade receivables due is ₹ 5.55 million, of which ₹ Nil million is expected to be uncollectible.

(iii) Purchase consideration – cash outflow

Particulars	
Cash consideration	8.61
Less: Cash acquired	2.53
Bank overdraft	-
Net outflow of cash	**6.08**

V. Acquisition of BAS Securities, Triton Security and NSR Security

Effective June 01, 2019, the Group acquired BAS Securities ('BAS'), a Christchurch based business, thereby obtaining control. BAS Securities is engaged in the business of patrolling and the acquisition was made to enhance the Group's footprint in the region.

Effective June 01, 2019, the Group also acquired 100% voting shares of Triton Security ('Triton'), a Christchurch based alarms monitoring business, thereby obtaining control. Triton Security is engaged in the business of alarms monitoring and response and the acquisition was made to enhance the Group's footprint in the region.

On April 01, 2019, the Group acquired NSR Security ('NSR'), a security and static guarding business. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration

Purchase consideration	NSR	Triton	BAS
Cash paid for acquisition of shares	57.67	224.71	95.53
Deferred consideration	14.42	-	-
Total consideration	**72.09**	**224.71**	**95.53**

Net assets acquired:

The fair values of the identifiable assets and assumed liabilities as at the date of acquisition were:

Purchase consideration	NSR	Triton	BAS
Assets			
Property, plant and equipment	2.51	2.33	1.37
Intangible assets / Acquired contracts on acquisition (net of deferred tax liability)	35.36	58.63	13.26
Cash and cash equivalents	-	6.94	-
Trade receivables	-	4.91	-
Less: Liabilities			
Borrowings	-	24.33	-
Trade payables	-	2.34	-
Other liabilities	-	11.24	0.71
Total identifiable net assets at fair value	**37.87**	**34.90**	**13.92**

Calculation of goodwill:

Particulars	NSR	Triton	BAS
Total consideration	72.09	224.71	95.53
Less: Net identifiable assets acquired	37.87	34.90	13.92
Goodwill	**34.22**	**189.81**	**81.61**

VI. Acquisition of additional interest in SLV Security Services Private Limited ('SLV')

During the year ended March 31, 2021, the Parent has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of share capital of SLV.

On February 10, 2020, the Parent acquired an additional 39.01% out of the outstanding equity shares of SLV, increasing its ownership interest to 90.01%. An interim cash consideration of ₹ 254.00 million was paid to the non-controlling shareholders in terms of the agreement entered into at the time of initial acquisition of controlling interest in that company.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

On August 31, 2019, the end of measurement period, the Group completed the fair valuation of net assets acquired as at the acquisition date. The change in the net assets acquired as determined as on date of acquisition is primarily on account of identification & recognition of indemnification assets and certain liabilities related to prior acquisition. These have resulted in net reduction in goodwill by ₹ 3.81 million.

(i) Assets and Liabilities classified as held for distribution to shareholders of subsidiary

As per the Shareholders' Agreement between SIS and the existing shareholders of SLV, the Training Center business will be transferred from the SLV to a separate legal entity (owned and controlled by Promoters), by way of slump sale under a business transfer agreement. Transfer of business and discharge of consideration for business transfer shall take place at earlier of the following dates (a) Date of transfer of license from SLV to new company controlled by Promoters; or (b) March 31, 2021. The assets and liabilities mentioned in below table represent assets and liability in the training center business:

Particulars	March 31, 2021	March 31, 2020
Assets:		
Advance to Suppliers	0.60	0.60
Other	1.62	1.62
Total assets classified as held for distribution to shareholders of subsidiary	**2.22**	**2.22**
Liabilities		
Trade payable	1.15	1.15
Other	1.67	1.67
Total liabilities classified as held for distribution to shareholders of subsidiary	**2.82**	**2.82**

VII. Acquisition of Rare Hospitality and Services Private Limited ('RHPL')

During the year ended March 31, 2021, the Parent acquired entire remaining shareholding of 17.11% in Rare Hospitality and Services Private Limited, subsidiary of the Parent, for an aggregate consideration of ₹ 56.3 million which resulted in RHPL becoming a wholly owned subsidiary of the Parent.

During the year ended March 31, 2020, the Parent converted it's loan given to RHPL of ₹ 70.00 million into equity investment. Consequent of this transaction, the Parent has increased its stake in Rare by 2.89%, resulting total ownership interest to 82.89% as on March 31, 2020.

VIII. Acquisition of Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited') ('Uniq')

Effective February 01, 2019, the Parent acquired 51% of the outstanding equity shares of Uniq Security Solutions Private Limited for an aggregate consideration of ₹ 515.00 million. In addition, the share purchase agreement provides for acquisition of 100% of the outstanding equity shares, by September 2020, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula.

On January 31, 2020, the end of measurement period, the Group completed the fair valuation of net assets acquired and Liability for forward contract to purchase of non-controlling interests as at the acquisition date. The change in liability for forward contract is primarily on account of change in underlying factor considered to determine liability as on acquisition date. This has resulted in net increase in goodwill by ₹ 118.86 million.

IX. Acquisition of SIS Henderson Holdings Pte Ltd ('SISHH')

On 28 February 2019, SIS International Group Holdings Pty Limited, a subsidiary of the Group, acquired 60% of the voting shares of Henderson Group, consisting of SIS Henderson Holdings Pte Limited (SISHH) and its 100% owned subsidiaries, a non-listed company based in Singapore and specialising in physical security and mobile patrols, in exchange for a cash consideration of ₹ 2,205.82 million (AUD 44.9 mn). The Group acquired SISHH because it provides a new market in which to provide security services.

As part of the acquisition SIS Group International Holdings Pty Limited will acquire all remaining shares it does not already own on or before 31 October 2023. The Group is deemed to have acquired 100% of SISHH on February 28, 2019 and has elected to measure the interests in the acquire at fair value.

On February 2020, the end of measurement period, the Group completed the fair valuation of net assets acquired and Liability for forward contract to purchase of non-controlling interests as at the acquisition date. The change in liability for forward contract is primarily on account of change in underlying factor considered to determine liability as on acquisition date. This has resulted in net increase in goodwill by ₹ 38.70 million.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

X. Acquisition of Platform 4 Group Ltd ('P4G')

On 28 February 2019, SIS Australia Group Pty Limited, a subsidiary of the Group, acquired 51% of the voting shares of Platform 4 Group Limited (P4G), a non-listed company based in New Zealand and specialising in physical security and mobile patrols, in exchange for cash consideration of ₹ 48.00 Mn (AUD 1 mn). In addition to the cash consideration SIS Australia Group Pty Ltd injected ₹ 16.00 million (AUD 0.35 mn) in working capital by way of subscription for fresh equity shares issued to it. The Group acquired P4G because it provides a new market in which to provide security services.

As part of the acquisition, SIS Australia Group Pty Limited will acquire all remaining shares it does not already own on or after 31 March 2021. The Group is deemed to have acquired 100% of P4G on 28 February 2019 and has elected to measure the interests in the acquiree at fair value.

37. GROUP INFORMATION

Information about subsidiaries

The subsidiaries (which along with SIS Limited, the Parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
1	Service Master Clean Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
2	Tech SIS Limited	India	Trading and installation of electronic security devices and systems	100.00%	100.00%	0.00%	0.00%
3	Terminix SIS India Private Limited	India	Pest Control Management Services	50.01%	50.01%	49.99%	49.99%
4	Dusters Total Solutions Services Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
5	SIS Business Support Services and Solutions Private Limited	India	Rendering business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6	SISCO Security Services Private Limited	India	Rendering security and related services in areas of manned guarding	100.00%	100.00%	0.00%	0.00%
7	SLV Security Services Private Limited	India	Providing manned guarding, facilities management and business process outsourcing.	$	90.01%	$	9.99%
8	Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	82.89%	0.00%	17.11%
9	Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	India	Providing Security Services.	51.00%	51.00%	49.00%	49.00%
10	Uniq Detective and Security Services (AP) Pvt. Ltd. *	India	Providing Security Services.	51.00%	51.00%	49.00%	49.00%
11	Uniq Detective and Security Services (Tamilnadu) Private Limited *	India	Providing Security Services.	51.00%	51.00%	49.00%	49.00%
12	Uniq Facility Services Private Limited *	India	Providing facility management services.	51.00%	51.00%	49.00%	49.00%
13	SIS Alarm Monitoring and Response Services Private Limited #	India	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
14	ADIS Enterprises Private Limited	India	Providing facility management services	100.00%	51.00%	0.00%	49.00%

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020
15	ONE SIS Solutions Private Limited	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	100.00%	0.00%	0.00%
16	SIS International Holdings Limited	British Virgin Islands	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
17	SIS Asia Pacific Holdings Limited	Malta	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
18	SIS Australia Holdings Pty Ltd	Australia	Holding company for Australia	100.00%	100.00%	0.00%	0.00%
19	SIS Australia Group Pty Ltd **	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
20	SIS Group International Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
21	MSS Strategic Medical and Rescue Pty Ltd	Australia	Provision of paramedic and emergency response services	100.00%	100.00%	0.00%	0.00%
22	SIS MSS Security Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
23	MSS Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
24	Australian Security Connections Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
25	MSS AJG Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
26	SX Protective Holdings Pty Ltd (Formally known as Andwills Pty. Limited)***	Australia	Holding company	100.00%	42.36%	0.00%	57.64%
27	SX Protective Services Pty. Ltd.	Australia	Holding company	100.00%	45.56%	0.00%	54.44%
28	Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
29	Southern Cross FLM Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
30	Southern Cross Loss Prevention Pty Ltd ****	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
31	Cage Security Alarms Pty. Limited ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
32	Cage Security Guard Services Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
33	Eymet Security Consultants Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
34	Askara Pty Ltd ****	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
35	Charter Customer Services Pty Ltd ##	Australia	Loss prevention, asset protection and security services	0.00%	51.01%	0.00%	48.99%
36	Charter Security Protective Services Pty Ltd ****	Australia	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
37	Charter Security (NZ) Pty Limited ****	New Zealand	Loss prevention, asset protection and security services	100.00%	51.01%	0.00%	48.99%
38	Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	51.00%	51.00%	49.00%	49.00%
39	Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	51.00%	51.00%	49.00%	49.00%
40	The Alarm Center Limited	New Zealand	Alarm Monitoring and Response Services	51.00%	51.00%	49.00%	49.00%

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
41	SIS Henderson Holdings Pte Ltd	Singapore	Holding company	60.00%	60.00%	40.00%	40.00%
42	Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	60.00%	60.00%	40.00%	40.00%
43	Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	60.00%	60.00%	40.00%	40.00%

* Wholly owned subsidiaries of Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited')

**41% ownership interest is held through SIS Group International Holdings Pty Ltd, Australia, a step-down subsidiary of the Company.

*** Apart from Ordinary shares, SIS Australia Group Pty Ltd., also holds D class shares in SX Protective Holdings Pty Ltd (formerly known as Andwills Pty Limited) effectively giving it 100% (March 31, 2020: 51.01%) voting power in that company and in Southern Cross Protection Pty limited and its subsidiaries.

**** Wholly owned subsidiaries of Southern Cross Protection Pty limited.

During the year ended March 31, 2020, SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited) has become subsidiary of the Company (refer note 36).

Companies were deregistered on February 18, 2021 as per Corporations Act, 2001.

$ During the year ended March 31, 2021, the Parent has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV

Associates

The Associates considered in the preparation of these Consolidated financial statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2021	March 31, 2020
1	SIS Cash Services Private Limited	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
2	SIS Prosegur Holdings Private Limited *	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
3	SIS Prosegur Cash Logistics Private Limited **	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%

* Wholly owned subsidiary of SIS Cash Services Private Limited

** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited

Joint ventures in which the Group is a joint venturer

The joint ventures considered in the preparation of these Consolidated Financial Statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2021	March 31, 2020
1	Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

Additional information under General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

	Name	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss) for the year		Share in other comprehensive income/ (loss) for the year		Share in total comprehensive income/ (loss) for the year	
		As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net assets	Amount (₹ million)
	Parent Company								
1	SIS Limited	44.3%	8,117.40	15.5%	570.92	(6.1)%	(45.86)	11.9%	525.06
	Subsidiaries - Indian								
2	Service Master Clean Limited	7.1%	1,305.92	(2.8)%	(104.41)	2.5%	18.97	(1.9)%	(85.44)
3	Tech SIS Limited	0.2%	37.92	(1.0)%	(38.42)	0.1%	0.44	(0.9)%	(37.98)
4	Terminix SIS India Private Limited	0.2%	41.44	1.0%	36.01	(0.1)%	(0.58)	0.8%	35.43
5	Dusters Total Solutions Services Private Limited	9.6%	1,764.52	2.0%	71.93	(1.2)%	(9.17)	1.4%	62.76
6	SIS Business Support Services and Solutions Private Limited	0.0%	(0.11)	0.0%	(0.24)	0.0%	-	0.0%	(0.24)
7	SISCO Security Services Private Limited	0.0%	0.13	0.0%	-	0.0%	-	0.0%	-
8	SLV Security Services Private Limited	(0.6)%	(109.71)	0.1%	2.86	1.3%	9.68	0.3%	12.54
9	Rare Hospitality and Services Private Limited	0.4%	69.24	1.7%	63.65	0.2%	1.74	1.5%	65.39
10	Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	2.9%	527.79	2.4%	89.89	2.9%	22.03	2.5%	111.92
11	Uniq Detective and Security Services (AP) Pvt. Ltd.	0.0%	(0.37)	0.1%	2.94	0.0%	0.24	0.1%	3.18
12	Uniq Detective and Security Services (Tamilnadu) Private Limited	0.0%	(2.44)	0.0%	0.57	0.0%	0.01	0.0%	0.58
13	Uniq Facility Services Private Limited	0.0%	2.33	0.1%	2.67	0.0%	0.06	0.1%	2.73
14	SIS Alarm Monitoring and Response Services Private Limited	0.4%	65.15	(0.2)%	(5.66)	0.1%	0.93	(0.1)%	(4.73)
15	Adis Enterprises Private Limited	0.0%	7.07	0.0%	0.38	(0.1)%	(0.69)	0.0%	(0.31)
16	One SIS Solutions Privatae Limited	0.0%	0.09	0.0%	0.02	0.0%	-	0.0%	0.02
	Subsidiaries - Foreign								
17	SIS International Holdings Limited	1.2%	222.83	0.0%	-	0.0%	-	0.0%	-
18	SIS Asia Pacific Holdings Limited	1.2%	222.86	0.0%	-	0.0%	-	0.0%	-
19	SIS Australia Holdings Pty Ltd	1.5%	269.00	0.0%	(0.07)	0.0%	-	0.0%	(0.07)
20	SIS Australia Group Pty Ltd	9.4%	1,718.78	1.4%	53.23	0.0%	-	1.2%	53.23
21	SIS Group International Holdings Pty Ltd	(6.3)%	(1,157.38)	(34.7)%	(1,272.40)	0.0%	-	(28.7)%	(1,272.40)
22	MSS Strategic Medical and Rescue Pty Ltd	1.1%	206.04	0.7%	25.88	0.0%	-	0.6%	25.88
23	SIS MSS Security Holdings Pty Ltd	8.0%	1,475.18	6.0%	221.10	0.0%	-	5.0%	221.10
24	MSS Security Pty Ltd	40.7%	7,452.28	35.4%	1,301.60	0.0%	-	29.4%	1,301.60
25	Australian Security Connections Pty Ltd	0.0%	0.56	0.0%	-	0.0%	-	0.0%	-
26	MSS AJG Pty Ltd	0.0%	-	0.0%	-	0.0%	-	0.0%	-

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

	Name	Net Assets i.e. total assets minus total liabilities		Share in profit/(loss) for the year		Share in other comprehensive income/ (loss) for the year		Share in total comprehensive income/ (loss) for the year	
		As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated net assets	Amount (₹ million)
27	SX Protective Holdings Pty Ltd (Formally known as Andwills Pty. Limited)	0.3%	61.09	(0.5)%	(17.35)	(0.1)%	(0.76)	(0.4)%	(18.11)
28	SX Protective Services Pty. Ltd.	0.0%	-	0.0%	-	0.0%	-	0.0%	-
29	Southern Cross Protection Pty. Ltd.	6.6%	1,214.38	21.6%	794.05	0.0%	-	17.9%	794.05
30	Southern Cross FLM Pty Ltd	0.0%	-	0.1%	5.12	0.0%	-	0.1%	5.12
31	Southern Cross Loss Prevention Pty Ltd	0.0%	-	1.1%	39.54	0.0%	-	0.9%	39.54
32	Cage Security Alarms Pty. Limited	0.0%	-	(4.6)%	(169.29)	0.0%	-	(3.8)%	(169.29)
33	Cage Security Guard Services Pty Ltd	0.0%	-	(1.4)%	(51.70)	0.0%	-	(1.2)%	(51.70)
34	Eymet Security Consultants Pty Ltd	0.0%	-	(0.1)%	(2.35)	0.0%	-	(0.1)%	(2.35)
35	Askara Pty Ltd	0.0%	0.79	(0.1)%	(4.44)	0.0%	-	(0.1)%	(4.44)
36	Charter Customer Services Pty Ltd	0.0%	-	(3.0)%	(110.26)	0.0%	-	(2.5)%	(110.26)
37	Charter Security Protective Services Pty Ltd	1.2%	221.79	0.8%	29.17	0.0%	-	0.7%	29.17
38	Charter Security (NZ) Pty Limited	0.0%	-	0.0%	1.20	0.0%	-	0.0%	1.20
39	Platform 4 Group Limited	(0.1)%	(14.85)	4.3%	157.41	(2.6)%	(19.27)	3.1%	138.14
40	Triton Security Services Limited	0.7%	125.93	0.3%	10.80	0.0%	-	0.2%	10.80
41	The Alarm Center Limited	0.0%	8.60	0.0%	0.47	0.0%	-	0.0%	0.47
42	SIS Henderson Holdings Pte Ltd	5.9%	1,085.23	0.0%	(1.53)	0.1%	0.89	0.0%	(0.64)
43	Henderson Security Services Pte Ltd	9.1%	1,659.12	19.6%	718.50	29.5%	222.90	21.3%	941.40
44	Henderson Technologies Pte Ltd	1.7%	316.01	3.4%	123.19	5.4%	41.06	3.7%	164.25
	Joint ventures / Associates - Indian								
1	SIS Cash Services Private Limited	3.9%	712.34	1.3%	46.13	0.0%	(0.37)	1.0%	45.76
2	SIS Prosegur Holdings Private Limited	3.2%	595.03	(1.3)%	(47.33)	0.6%	4.17	(1.0)%	(43.16)
3	SIS Prosegur Cash Logistics Private Limited	1.9%	339.11	0.0%	0.42	0.0%	-	0.0%	0.42
	Joint ventures / Associates - Foreign								
4	Habitat Security Pty Ltd	0.0%	3.18	0.1%	2.54	0.0%	-	0.1%	2.54
	Others								
	Adjustments arising out of consolidation/translation adjustments		(10,256.63)		1,107.37		509.09		1,616.46
	Non-controlling interests		20.73		18.00		(0.29)		17.71
	Total		**18,328.36**		**3,672.10**		**755.22**		**4,427.32**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

38. INTERESTS IN OTHER ENTITIES

a) Non-controlling interests (NCI)

Particulars	March 31, 2021	March 31, 2020
Share capital / investment	112.48	112.48
Other equity	(91.75)	(109.46)
Total non-controlling interests	**20.73**	**3.02**

b) Interest in associates and joint ventures

Associates

The Group holds 49% interest in SIS Cash Services Pvt. Ltd., SIS Prosegur Cash Logistics Pvt. Ltd., SIS Prosegur Holdings Pvt. Ltd. SIS Prosegur Cash Logistics Pvt. Ltd. and SIS Prosegur Holdings Pvt. Ltd. are subsidiaries of SIS Cash Services Pvt. Ltd. The Group's interest in these entities are accounted for using the equity method in the consolidated financial statements.

Joint ventures

The Group holds 49% interest in Habitat Security Pty Ltd. The Group's interest in the entity is accounted for using the equity method in the consolidated financial statements.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2021	March 31, 2020
SIS Cash Services Private Limited	India	49.00%	Associate	Equity method	380.32	377.31
Habitat Security Pty Ltd.	Australia	49.00%	Joint venture	Equity method	2.91	2.72
Total equity accounted investments					**383.23**	**380.03**

The share of profits from associates and joint ventures recognised by the Group is given below:

Particulars	March 31, 2021	March 31, 2020
Share of profits from associates	3.01	(42.06)
Share of profits from joint ventures	2.45	(1.97)
Total share of profits from associates and joint ventures	**5.46**	**(44.03)**

Particulars	Joint ventures		Associates		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(a) Profit or loss from continuing operations	2.45	(1.97)	(0.79)	(44.30)	1.66	(46.27)
(b) Post-tax profit or loss from discontinued operations.	-	-	-	-	-	-
(c) Other comprehensive income	-	-	3.80	2.24	3.80	2.24
(d) Total comprehensive income	2.45	(1.97)	3.01	(42.06)	5.46	(44.03)
(e) Impact of change in accounting policies on adoption of new accounting standards	-	(0.21)	-	(35.83)	-	(36.04)

39. RELATED PARTY TRANSACTIONS

Note 37 above provides the information about the Group's structure.

Names of related parties

Key Management Personnel and their relatives	Associates/Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group
Mr. Ravindra Kishore Sinha (Chairman)	SIS Cash Services Private Limited	Saksham Bharat Skills Limited
Mr. Uday Singh (Non-Executive Director)	SIS Prosegur Holdings Private Limited	Security Skills Council India Limited
Mr. Rituraj Kishore Sinha (Managing Director)	SIS Prosegur Cash Logistics Private	SIS Group Enterprises Limited
Mr. Arvind Kumar Prasad (Director - Finance)	Limited	Mritunjay Educational Foundation Limited
Mrs. Rita Kishore Sinha – Non-Executive Director	Habitat Security Pty Ltd. (Joint venture)	Superb Intelligence Services Private Limited
Mr. Arun Batra – Independent Director (resigned w.e.f. October 24, 2019)		Mahamanav Mritunjay Institute of Yoga & Alternative Medicine Limited

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Key Management Personnel and their relatives	Associates/Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group
Mr. Amrendra Prasad Verma – Independent Director		Sunrays Overseas Private Limited
Mr. T C A Ranganathan – Independent Director		Vardan Overseas Private Limited
Mr. Devdas Apte – Independent Director		SIS Asset Management Limited
Mr. Rajan Krishnanath Medhekar – Independent Director		Rituraj Resorts Limited
Ms. Renu Mattoo – Independent Director		Lotus Learning Private Limited
Mr. Sunil Srivastav - Independent Director, appointed w.e.f. October 24, 2019		
Mr. Devesh Desai (Chief Financial Officer)		
Mr. Brajesh Kumar (Chief Financial Officer – Security Solutions and Facility Management)		
Ms. Pushpalatha Katkuri (Company Secretary)		

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	Associates/ Joint venture		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group		Total	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
Purchase of goods / receiving of services / expenses reimbursed to related parties	5.38	0.67	-	-	65.85	317.69	71.23	318.36
Sale of goods / rendering of services / expenses reimbursed by related parties	21.47	14.22	-	-	83.83	108.99	105.30	123.21
Investments Made	-	75.00	-	-	-	-	-	75.00
Uniform business acquired under slump sale	-	-	-	-	4.78	-	4.78	-
Interest income on bonds or debentures or loans	40.92	34.22	-	-	2.54	8.44	43.46	42.66
Salary & remuneration paid *	-	-	65.58	61.98	-	-	65.58	61.98
Rent paid	-	-	16.56	16.57	70.76	66.04	87.32	82.61

* Post-employment benefits are actuarially determined for the Group as a whole and hence not separately provided.

Balances outstanding at end of the year

Particulars	Associates/ Joint venture		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group		Total	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
Trade payables / Other payables	0.32	0.54	-	-	19.68	81.08	20.00	81.62
Trade receivables / Other receivables	185.13	170.65	-	-	117.79	109.52	302.92	280.17
Investment in shares	383.24	380.04	-	-	-	-	383.24	380.04
Investment in bonds / debentures	372.00	372.00	-	-	-	-	372.00	372.00

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Terms and conditions of transactions with related parties

Transactions relating to dividends paid, subscription for new equity shares were on the same terms and conditions that applied to other shareholders.

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to market rate, where specified, in terms of the transactions and settlement occurs in cash. For the year ended March 31, 2021, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2020: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

40. FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support the financing of the operations of its subsidiaries, joint ventures and associates. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and loans, security and other deposits.

The Group's operations expose it to market risk, credit risk and liquidity risk. The Group's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, loans and deposits given, FVTOCI investments and derivative financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates which arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency revenue and cash flows. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The Group has limited foreign currency transactions and has limited exposure to foreign currency assets and liabilities resulting in the foreign currency risk being low.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in recent years and may continue to do so in the future. Consequently, the results of the Group's operations may be affected as the Indian Rupee appreciates/ depreciates against these currencies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:

Particulars	Financial libailities	
	March 31, 2021	March 31, 2020
Foreign currency risk in ₹		
SGD	1,196.97	3,635.67
NZD	534.71	456.28
USD	5.79	5.84
EURO	10.19	37.87
Net exposure to foreign currency risk	**1,747.66**	**4,135.66**

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Sensitivity

The sensitivity of profit or loss to change in the exchange rates arises mainly from foreign exchange denominated financial instruments are as follows:

Particulars	Financial libailities	
	March 31, 2021	March 31, 2020
Sensitivity		
₹/AUD-increase by 5%	87.38	206.78
₹/AUD-decrease by 5%	(87.38)	(206.78)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2021	March 31, 2020
Variable rate borrowings:		
- Loan repayble on demand	4,224.76	5,422.90
- Loans	5,434.94	4,737.00
Fixed rate borrowings		
- Bonds/ Debentures	3,397.43	1,495.12
- Vehicle loan	505.47	488.41
Total	**13,562.60**	**12,143.43**

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind-AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	March 31, 2021	March 31, 2020
Interest rates - increase by 25 basis points *	24.15	25.40
Interest rates - decrease by 25 basis points *	(24.15)	(25.40)

*Holding all other variables constant

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue. These are unsecured and are managed by the Group through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. No single customer accounted for more than 10% of the accounts receivable as of March 31, 2021 and March 31, 2020, respectively and revenues for the year ended March 31, 2021 and March 31, 2020, respectively. There is no significant concentration of credit risk. The Group uses the expected credit loss ("ECL") method to assess the loss allowance for Trade receivables and Unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The Group does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures.

The credit risk for financial assets other than bank balances and trade receivables are considered low.

Significant estimates and judgements

Impairment of financial assets

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions. The Group estimates loss arising on trade receivables as a percentage of sales based on past trends and such loss is directly debited to revenue instead of creating a provision for impairment of receivables.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are invested in bank fixed deposits or used to temporarily reduce the balance of cash credit accounts to optimize interest costs.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, shareholder equity, and finance leases.

The below table summarises the Group's long-term debt that will mature in less than one year based on the carrying value of borrowings reflected in the financial statements.

Particulars	March 31, 2021	March 31, 2020
Group's long-term debt	9,337.84	6,720.53
Group's long-term debt that will mature in less than one year from reporting period	1,917.06	421.87
	20.53%	**6.28%**

The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and significant portion of short-term debt maturing within 12 months can be rolled over with existing lenders. The Group believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2021

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	4,224.76	1,574.07	182.39	7,585.30	-	13,566.52
Lease liability	-	80.97	242.90	863.55	256.95	1,444.37
Other financial liabilities	-	8,747.92	-	-	-	8,747.92
Trade payables	-	661.47	-	-	-	661.47
Contingent consideration	-	510.20	1,731.68	-	-	2,241.88

Year ended March 31, 2020

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	5,422.90	81.43	338.88	6,330.06	-	12,173.27
Lease liability	-	74.61	223.83	848.25	322.98	1,469.67
Other financial liabilities	-	7,823.69	-	-	-	7,823.69
Trade payables	-	538.05	-	-	-	538.05
Contingent consideration	-	112.00	6,648.19	-	-	6,760.19

As a matter of policy, the Group does not carry out any hedging activities.

There has been no default in servicing borrowings and/ or breaches in loan covenants.

The Group has the following financial assets which are subject to the impairment requirements of Ind AS 109. On assessment of the future cash flows arising from these assets, the Group believes that there is no provision required to be made for impairment losses on these assets.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Particulars	March 31, 2021	March 31, 2020
Financial Assets:		
Investments	372.00	372.00
Trade receivables	12,430.13	11,749.68
Other financial assets	4,868.27	5,173.80
Total	**17,670.40**	**17,295.48**

41. ADDITIONAL CAPITAL DISCLOSURES

For the purpose of the Group's capital management, capital includes issued equity capital, share premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Group's capital management is to maximise shareholder value and support its strategies and operating requirements. The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with a focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements for the Group's operations are generally met through operating cash flows generated and supplemented by long-term and working capital borrowings from banks.

The Group's objectives when managing capital are to:

a) safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) maintain an optimal capital structure to optimise the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants to which it is subject. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a ratio, which is Net Debt divided by EBITDA. The Group defines Net Debt as borrowings less cash and cash equivalents including bank balances and deposits irrespective of their duration / maturity.

Particulars	March 31, 2021	March 31, 2020
Borrowings (Note 15)	11,645.54	11,721.56
Current portion of long term debt (Note 15)	1,917.06	421.87
Lease liability (Note 17)	1,167.41	1,109.69
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(10,974.47)	(6,228.07)
Net Debt	**3,755.54**	**7,025.05**
EBITDA	**5,210.72**	**5,205.36**
Net debt to EBIDTA ratio	0.72	1.35

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it simultaneously meets financial covenants attached to its borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

Notes to the Consolidated Financial Statements Contd.

All amounts in ₹ million except per share data

Dividends

The Parent declares and pays dividends in Indian Rupees. According to the Companies Act, 2013 any dividend should be declared only out of accumulated distributable profits. A company may, before the declaration of any dividend, transfer a percentage of its profits for that financial year, as it may consider appropriate, to the reserves.

The Parent's Board, at its meeting dated April 28, 2021, has not proposed final dividend for the year ended March 31, 2021 (March 31, 2020: ₹ Nil per share).

The Board of Directors, at their meeting held on September 21, 2016 had approved the issue of bonus shares in the proportion of 10:1, i.e. 10 (ten) equity shares of ₹ 10 each for every 1 (one) fully paid-up equity share held as on September 15, 2016 pursuant to resolution passed by the shareholders on July 27, 2016. The Parent has not issued any bonus shares out of capitalisation of its revaluation reserves or unrealised profits.

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

CA. Dilip Kumar
(Partner)
Membership No. 082118

Place: Noida
Date: April 28, 2021

For and on behalf of the Board

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(Security solutions & FM)

Pushpalatha Katkuri
Company Secretary

A Market Leader in
Security, Cash Logistics
& Facility Management

Registered Office
Annapoorna Bhawan, Telephone
Exchange Road, Kurji, Patna

Corporate Office
A-28 & 29 Okhla Industrial Area, Phase-1,
New Delhi - 110020