

Sustainable Growth. Strong Prospects.



Index

RESPONDING WITH FOCUS

1-65

- 2 Chairman's Message
- 4 Group Managing Director's perspective
- 6 Key Performance Indicators
- 8 Corporate Identity
- 10 Milestones
- 12 Presence
- 14 Technology
- 18 Business Review
- 46 Stakeholder Engagement
- 48 Materiality Assessment
- 50 Opportunity Landscape
- 52 ESG Framework
- 54 Environment
- 56 People
- 60 Community
- 62 Governance
- 64 Leadership Team
- 65 Corporate Information

STATUTORY REPORTS

66-135

- 66 Directors' Report
- 90 Report on Corporate Governance
- 110 Business Responsibility Report
- 130 Management Discussion and Analysis

FINANCIAL STATEMENTS

136-298

- 136 Standalone Financial Statements
- 211 Consolidated Financial Statements

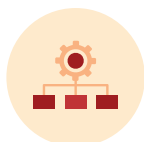
Our values



Trust



People Focus



Service Spirit

FY22 Key Highlights

₹ **10,059.1** Crs
Revenue | 10.2% ↑

₹ **498.5** Crs
EBITDA | 4.3% ↓

₹ **288.6** Crs
Operating PAT | 49.1% ↑

16.7%
Return on Equity (ROE)

↑ y-o-y growth in FY22 over FY21



Check our website www.sisindia.com to get to know us better

Sustainable growth. Strong prospects.



When you are the pioneer and market leader across businesses, it is imperative to analyze market trends regularly and adapt with agility to stay ahead of the curve.

At SIS Group, we believe that change is all pervasive and we must make adequate changes to our business model to further fortify our leadership position. In line with this thought, we have embarked on our Vision 2025 plan, through which, we aim to convert our market leadership into market share dominance and transition from a services-based company to a solutions-based company.



This transformation would only be possible by leveraging the power of technology. We plan to adopt a tech-led approach, including strategic investments in tech start-ups, in a bid to diversify our offerings and cater to the ever-evolving demands of our customers. We truly believe that the organization-level adoption of technology is bound to catapult our growth to the next level, enabling us to capitalize on emerging opportunities.



Chairman's Message

Gearing up for the Next Phase of Growth



Dear Friends,

I hope you and your loved ones are safe and in good health.

My heartfelt gratitude goes out to the entire healthcare fraternity and government agencies across the world, for braving enormous odds to combat the COVID-19 pandemic. Timely roll out of vaccinations and concerted efforts to address the pandemic-induced economic disruptions have helped the world to gradually return to normalcy.



We rolled out our Vision 2025 plan last year, with the goal of transforming our market leadership into market share dominance and transitioning from a services company to a solutions company.

The pandemic phase has been no less challenging for the SIS Group as well. However, we adapted with agility to continue providing security, facility management and cash logistics solutions to our customers, while undertaking proactive measures for the health and safety of our employees. I also take this opportunity to salute our 250,000 front liners - security guards, janitors and fumigation technicians - that have worked 24x7 to contain the spread of COVID-19 and our cash logistics crews who have helped economic activity by managing the currency cycle at ATMs.

The commitment, dedication and passion, our frontline teams have showcased shall remain a matter of pride and inspiration for decades. When the pandemic began, we had setup the 'Humare Heroes COVID Welfare Fund', and continued it in FY22 as well, to support COVID infected employees for their medical and associated expenses. A 'Vaccine Incentivization Plan' was rolled out in Australia to encourage vaccine adoption and the response was truly encouraging.

Despite the pandemic and resultant developments, FY22 will be a year to remember in the history of our business for many reasons.

We have been recognised by 'Great Place to Work' for the second year in a row. In FY22, SIS Group has been ranked #4 amongst the 'Best Companies to Work For in India'. We were rated as the 'Best Employer in Facility Management' category. We were also facilitated as 'Top 50 Places to Work For Women'. Most importantly, SIS Group received the coveted recognition as one of 'India's 22 Best Employers among Nation-Builders' category.

However, one achievement which we are most proud of is the 'Humare Heroes Vaccination Drive', where our teams from the branch level to senior management, have worked relentlessly to ensure the vaccination of 2,50,000 front-line staff spread over 34,000 plus client locations. In a mission mode, more than 4,50,000 doses of vaccine were

administered in under 250 days. Despite our efforts, we lost few of our employees to the pandemic. We have stood by their families, but 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.

Growth for us is non-negotiable; and we have fast-tracked our growth over the years, without compromising on employee welfare. This year, the group business crossed the milestone of ₹ 10,000 Crore in annual revenues, which roughly translates to US\$ 1.3 Billion. Despite the impact of the COVID waves between April to June 2021 and December to January 2022, SIS Group still managed to report over 10% year on year revenue growth.

Our Vision plans have been instrumental in implementing our growth strategies, after careful consideration of the market trends, internal capabilities and resources, and the regulatory developments. These plans have played a key role in creating and establishing new business lines, raise funds from private equity and public markets, expand into adjacencies and ramp up our technology spending. Our Vision 2025, which came into effect in FY21, outlines the goal of transforming our market leadership into market share dominance and transitioning from a services company to a solutions company.

Going forward, we will continue to catalyze technology adoption across all areas of operations, and successfully implement our Vision 2025 plan. We truly believe that this is just the beginning of our journey and we have a lot of milestones to complete together.

On behalf of the Board of Directors and the leadership team, I would like to thank all our stakeholders. It would not have been possible to navigate through pandemic induced challenges without your support and belief in the Company.

Warm regards,

RAVINDRA KISHORE SINHA
Chairman

Group Managing Director's perspective

Marching Ahead Strategically



Looking back at the last 2 years of COVID, has it proved to be a tailwind or headwind for the business?

The Government of India categorized our business verticals - Security, Facility Management and Cash logistics - as essential services at the beginning of the pandemic. In our industry, we are one of the largest essential services providers in the country. The beauty of our business verticals is that our offerings are sector agnostic and hence all our businesses have reported growth in the last two years during the pandemic.

I am proud to say that even during this difficult period, when businesses faced unprecedented challenges, we reported 7% year-on-year revenue growth in FY21, in the year when the economy contracted and over 10% year-

on-year revenue growth in FY22. The testimony to the fact that the last two years of COVID, has proved to be a tailwind for SIS business, is that our monthly revenue which was ~720 Crore in March 2020, has grown to over 924 Crore at the end of March 2022. This equates to 31% growth in monthly revenues during the last two years.

Against the backdrop of pandemic-induced challenges, what were the key highlights of the year?

FY22 has been a landmark year for SIS. We crossed the ₹ 10,000 Crore annual revenue mark for the first time in our history. We also ended Q4 FY22 at ₹ 2,648 Crore revenue, the highest ever quarterly revenue. During the year, all business segments reported healthy growth



We believe that the investment route will enable us to diversify our financial risk by backing multiple relevant solutions and ideas over a period of time

despite the impact of COVID second and third waves, resulting in over 10% year-on-year revenue growth.

Gross margin continues to remain stable at pre-COVID level, but EBITDA margin dropped because of the following three reasons. First, we incurred large expenditures for implementing protection and mitigation measures for COVID. We also took a decision for additional one-time compensatory pay out to employees for catch up on FY21 appraisal increments. Second, in FY22 with the economy opening up, all the cost saving elements such as reduced office rentals, meeting related travel, hotel accommodation, training etc., that were induced due to lockdowns in to FY21, have started to come back in the system. Third, we are also investing in growth levers such as adding people in our sales team and opening new branches because we believe every crisis is followed by a fresh opportunity, a period of turbo charged growth.

Our operating PAT at ₹ 288.5 Crore for the year and at ₹ 97.7 Crore for the Q4 FY22, is the highest ever, both on yearly and quarterly basis.

Our ROE is at 16.7%, which demonstrates our strong track record on capital efficiency.

Terminix SIS the JV for pest control and termite business, became a 100% subsidiary of the Group.

Under SIS Ventures, we made our first investment in Staqu Technologies, a video analytics company that is leveraging Artificial Intelligence to provide enhanced security to customers.

Can you take us through the financial performance during the year?

Our Security business in India continues to be the largest and has taken significant strides under the Alarm Monitoring and Response Solution (AMRS), offered by our VProtect brand. The security business recorded revenues of ₹ 3,856.9 Crore, an increase of 10.6% over the previous year.

Our Security business- international, continued to grow in line with the previous year, as it recorded revenues of ₹ 4,840.5 Crore, an increase of 6.8%. This is attributed to the business returning to normalcy from segments, such as Aviation, Universities & event management, that were hit by the pandemic.

Our Facility Management business is the fastest growing vertical in the group's portfolio. The business has recorded its highest ever annual revenues at ₹ 1,395 Crore in FY22, up from ₹ 1,127.3 Crore in FY21, an increase of 23.7%. The revenue growth is largely driven by key business segments like Healthcare, Manufacturing, BFSI and E-commerce / Logistics.

Our Cash Logistics joint venture with PROSEGUR continues to consolidate its position in the market. Revenue from this segment increased by 18.8% to reach ₹ 392.6 Crore.

How do you expect the trend in minimum wages to be playing out and what effect will the new labour codes have on SIS?

Before COVID-19, India has been witnessing an annual increase of 9-10% in minimum wages over the last 10 years. However, the onset of the pandemic completely derailed this trend, as the average increase in minimum wages remained subdued at ~5%, even falling to 2-3% in some states.

Now with the economy opening up, coupled with the increasing burden of the inflationary pressure on the lower-middle class, we expect good catch-up on the pending minimum wages hike. In hindsight, this would take place gradually, to reach the pre-pandemic levels.

We believe that the introduction of the new labour codes will bring about a certain set of uniformity in the wage levels across the country and also enforce higher compliance from the market. We are well-positioned to offer the highest degree of compliance to customers, through our technology-based platforms.

How is SIS gearing up for the future?

We have a strategically laid out Vision 2025 plan that would enable us to increase our revenues and profitability significantly by 2025. Under this plan, we intend to convert our market leadership into market share dominance and transform from a services company to a solutions company. Technology is perhaps the biggest component in this transformation.

We believe that technology is all pervasive today. There are numerous start-ups which have emerged in all our business segments, working on a myriad of technologies, products and solutions, to address customer problems and meet customer needs. As it is not economically viable to develop all these solutions in-house, we believe the best course of action is to identify and invest in such promising start-ups. It will enable us to diversify our financial risk by backing multiple relevant solutions and ideas.

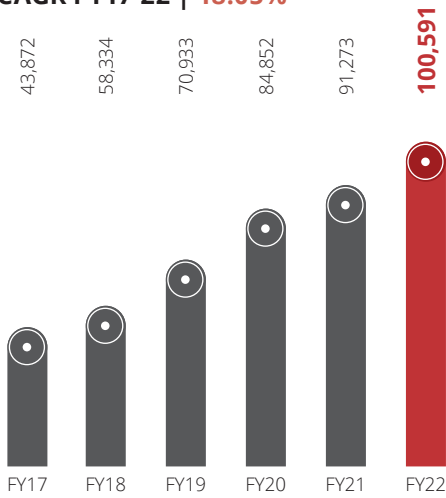
We have thus earmarked ₹ 75 Crore investments in a seed fund incubator for next generation ideas in SIS's addressable and adjacent markets. In line with this, we have already invested in Staqu, a video analytics company. Video analytics-based security solutions are expected to transform the security industry worldwide and we are building capabilities to capitalize on these emerging opportunities.

We truly believe that our Vision 2025 will completely transform the business and enhance value for all our stakeholders.

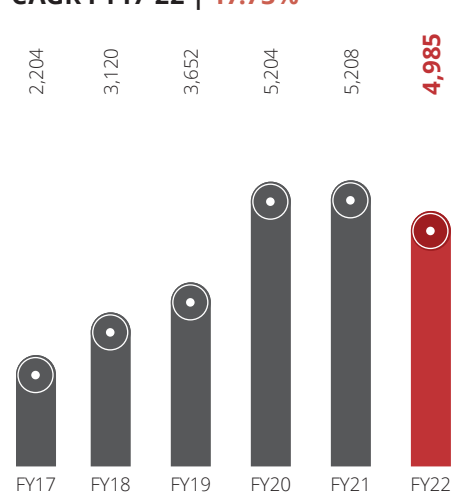
Key Performance Indicators

Breaking Records during a Challenging Year

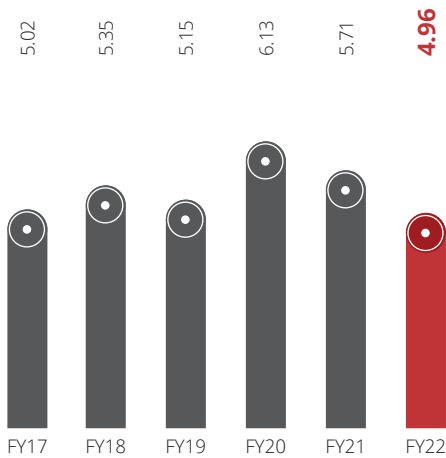
Revenue (₹ in Million)
CAGR FY17-22 | **18.05%**



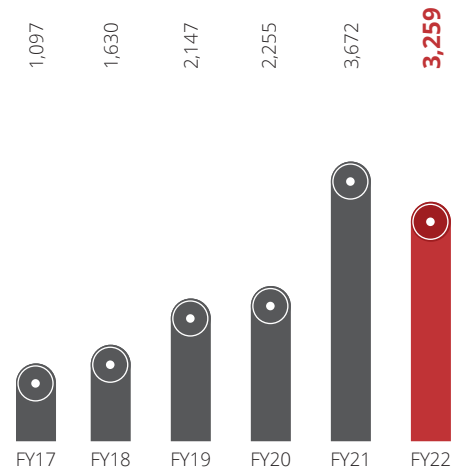
EBITDA (₹ in Million)
CAGR FY17-22 | **17.73%**



EBITDA Margin (in %)

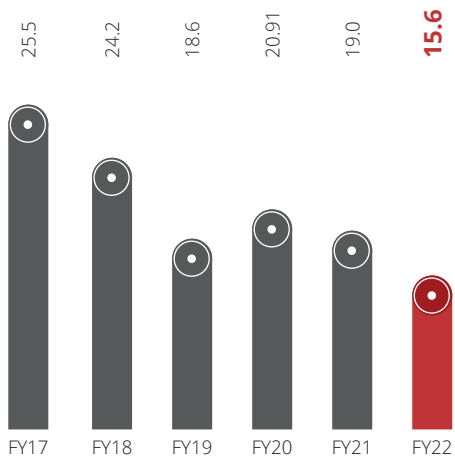


PAT (₹ in Million)
CAGR FY17-22 | **24.33%**

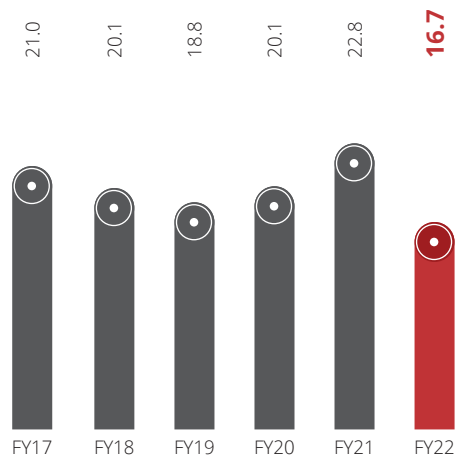




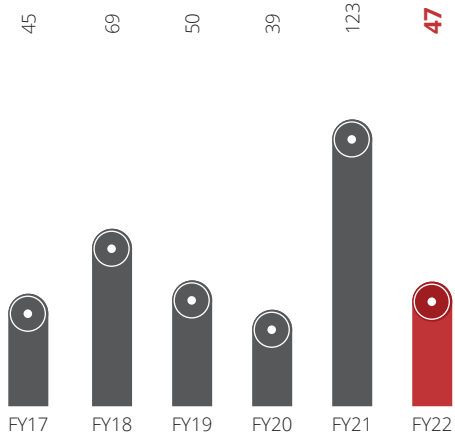
Return on Capital Employed (RoCE) (in %)



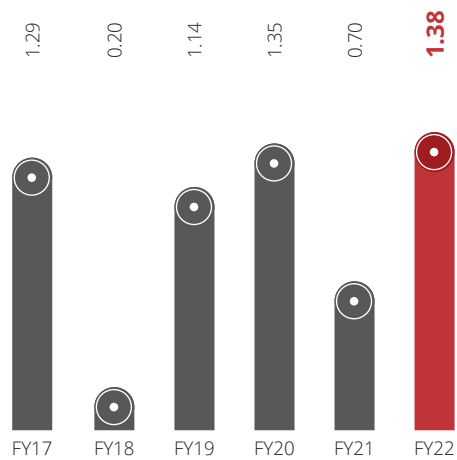
Return on Net Worth (RoNW) (in %)



Operating Cash Flow/ EBITDA (in %)



Net Debt/ EBITDA (x)



Corporate Identity

Securing the Future of India

We commenced operations as a two-member company in 1985, and have since developed into one of the market leaders in the Asia Pacific region, in security, facility management and cash logistics segments, all of which are essential to the functioning of a healthy economy.

Over the years, we have steadily and strategically expanded our operations. Currently we are present across 28 Indian states and 8 Union Territories, and have penetrated international markets like Australia, Singapore and New Zealand. Our relentless focus on innovation to provide evolved solutions to our customers, resulted in us emerging as one of the fastest growing security, facility management and cash logistics solutions provider in India and the Asia-Pacific region.

Our Business Segments



Security



Facility Management



Cash Logistics

KEY FACTS

37 YEARS
Industry experience

2,50,901
Total employees

42,888
Customer sites

17,603
Customer base





Snapshot of Our Business Segments

Security Solutions

We are the leading security solutions provider in the Asia-Pacific (APAC) region – India, Australia, New Zealand and Singapore. We provide diverse solutions across the security spectrum, including Alarm monitoring and response solutions and ‘Man-Tech’ solutions, which combine electronic security with a trained workforce.

86.1%

Revenue contribution from this segment

India



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



Alarm monitoring and response solutions

Read more on [page 18-25](#)



Complete suite of electronic security solutions

Australia



Largest security solutions provider across all market segments in Australia



Largest mobile patrol company in Australia

New Zealand



Leading security solutions provider in New Zealand

Read more on [page 26-31](#)

Singapore



One of Singapore's leading security companies

Facility Management Solutions

We provide housekeeping solutions, janitorial support, integrated facility management, HVAC maintenance and pest control, among others.

13.9%

Revenue contribution from this segment



Read more on [page 32-39](#)

Cash Logistics Solutions

We provide solutions like 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 solutions for bullion and cash.



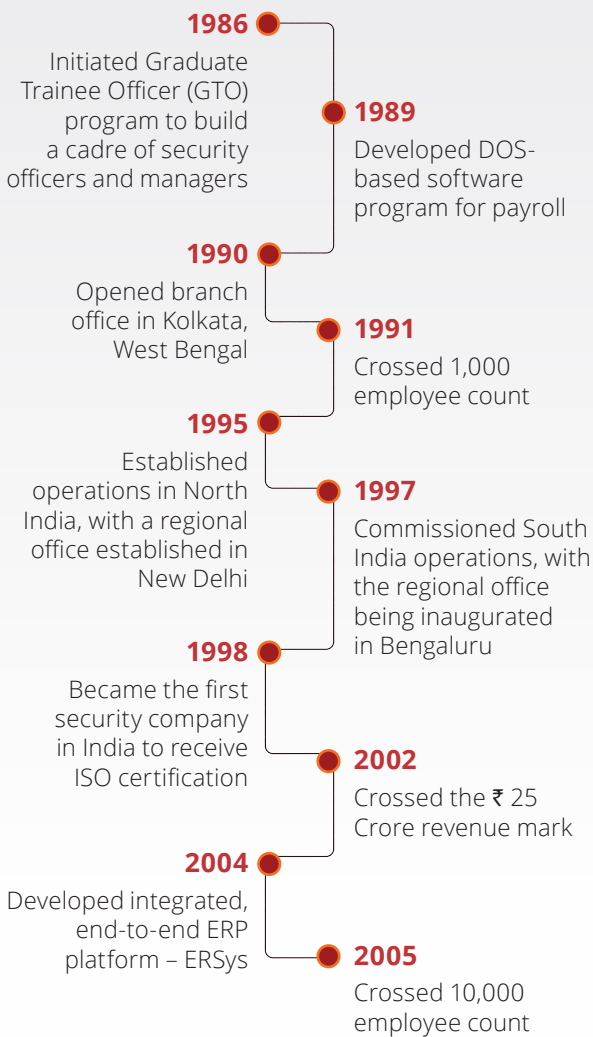
Read more on [page 40-45](#)

Milestones

Journey fulfilled with Trust and Reliability

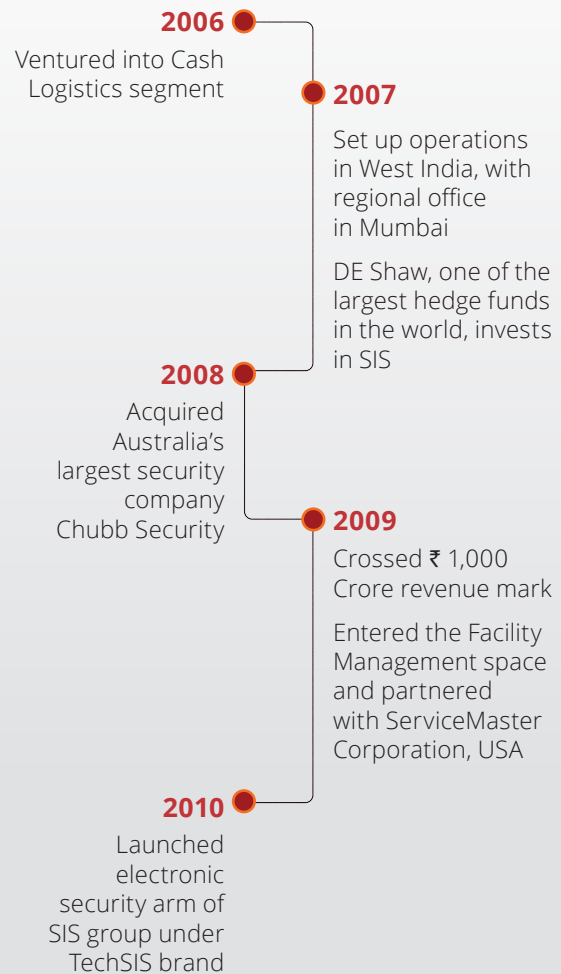
Until 2005

- ✦ Penetration in Indian market
- ✦ Developed Tech platforms for business management
- ✦ Mastered industry specific residential training programs



2006-2010

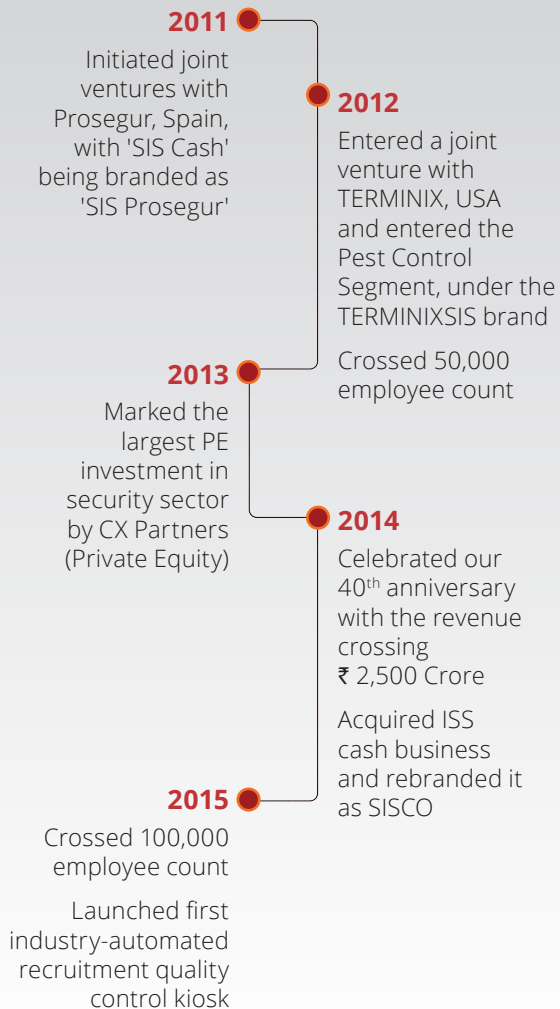
- ✦ First 5 year Vision plan rolled out
- ✦ First acquisition in international market
- ✦ Commenced Facility Management and Cash Logistics business
- ✦ First PE round
- ✦ Launched electronic security business





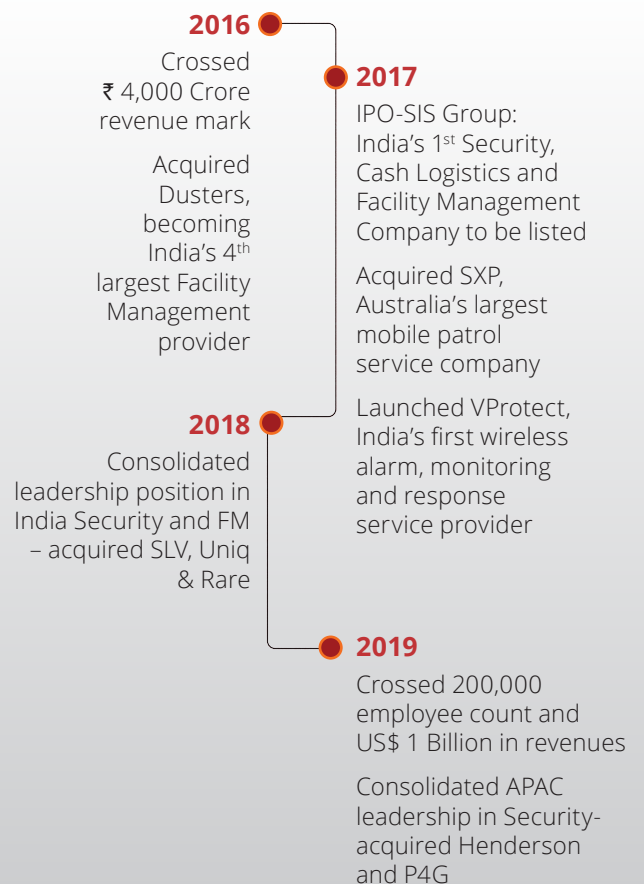
2011-2015

- Initiated Cash JV
- Commenced Pest Control business
- CX partners investment



2016-2020

- Consolidated leadership position in Security and FM, through organic and inorganic growth across Asia Pacific region
- Successfully became a listed company



2021 onwards

- 2,50,000 employees vaccinated on priority
- Crossed ₹ 10,000 Crore annual revenue mark
- Ranked #4 amongst the 'Best Companies to Work For in India', by Great Place To Work (GPTW)

Presence

Reaching High-
potential Markets.
Faster.

Asia-Pacific (APAC)

INDIA

#1

Security
Solutions
Provider

#2

Facility
Management
Solutions Provider

#2

Cash Logistics
Solutions
Provider



AUSTRALIA

#1

Security Solutions
Provider



NEW ZEALAND

Among

TOP 3

Players in New Zealand



SINGAPORE

Among the

TOP 5

players in Singapore





Presence in India

374

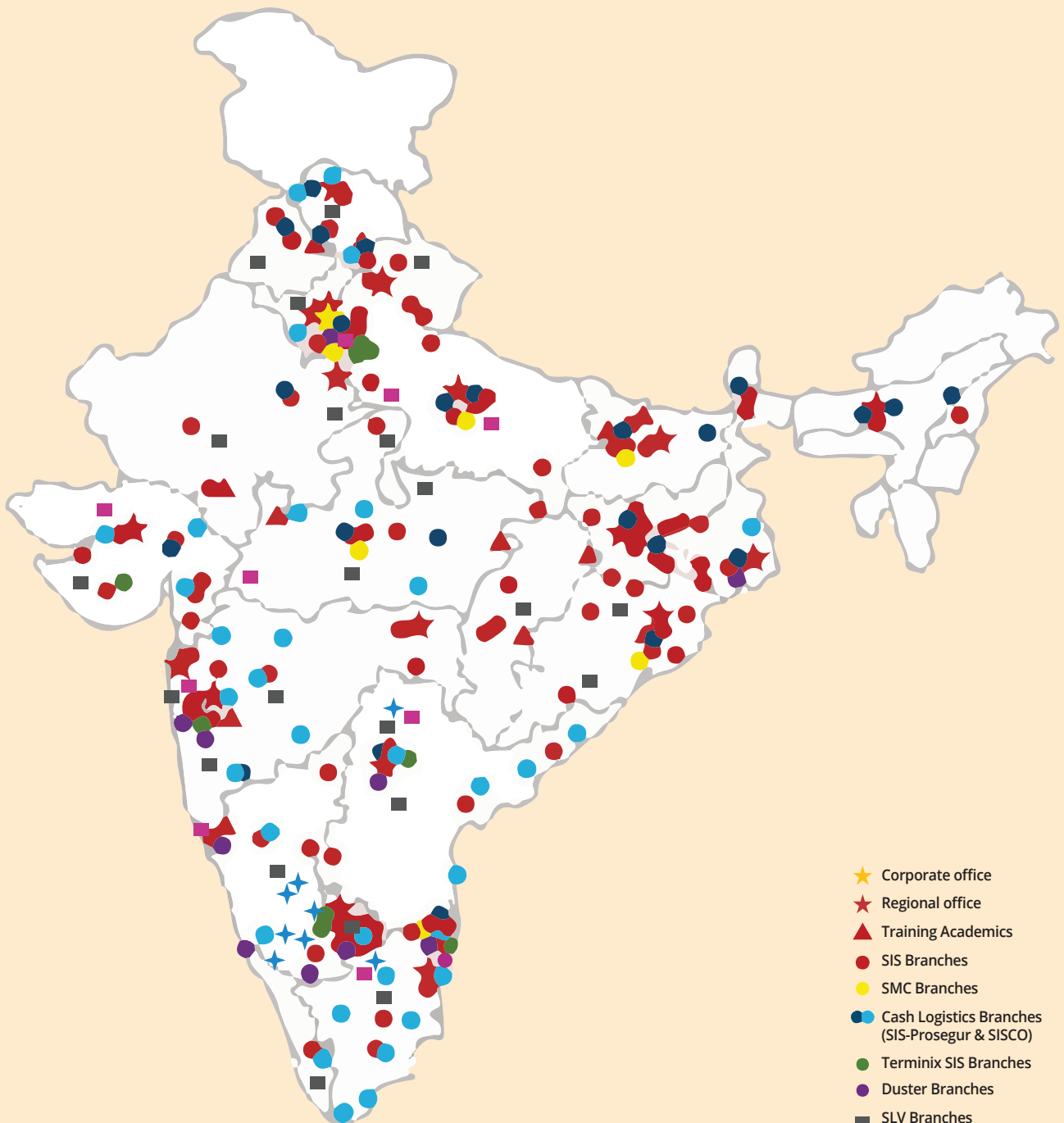
Branch
offices

20

Regional
offices

22

Training
academies



- ★ Corporate office
- ★ Regional office
- ▲ Training Academics
- SIS Branches
- SMC Branches
- Cash Logistics Branches (SIS-Prosegur & SISCO)
- Terminix SIS Branches
- Duster Branches
- SLV Branches
- Rare Branches
- ★ UNIQ Branches

Technology

Leveraging Technology to Enhance Efficiencies

Post COVID, businesses have made a swift transition or shift towards digital mediums. At SIS, we have taken significant steps towards accelerating the adoption of technology – both for internal productivity and customer solution purposes. Leveraging modern technology is a key enabler and differentiator for us. We have been consistently investing in best-in-class systems to help improve our customer centric service delivery and automating business processes to improve 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), and other third party applications. While this constituted Version 1 of our technology efforts, over the last two years, we have been investing in the next phase of adopting digital technology, seeking to scale potential to handle 3X the current volume of operations.

First in Industry – MySIS: Face Recognition-based App

At SIS, we have always believed in going the extra mile for our customers. We also believe that Happy Employee = Happy Customer. This has kept our thinking hats burning, and has made our endeavor to innovate and grow stronger. The addition of MySIS application for our frontline workers is the latest addition to our bouquet of existing tech-applications.

In simpler words, MySIS facilitates logging attendance from any mobile device and duty location. Additionally, it provides a host of other benefits to our frontline employees. The use of this App is mandated only before the start of shift-time and after the end of shift-time. Since this entire application uses our IT infra and public network, there are absolutely no issues related to data and network security.

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

Group-wide Finance ERP—Oracle Fusion

As part of the Group's Business Process Re-engineering initiatives, we have successfully migrated most of our entities in the security and facility management verticals to a newer ERP software. The software enables us to add new customers, invoice, manage collections and reconcile the receipt, thus giving us end-to-end operational efficiency, in line with managing voluminous transactions through Support services. Now, the voluminous tasks like collections entry, are highly automated through Robotic Process Automation (RPA) and workflows, being tightly integrated with the Finance ERP.

Our processes are being rewritten to offer ease of doing business to our customers, while keeping compliance and employee welfare in mind.

Our processes are being rewritten to offer ease of doing business to our customers, while keeping compliance and employee welfare in mind.



Way forward

We will continue to progress on an intensive business transformation exercise that covers all aspects of our processes and systems to ensure uniformity across all our business units. We have started to experience the productivity improvements and operational efficiencies as these systems are being rolled out. Our early and diligent efforts in this direction have been commended by our customers and internal stakeholders. Further, we look to accelerate the rollout of a completely tech-enabled eco-system in the next couple of years.



Business Analytics

To empower the business teams with actionable analytics, SIS Group entities are now live with analytical business dashboards, harmonized terminologies and common templates, customer 360-degree view, along with Site and branch operations, outstanding and collection dashboards.



Collaboration Platforms

Real-time messaging and video calling platforms such as MS Teams, Intranet portal with Workflows, CISCO Webex and Zoom services, since pandemic have helped our initial kick-off meetings / discussion with new and potential customers across India and international markets.

It also helped us establish a virtual presence in our existing customer sites and in getting a closer view of how things are being handled locally at the entry/exit points, where our frontline staff were tirelessly performing tasks despite restrictions enforced by the local governments, during pandemic phases.

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 that take the business to 15,000+ sites, a 2x increase over the previous year. This will make us among the top three players in e-surveillance in India. We believe that we are poised to grab the leadership position in the industry, with our strong team and nationwide execution capabilities. Similarly, in our system integration business at TechSIS, we have ended the year with the highest ever revenues.

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

In our FM business, we launched innovative disinfection and cleaning technologies such as Life Shield Anti Microbial Program and Robotic duct cleaning solution for key clients.

Similarly in Australia, we have been a leader in the identification, development and deployment of innovative technology-based solutions. We are delivering autonomous indoor and outdoor 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.



Business Review

Security Solutions - India





#1 security solutions provider

We offer a wide range of comprehensive security solutions that involve providing security personnel for traditional and specialized guarding, technology-led solutions, e-surveillance, system integration, alarm monitoring and response services.



Industry Overview

In a country characterized by its huge population and fast development, security solutions play an integral role in ensuring a healthy economy. The security solutions market in India is projected to grow at a CAGR of 14% to reach a market value of US\$ 20.93 Billion by 2024. During the year under review, the increased focus on technology played a critical role, as there was a significant ramp up in security solutions investment by customers. Over 65% of the market is still controlled by unorganized players. However, this is projected to decline significantly over the foreseeable future due to the increased brand preference for organized players.

Solutions Offered



**Security Guards/
officers**



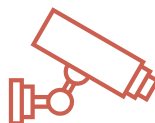
Armed Guards



**Command and
Control Center**



**Access Control/
entry Automation**



**AI-enabled Closed
Circuit Television
Monitoring**



**Alarm Monitoring
and Response**



Companies



#1

Largest security solutions provider in India

1,67,011

Employees

26,147

Customer sites

8,111

Customers

94%

Customer retention

181

Branches

Strengths

1

Presence

We are the undisputed market leader in the country with our 181 branches. Our micro-market presence helps us to address the needs of our customers and develop long-standing relationships.

3

Tech-led Solutions

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

2

Market Position

We possess 37 years of industry experience and have consolidated our market position as a formidable player through the consistent delivery of best-in-class solutions.

4

Skilled Workforce

We have the largest recruitment and training infrastructure in the industry. We hire, train and deploy 25,000+ employees annually, and ensure that they are equipped with the necessary skillset and knowledge.

HIGHLIGHTS DURING THE YEAR

We reported double digit growth despite the impact of the COVID second and third waves. The revenue from the security solutions segment increased by 10.57%. Our employees worked hand-in-hand with customers to ensure that their security needs were enhanced and reconfigured during the pandemic phases.

Our EBITDA margins declined as we incurred large expenditures for protection and mitigating measures for Covid-19, such as expenses on medical needs and vaccination for our frontline workforce during the year.

SIS Security recorded consistent revenue growth on a month-to-month basis and had a diversified revenue share from four zones in India.

SLV has a dominant presence in the north Indian market. This year's growth is attributed to the efforts undertaken to align the sales and operational teams, coupled with extensive cost-control measures. We undertook the conscious decision of letting go some of our non-profitable contracts, while bagging significant new orders, from South and East India market as well.

UNIQ which is a trusted brand in the Bangalore market, derives 93% of its revenues from the Karnataka region, and is further expanding into Andhra Pradesh, Tamil Nadu and Telangana region. During the year, the business forayed into the manufacturing and healthcare segment, and with the IT industry slowly picking up, the business will focus on developing more connections in this industry.

VProtect reported 70% revenue growth this year, with the launch of B2C services for Noida / Greater Noida and Lucknow markets. Going forward, we will continue to place greater emphasis on increasing our presence in the NBFC, Retail and Logistics segments, besides expanding business in the B2C segment.

TechSIS reported its highest ever annual revenue with 52% revenue growth this year. During the year, we placed greater focus on understanding customer requirements and providing customized solutions. Remarkably, the business has executed the single largest AI Project in the country across 80 locations, for a major player in the Oil and Gas segment. We are focused on expanding into new age solutions such as AI/ML based security, Monitoring and Productivity Solutions, Integrated Dashboarding (ICCC) and SaaS-based software solutions.

We rolled out MySIS Mobile app to digitalize our attendance on a real time basis, which enables us to generate attendance reports of Units, immediately after shifts end.

Sector	Sales Mix (%)
Government	14
Power, metal & mining	10
IT / ITES / Telecom	8
Healthcare & Pharmaceuticals	8
Automobile	7
Engineering And Constructions	7
Hospitality, real estate and townships	6
BFSI	6
Educational Institution	6
Logistics	4
Oil & gas	4
FMCG	4
Retail & Entertainment	3
Others	13

Segmental Performance

Parameters	March 31 2022	March 31 2021	y-o-y % Change
Revenue from Operations	38,569.2	34,879.3	10.6%
EBITDA	1,658.3	1,902.3	-12.8%
EBITDA (%)	4.3%	5.5%	
Revenue Share in Overall Business (%)	38.3%	38.0%	
EBITDA Share in Overall Business (%)	33.3%	36.5%	

Way Forward

Being India's largest Security Solutions player with a single digit market share, we continue to enjoy significant growth headroom. We will be able to capitalize on future opportunities by leveraging the reputation we earned while efficiently handling the crisis during the pandemic. Going forward, we will continue to strengthen brand salience, build more traction in Man-Tech solutions and focus on segment specialization.

Business Review



An SIS Group Enterprise

The SIS Group launched VProtect in 2017 to offer smart security solutions, integrating an AI-enabled Monitoring platform along with a Human Interface. It is aimed to cater to both the B2B (BFSI, Retail, Telecom, Warehousing and Logistics and SMEs) and residential customers, with a private and dedicated response fleet, that is reliable and responsive during an emergency. We are employing cloud computing and mobile application technologies for cost optimization, while adopting reliable, affordable and easy-to-operate technology.

The SIS Group enterprise delivers customized security and surveillance solutions using onsite security assessment that occurs 24*7, across 365 days.

Ensuring our customers' security is our top-most priority. Hence, we utilize 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 faster response time. We provide a comprehensive mobile app that enhances efficiency and facilitates usage.

Solutions Offered



Alarm Monitoring and Response



Medical and Personal Emergency Systems



Fire Suppression



Perimeter Protection System



Liaisoning with Civic Authorities

VPROTECT EDGE

24 Hour Monitoring

We have a monitoring center that tracks events and sends alerts in real time.

Low Maintenance 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 Immediate Vicinity

Installation of security system results in the reduction of 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 center 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.

Key Developments

- We consistently improved our revenue month-on-month since April 2021 – March 2022
- We were able to scale up our operations and successfully managed to install 1,000+ connections on monthly basis
- We successfully developed and implemented a relay system in ATMs that ensure complete electrical shutdown, OTP enabled door solutions, interlocking doors, smoke screen and AI-enabled solution for CCTV monitoring
- We maintained 100% response SLA for B2C customers and added 1,458 sites
- VProtect handles 3,56,000 alarms per month with a 169 second alarm disposal time. We have further fine-tuned our SOPs and on-ground response teams
- We won two large-size contracts with leading public sector banks in the country for 8,360 sites, along with 1,329 sites for a leading private sector bank as well



Way Forward

Going forward, we will continue to focus on customized B2B solution offerings, especially across the BFSI, Retail and Logistics markets in each of our ten city clusters. This year, we successfully implemented customized solutions in the Logistics segment for one of the largest players. We will also develop applications that offer response capabilities on a real-time basis, as it is being widely considered as a key differentiator in the current scenario. In the post-COVID scenario, newly launched products from our stable like Pyronix, Interlocking system from Matrix and AI-based solutions for ATM application using the Edge platform, has proved to be very successful.

Security Solutions - International





#1

in Australia

#3

in New Zealand

18%

Market share in
Australia

SIS International is present in 3 different geographies – Australia, New Zealand and Singapore. The business reported record Revenue and EBITDA, despite the impact of COVID, thus strengthening our leadership position in the market.



Industry Overview

The global security services market was valued at US\$ 162.8 Billion in 2021 and is pegged to reach a market value of US\$ 295 Billion in 2026. This growth is projected to be derived from a culmination of factors like increased spending on security solutions in several countries by public health sector, rising security threats in commercial real estates and property crime. (Source: Market Research)

Solutions Offered



**Security Guards/
Officers**



**Armed
Guards**



Fireworker



**Fire
Suppression**



**Maritime
Security**



**Aviation
Security**



**Perimeter
Protection**



**Command and
Control Center**



**Paramedic and
Allied Health**



**Rowing and Mobile
Patrols**



**Alarm
Monitoring**



**Access control/Entry
Automation**



**AI-enabled Closed
Circuit Television
Monitoring**



**Intrusion
Detection**



Fire Detection



Companies



8,260

Employees

7,472

Customers

42%

Customers
associated for
5+ years

8,145

Customer sites

Strengths

1

Long-standing Relationships

Through the consistent delivery of quality solutions, we formed long-standing relationships with our customers. 42% of our customers have been associated for 5+ years.

3

Qualified Professionals

All our employees are trained and equipped with the required skillset and knowledge, that enables them to deal with various types of specialized cases.

2

Experienced Management

We are led by a team of qualified and experienced leadership team who bring to the table, years of industry experience.

4

Reputation

We have carved a reputation for ourselves and consolidated our presence as a leading security solutions provider. As a result, we are highly regarded by regulatory and police authorities.



Australia

MSS security is Australia's largest security solutions company and has a widespread presence across states and territory capital cities, as well as in regional areas. It operates in all market segments, including arts, events and recreation, aviation, commercial property, data and communication, education, energy and resources, financial services, government, health, industrial and manufacturing as well as maritime and logistics.

SXP operates the largest national security patrol network in Australia, with its fully equipped fleet of vehicles and highly trained security patrol officers. Security Patrol is an ideal solution for customer sites like shops, restaurants and independent residents where the cost of deploying a full-time security personnel is not viable.



New Zealand

Platform 4 Group (P4G) is a leading, New Zealand based security guard provider, with trained security guards, loss prevention officers and event security teams. It is the first choice for private, commercial and government clients for wide ranging use cases, including events, health facilities, retail centers, film studios, construction sites and hospitality venues.



Singapore

Henderson Security Solutions is one of Singapore's largest security companies. It is a premium security company with 200+ sites in Singapore, including customer segments in residential condominiums, public transport and commercial spaces.

HIGHLIGHTS DURING THE YEAR

All overseas business entities are now 100% held by the SIS Group. Completed acquisition of P4G business in New Zealand and Henderson business in Singapore.

We ended the year with a monthly run-rate of ₹ 4,840 Million in March 2022, as against ₹ 4,158 Million in March 2021.

The business reported record Revenue and EBITDA. There was minimal impact on business because of COVID and on the contrary, it grew faster than the market. Thus strengthening our leadership position in the market.

The business reported highest new wins in the last four years. The new contracts for services at quarantine centers, COVID clinics and vaccination in Australia and New Zealand, were won at an exceptionally higher margin.

Sector	Sales Mix (%)
Government	20
Commerce / Industrial	15
Healthcare	15
Defence	10
Education	7
Mining	6
Aviation	5
Retail	4
BFSI/IT	4
Entertainment / Events	1
Others	13



Segmental Performance

Parameters	March 31 2022	March 31 2021	y-o-y % Change
Revenue from Operations	48,405.2	45,303.5	6.8%
EBITDA	2,694.2	2,919.1	-7.7%
EBITDA (%)	5.6%	6.4%	
Revenue Share in Overall Business (%)	48.1%	49.6%	
EBITDA Share in Overall Business (%)	54.1%	56.1%	

Way Forward

Through our international business, we have access to opportunities with international customers across Australia, Singapore and New Zealand. In these international geographies, we will continue to concentrate on delivering solutions-based service offerings to enhance our delivery and customer assurance. The business is conducting a pilot to extend back-end tech support from India, which shall boost the business margins.

Facility Management Solutions





#2 largest facility management solutions provider

We offer a wide range of integrated facility management solutions, backed by strong management teams, agile processes and the deployment of superior quality machinery and technology.



Industry Overview

The Indian facility management market had an estimated value of ~\$ 16 Billion in 2021 and is projected to grow at a CAGR of 17% between 2022 and 2027. The in-house segment accounts for majority of the demand. Over the past few years, there has been a rapid shift towards the organized sector, that is projected to drive demand for the integrated facility management companies. The commercial sector is the most popular end-use customer segment, followed by the industrial and other sectors, with tier-1 and metro cities accounting for the largest share. Going forward, the rapid expansion of the hospitality and tourism industries, coupled with favorable government initiatives for the development of smart cities and commercial hubs, are projected to drive the demand for facility management solutions over the foreseeable future. (Source: Expert Market Research)

Solutions Offered

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



Companies



Strengths

1

Widespread Presence

We possess the largest branch network among all facility management companies in the country and have a wide local footprint across key cities and towns.

2

Integrated Value Chain

We are the only company with an integrated value chain in this segment and can provide end-to-end business service solutions comprising security, facility management and pest control, among others.

3

Technology-led Solutions

We consistently invest in technology, that has now emerged as one of our biggest differentiators. Our technology interventions range from innovative solutions such as anti-microbial surface treatment and robotic duct cleaning to tech-led offerings like iPorter, smart cadre and computerized maintenance management system for MEP services.

4

Multi-industry Experience

We bring to the table deep expertise in large and critical domains such as healthcare, pharmaceuticals, e-commerce and warehousing, among others. This gives us the distinct advantage of pricing power and business resilience.

5

Output-based Model

We have been experimenting with various contracting models. As of now, a sizeable portion of our business comes from SLA-based models that drive better resource utilisation and potential margin upsides.

8,596

Customer sites

1,930

Customers

109

Branches

66,712

Employees

HIGHLIGHTS DURING THE YEAR

The business had 24% revenue growth despite the impact of COVID during the year. We reported our highest ever annual revenue in FY22. This growth was largely driven by key business segments like Healthcare, Manufacturing, BFSI and E-commerce / Logistics.

DTSS with majority of its presence in Karnataka and Maharashtra, is emerging as a Pan-India Solution Provider. The business strategically reduced its dependence on the IT segment and focused on manufacturing, pharma, commercials and residential properties, among others. It also managed to win the contracts of four more airports across the country. Going forward, it will continue to focus on lucrative segments such as Commercial / Offices, Retail, etc., while keeping a close watch on developments in the IT space, as they emerge.

SMC had an outstanding year with a revenue growth of 40% y-o-y. It brought down its IT presence, focusing on the healthcare, industrial manufacturing, and core manufacturing segments, along with providing ancillary services, maintenance, logistics and suction systems. It also churned out unique solutions like SSDP – Smart Surface Disinfection Program, UVGI – Air Disinfection Solutions (Ultraviolet Germicidal Irradiance) and Indoor Air Quality, among others. Going forward, it will continue to prioritize healthcare, pharma, food processing centers, manufacturing and logistics, along with enhancing internal efficiencies through digitalization.

RARE has reported 23% annual revenue growth over the previous year. This could be attributed to its expertise in the healthcare segment as it contributed to ~64% of its revenues. The business managed to add 10 more hospitals during the year under review. After specializing in the Hospitals/Healthcare sectors, the business is now spreading footprints in Power, Retail, Manufacturing etc. It also expanded its presence from just Mumbai, to Gujarat and Goa. Going forward, it will focus on expanding our presence in Goa and Gujarat and become a dominant player in these geographies.

TerminixSIS continues to emphasize on selling and delivering cost-effective solutions and promote its effective disinfection services to existing and new customers. It also launched new solutions like AVES-X (bird control) and rodent smart solutions (more convenient method for rodent control). Additionally, customers were successfully aided in external audits on GFS, NABH, EHS, NDDDB and YUM Global Restaurants audit. Going forward, it will leverage its pan-India delivery expertise to win larger and nationalized orders.

The FM business segment ended the year with a monthly run-rate of ₹ 1,350 Million in March 2022, as against ₹ 1,020 Million in March 2021.

Sector	Sales Mix (%)
Commercial / Offices	26
IT / ITES	19
Pharma & Healthcare	18
Manufacturing	11
Government	8
Retail	4
BFSI	3
Hotels & Restaurants	2
Education	1
Others	8



Segmental Performance

Parameters	March 31 2022	March 31 2021	y-o-y % Change
Revenue from Operations	13,946.9	11,272.6	23.7%
EBITDA	635.6	393.9	61.4%
EBITDA (%)	4.6%	3.5%	
Revenue Share in Overall Business (%)	13.9%	12.4%	
EBITDA Share in Overall Business (%)	12.8%	7.6%	

Way Forward

Our priority is to work towards expanding our revenues through a pan-India presence, high-value large contracts and integrated Facility Management contracts. We will continue to develop expertise in Specialized segments like Logistics, Data Centers etc. and focus on healthcare, pharmaceutical, hospitality, manufacturing and IT and ITES sectors, with 'smart solutions', based on digital drives and smart mechanized cleaning, aimed towards productivity and process improvements.

Business Review



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

An SIS Group Enterprise

Terminix SIS, now a fully owned subsidiary of the SIS Group, is one of the largest pest management solutions providers in the country.

We possess one of the widest footprints across the country and provide best-in-class solutions to our customers. We are classified as an essential solutions provider and were successful in providing pest control solutions effortlessly during the COVID-19 pandemic. Our pest control business has witnessed increased traction since the COVID-19 pandemic 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.

Highlights of the Year

- Placed greater emphasis on selling and delivering cost effective solutions
- Undertook initiatives to have a tight control over operational costs.
- Promoted effective disinfection solutions to existing and new customers
- Launched new solutions like AVES-X (Bird control) and Rodent Smart Solutions
- Successfully helped many customers in external audits like GFS Audits, NABH Audit, EHS Audit, NDDDB Audit and YUM Global restaurants Audit
- Awarded No.1 Pest control company, by a renowned global real estate player

Solutions Offered

- Pest control
- Termite control
- Fumigation
- Sanitization

Way Forward

Going forward, we will leverage our pan-India delivery expertise to win larger and nationalised orders.



Business Review

Cash Logistics Solutions





#2 largest cash logistics solutions provider

Our cash logistics business is a joint venture with Prosegur, a global leader in cash solutions. We have a 49% holding and are the second largest cash logistics provider in India, with a diverse clientele and comprehensive suite of solutions.



Industry Overview

The global cash logistics market was projected at US\$ 16.83 Billion in 2020 and is projected to reach a market size of US\$ 33.28 Billion, growing at a CAGR of 6.9% between 2021 and 2030. India is currently the sixth-largest economy and the second most populous country in the world. Rise in currency circulation, coupled with rising security concerns among banks and corporates, are projected to drive the demand for cash logistics solutions. (Source: PR Newswire)

Solutions Offered



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



Companies



#2

Cash logistics
company in India

8,918

Employees

2,387

Cash vans

60

Vaults

Strengths

1

Widespread Presence

We have a pan-India infrastructure setup and outreach capabilities. Our cash business services clients across India, including underserved markets like North East India.

3

Diversified Offerings

We provide a wide array of solutions including 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.

2

Technology and Governance

We have efficient processes and systems in place, on account of access to superior technology offered by Prosegur, along with the financial benefits arising from RBI regulations enforced in this sector.

4

Long-lasting Relationships

We have long-standing relationships across the ecosystem with banks, MSPs, RBI and MHA, among others.

HIGHLIGHTS DURING THE YEAR

Our revenues grew by ~15% over the previous year, recording double-digit EBITDA margins

We maintained gross margins through the effective and agile management of on-ground routes, proactive cost control and productivity improvement measures

Penetrated the CIT segment in public sector banks and Gramin Banks, widened its footprint to underdeveloped areas and expanded its sales teams at the regional level

Made significant progress in price revision under RBI/MHA guidelines, with successful implementation across 30 cities

Despite the closure of multiple retail points, DSB pick-up points grew by 14% to cross 18,000 this year

CIT units grew by 15% to surpass 1,000

Recognized by Lloyds of London as an industry leader in risk management due to the proactive implementation of its de-risk policy

Segmental Performance

Parameters	March 31, 2022	March 31, 2021	y-o-y % Change
Revenue from Operations	3,925.9	3,303.5	18.8%
EBITDA	532.8	284.1	87.5%
EBITDA (%)	13.6%	8.6%	



Way Forward

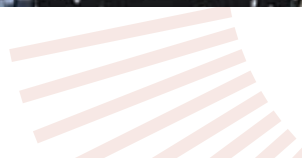
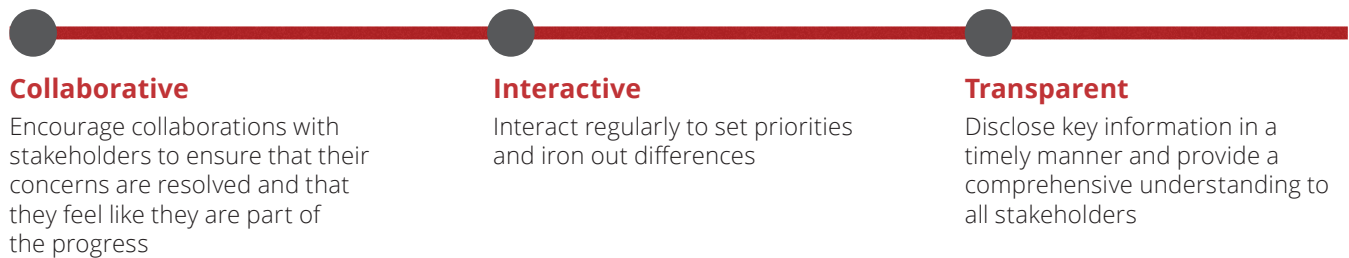
Going forward, our focus will remain on organic growth and sustained profitability. We will place greater emphasis on increasing the share of innovative solutions in our revenue, along with calibrated infrastructure deployment as per our customers' needs, with a view to maximize cassette swap deployments across locations for the ATM business. We will progress on the RBI/MHA deployment to more locations and further strengthen the sales team and IT infrastructure of the segment.

Stakeholder Engagement

Integrating Stakeholder Expectations into Decision-making

At SIS, we adopt an inclusive approach to identify and draw out our short and long-term growth strategies. For the last three years, our internal teams connected with a diverse range of stakeholders to understand their expectations and concerns. Our key stakeholders include customers, shareholders, employees, business partners, influencers and members of the community.

How We Engage





Delivering Value to Our Stakeholders

Stakeholders	Employees	Customers	Shareholders and Investors	Community
Our Objective	Aim to be the employer of choice Caring for employees across the organization	Become the preferred solutions provider across all our markets	Deliver optimal returns with the highest standards of corporate governance	Help uplift lives and contribute to societal well-being through strategic interventions in the areas where we operate
Engagement Strategy	<ul style="list-style-type: none"> Attract the best talent laterally and groom the right talent internally Invest in employee welfare and offer incentives for teams Focus on pan-organizational training programs Instill a culture of ownership in the organization Continuous feedback mechanisms with objective appraisal processes Job enrichment through emerging challenges at new regions and business units Be an equal opportunity employer 	<ul style="list-style-type: none"> Ensure the highest level of operational excellence in service delivery Remain at the forefront of innovation in operations Keep frontline and customer considerations at the top of our mind Be close to the customer, be responsive and address relevant concerns Improve sales force productivity through CRM tools Anchor OneSIS to improve customer mining and lead generation 	<ul style="list-style-type: none"> Ensure consistent, market-leading revenue growth and profitability Tech-enabled processes to drive collection efficiency and working capital management Risk mitigation through standardization of contracts and refined delivery requirements Maintain consistently high return on capital employed and return on net worth Manage operating cash flow Minimize portfolio risk through diversification across regions, customers and business units 	<ul style="list-style-type: none"> Community outreach efforts to help people in need through various company and promoter-driven initiatives Enhance visibility and put in place efficient regulations
Key Performance Indicators	<p>~25,000 Employee trained every year</p> <p>Ranked #4 amongst the 'Best Companies to Work For in India', by Great Place To Work (GPTW)</p>	<p>17,603 Customer base</p> <p>94% Customer retention in India</p> <p>42% Customer associated for >5 years in International business</p>	<p>10.2% Revenue growth</p> <p>₹ 2,886 MN Operating PAT 49.1%↑</p> <p>16.7% Return on Equity (ROE)</p>	<p>₹17.84 MN Community investment</p>



Materiality Assessment

Mapping Our Business Priorities

We undertake a comprehensive materiality assessment of ethical and sustainable practices to keep our sustainability approach focused on issues that are relevant to our business, while meeting the expectations of all our stakeholders.

We follow the principles of equity, fairness, integrity, transparency, accountability and commitment to values. We adopt fair, transparent and ethical governance practices, and adhere to the highest levels of corporate governance across all our business segments.



Material Topics

Top Impact



Our People



Health and Safety



Customer Engagement



Employee Training and Career Development



Community Development

Low Impact



Vehicular Emissions Management

Our Foundation



Ethics and Corporate Responsibility



Compliance

We follow the principles of equity, fairness, integrity, transparency, accountability and commitment to values



Opportunity Landscape

Addressing Emerging Prospects Proactively

For years, we have brought innovative solutions and processes into the security management business. The landscape is showing immense potential and we are working to make the most of it, to continuously expand our market share and increase revenue and profitability.

The demand for security services and facility management has been growing at 1.5-3x of GDP growth, acting as enablers of a healthy economy. The pandemic brought unprecedented headwinds for the segment, but now

it is projected to bounce back to pre-pandemic growth levels due to consumers preferences shifting from the unorganized and non-compliant players to organized and compliant service providers.





Response

As the market leader in the organized security solutions segment and the second largest in facility management, we are working to grow our 5% market share in India to the levels of markets, like the US and the UK, where market leaders capture a 15-20% market share.

There is a massive window of opportunity for us to capitalize on, considering the significant under-penetration and consumers' conscious shift from unorganized players to organized players.

We formulated a well-rounded strategy, Vision 2025, to capitalize on these opportunities and maximize value for our shareholders.

Going forward, we will continue to make the right investments in people, technology, inorganic growth, and new business solutions to lend us an edge over industry peers.



Doubling Market Share

We aim to double our market share over the next 4 years. Following the pandemic, several competitors will face some stress, which should lead to organic market share gains for us

Ensure 20% of EBITDA from Solution Sales

We are working to enhance our operational efficiency and increase allocation of our security and facility management budgets to blended solutions, which come at higher margins than our traditional business

ESG Framework

Evolving as a Responsible Enterprise

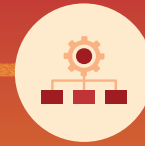
We strongly believe in implementing sustainable corporate practices while delivering consistently superior performance. We have a holistically crafted framework in place, through which we measure our performance against our environment, social and governance priorities, and ensure improvements wherever necessary.



Trust



People Focus



Service Spirit





Environment

Maintain a clean and healthy environment while conducting operations

Social

Presence of a formidable talent pool to drive operations
Build lasting relationships with stakeholders, resulting in sustainable and holistic growth

Governance

Uphold a robust corporate governance regime, supported by mandated policies to streamline business functions

Value Shared with



Employees



Customers



Shareholders and
Investors



Community





Environment

Amplifying our eco- friendly approach

We are proactively working to identify, assess and manage the business-related factors that pose a threat to the environment. Our efforts are focused on bringing down our emissions, managing waste disposal, as well as the discharge of toxic chemicals. We also work to maintain low levels of land and water use.

Key Initiatives Undertaken during the Year:

- Monitored and controlled chemical usage in our facility management and pest control divisions; we adopted bio-friendly chemicals with minimal environmental impact
- Ensured that our vehicles conform to the latest BS-VI standards to minimize emissions
- Commenced environmental audit to identify areas of improvement in terms of energy and water consumption
- Utilized local raw materials and engaged with local vendors wherever we operate

Over the next few years, we aim to strengthen our ESG strategy to ensure long-term value creation for our fraternity of stakeholders.

Environment Conscious Measures Implemented by our Cash Business

As part of our cash logistics business, we have deployed 2,387 Cash Vans (CVs) for our day-to-day operations. Owing to the high-risk nature of cash transportation, we strictly adhere to statutory and legal guidelines. At SIS Prosegur, we undertook several initiatives to minimize our environmental footprint.

- Inducted CNG-based CVs for operations in our Cash business
- Aligned our fleet to the latest BS-VI standards and are rapidly converting our existing fleet to conform to these standards
- Working towards deploying electric cash vehicles (ECVs), as and when the regulations permit
- Conducted regular driver trainings to ensure fuel efficiency of the CVs, in addition to keeping emissions under control
- Fixed a kilometre per litre (KPL) of fuel target for each CV, depending on its age, condition and terrain where the CV is being driven, with parameters being regularly reviewed by the team through an in-house app; it forms the ground for the implementation of incentives and penalties
- Organized regular certified pollution checks and servicing for our CVs
- Procured spare parts for the CVs from authorized sources and old CVs are properly dismantled and disposed through government authorized scrappers



People

Enhancing Productivity. Prioritising Inclusivity.

Our consistent progress is driven by a team of dedicated industry experts. The goal is to become a more diverse organization, with every passing day. We enable our people's all-round professional development through innovative and focused learning initiatives and ensure that they feel welcome and productive in the work environment nurtured by us.

Diversity and Inclusion

We are an equal opportunity employer, striving to foster diversity and employ more women in the workforce. We rolled out several programs and initiatives to enhance gender diversity at SIS.

We extend opportunities for people with disabilities at our branches, regional and corporate offices, where desk jobs are available, which does not involve much travelling or relocation to different places. We undertook developments at the workplace to make it less obstructive for them by ergonomically designing the seating arrangements, ensuring easy access to offices, facilities and other desired systems.

16,661

Women employees
in FY18

25,345

Women employees
in FY22

7

Employees with
disabilities

56

Employees with
disabilities in FY22





Training and Development

Learning and Development continue to remain a critical business support function for the SIS Group. Our people are our primary asset, and we invest judiciously to upskill them as per the latest industry developments.

We operate the largest training infrastructure in the country, with 27 Training Centers spread across India. We recruit and train newcomers from some of the most remote parts of the country, imparting skills, generating employment, and developing competence for higher achievements.

Our Recruitment and Training programs help maintain a pool of trained staff, providing our growth engine with the much-needed fuel of competent resources. We provide a seamless learning experience through our training champs' network, leveraging tools such as Training Vans, M-Trainer Tabs, Mobile App, etc.

We are increasingly leveraging digital platforms like M-Trainer and SIS Academy (through learning partners like LinkedIn), providing a range of choices from the classroom to in-person cohorts, to self-learning methods.

Our Learning interventions are interspersed into every level of our employee's life cycle, providing developmental and transformational paths to build a robust learning-driven organization, as we ascend towards our Vision 2025.

Training Programs for Self-Development and Career Progression

Mr SIS: This program helps create cultural readiness to achieve Vision 2025, by reinforcing our core values, with a focus on result orientation.

LEAP: LEAP is an annual role-transition program for advancement to the role of branch head, which is a coveted P&L leadership role. The LEAP program is well curated and has a competitive selection and graduation process.

Tech Udaan: A development program for Technical Supervisors to upgrade their skills, keeping with the latest developments in the domain.

Emerge: This program enables early career transition to the role of operations manager.

LEAP Plus: This is a competency training program for branch heads to evolve in their roles.

Management Development Programs: These are customized interventions for a targeted population of senior management and leadership level members of the organization, aimed at creating talent trenches. The programs vary from instructor-led cohorts to institution based, to paced self-learning. Third-party training partners include KPMG, Stephen R Covey, Ken Blanchard International and LinkedIn Learning.

Professional Development Programs: These are a series of open competency training programs for non-billing team members, based on the competence gap identified from the PMP process. They include training on key competencies like – Communication, Decision Making, Time Management, Email Etiquette, etc.

People

Billing Employees

GTO: This is an annual one-month residential training program (cadre course) for the development of supervisors/inspectors to the ASO rank (Unit Commander rank) at SIS Garhwa Training Center, with a batch size of 30 per year.

GTS: This annual one-week residential training program aims to develop frontline staff to supervisor levels at SIS Lucknow Training Center. It covers our 1 Lakh+ billing employees in Security for a nominated batch size of 30-50 annually.

Udaan: It is an annual one-week on-the-job training program for the development of billing employees to non-billing operations roles.

Arise: This annual two-month, on-the-job training program, helps develop billing employees - high potential guard/janitor to supervisor roles.

Non-billing Employees

Induction Training: It is a seven-day handholding program, which includes a mix of classroom as well as on-the-job training to familiarize new recruits with the organization and their roles, among other parameters.

Functional Training: We hold online and offline functional training programs such as ManTech training for sales and P&L heads, labour reforms training for accounts team, Circle of Safety online training sessions for sales team, HRMS and compliance training for HR team, among others. These cover roughly all 4,500+ non-billing employees of the SIS Group based on the necessary requirements.

Safety and Well-being

We are a people-driven business and ensuring the health and safety of our employees is of paramount importance to us.

Safe Environment: We provide a secure and best-in-class workspace for our employees.

Safety Protocols: We ensure access to all welfare facilities for our employees, as prescribed by the Central Government, along with training and counselling sessions for emotional well-being.

Safety Committee: We formed an organizational safety committee to ensure strict implementation of safety protocols at the workplace. Additionally, we regularly conduct audits to overcome operational gaps, if any.

Safety Training: We regularly conduct safety training sessions for our employees to avoid hazardous incidents, ensuring complete participation. We invest in continuously strengthening our training programs and reaching out to our employees through mobile training vans. Our safety course is also available on the mobile training app, the completion of which is mandatory for all employees. We also provide IOHS training to our employees.





Community

Giving Back to the Community

We believe it is imperative for every responsible corporate citizen to give back to the community and have always taken significant strides to fulfill our commitments.

Education

- Promoting education for children including primary, secondary and university education
- Building schools, colleges and training institutions including provision for full time residential institutions and facilitating 100% sponsorship to bright and under privileged students
- Promoting and sponsoring education for girls at all levels
- Women education and self-employment training

₹17.84 MN
CSR spend





Skill Development Initiatives

- Vocational training in the areas of security, cleaning, gardening, plumbing and electricals, among others
- Carrying out Government programs under the skill development sector
- Computer literacy training
- Building training schools and facilities for vocational skills
- Local community camps for skill developments in various specialities



Sanitation and Drinking Water

- Drinking water projects for local communities
- Domestic bathroom and sanitation for rural and urban households
- Community bathroom and sanitation in urban and rural areas
- Women sanitation projects
- Other water conservation and sanitation programmes



Healthcare

- Local community health check camps
- Building hospitals, clinics, diagnostic centers and associated infrastructure
- Blood donation camps and other specific ailment camps
- Other programs for the betterment of health and nutrition



Other Activities

- Promoting local artists, craftsmen and protecting traditional arts
- Promotion of sports like athletics, swimming, archery, shooting, etc.
- Protection of national heritage
- Programs for the benefit of armed forces veterans and their dependents
- Planting of trees and protection of indigenous flora and fauna

Governance

Hallmark of Integrity

The highest standards of corporate governance is a cornerstone of all our operations, ensuring ethical conduct and accountability in actions. Our robust governance framework enables long-term value creation for all stakeholders. The Independent Directors on the Board and the Board's Committees are responsible for upholding transparency, awareness and equity in our operations.

Being a listed Company, we comply with the applicable provisions of the Listing Regulations as amended, with respect to Corporate Governance, including the appointment of the Independent Directors and the constitution of the committees. The Board of Directors function either as a full Board or through various committees formed to monitor specific operational areas. We continually focus on designing and improving the flow of activities in an effective manner, which ensures economic prosperity and long-term value creation for the organization as well as our stakeholders.



RAVINDRA KISHORE SINHA
Chairman and Director

UPENDRA KUMAR SINHA
Additional Director (Independent)

RITURAJ KISHORE SINHA
Group Managing Director



RITA KISHORE SINHA
Non-executive Director

UDAY SINGH
Non-executive Director

**TIRUMALAI CUNNAVAKAUM
ANANDANPILLAI
RANGANATHAN**
Independent Director



8

Independent Directors
on the Board

100%

Average attendance in
Board meetings

36 months

Average tenure of Independent
Directors

5

Committees headed
by Independent
Directors



RAJAN VERMA
Independent Director

AMRENDRA PRASAD VERMA
Independent Director

RENU MATTOO
Independent Director



SUNIL SRIVASTAV
Independent Director

ARVIND KUMAR PRASAD
Director – Finance

**RAJAN KRISHNANATH
MEDHEKAR**
Independent Director



DEVDAS APTE
Independent Director

(C) Chairman (M) Member
● Audit Committee
● Nomination and Remuneration Committee
● Stakeholders' Relationship Committee
● Corporate Social Responsibility Committee
● Risk Management Committee

Leadership Team



RITURAJ KISHORE SINHA
Group Managing Director

ARVIND PRASAD
Director-Finance, SIS India

DHIRAJ SINGH
CEO, SIS India



DEVESH DESAI
CFO, SIS Group

BRAJESH KUMAR
CFO, SIS India

TAPASH CHAUDHURI
CEO, Security Solutions



R S MURALI KRISHNA
President, SIS International

BHARAT BAKHSHI
President, M&A, IR and Ventures

GEOFF ALCOCK
Managing Director, MSS



SHAMSHER PURI
Director, Facility Management



Corporate Information

BOARD OF DIRECTORS

Ravindra Kishore Sinha
Chairman

Rituraj Kishore Sinha
Group Managing Director

Arvind Kumar Prasad
Director-Finance

Uday Singh
Non-Executive Director

Rita Kishore Sinha
Non-Executive Director

Amrendra Prasad Verma
Independent Director

Devdas Apte
Independent Director

T C A Ranganathan
Independent Director

Rajan Krishnanath Medhekar
Independent Director

Renu Mattoo
Independent Director

Sunil Srivastav
Independent Director

Rajan Verma
Independent Director

Upendra Kumar Sinha
*Additional Director
Independent*

COMPANY SECRETARY

**Ms. Pushpalatha
Katkuri**

BANKERS

State Bank of India

HDFC Bank Limited

Standard Chartered Bank

Kotak Mahindra Bank
Limited

Axis Bank Limited

Yes Bank Limited

ICICI Bank Limited

GROUP MANAGEMENT

Rituraj Sinha
Group Managing Director

Arvind Prasad
Director Finance, SIS India

Dhiraj Singh
CEO, SIS India

Devesh Desai
CFO, SIS Group

Brajesh Kumar
CFO, SIS India

Tapash Chaudhuri
*CEO, Security Solutions -
SIS India*

R S Murali Krishna
*President, SIS
International*

Bharat Bakhshi
*President, M&A, IR and
Ventures*

Geoff Alcock
Managing Director, MSS

Shamsher Puri
*Director, Facility
Management*

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

Board's Report

Dear Members,

Your Directors are pleased to present the 38th Annual Report on the business and operations of SIS Limited ("the Company") together with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2022.

Financial Highlights

The Company's financial performance for the year ended March 31, 2022 is summarized in the table below:

	All amounts in ₹ million except share data			
	Standalone		Consolidated	
	Financial Year 2021-22 (FY 22)	Financial Year 2020-21 (FY 21)	Financial Year 2021-22 (FY 22)	Financial Year 2020-21 (FY 21)
Net Revenue	33,178	30,041	1,00,591	91,273
Revenue Growth %	10.44	0.27	10.21	7.57
Earnings before financial charges, depreciation and amortization, and taxes (EBITDA)	1,461	1,710	4,985	5,208
Depreciation and Amortization	379	415	1,115	1,130
Financial charges	561	702	984	1,273
Others (Other income and effect of business combination)	634	263	527	4,778
Share of Profit / (Loss from Associates)	-	-	26	5
Reported Earnings/Profit Before Tax (PBT)	1,156	856	3,439	7,588
Tax Expenses	(183)	(285)	179	1,154
Add / (Less): Exceptional Items	-	-	-	(2,762)
Pro-forma Earnings / Profit After Tax (PAT)	1,339	571	3,260	3,672
Add / (Less): One-off adjustments	-	-	-	-
Reported Net Earnings/PAT	1,339	571	3,260	3,672

On a standalone basis, the Company's revenues, at ₹ 33,178 Million during the year under review, increased by 10.44%, EBITDA at ₹ 1,461 Million increased by 14.58% and, profit after tax at ₹ 1,339 Million increased by 134.52%, as compared to the previous year.

On a consolidated basis, during the year under review, the SIS Group's revenues at ₹ 1,00,591 Million increased by 10.21%, EBITDA at ₹ 4,985 Million decreased by 4.28% and, profit after tax at ₹ 3,260 Million reduced by 11.22%, as compared to the previous year.

The SIS Group 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 New Zealand and Singapore.

The Company is ranked amongst the top 10 in the industry globally (by revenue) and the fastest growing amongst listed peers across global markets and the only platform with market leading positions across Security Services (#1), Facility Management (#2) and Cash Logistics (#2) in a major market like India.

During the year, there has been no change in the nature of the business.

Significant Developments

Acquisition of remaining shareholding of Uniq Security Solutions Private Limited

During the year under review, the Company acquired the entire 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 subsidiaries Uniq Detective and Security Services (AP) Pvt Ltd, Uniq Detective and Security Services (Tamilnadu) Pvt Ltd and Uniq Facility Services Pvt Ltd became wholly owned subsidiaries of the Company.

Acquisition of remaining shareholding of Henderson Holdings Pte. Limited

During the year under review, a subsidiary of the Group acquired all of the remaining shareholding and voting rights of 40% in SIS Henderson Holdings Pte Ltd., Singapore, an indirect subsidiary of the Company, for an aggregate consideration of ₹ 1,260.8 million (AUD 22.25 million), and as a result SIS Henderson Holdings Pte Ltd. and its subsidiaries became a wholly owned subsidiaries of the Company.



Acquisition of remaining shareholding of Platform 4 Group Limited

During the year under review, SIS Australia Group Pty Limited, a subsidiary of the Company acquired all the remaining shareholding and voting rights of 49% in Platform 4 Group Limited (P4G), a subsidiary of the Company, for an aggregate consideration of ₹ 275.55 Million (NZD 5.38 Million) and as a result P4G became a wholly owned subsidiary of the Company.

Buyback of Equity Shares

The Company bought back 1,818,181 equity shares of face value of 5/- each at a price of ₹ 550 per share for an aggregate consideration of ₹ 1,000 million. The offer size of the buyback was 1.24% of the total paid-up equity share capital of the Company as on March 31, 2020. The Buyback was undertaken to optimise returns to shareholders and enhance overall shareholders' value.

During the buyback acceptance period, the valid bids received from the eligible shareholders resulted in the subscription of 7.74 times the maximum number of shares proposed to bought back. The settlement of bids and payment of buyback consideration was made on June 7, 2021 and the shares were extinguished on June 11, 2021.

The total outflow of funds including taxes was ₹ 1240 million. Despite of cash outflow, net debt/EBITDA stands at 1.15.

Operations and Business Performance

The last two financial years in a row had extremely been challenging globally and in India. The outbreak of COVID-19 from the last month of the financial year 2020 had slowed down the economic activity significantly during the first two quarters of the financial year 2022.

The COVID-19 pandemic and lockdowns have reinforced the essential need for our services which establishes that the industry we serve was the least impacted and recovered in a better pace than many other sectors. The COVID period has highlighted the resilience nature of the business and the Company witnessed a sustained growth. Despite of second and third wave, the financial year has been a landmark year as the annual revenue crossed ₹ 10,000 crore. All the business segments have reported healthy revenue growth of 10.2% during the year with FM segment being the standout performer at 23.7% of revenue growth.

The Group ensured the welfare of its employees and clients and proactively implemented several actions and measures to protect the frontline workers by ensuring a safe working environment for them. The Group introduced "No Vaccination No Hire" policy for new recruitments. Similarly, "No Vaccination No Duty" policy was implemented for the existing employees across the Group.

The COVID period has underlined the resilient nature of our business. The categorisation of our services as "essential" across India and the world, enabled us to provide

uninterrupted services throughout the lockdown period to ensure that our customers could continue running their business smoothly and also ensured that our revenue and business driven steady during the year under review. In several instances, we were also assisting multiple government agencies in discharging their duties successfully.

Security Services

Security services – India

This financial year, the Indian economy consolidated its recovery with most constituents surpassing pre-pandemic level of activity. Despite the COVID-19 pandemic challenges, 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 resilience 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.

During the COVID period managed to maintain profit margin inspite of incurring huge costs on account operational health and safety, vaccination.

Security Services segment has demonstrated its resilience during the year under review. The segment has been very minimally impacted due to the essential nature of our services. During the year, the segment has recorded strong revenue growth 10.6% primarily due to several significant wins in segments viz., coal, manufacturing, power, hospitality, pharma, leading oil and gas company, BFSI, opex based alarm monitoring and response services, logistics and transportation.

The results of the Group's implementation of several productivity measures, got offset this year due to following reasons. Firstly, we incurred large expenditures for protection and mitigating measures for Covid-19, such as expenses on medical needs and vaccination for our frontline workforce. Secondly, with the economy opening up, all the cost saving elements -such as reduced office rentals, meeting related travel, hotel accommodation, training etc. – which were induced due to lockdown in FY21, have started to come back in the system and these costs are now getting reflected back in the P&L. Thirdly, we have invested in growth levers such as adding people in our sales team, restarted opening branches, among other growth initiatives. As a result, EBITDA margins this year, have decreased from 5.5% at ₹ 1,902 Million in FY21 to 4.3% at ₹ 1,658 Million in FY22.

The number of security personnel employed by the Group in India as on March 31, 2022 was 1,67,011. Significant operational improvements were achieved by leveraging technology-based solutions and it has contributed to the growth in productivity for the year under review.

Board Report Contd.

We continue to focus and invest in our capabilities in electronic security services in which we operate two businesses

- 1. ManTech** - Our electronic security business recorded a revenue of ₹ 373 Million during the year under review compared to ₹ 245.1 Million in the previous year. This is our highest ever revenues, backed by the strong B2G Sales. We continue to sell and provide technology-based security solutions to our customers reducing dependency on manpower and providing them customized solutions, and by doing so, we are innovating our modes of solution delivery.

Our electronic security business segment won significant orders from leading PSUs and private banks encouraging to increase our solution sales. In the evolving security landscape especially, a paradigm shift has been observed and moving towards, MANTECH solutions wherein, security guards are coupled with, and supported by technological solutions to provide a superior and more efficient outcome for the clients. Our technology and electronic security solutions businesses continue innovating and introducing new products and solutions to our clients.

Some of the noticeable solutions this year, includes, one of the single largest AI projects in the country at 80 Locations for large PSU in Oil sector and Surveillance & Command Control for large PSU in Gas sector.

- 2. Alarm Monitoring and Response** - We provide customized AI-enabled intrusion detection and response services to individual homes, small business establishment, retail chains, bank branches, ATMs, Offices and commercial establishments and operate this business under the brand VProtect. During the year under review, we continued to aggressively expand our presence in the B2B space and won contracts from marquee customers in the BFSI segment and also successfully implemented customized solutions for large Logistics customers.

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 3,500 sites as on March 2021 to reach 7,749 sites as on March 2022. This year we have secured orders for deploying our customized solutions for the largest PSU Bank in South India and are currently executing orders for two of India's leading public sector banking institutions to install, maintain and monitor alarm monitoring and response services.

We are confident of strengthening our presence further in this space with the BFSI and Logistics 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.

In today's era, there are several startups which have emerged in all our business segments working on unique solutions and technologies to solve customer problems and meet customer needs. Leveraging this eco-system SIS has recently invested in Staqu, a video analytics company. We believe that video analytics-based security solutions are expected to transform the security industry worldwide and to keep pace with this transformative trend, the Company has invested in such strategic capabilities. The Company further see potential synergies with its alarm monitoring business as well.

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"). In New Zealand through Platform4Group Limited (P4G) and in Singapore through Henderson Group (Henderson). The Security services - International segment business has recorded its highest ever annual Revenue at ₹ 48,405 Million, with minimal impact in business due to COVID-19 and has grown faster than the market & also increased its market share.

Security Services - International segment continues to demonstrate strong growth. The financial year under review recorded the highest number of new wins in last 4 years inspite of operating under severe restrictions. We acquired key contracts in segments viz., education, aviation and logistics and there were big wins in loss prevention business.

On a consolidated basis, the Security services - International segment, recorded revenues of AUD 883 Million during the year under review against AUD 850 Million in the previous year. This represents a growth of 3.8% (on a constant currency basis) over the previous year.

We continue to be No.1 in Australia with over 21% market share, outpacing market growth. In Australia, our revenues grew by 6.4%, which is 4x the GDP growth. In the last two years, 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 Vaccination centre management, isolation facilities and quarantine hotels. It is a testament to the superior service offering of our business and a reflection of the essential nature of the business. These COVID related contracts came at higher margins and also contributed to 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. These special contracts are winding down and the segments which were most impacted by the pandemic



viz., Aviation, Universities & Special events started ramping up and rapidly returning to pre covid levels.

In New Zealand, P4G continued to build on its market position and client base and enhanced its market share and service portfolio.

The EBITDA for the segment was AUD 49 Million (5.6% of revenues) against AUD 55.3 Million (6.5% of revenues) for FY21 primarily due to the winding down of special COVID related contracts and impacted segments of the economy coming back to normal levels.

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 Facility Management business is the fastest growing vertical in the group's portfolio. The business has recorded highest ever annual revenues at 13,947 Million in FY22, up from 11,273 Million in FY21, an increase of 23.7 %. The Revenue growth is largely driven by key business segments like Healthcare, Manufacturing, BFSI and Ecommerce / Logistics. The Indian facility management market is projected to grow at a CAGR of 17%.

This segment displayed the fastest and biggest recovery from the COVID impact.

While Health & Hygiene continue to be defining factors for the business, the last two years have fast tracked the shift from unorganized to organized sector players especially for larger clients who are now seeking financially strong, ability to scale up, quality conscious and statutory compliant service providers.

The trend of large clients moving towards consolidation of service providers is visible, as they try to reduce the number of suppliers and consolidate their purchases with larger and more compliant service providers. This will enable better pricing & more SLA based contracts for the industry on the whole.

In 2021, Rentokil announced the acquisition of Terminix, USA. As a result of this acquisition, Terminix has decided to exit the joint venture in India and offered all its shares to SIS and the offer was accepted by SIS.

The conversion of Terminix SIS to a 100% subsidiary of the SIS Group is a major event and we intend to continue investing and growing this business.

The consolidated EBITDA of the facility management segment grew by 61.4% from ₹ 394 Million in FY21 to ₹ 636 Million in FY22 and the EBITDA margin improved from 3.5% in FY21 to 4.6% in FY22.

The One SIS programme, which aims to provide integrated solutions comprising security services, facility management, pest control and other allied services to the clients, under a common contractual arrangement is spearheaded primarily by the FM business. During FY23, we aim to enhance our business and revenues for this offering.

Cash Logistics (a joint venture with Prosegur)

The cash logistics business is a joint venture with Prosegur, a global leader in cash solutions. Services offered by the Company under this segment is Safe keeping and vault-related solutions, ATM related solutions, Cash-in-transit, Doorstep banking, Cash pick up and delivery, Bullion transportation and customized cash processing and deposit solutions.

On a consolidated basis, the cash logistics business' revenues increased by 18.8% 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 2,000 cash vans, service 10,000 ATMs and provide doorstep banking services across 18,376 pickup points and operate 60 vaults and strong rooms across the country.

The business focused on solution selling and sales in new segments. The innovative tech enabled solutions and new product lines contribution was almost 5% of overall revenue. We successfully deployed our first cash deposit machine in the retail segment during the year.

The migration to the Reserve Bank of India ('RBI') and the Ministry of Home Affairs ('MHA') guidelines announced during FY19 has been slow, but we continue to engage with customers to transition the operations to an RBI regulation compliant state and at the same time successfully negotiating the corresponding price increases for the contracts. The banks and customers are transitioning and accepting the stipulation of RBI. By the closing of FY22, almost 10% of ATMs serviced by us were functional on Cassette swap operations.

We continue to focus on new products to reduce dependence on traditional products and services.

The global cash logistics market is projected to grow at a CAGR of 6.9%.

Outlook

The industries we operate in, and the services we provide, are closely linked to the overall economic growth of the country. FY2021-22 had been a turbulent year for the Indian economy with intermittent waves of covid pandemic and geo-political tensions in Europe towards end of the year caused uncertainty in the operating environment. However, coming off a low economic base in FY21, India's Gross domestic

Board Report Contd.

product (GDP) grown at 8.9% in FY22, and expected to grow at 7.2% in FY23 by Reserve Bank of India (RBI), making it the fastest-growing major economy in the world. The early signs are now that supply-chain pressures are peaking globally and in India giving rise to an expectation that inflation pressures may recede over next few months according to the RBI.

The longer-term trends, continue to be robust with the underlying drivers all showing the right momentum. In the Security solutions vertical, this growth comes on the back of increasing smart cities demanding advanced technology backed security solutions, 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 to ₹ 157,000 Crores by FY24 at a 5 years 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 to ₹ 230,000 Crores by FY24 at a 5 years CAGR of ~19%.

COVID-19 crisis has demonstrated the resilient nature of our business segments and will provide us opportunities to increase our market share driven by 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 continued to demonstrate strong growth year after year and maintained 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 despite the macro-economic situation in Australia in FY23 too. These geographies will contribute healthily to reduce volatility in the overall group business.

The Cash logistics industry has seen good growth over the past year due to our focus on Door-step banking, Cash Processing business, new products and solutions development and deployment. 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. 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.

Other significant matters since the end of the financial year

- The Company acquired 9.83% shareholding in Staqu Technologies Private Limited for an aggregate consideration of ₹ 63.5 Million.
- The Company purchased 1,12,47,750 equity shares (49.99%) held by SVM Singapore Pte. Ltd. in Terminix SIS India Private Limited ("Terminix SIS") for an aggregate consideration of ₹ 7.77 Million and as a result Terminix SIS became a wholly owned subsidiary of the Company.
- The Board of Directors have approved the buy-back of upto 14,54,545 equity shares of face value of ₹ 5/- each (representing 0.99% of the total paid-up equity share capital of the Company as on March 31, 2022) from the shareholders/ beneficial owners of equity shares of the Company 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 ₹ 800 million.

Dividend and Dividend Distribution Policy

The Board of the Company do not recommend any dividend on the Equity Shares of the Company for the financial year ended March 31, 2022.

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 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 of unclaimed dividend to Investor Education and Protection Fund

In accordance with the provisions of the Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company is required to transfer the following to IEPF:

- Dividend amount that remains unpaid/unclaimed for a period of seven (7) years; and
- Shares on which the dividend has not been paid/claimed for seven (7) consecutive years or more.

In compliance with IEPF Rules including statutory modifications thereof, the Company publishes notices in newspapers and sends specific letters to all the shareholders, whose shares are due to be transferred to IEPF, to enable them to claim their rightful dues.

Dividend and other amounts transferred/credited to IEPF during 2021-22:

Financial Year	Type of amount	Date of declaration	Amount transferred to IEPF	Date of transfer to IEPF
2014-15	Interim Dividend	December 13, 2014	₹ 1,78,256	February 10, 2022

Shares transferred/credited to IEPF during 2021-22

During the year, the Company, transferred 1,958 equity shares of ₹ 5 each comprising of five (5) shareholders to IEPF.

The Company has also uploaded the details of unpaid and unclaimed amounts lying with the Company and the details of equity shares transferred to IEPF on the website of the Company at <https://sisindia.com/investors/dividend/>.

The shareholders whose shares/dividends have been transferred to IEPF can claim the same from IEPF in accordance with the prescribed procedure and on submission of such documents as prescribed under the IEPF Rules. The process for claiming the unpaid shares/dividends out of IEPF can be accessed on the IEPF website at www.iepf.gov.in.

Transfer to reserves

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

Credit Rating

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

Share Capital

As on March 31, 2022, 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 ₹ 735.16 Million consisting of 14,70,31,050 equity shares of ₹ 5 each.

Consequent to the buyback from all the eligible shareholders, the Company has extinguished 18,18,181 equity shares of ₹ 5 each in June, 2021.

During the year under review, the Company issued and allotted 5,47,473 equity shares of ₹ 5 each pursuant to the exercise of stock options in terms of the Employee Stock Option Plan of the Company.

Your Company has neither issued equity shares with differential rights as to dividend, voting or otherwise nor sweat equity shares during the year under review.

Particulars of Loans, Guarantees and Investments

Pursuant to the provisions of Section 186 of the Companies Act, 2013 ("the Act") read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures relating to Loans, Guarantees or Investments as on March 31, 2022 are provided in Notes to the standalone financial statements.

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.

Non-Convertible Debentures

During the year under review, your Company has redeemed 1,500, 9.50% Secured, Redeemable, Rated, Listed Non-Convertible Debentures of face value of ₹ 10,00,000 each.

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.

A detailed report on Corporate Governance, pursuant to the requirements of Regulation 34 of the SEBI Listing Regulations, forms part of this Annual Report. A certificate issued by Mr. Sudhir V Hulyalkar, Practicing Company Secretary confirming compliance with the conditions of Corporate Governance, as stipulated under the SEBI Listing Regulations, is annexed to the Corporate Governance Report.

Corporate Social Responsibility

In terms of the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has a Corporate Social Responsibility ('CSR') Committee, which is chaired by Mr. Ravindra Kishore Sinha. The other members of the Committee are Mr. Rajan Krishnanath Medhekar and Mr. Uday Singh. The CSR Policy is available on the Company's website at <https://sisindia.com/investors/policies-and-code-of-conduct>.

Board Report Contd.

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 2,50,000 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.

A detailed disclosure on CSR initiatives undertaken by the Company during the year is annexed herewith as **Annexure- I**.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed towards promoting the work environment that ensures every employee is treated with dignity and respect and afforded equitable treatment irrespective of their gender, race, social class, disability or economic status and provides a safe and conducive work environment to its employees and associates. Pursuant to the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder, the Company has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace. During the year under review, 4 complaints were received and resolved. Your Company has constituted an Internal Complaints Committee to enquire into complaints received, and to recommend appropriate action, wherever required as per the requirements of the said Act.

Nomination and Remuneration policy

Directors and their Appointment

In compliance with the provisions of the Act and SEBI Listing Regulations, the Nomination and Remuneration Committee of the Board approved the criteria for determining qualifications, positive attributes, and independence of Directors, 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 & Sustainability Report

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

During the year, the Company voluntarily published its first sustainability report which provides key business information to the stakeholders and also the manner in

which, the Company carries out its business in a responsible way towards achieving the social and environmental value creation.

Sustainability for your Company is the responsibility towards all stakeholders. Responsibility that goes beyond mere economic and financial considerations and touches upon our broader role in society and the communities we work with. As an essential services provider, contribution to the economic and societal wellbeing of all citizens have been made and have emerged as a powerful vehicle of creating employment opportunities and empowering people from the grassroots. Regular efforts have been taken towards limited environmental footprint, low levels of emissions and pollution, and also minimal land and water use.

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 significant Related Party Transactions entered by the Company during the year that required shareholders' approval under Regulation 23 of the SEBI Listing Regulations. All related party transactions, entered for the year under review, have been approved by the Audit Committee and are reviewed by it on a quarterly basis.

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 to the Company for the financial year 2021-22 and hence does not form part of this Report. The details of contracts and arrangements with related parties for the financial year ended March 31, 2022, are provided in the Notes to 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 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.

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, 2022, the Committee comprises of the following directors:

1. Mr. Amrendra Prasad Verma, Independent Director,
2. Mr. Rajan Medhekar, Independent Director,
3. Mr. Sunil Srivastav, Independent Director, and
4. Mr. Rajan Verma, Independent Director.

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.

The Company has a comprehensive risk management framework, which is periodically reviewed by the Committee. Risk evaluation and management is an ongoing process within the organisation. The Committee periodically reviews the risks and risk mitigation plans. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

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 and forms an integral part of this 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 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. Director – Finance and the Chief Financial Officers are invitees to the meetings of the Committee.

Board Report Contd.

The Internal Auditors, who are an independent function within the Group 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, 2022, the Company has 34 subsidiary companies, 3 associates and 1 joint venture. There has been no material change in the nature of the business of the subsidiaries.

During the year under review, SX Protective Holdings Pty Ltd., SX Protective Services Pty Ltd., Southern Cross Loss Prevention Pty Ltd. and Charter Security (NZ) Pty Limited ceased to be the subsidiaries of the Company as these entities have been deregistered.

In accordance with the provisions of Section 129 (3) of the Act read with the rule 5 of the Companies (Accounts) Rules, 2014, 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' is given 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>. In terms of this policy and Regulation 16(c) of the SEBI Listing Regulations, none of the subsidiaries is a material subsidiary of the Company during the financial year 2021-22. Further, based on the criteria specified in SEBI Listing Regulations, Service Master Clean Limited and Dusters Total Solutions Services Private Limited ceased to be material subsidiaries of the Company during the year under review.

There has been no material change in the nature of the business of the subsidiaries.

The Company is in compliance with the applicable requirements of the SEBI Listing Regulations for its subsidiary companies during the financial year 2021-22.

In accordance with the provisions of Section 136(1) of the Act, the Annual Report of your Company, containing, inter-alia, the audited standalone and consolidated financial statements has been placed on the Company's website, www.sisindia.com/investors/.

Further, the audited financial statements of subsidiary companies are also available on the website of the Company at <https://sisindia.com/investors/financials-subsiary-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 2,50,000

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.

The Board took cognisance of the pandemic and its impact on the overall business, environment and safety, health and wellbeing of the employees and approved an additional special expenditure of ₹ 50 Million to be spent on enhanced measures to protect our employees on account of the COVID-19 pandemic. Accordingly, a special "Humare Heroes COVID Welfare Fund" was set up to extend medical and other assistance to COVID infected employees and to assist and provide support in the welfare of our frontline staff.

The Company has adopted various preventive measures and extended complete support towards testing and hospitalization.



Particulars of Employees

The information under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in **Annexure III** to this Report.

The statement containing names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate annexure forming part of this report. Further, the Annual Report is being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection and any member interested in obtaining a copy of the same may write to the Company Secretary.

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.

During the year under review, the Company had granted 14,21,973 options to employees of the Company and its subsidiaries under the Employee Stock Option Plan – 2016

Disclosures with respect to stock options, as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("the Regulations"), are available on the Company's website, <https://sisindia.com/investors/annualreport>.

Mr. Sudhir V Hulyalkar, Secretarial Auditor of the Company has 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. Appointment/Re-appointment of Directors

- In accordance with the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and the Articles of Association of the Company, Mr. Ravindra Kishore Sinha, Chairman and Mrs. Rita Kishore Sinha, Director, are liable to retire by rotation at the ensuing AGM and being eligible, have offered themselves for re-appointment.

Resolutions seeking approval of the members forms part of the Notice of AGM.

- Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Shareholders, vide resolutions

approved by way of postal ballot on December 10, 2021, appointed Mr. Rajan Verma as an Independent Director of the Company, not liable to retire by rotation, for a period of 2 years effective July 28, 2021.

- Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors, in its meeting held on July 28, 2021, appointed Mr. Ajay Relan as Additional Director (Independent) of the Company, effective July 28, 2021
- Mr. Rituraj Kishore Sinha was appointed as the Managing Director of the Company for a period of 5 years, effective April 24, 2017 to hold office upto April 23, 2022. Based on the recommendation of the Nomination and Remuneration Committee and taking into account his outstanding leadership, expertise, business acumen, the Board in its meeting held on April 19, 2022, subject to the approval of the Members, has re-appointed Mr. Rituraj Kishore Sinha as the Managing Director of the Company for a further period of 5 years effective April 24, 2022.

Resolution for re-appointment of Mr. Rituraj Kishore Sinha, Managing Director was proposed for approval of the Members on June 29, 2022 through postal ballot by remote e-voting process.

- Mr. Arvind Kumar Prasad was appointed as the Whole-Time Director of the Company for a period of 5 years effective April 24, 2017 to hold office upto April 23, 2022. Based on the recommendation of the Nomination and Remuneration Committee and taking into account his expertise and business acumen, the Board in its meeting held on April 19, 2022, subject to the approval of the Members, has re-appointed Mr. Arvind Kumar Prasad, as the Whole-Time Director (designated as Director Finance) of the Company for a further period of 5 years effective April 24, 2022.

Resolution for re-appointment of Mr. Arvind Kumar Prasad, Whole-Time Director, was proposed for approval of the Members on June 29, 2022 through postal ballot by remote e-voting process.

- Mr. Sunil Srivastav was appointed as an Independent Director of the Company for a period of 3 years to hold office upto October 23, 2022. Based on his experience, expertise, performance evaluation and recommendation of the Nomination and Remuneration Committee, the Board in its meeting held on July 26, 2022, subject to the approval of the Members, has re-appointed Mr. Sunil Srivastav as an Independent Director for a period of 5 (five) years effective July 26, 2022.

A resolution seeking re-appointment of Mr. Sunil Srivastav, Independent Director, along with his brief profile forms part of the Notice of AGM.

Board Report Contd.

- Effective April 23, 2018, Mr. Uday Singh had resigned as a Whole time Director and CEO of the Company and continued as a Non-executive Director on the Board of the Company. Based on the relevant experience/expertise and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its Meeting held on July 27, 2022, subject to the approval of the Members, has appointed Mr. Uday Singh (DIN: 02858520) as an Independent Director of the Company for a period of 5 years effective July 26, 2022. Mr. Uday Singh has confirmed that he fulfills the criteria of independence as specified in the Act and SEBI Listing Regulations.

A resolution seeking appointment of Mr. Uday Singh, Independent Director, along with his brief profile forms part of the Notice of AGM.

b. Cessation of Directors

- Mr. Ajay Relan, Independent Director, passed away on October 1, 2021. The Board expressed its heartfelt condolences on the untimely demise of Mr. Relan.

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. In the opinion of the Board, the Independent Directors possess the requisite qualifications, experience and expertise and hold highest standards of integrity.

Committees of the Board

As on March 31, 2022, 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, the Board of Directors met 4(four) times to deliberate on various matters. The meetings were held on April 28, 2021, July 28, 2021, October 27, 2021 and February 3, 2022.

Further details are provided in the Corporate Governance Report which forms an integral part of this Annual Report.

Board Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board of Directors adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairperson of the Board. The evaluation was carried out through a structured questionnaire covering various aspects of the functioning of Board and its Committees.

The Board expressed satisfaction on the overall functioning of the Board and its Committees.

The familiarization programme aims to provide insight to the Independent Directors to understand the business 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.

Further details regarding the annual evaluation of the performance of the Board, its Chairperson, its Committees and of individual Directors are provided in the Corporate Governance Report forming an integral part of this Report.

Auditors and Audit Reports

Saxena and Saxena, Chartered Accountants (Firm Registration No. 006103N) were 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.

Based on the recommendation of the Audit Committee, the Board in its meeting held on July 26, 2022, subject to the approval of the Members, has approved the appointment of SS Kothari & Mehta, Chartered Accountants (Firm Registration No. 000756N) as Statutory Auditor of the Company for a period of 5 consecutive years, from the conclusion of this AGM until the conclusion of 43rd AGM to be held in the year 2027.

Appropriate resolution seeking approval of the members forms part of the Notice of 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 S S Kothari Mehta & Company

SS Kothari Mehta & Company (SSKM), Chartered Accountants is a peer reviewed firm established in 1971 with head office in New Delhi. Apart from the core offices, SSKM has a pan



India presence through network of associates. The firm is managed by qualified and experienced team led by partners and directors having professional experience of over 50 years in their respective fields. SSKM clientele includes diversified large and medium Businesses & multinational Companies. The firm is empaneled with Comptroller and Auditor General of India (CAG), Reserve Bank of India (RBI), Indian Bank's Association (IBA).

SSKM has been guided by code of conduct and ethics of the profession ensuring at all times highest professional standards to the clients. The range of professional services include Audit & Assurance, Tax & Regulatory Services, Business Advisory, Accounting & Business Support, IT Risk Advisory etc.

Mr. Naveen Aggarwal, B.Com. (Hons.), FCA and DISA is a senior partner in SSKM, with a post qualification experience of more than 25 years in Audit & Assurance. Presently serving as Co-Chairman Internal Audit and Risk Advisory National Council of ASSOCHAM and Special Invitee to Auditing Standards Board of ICAI representing ASSOCHAM. His Industry experience ranges in many industries including Service, NBFC, Manufacturing, FMCG, IT/ITES, Power, NPO, and Insurance.

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, 2022.

The Secretarial Audit Report, issued by Mr. Sudhir V Hulyalkar for the financial year 2021-22 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	All amounts in ₹ million	
	2021-22	
Foreign exchange earnings	504.94	
Foreign exchange expenditure	86.24	

Annual Return

In terms of the provisions of Section 92 of the Act and the rules made thereunder, the annual return of the Company as on March 31, 2022 is available on the Company's website at <https://sisindia.com/investors/annual-report/>.

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 in compliance with the provisions of Section 177 of the Act and the SEBI Listing Regulations. The Policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about illegal or unethical behavior, actual or suspected incidents of fraud, instances of leak of unpublished price sensitive information that could adversely impact the Company's operations, business performance and/or financial integrity of the Company. 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 Board of Directors of your Company, to the best of their knowledge and ability, hereby confirms that:

- In the preparation of the accounts for the year ended March 31, 2022 the applicable Accounting Standards have been followed and there are no material departures from the same;
- 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;

Board Report Contd.

- 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 are 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.

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, vendors and investors for their consistent support to the Company.

Last but not the least, the Directors sincerely acknowledge the significant contributions made by all the employees 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

New Delhi
July 26, 2022

Ravindra Kishore Sinha
Chairman

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:

S 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	N.A.
4	Mr. Uday Singh, Non-Executive Director	Member	1	1

*Ceased to be a member of the Committee w.e.f. November 15, 2021

Appointed as member of the Committee w.e.f. November 15, 2021

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:

S No	Financial Year	Amount available for set-off from preceding financial years (₹ Million)	Amount required to be set-off for the financial year, if any (₹ Million)
1	2021-22	16.79	4.49

6. Average net profit of the company as per section 135(5): ₹ 885.71 Million

7. (a) 2% of average net profit of the company as per section 135(5): ₹ 17.71 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: ₹ 4.49 Million

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 13.22 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
13.22			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:

Board Report Contd.

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	Dist.			Name	CSR Regn. number
1	Promoting Education and educational projects	(II)	Yes	Bihar	Patna	21,20,000	No	Annapurna Suraj Prasad Sinha Welfare Activities & Social Awareness Reforms Charitable Trust	CSR00019876
2	Programs towards betterment of health	(I)	Yes	Madhya Pradesh	Indore	19,00,000	No	Doctor Hedgewar Smarak Samiti	CSR00011567
				Gujarat	Gir Somnath	50,00,000		Shree Keshav Smarak Samiti Building Icon	N.A.
3	Protection of national heritage	(V)	Yes	Maharashtra	Amravati	5,00,000	No	Sampurna Bambu Kendra	CSR00014956
				West Bengal	Kolkata	10,00,000		Institute of Social and Cultural Studies	CSR00023901
4	Training to promote sports	(VII)	Yes	Uttar Pradesh	Basti	2,00,000	No	Drishti Foundation	N.A.
5	Women Empowerment	(III)	Yes	Delhi	New Delhi	25,00,000	No	Param Shakti Peeth	CSR00000072
TOTAL						1,32,20,000			

- (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): ₹ 13.22 Million
- (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)	17.71
ii.	Total amount spent for the Financial Year	17.71
iii.	Excess amount spent for the financial year [(ii)-(i)]	-
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)]	-

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

Board Report Contd.

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

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-22	195.13	195.13	1,261.37	2,971.01	1,514.51	852.24	3,960.93	(71.97)	140.51	-	100.00
2	Tech SIS Ltd	₹	NA	31-Mar-22	148.00	148.00	(120.99)	378.81	351.80	-	373.50	(4.24)	(11.75)	-	100.00
3	Terminix SIS India Pvt Ltd	₹	NA	31-Mar-22	225.00	225.00	(163.77)	224.02	162.79	-	310.83	4.95	17.17	-	50.01
4	Dusters Total Solutions Services Pvt Ltd	₹	NA	31-Mar-22	28.02	28.02	2,098.76	3,772.82	1,646.04	19.29	8,356.10	(85.92)	394.09	-	100.00
5	SIS Business Support Services and Solutions Pvt Ltd	₹	NA	31-Mar-22	0.10	0.10	0.01	33.49	33.38	-	18.02	0.08	0.22	-	100.00
6	SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Pvt Ltd)	₹	NA	31-Mar-22	0.10	0.10	0.04	0.18	0.04	-	0.07	-	0.01	-	100.00
7	SLV Security Services Pvt Ltd	₹	NA	31-Mar-22	25.00	25.00	(71.62)	1,083.15	1,129.77	-	2,880.50	(32.82)	65.56	-	See note 4 below
8	Rare Hospitality and Services Pvt Ltd	₹	NA	31-Mar-22	11.69	11.69	99.42	568.58	457.47	0.03	1,305.44	(16.95)	40.64	-	100.00
9	Uniq Security Solutions Pvt Ltd (formerly Uniq Detective and Security Services Pvt Ltd)	₹	NA	31-Mar-22	18.00	18.00	647.73	1,015.19	349.46	4.13	2,061.20	(25.16)	115.03	-	100.00
10	Uniq Detective and Security Services (AP) Pvt Ltd	₹	NA	31-Mar-22	0.10	0.10	2.61	16.65	13.94	-	45.19	(0.60)	3.06	-	100.00
11	Uniq Detective and Security Services (Tamilnadu) Pvt Ltd	₹	NA	31-Mar-22	0.10	0.10	(1.66)	15.40	16.96	-	18.77	0.03	0.64	-	100.00
12	Uniq Facility Services Pvt Ltd	₹	NA	31-Mar-22	1.00	1.00	5.87	31.04	24.17	-	86.52	(2.05)	3.97	-	100.00
13	SIS Alarm Monitoring and Response Services Pvt Ltd	₹	NA	31-Mar-22	400.00	400.00	(384.40)	365.94	350.34	-	293.57	7.81	(51.38)	-	100.00

(₹ Million)



(₹ 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
14	Adis Enterprises Pvt Ltd	₹	NA	31-Mar-22	0.10	0.10	8.56	17.03	8.37	-	47.79	0.20	2.00	-	100.00
15	One SIS Solutions Pvt Ltd	₹	NA	31-Mar-22	0.10	0.10	0.01	3.31	3.20	-	5.06	0.02	0.02	-	100.00
16	SIS Security Holdings Pte. Ltd. (Formerly known as SIS International Holdings Ltd)	AUD	0.018	31-Mar-22	227.63	0.03	227.80	0.14	-	-	-	-	-	-	100.00
17	SIS Security Asia Pacific Holdings Pte. Ltd. (Formerly known as SIS Asia Pacific Holdings Ltd)	AUD	0.018	31-Mar-22	227.63	0.06	228.15	0.46	-	-	-	-	-	-	100.00
18	SIS Australia Holdings Pty Ltd	AUD	0.018	31-Mar-22	227.63	76.60	1,028.46	724.23	-	-	486.23	(29.40)	515.63	486.23	100.00
19	SIS Australia Group Pty Ltd	AUD	0.018	31-Mar-22	899.12	986.82	12,302.67	10,416.73	750.00	-	689.51	(51.84)	741.35	611.39	100.00
20	SIS Group International Holdings Pty Ltd	AUD	0.018	31-Mar-22	0.57	(1,129.71)	4,572.04	5,701.18	196.82	-	50.29	(3.00)	53.29	-	100.00
21	MSS Strategic Medical and Rescue Pty Ltd	AUD	0.018	31-Mar-22	0.57	190.95	582.10	390.58	-	1,649.06	(25.75)	(6.77)	(18.98)	-	100.00
22	SIS MSS Security Holdings Pty Ltd	AUD	0.018	31-Mar-22	853.60	655.63	3,261.74	1,752.51	-	-	751.78	1.16	750.62	748.50	100.00
23	MSS Security Pty Ltd	AUD	0.018	31-Mar-22	569.06	7,720.15	14,879.04	6,589.83	-	39,563.36	2,059.62	634.82	1,424.80	749.14	100.00
24	Australian Security Connections Pty Ltd	AUD	0.018	31-Mar-22	0.57	-	0.57	-	-	-	-	-	-	-	100.00
25	MSS AIG Pty Ltd	AUD	0.018	31-Mar-22	-	-	-	-	-	-	-	-	-	-	100.00
26	Southern Cross Protection Pty. Ltd.	AUD	0.018	31-Mar-22	22.32	1,481.26	2,660.82	1,157.24	-	7,738.31	523.06	146.30	376.76	113.81	100.00
27	Askara Pty Ltd	AUD	0.018	31-Mar-22	-	(1.26)	22.62	23.88	-	372.20	(3.17)	(1.09)	(2.08)	-	100.00
28	Charter Security Protective Services Pty Ltd	AUD	0.018	31-Mar-22	0.01	226.48	302.90	76.41	-	294.60	1.74	1.85	(0.11)	-	100.00
29	Platform 4 Group Limited	NZD	0.018	31-Mar-22	22.10	96.41	368.89	250.38	-	1,399.47	25.41	4.15	21.26	-	100.00
30	Triton Security Services Limited	NZD	0.018	31-Mar-22	0.01	150.85	171.10	20.24	-	132.51	29.33	7.89	21.44	-	100.00%
31	The Alarm Center Limited	NZD	0.018	31-Mar-22	0.05	8.65	8.86	0.16	-	(0.20)	(0.20)	(0.02)	(0.18)	-	100.00%
32	SIS Henderson Holdings Pty Ltd	SGD	0.018	31-Mar-22	999.78	1,622.03	2,622.45	0.64	-	-	1,587.84	(0.12)	1,587.96	-	100.00

Board Report Contd.

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
33	Henderson Security Services Pte Ltd	SGD	0.018	31-Mar-22	88.80	276.11	531.31	166.40	-	1,607.50	(120.73)	(6.54)	(114.19)	1,294.37	100.00
34	Henderson Technologies Pte Ltd	SGD	0.018	31-Mar-22	0.59	38.12	54.86	16.15	-	81.86	(7.58)	(0.67)	(6.91)	294.17	100.00

* 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, SX Protective Holdings Pty Ltd., SX Protective Services Pty Ltd., Southern Cross Loss Prevention Pty Ltd. and Charter Security (NZ) Pty Limited have been deregistered.
4. During the year ended 2020-21, 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

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	Profit/ (loss) for the year		
			Number	Amount of investment	Extend of holding			Considered in consolidation	Not considered in consolidation	
1	SIS Cash Services Private Limited	31-Mar-22	97,08,696	407.32	49%	Associate company	NA	734.70	19.73	20.53
2	SIS Prosecur Holdings Private Limited*	31-Mar-22	NA	NA	NA	Associate company	NA	NA	NA	NA
3	SIS Prosecur Cash Logistics Private Limited**	31-Mar-22	NA	NA	NA	Associate company	NA	NA	NA	NA
4	Habitat Security Pty Ltd	31-Mar-22	49	2.92	49%	Joint Venture company	NA	2.92	3.03	3.15

* Wholly owned subsidiary of SIS Cash Services Private Limited

** Wholly owned subsidiary of SIS Prosecur Holdings Private Limited

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

Notes:

- Names of associates or joint ventures which are yet to commence operations: None
- 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

Pushpalatha Katkuri
Company Secretary

Place: Delhi
Date: July 26, 2022

Board 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

- The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary during the financial year 2021-22, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2021-22:

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 2021-22	% Increase in remuneration in the financial year 2021-22
Mr. Ravindra Kishore Sinha, Chairman	120:1	\$
Mr. Rituraj Kishore Sinha, Managing Director	51:1	\$
Mr. Arvind Kumar Prasad, Director – Finance	28:1	5.00
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. Rajan Verma, Independent Director#	^	^
Mr. Devesh Desai, Chief Financial Officer	65:1	15.4
Mr. Brajesh Kumar, Chief Financial Officer (Security Solutions and Facility Management) @	108:1	19.2
Ms. Pushpalatha K, Company Secretary	23:1	24.2

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

^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.

\$During the year, there was no revision in the remuneration of Mr. Ravindra Kishore Sinha, Chairman and Mr. Rituraj Kishore Sinha, Managing Director.

@The gross remuneration paid to Mr. Brajesh Kumar includes ₹ 1,28,59,571 on account of the exercise of 28,580 employee stock options during the financial year 2021-22.

#Mr. Rajan Verma was appointed as an Independent Director effective July 28, 2021.

- The percentage increase in the median remuneration of employees in the financial year 2021- 22 is 12.00%.
- There were 1,43,894 permanent employees on the rolls of Company as on March 31, 2022.
- Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2021-22, was 0.03% over the previous financial year.
- It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.



ANNEXURE IV

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2022

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

To,
The Members,
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, 2022, 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, 2022 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 and Sweat Equity) Regulations, 2021;
 - f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (No instances for compliance requirements during the year);
 - g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, (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.

Board 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 5,47,473 equity shares on various dates during the year to the eligible employees of the Company pursuant to Company's Employees Stock Option Plan, 2016.
2. Pursuant to Public announcement dated March 23, 2021 and the letter of offer dated April 30, 2021, the Company has bought back 18,18,181 fully paid up equity shares of the face value of ₹ 5/- per equity share from the existing shareholders, through tender offer route at ₹ 550/- per equity share. Same were extinguished / destroyed in compliance with and according to the provisions of Regulation 11 of the Buyback Regulations.
3. The Company has redeemed of 9.50% Secured, Redeemable, Rated, Listed Non-Convertible Debentures on April 13, 2021 amounting to ₹ 1,64,25,00,000/- (Principal ₹ 1,50,00,00,000/- and Interest being ₹ 14,25,00,000/-)

SUDHIR VISHNUPANT HULYALKAR

Company Secretary in Practice

FCS No.: 6040 CP No.: 6137

Peer Review Certificate No.607/2019

UDIN: F006040D000690537

Place: Bengaluru

Date: July 26, 2022



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.

Place: Bengaluru

Date: July 26, 2022

SUDHIR VISHNUPANT HULYALKAR

Company Secretary in Practice

FCS No.: 6040 CP No.: 6137

Peer Review Certificate No. 607/2019

UDIN: F006040D000690537

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's guiding principles are transparency, employee engagement, values/ethics and stakeholder satisfaction. 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

Your Company has a balanced and diverse Board, which confirms to the provisions of the Act and the SEBI Listing Regulations. The Directors possess requisite qualification, experience and expertise in their respective functional areas, which enable them to discharge their responsibilities and provide effective leadership to the management.

a) Composition of the Board

- i. As on March 31, 2022, the Company has 12 Directors, of which 3 are Executive Directors and 9 are Non-Executive Directors out of which 7 are Independent Directors including 1 woman director.
- ii. The Company has an effective mechanism for succession planning which focuses on the orderly succession of Directors and Senior Management Team.
- iii. As mandated by SEBI Listing Regulations, none of the Directors on the Board holds directorships in more than ten public limited companies, serves as Director or as independent director in more than seven listed entities and who are Executive Directors serves as independent director in more than three listed entities. Further, none of the Directors is a member of more than ten specified committees or chairperson of more than five specified Committees across all the public companies in which he or she is a Director.
- 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. The names and categories of the directors on the Board, name of other listed entities in which the Director is a director and the number of Directorships, and Committee Chairmanships/Memberships held by them in other public limited companies as on March 31, 2022 are as follows:

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	9	-	-	
Mr. Rituraj Kishore Sinha (Managing Director)	Promoter, Executive	-	9	-	2	
Mr. Arvind Kumar Prasad (Director – Finance)	Executive	-	3	-	-	



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. Uday Singh	Non-Executive	-	9	-	-	
Mrs. Rita Kishore Sinha	Non-Executive	-	10	-	-	
Mr. Devdas Apte	Independent	-	1	-	-	
Mr. Amrendra Prasad Verma	Independent	-	5	3	4	1. Electro Steel Castings Limited (Independent) 2. Solar Industries India Limited (Independent)
Mr. Tirumalai Cunnavaikaum Anandanpillai Ranganathan	Independent	-	2	1	1	1. Orient Electric Limited (Independent)
Mr. Rajan Krishnanath Medhekar	Independent	-	3	-	3	1. Geojit Financial Services Limited (Independent) 2. Dwarikesh Sugar Industries Limited (Independent)
Mrs. Renu Mattoo	Independent	-	2	-	-	
Mr. Sunil Srivastav	Independent	-	5	2	2	1. Star Paper Mills Limited (Independent) 2. CSB Bank Limited (Independent)
Mr. Rajan Verma [@]	Independent	-	2	-	-	

*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 Stakeholders' Relationship Committee as per the provisions of SEBI Listing Regulations.

@ Appointed as an Independent Director effective July 28, 2021.

The Board is duly supported by the Management in ensuring effective functioning of the Company. The Board monitors the Company's overall performance and guides the activities of the Management towards the set goals. The Board also sets standards of corporate behaviour, ensures transparency in corporate dealings and compliance with the laws and regulations.

The Board periodically reviews all the relevant information, which is required to be placed before it, pursuant to the SEBI Listing Regulations.

b) Number of Board meetings

The Board meets at regular intervals to discuss and decide on results, operations, business policies, strategies, and other Board businesses.

During the year under review, all the Board meetings were conducted through audio visual means as per the circulars issued by the Ministry of Corporate Affairs ('MCA') and Securities and Exchange Board of India ('SEBI') from time to time. During the year, the Board of Directors met 4 times on April 28, 2021, July 28, 2021, October 27, 2021 and February 03, 2022. The necessary quorum was present for all the meetings. The maximum time gap between any two consecutive meetings did not exceed 120 days.

Report on Corporate Governance Contd.

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 2021-22		Whether attended last AGM held on June 25, 2021
	Held	Attended	
Mr. Ravindra Kishore Sinha	4	4	Yes
Mr. Rituraj Kishore Sinha	4	4	Yes
Mr. Arvind Kumar Prasad	4	4	Yes
Mr. Uday Singh	4	4	Yes
Mrs. Rita Kishore Sinha	4	4	Yes
Mr. Devdas Apte	4	4	Yes
Mr. Amrendra Prasad Verma	4	4	Yes
Mr. Tirumalai Cunnavakam Anandanpillai Ranganathan	4	4	Yes
Mr. Rajan Krishnanath Medhekar	4	4	Yes
Mrs. Renu Mattoo	4	4	Yes
Mr. Sunil Srivastav	4	4	Yes
Mr. Rajan Verma [@]	4	3	NA

@ Appointed as an Independent Director effective July 28, 2021.

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

There is no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees and commission payable to the Non-Promoter Non-Executive Directors, in accordance with the applicable laws and with the approval of the shareholders.

The Executive Directors receive salary, perquisites and allowances, Non Promoter Non-Executive Directors receive sitting fees for attending meetings of the Board and Committees and commission as approved by the shareholders and other Promoter 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 as under:

Name of the Director	Salary	Perquisites, allowances and other benefits	Performance linked incentive	Stock Option details, if any,	(₹ Million)
					Total
Mr. Ravindra Kishore Sinha, Chairman	1,26,12,000	1,02,05,704	-	-	2,28,17,704
Mr. Rituraj Kishore Sinha, Managing Director	44,16,000	52,75,296	-	-	96,91,296
Mr. Arvind Kumar Prasad, Director – Finance	25,00,000	29,37,160	-	-	54,37,160

Notes:

- 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.
- Services of the Managing Director and Whole-Time Director may be terminated by either party, by giving the other party three months' notice.
- There is no provision for payment of severance pay.

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

(₹ Million)

Name of the Director	Sitting Fees*
Mrs. Rita Kishore Sinha	3,75,000
Mr. Uday Singh	6,75,000
Mr. Devdas Apte	7,50,000
Mr. Amrendra Prasad Verma	15,50,000
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan	16,00,000
Mr. Rajan Krishnanath Medhekar	10,25,000
Mrs. Renu Mattoo	5,50,000
Mr. Sunil Srivastav	10,25,000
Mr. Rajan Verma	4,00,000

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

During the year under review, there was 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 Non-Executive Directors as on March 31, 2022 are given below:

Name of the Director and Category	Number of equity shares held
Mrs. Rita Kishore Sinha, Non-Executive	2,35,10,120
Mr. Uday Singh, Non-Executive	3,97,691

g) Skills/Expertise/Competence of Board of Directors

The Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its Committees. The core skills, expertise and competencies identified by the Board of Directors as required in context of Company's business to function effectively are as under:-

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.
Sustainability	Ability to guide on corporate social responsibility activities for betterment of the society at large.
Risk Management	Knowledge of risk management, risk framework, mitigation of risks in respect of the businesses of the Company.

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, Sustainability and Subject Expertise
2	Mr. Rituraj Kishore Sinha	Finance, Governance, Leadership/ Board Experience, Strategy and M&A, Risk, Marketing, Supply chain, Sustainability, R & D/ Innovation and Subject Expertise
3	Mr. Arvind Kumar Prasad	Finance, Governance, Board Experience, Digital Tech, Audit/ Tax Risk and Subject Expertise
4	Mr. Uday Singh	Finance, Governance, Leadership/ Board Experience, Strategy and M&A, Risk, Sustainability and Subject Expertise
5	Mrs. Rita Kishore Sinha	Board Experience, Legal Experience and Subject Expertise

Report on Corporate Governance Contd.

Sl. No.	Director Name	Skill/ expertise/ competence
6	Mr. Devdas Apte	Finance and Board Experience
7	Mr. Amrendra Prasad Verma	Finance, Governance, Board Experience, Sustainability, Risk and Subject Expertise
8	Mr. TCA Ranganathan	Finance, Governance, Board Experience, Sustainability, Risk and Subject Expertise
9	Mr. Rajan Krishnanath Medhekar	Finance, Governance, Board Experience, Sustainability, Risk and Subject Expertise
10	Mrs. Renu Mattoo	Board Experience and Human Resources
11	Mr. Sunil Srivastav	Finance, Governance, Board Experience, Risk and Subject Expertise
12	Mr. Rajan Verma	Governance, Legal Experience and Risk

h) Meeting of Independent Directors

During the year under review, a separate meeting of the Independent Directors was held on November 3, 2021, without the presence of Non-Independent Directors and the management. The Independent Directors, inter-alia, reviewed the (a) performance of Non-Independent and the Board of Directors as a whole, (b) performance of the Chairman of the Company taking into account the views of Executive Directors and Non-Executive Directors and (c) quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction on the overall performance of the Directors and the Board.

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/2022/07/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, 2022. 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 Company 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 and the performance of subsidiaries 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>

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 ₹ 100,000 per meeting is paid to the Non-Executive/Independent Directors for attending the meetings of the Board and Committees. Shareholders have approved payment of commission to the Non-Promoter Non-Executive Directors of an amount not exceeding 0.5% per annum of the net profits of the Company.

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. It includes circulation of evaluation forms separately for evaluation of the Board and its Committees, Independent Directors/Non-Executive Directors, Executive Directors and the Chairman of the Company.



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 performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board has been evaluated by Independent Directors in a separate meeting. At the same meeting, the Independent Directors also evaluated the performance of the Chairman of your Company, after taking into account the views of Executive Directors and Non-Executive Directors.

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 formulated and adopted a Code of Conduct to regulate, monitor and report trading by designated persons in securities of the Company.

The object of the Insider Trading Code is to set framework, rules and procedures which all concerned should follow, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

n) Directors and Officers Insurance

In line with the requirements of Regulation 24(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.

o) Acceptance of recommendation of Committees

The Board of Directors have 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, 2022, 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, 2022, the Audit Committee has four Independent Directors viz. Mr. Amrendra Prasad Verma, Mr. TCA Ranganathan, Mr. Rajan Krishnanath Medhekar and Mr. Sunil Srivastav. All Members of the Audit Committee are financially literate and possess accounting or financial management knowledge.

The 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 June 25, 2021.

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 28, 2021, July 28, 2021, October 27, 2021 and February 3, 2022 and the gap between the two meetings did not exceed one hundred and twenty days.

Report on Corporate Governance Contd.

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

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Amrendra Prasad Verma	Independent	Chairman	4	4
Mr. Devdas Apte*	Independent	Member	4	3
Mr. TCA Ranganathan	Independent	Member	4	4
Mr. Rajan Krishnanath Medhekar	Independent	Member	4	4
Mr. Sunil Srivastav#	Independent	Member	4	1

*Ceased to be a member of the Committee w.e.f November 15, 2021.

Appointed as a member of the Committee w.e.f November 15, 2021.

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) scrutinize 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 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;
- (w) review and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

B. Nomination and Remuneration Committee

As on March 31, 2022, 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, 5 meetings of NRC were held on April 20, 2021, April 28, 2021, July 28, 2021, October 27, 2021 and November 9, 2021. The Chairman of the NRC was present at the last AGM held on June 25, 2021.

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

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. TCA Ranganathan	Independent	Chairman	5	5
Mr. Amrendra Prasad Verma	Independent	Member	5	5
Mr. Sunil Srivastav	Independent	Member	5	5

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;

Report on Corporate Governance Contd.

- (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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

C. Stakeholders' Relationship Committee

As on March 31, 2022, the Stakeholders' Relationship Committee has three Independent Directors viz., Mr. Amrendra Prasad Verma, Mr. Rituraj Kishore Sinha, and Mr. Sunil Srivastav. The Committee is headed by Mr. Amrendra Prasad Verma, 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 27, 2021.

The composition of the Stakeholders Relationship Committee and details of the 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	1
Mrs. Renu Mattoo*	Independent, Non-Executive	Member	1	1
Mr. Rituraj Kishore Sinha#	Managing Director	Member	1	NA
Mr. Sunil Srivastav#	Independent, Non-Executive	Member	1	NA

* Ceased to be a member of the committee w.e.f November 15, 2021

Appointed as members of the committee w.e.f November 15, 2021

The Chairman of the Stakeholders' Relationship Committee was present at the last AGM held on June 25, 2021.

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, dematerialization of shares and rematerialisation 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;
- (d) establishing and approving a framework for investor communication and engagement, monitoring its implementation, periodical reviews for effectiveness;
- (e) stakeholders' engagement and establishing a structured framework for identification, consultation, prioritising and addressing concerns and needs in a consistent and transparent manner; and
- (f) 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, 2022 are provided below:

Opening balance	Received during the year	Resolved during the year	Closing balance
-	2	2	-

D. Corporate Social Responsibility Committee

As on March 31, 2022, the Corporate Social Responsibility Committee has three directors viz. Mr. Ravindra Kishore Sinha, Mr. Uday Singh and Mr. Rajan Krishnanath Medhekar.

The terms of reference of the Corporate Social Responsibility Committee includes the following:

- (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 February 3, 2022.

The Composition of the CSR Committee and details of the 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	NA
Mr. Rajan Krishnanath Medhekar	Independent, Non-Executive	Member	1	1
Mr. Uday Singh#	Non-Executive	Member	1	1

*Ceased to be a member of the Committee w.e.f November 15, 2021

Appointed as member of the Committee w.e.f November 15, 2021

E. Risk Management Committee

As on March 31, 2022 the Risk Management Committee has four directors viz. Mr. Amrendra Prasad Verma, Mr. Rajan Krishnanath Medhekar, Mr. Sunil Srivastav and Mr. Rajan Verma, Independent Directors. 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, two meetings of the Risk Management Committee was held on April 12, 2021 and October 8, 2021.

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

Name	Category	Position	No. of meetings held	No. of meetings attended
Mr. Amrendra Prasad Verma	Independent Director	Chairman	2	2
Mr. Rituraj Kishore Sinha*	Managing Director	Member	2	1
Mr. Arvind Kumar Prasad*	Director Finance	Member	2	2
Mr. Rajan Krishnanath Medhekar#	Independent Director	Member	2	NA
Mr. Sunil Srivastav#	Independent Director	Member	2	NA
Mr. Rajan Verma#	Independent Director	Member	2	NA

*Ceased to be a member of the Committee w.e.f November 15, 2021

Appointed as a member of the Committee w.e.f November 15, 2021

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

Report on Corporate Governance Contd.

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
2018-19 Annual General Meeting	June 28, 2019 at 12:30 p.m. at Hotel Maurya, Fraser Road, South Gandhi Maidan, Patna - 800 001	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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.
2020-21 Annual General Meeting	June 25, 2021 at 12:00 p.m. through Video Conferencing / Other Audio-Visual Means	<ol style="list-style-type: none"> 1. Revision in the remuneration of Mr. Arvind Kumar Prasad (DIN: 02865273), Director Finance of the Company.

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 : October 27, 2021
- Voting Period : November 11, 2021 (from 09:00 hrs. IST) to December 10, 2021 (to 17:00 hrs. IST).
- Date of Declaration of Result : December 11, 2021
- Date of Approval : December 10, 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 process.

Details of Voting

Resolution Description	No. of Votes Polled	Votes cast in favor		Votes cast against	
		No. of Votes	%	No. of Votes	%
Payment of commission to Non-promoter Non-Executive Directors and Independent Directors of the Company.	11,89,20,071	11,42,61,118	96.08	46,58,953	3.92
Appointment of Mr. Rajan Verma (DIN: 09243467) as an Independent Director of the Company.	12,15,06,766	12,15,06,162	100.00	604	0.00

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 along with notes/presentations on the results of the quarter 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 were 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 or unethical behavior, actual or suspected fraud, actions that affect the financial/accounting matters of the Company, leaking of confidential or proprietary information. 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/2021/08/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.

b. Reporting of Internal Auditor

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

c. Shareholder rights

A quarterly announcement of financial performance with key highlights was sent to every member.

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

Report on Corporate Governance Contd.

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

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 2021-22

Date	:	August 30, 2022.
Day	:	Tuesday
Time	:	12:00 Noon (IST)
Venue	:	Hotel Maurya, Fraser Road, Patna- 800001, Bihar

ii. Financial Calendar:

Financial Year of the Company	:	1 st April to 31 st March
For the quarter ending June 30, 2022	:	July, 2022
For the quarter/half-year ending September 30, 2022	:	November, 2022
For the quarter/nine-months ending December 31, 2022	:	February, 2023
For the quarter/year ending March 31, 2023	:	May, 2023
39 th Annual General Meeting for the year ending March 31, 2023	:	June, 2023

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:

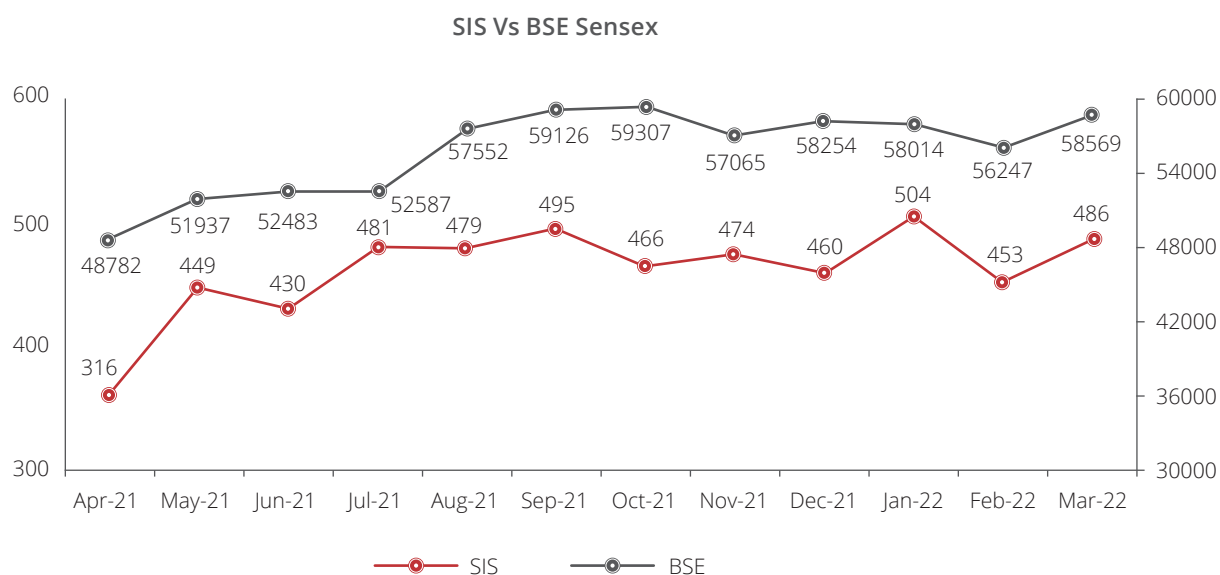
VISTRA ITCL (INDIA) LIMITED
IL&FS Financial Centre, Plot No C22,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400051

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

viii. Market price data- high, low during each month in FY 2021-22:

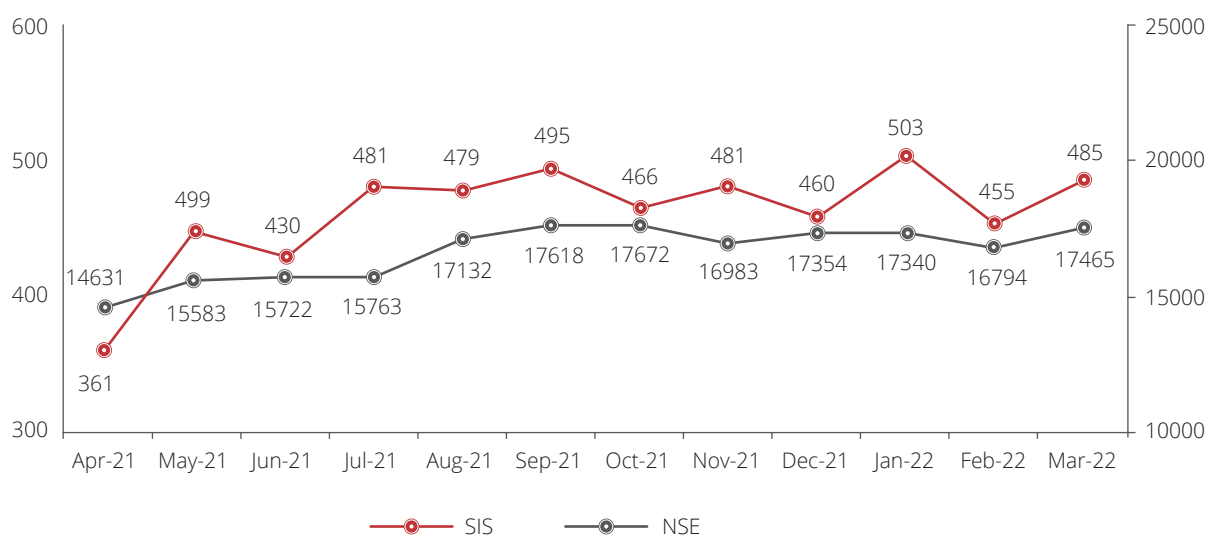
Month	BSE				NSE			
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume
Apr-21	414.00	350.45	361.45	4,66,324	413.80	353.85	361.45	52,35,776
May-21	454.95	361.00	448.85	5,41,223	455.00	360.00	449.10	89,96,938
Jun-21	447.30	385.80	429.70	4,07,460	448.45	406.00	430.00	52,51,435
Jul-21	534.85	426.00	481.00	11,75,676	534.80	425.55	480.75	1,56,89,817
Aug-21	505.00	426.70	478.65	6,91,545	505.60	420.00	478.60	46,25,506
Sep-21	505.00	449.20	494.85	3,26,011	505.10	449.60	495.20	52,16,745
Oct-21	517.50	451.65	466.20	2,58,864	517.60	449.00	465.70	30,18,368
Nov-21	548.60	422.95	474.05	38,10,061	549.00	422.05	480.90	7,89,0031
Dec-21	503.00	427.00	459.90	1,40,838	503.60	426.05	459.95	23,82,060
Jan-22	544.05	437.05	503.70	10,63,595	545.00	437.00	502.80	73,87,260
Feb-22	559.75	443.55	452.55	4,29,353	560.00	442.50	454.90	55,57,357
Mar-22	525.00	431.70	485.55	2,58,354	508.90	428.30	485.05	22,86,844

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



Report on Corporate Governance Contd.

SIS Vs NSE Sensex



x. 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/wp-content/uploads/2021/05/Dividend-Distribution-Policy.pdf>.

xi. 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

xii. Share Transfer System:

99.93% 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, requests for effecting transfer of securities will be affected only in dematerialised form. Transmission and transposition of securities held in physical or dematerialised form will be affected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

xiii. 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

xiv. Shareholding as on March 31, 2022:

a. Distribution of equity shareholding as on March 31, 2022:

No. of equity shares held	No. of shares held	% Shareholding	Number of shareholders	% of Shareholders
1 to 500	19,83,827	1.35	34,944	95.44
501-1000	5,63,010	0.38	776	2.12
1001-2000	4,87,423	0.33	340	0.93
2001-3000	3,47,493	0.24	137	0.37
3001-4000	2,01,750	0.14	57	0.16
4001-5000	2,73,142	0.19	59	0.16
5001-10000	8,70,553	0.59	122	0.33
10001 and above	14,23,03,852	96.78	178	0.49
Grand Total	14,70,31,050	100.00	36,613	100.00

b. Categories of shareholding as on March 31, 2022:

Category	No. of shareholders	Number of equity shares held	% of holding
Promoters and Promoter Group- A	10	10,52,04,829	71.55
Public - B			
Domestic - B1			
Bodies Corporate	226	12,03,640	0.82
Mutual Funds	24	57,27,175	3.90
Alternate Investment Funds	3	6,04,710	0.41
Financial Institutions/ Banks	0	0	0
NBFCs registered with RBI	0	0	0
Central Government/State Government	1	2,244	0.00
Hindu Undivided Family	702	1,57,816	0.11
Other Individuals	34,526	67,44,690	4.59
Clearing Members	350	35,070	0.02
Trust	1	51,757	0.04
Directors	2	7,24,583	0.49
Insurance Companies	0	0	0
Total B1	35, 535	1,52,51,685	10.38
Foreign- B2			
Foreign Nationals	2	35,63,777	2.42
Non-Resident (Non Repatriable)	343	1,30,138	0.09
Non-Resident Indians	662	2,08,344	0.14
Foreign Portfolio Investors	60	2,26,72,277	15.42
Total B2	1,067	2,65,74,536	18.07
TOTAL B (B1+B2)	36,602	4,18,26,221	28.45
Grand Total	36,612	14,70,31,050	100.00

c. Top ten equity shareholders of the Company as on March 31, 2022:

Report on Corporate Governance Contd.

S. No.	Name of the shareholder	Number of equity shares held	% of holding
1	Ravindra Kishore Sinha	5,76,48,582	39.21
2	Rita Kishore Sinha	2,35,10,120	15.99
3	Rituraj Kishore Sinha	1,57,91,311	10.74
4	Rivoli Sinha	47,66,343	3.24
5	Smallcap World Fund, Inc	44,05,271	3.00
6	Vocational Skills Council India Private Limited	31,99,341	2.18
7	Government Pension Fund Global	30,33,917	2.06
8	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	30,03,119	2.04
9	Malabar Select Fund	27,41,056	1.86
10	Malabar India Fund Limited	27,02,167	1.84
Total		12,08,01,227	82.16

xv. Dematerialization of shares and liquidity:

As on March 31, 2022, 14,69,28,464 equity shares representing 99.93% 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.

xvi. 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, 2022 except employee stock options.

The Company has not issued any GDRs / ADRs / Warrants in the past and hence as on March 31, 2022 the Company does not have any outstanding GDRs / ADRs / Warrants.

xvii. 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>.

During the year, the Company has transferred to Investor Education and Protection Fund the unclaimed dividend of ₹ 1,78,256 pertaining to the financial year 2014-15 and outstanding for 7 years. Further, 1,958 equity shares of the Company, in respect of which dividend has not been claimed for 7 consecutive years or more, have also been transferred to the demat account of IEPF Authority.

The Members, who have so far not claimed the dividend for the year ended March 31, 2016, 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 2015-16 onwards, are as under:

Date of declaration	Due Date for Transfer of Unpaid/Unclaimed to IEPF
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

xviii. 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.



xix. 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)

xx. Statutory Auditors

Saxena & Saxena, Chartered Accountants (Firm Registration No. 006103N) were appointed as the Statutory Auditors of the Company. The particulars of payment of fees to the Statutory Auditors, on consolidated basis for FY2022 are provided below:

Particular	Amount in ₹ million
Services as statutory auditors	0.9
Services for other matters	0.10
Total	0.19

xxi. 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 2021-22.

No. of complaints pending at the beginning of the year	:	0
No. of complaints filed during the year	:	4
No. of complaints disposed-off during the year	:	4
No. of complaints pending at the end of the year	:	0

xxii. 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, 2022.

Place: New Delhi
Date: July 26, 2022

Rituraj Kishore Sinha
Managing Director

Report on Corporate Governance Contd.

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, 2022 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, 2022 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: New Delhi
Date: July 26, 2022

Rituraj Kishore Sinha
Managing Director

Devesh Desai
Chief Financial Officer



CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SIS 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, 2022.

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.

Place: Bengaluru
Date: July 26, 2022

SUDHIR VISHNUPANT HULYALKAR

Company Secretary in Practice
CS No: 6040, CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000690559

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, 2022 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.

Place: Bengaluru
Date: July 26, 2022

SUDHIR VISHNUPANT HULYALKAR

Company Secretary in Practice
FCS No: 6040, CO No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040D000690561

Business Responsibility and Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN)	L75230BR1985PLC002083
2. Name	SIS LIMITED
3. Year of incorporation	1985
4. Registered office address	Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna – 800010, Bihar
5. Corporate office address	A-28 & 29, Okhla Industrial Area, Phase 1, New Delhi – 110020
6. E-mail	compliance@sisindia.com
7. Telephone	011 4646 4444
8. Website	www.sisindia.com
9. Financial year for which reporting is being done	Financial Year 2021-22 (April 1, 2021 to March 31, 2022)
10. Name of the Stock Exchange(s) where shares are listed	a. BSE Limited b. National Stock Exchange of India Limited
11. Paid-up Capital	₹ 73,51,55,250/-
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Pushpalatha K Company Secretary & Compliance Officer 106, Ramanashree Arcade, 18 M G Road, Bangalore - 560 001 Phone: 080 2559 0801 E-mail ID: compliance@sisindia.com
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis

II. Products/services

14. Details of business activities (accounting for 90% of the turnover):

Sl. No	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Investigation and security services	Investigation services by other than government agencies	97.19

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sl. No	Product/Service	NIC Code	% of total Turnover contributed
1	Investigation and security services	99852	97.19

III. Operations

16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NOT APPLICABLE*	180	180
International		18	18

*The Company is engaged in service sector and has no manufacturing units.



17. Markets served by the entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan-India (28 States and 7 Union Territories)
International (No. of Countries)	3

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Not applicable as the company does not export any services outside India.

c. A brief on types of customers:

The Company has diversified clients across B2B, B2G and B2C businesses.

IV. Employees

18. Details as at the end of Financial Year: FY 2021-22

A. Employees (including differently abled):

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
EMPLOYEES						
1	Permanent (D)	143,894	134,976	93.75	8,918	6.20
2	Other than Permanent (E)	67	67	0.05	NIL	NIL
3	Total employees (D + E)	143,961	135,043	93.80	8,918	6.20

B. Differently abled Employees

Sl. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	56	45	80.35	11	19.64
2	Other than Permanent (E)	0	0	0	0	0
3	Total employees (D + E)	56	45	80.35	11	19.64

19. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	12	2	16.67
Key Management Personnel	7	1	14.28

20. Turnover rate for permanent employees:

	FY 2021-22 (Turnover rate in current FY)		FY 2020-21 (Turnover rate in previous FY)		FY 2019-20 (Turnover rate in the year prior to the previous FY)	
	Male & Female	TOTAL	Male & Female	TOTAL	Male & Female	TOTAL
Permanent Employees	4.08%	4.08%	4.00%	4.00%	7.88%	7.88%

Business Responsibility and Sustainability Reporting Contd.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. (a) Names of holding / subsidiary / associate companies / joint ventures.

The details of the holding/subsidiary/associate/joint ventures are provided in Annexure II to the Board's report.

VI. CSR Details

22. (i) **Whether CSR is applicable as per section 135 of Companies Act, 2013:** Yes, refer Annexure I to the Board's report.

(ii) **Turnover (in ₹):** 33,178.47 millions.

(iii) **Net worth (in ₹):** 8,360.44 millions.

VII. Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

SIS stakeholders includes investors, clients, employees, business partners, government, and local communities.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2021-22		Remarks	FY 2020-21		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	N/A						
Investors (other than shareholders)	Yes https://sisindia.com/wp-content/uploads/2021/08/Stakeholder-Relationship-Policy.pdf	No complaints					
Shareholders	Yes https://sisindia.com/wp-content/uploads/2021/08/Grievance-Redressal-Policy.pdf	2	0	-	3	0	-
Employees and workers	Yes	No complaints					
Customers	Yes https://sisindia.com/wp-content/uploads/2021/08/Stakeholder-Relationship-Policy.pdf	No complaints					
Value Chain Partners	Yes https://sisindia.com/wp-content/uploads/2021/08/Stakeholder-Relationship-Policy.pdf	No complaints					

During the year, there were no complaints received relating to ethics, bribery and corruption.

24. Overview of the entity’s material responsible business conduct issues. Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
	<p>To ensure that the sustainability approach remains focused on the areas that are most relevant to our business and the expectations of our stakeholders, the Company undertake a comprehensive materiality assessment of ethical and sustainability issues. The most important challenge to the Company is social, as the Company have significant engagement with the society and a large and diverse workforce. The Company has adopted fair, transparent and ethical governance practices and adhere to the highest level of corporate governance across all business segments.</p> <p>The material identified issues include issues related to people, health and safety, diversity and inclusion, customer engagement, employee training and career development and community development. The Company has established a formal risk management process to identify potential risks that may affect the business, the capabilities to predict and respond to risks. The Company has compiled a risk library through participation of all business heads and finance heads. The key risks were identified and mitigation plan was implemented with a regular assessment of the identified risks. The Company in accordance with the SEBI Regulations constituted Risk Management Committee which oversees the risk management process and periodically reviews the risk library and prioritization of risks, monitors the risk mitigation plan and the methodology adopted for assessing risk and ensures an effective system of control for risk management from time to time.</p> <p>Although as an essential service provider, our environmental footprint is minimal and that has negligible emissions, but our alertness is not. We are always on the vigil, taking steps to help conserve the environment. The Company believes in maintaining a clean and healthy environment while conducting operations.</p>				

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable. (Code of conduct and Ethics)
P2	Businesses should provide goods and services in a manner that is sustainable and safe. (Product Responsibility)
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains. (Wellbeing of Employees)
P4	Businesses should respect the interests of and be responsive towards all its stakeholders. (Stakeholder Engagement and CSR)
P5	Businesses should respect and promote human rights. (Human Rights)
P6	Businesses should respect, protect and make efforts to restore the environment. (Environment)
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent. (Public Policy)
P8	Businesses should promote inclusive growth and equitable development. (CSR)
P9	Businesses should engage with and provide value to their consumers in a responsible manner. (Customer Relations)

Business Responsibility and Sustainability Reporting Contd.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9									
Policy and management processes																		
1 a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	N	Y	Y	N	N	N	Y	Y									
b. Has the policy been approved by the Board? (Yes/No)	Y	NA	Y	Y	NA	NA	NA	Y	Y									
c. Web Link of the Policies, if available	https://sisindia.com/investors/policies-and-code-of-conduct																	
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	NA	Y	Y	NA	NA	NA	Y	Y									
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	NA	Y	Y	NA	NA	NA	Y	Y									
4. Name of the national and international codes/ certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	ISO																	
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N									
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	NA	NA	NA	NA	NA	NA	NA	NA	NA									
Governance, leadership and oversight																		
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The vision of the Company is to create sustainable livelihoods, primarily among the disadvantaged sections of society. We have created hundreds of thousands of jobs over the years touching millions of families and through our in-house training academies, ensured that our employees learn life skills that sustain them beyond their current jobs with the Company.																	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy(ies).	Name: Mr. Ravindra Kishore Sinha Designation: Chairman E-mail Id: shareholders@sisindia.com Telephone No. 011- 4646 4444																	
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Stakeholder Relationship Committee																	
10. Details of Review of NGRBCs by the Company:																		
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	NA	Y	Y	NA	NA	NA	Y	Y	The Board has formulated the policies applicable to the Company. The policies are reviewed annually, wherever applicable.								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Compliance Certificate on applicable laws is provided to the Board of Directors in every quarter meeting. The Company is in full compliant of the applicable laws.									All the policies have been formulated in consultation with the Management of the Company and are approved by the Board and the policies are in compliance with respective applicable regulations.								
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	All the policies have been approved by the Board and have been signed by the Chairman. 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/ The Board reviews the working, implementation, and effectiveness of the policies from time to time.								



12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	Y	-	-	Y	Y	Y	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	N	-	-	N	N	N	-	-
The entity does not have the financial or/human and technical resources available for the task (Yes/No)	-	N	-	-	N	N	N	-	-
It is planned to be done in the next financial year (Yes/No)	-	N	-	-	N	N	N	-	-
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.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Business updates, Strategy, Policies and procedures, Governance and Regulatory updates	100.00
Key Managerial Personnel	4	Business updates, Strategy, Policies and Procedure, Governance and Regulatory updates	100.00
Employees other than BoD and KMPs	38,018	Quality improvement, Role transition, Achievement orientation, Employee development, Change adoption, Functional, New system introduction, Prevention of Sexual Harassment at Workplace, Stress Management, Swasth Saturdays, Fire management, BP management, On the job training and disaster management	75.00

- Familiarization programmes are conducted by the Company at the time of appointment and thereafter at regular intervals to the Board of Directors for upgrading Board with the recent updates, subject knowledge, etc.
- Developmental initiatives for the employees and KMPs differ, based on their job requirements, function, role and position in the hierarchy. The workforce of the Company are divided into billing and non-billing employees. Developmental initiatives for billing employees comprises of induction training, functional skill-based training, development training. The induction and functional training of non-billing employees are done through MTrainer, an in-house training system, for on-site trainings by a dedicated team of training officers.

Business Responsibility and Sustainability Reporting Contd.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	NIL	NIL	NIL	NA	NA
Settlement	NIL	NIL	NIL	NA	NA
Compounding Fee	NIL	NIL	NIL	NA	NA
Non-Monetary					
	NGRBC principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the case	Has an appeal been preferred? (Yes/No)
Imprisonment		NIL	NIL	NA	NA
Punishment		NIL	NIL	NA	NA

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/ enforcement agencies/judicial institutions
NA	NA

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy. – Yes. The Business Ethics policy of the Company contains guidelines on Bribery and Corruption. The Company is committed to upholding the moral and ethical standards and does not tolerate bribery or corruption in any form.
5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

Assumptions	March 31, 2022	March 31, 2021
Directors	There have been no cases involving disciplinary action taken by any law enforcement agency for the charges of bribery / corruption against directors / KMP / employees.	
KMPs		
Employees		

	FY 2021-22		FY 2020-21	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors				
Number of complaints received in relation to issues of Conflict of Interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest. Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
None, as the business model of the Company does not have material dealings with value chain partners.		

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has in place a policy on conflict of interest which is applicable to all employees and members of the Board of Directors and other stakeholders including but not limited to employees, suppliers, vendors, partners, consultants, third parties who have a business relationship with and provide, sell, seek to sell, any kinds of goods or services to the Company or any of its subsidiaries and affiliates. The policy can be assessed through weblink - <https://sisindia.com/investors/policies-and-code-of-conduct/>

The Company also receives annual declaration and changes from time to time from its Board members on the entities they are interested in and ensures requisite approvals as required under the statute are in place before transacting with such entities / individuals.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively. –

Segment	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D			
Capex		Nil	

2. (a) **Does the entity have procedures in place for sustainable sourcing? (Yes/No)** – The Company’s business does not involve the sale or purchase of goods or products and so this is not applicable to the Company.
 (b) **If yes, what percentage of inputs were sourced sustainably?** – Not Applicable
3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.
 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. **Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.** Not Applicable

Business Responsibility and Sustainability Reporting Contd.

Leadership Indicators

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
The Company's business does not involve the sale or purchase of goods or products and so this is not applicable to the Company					

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same. - Not Applicable
- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). - Not Applicable
- Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: - The Company is primarily engaged in the business of security services and so this is not applicable to the Company.
- Reclaimed products and their packaging materials (as percentage of products sold) for each product category. - Not Applicable

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

- (a) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
Permanent employees											
Male	134,976	143,145	99.48	134,976	100.00	N/A	N/A	N/A	N/A	N/A	N/A
Female	8,918			8,918	100.00	8,918	100.00	N/A	N/A	N/A	N/A
TOTAL	143,894	143,145	99.48	143,894	100.00	8,918	100.00				

- Through SEWA Trust, the Company supports its employees by providing financial assistance at crisis situations. The Company has a facility whereby meritorious students of the Company's employees are provided with scholarships by Indian Public School, a residential school in Dehradun.
- Employees' health and safety has always been the Company's topmost priority. During COVID period, several measures were taken for wellbeing of employees which includes immediate actions by conducting sensitisation sessions on the COVID safety protocols, employees were equipped with PPE kits and sanitisers, restricted employees with medical comorbid conditions from coming to offices, advance salary payment for each of our billing employees/front line workers to take care of their household utilities. The Company also supported the family of its employees through providing monetary support, medication and food supplies.
- Several sessions were organised on awareness and addressed the mental health of our employees through stress busting yoga and open house sessions. The Company also created and deployed a SoS team to ensure supply of medicines, oxygen cylinders, ambulance to its employees. Ensured timely registration of healthcare staff and staff aged 45+ with comorbidities for vaccination.
- As an essential services provider, we contribute to the economic and societal wellbeing of all citizens. We have also emerged as a powerful vehicle of creating employment opportunities and empowering people from the grassroots. The Company initiated HUMARE HEROES COVID WELFARE FUND with a corpus of ₹ 10 Cr to provide medical and other related assistance to COVID infected employees. The Company vaccinated almost 100% of the workforce (more than 2.4 lakh employees) with double dose, under Humare Heroes Vaccination Drive.



2. Details of retirement benefits for Current Financial Year and Previous Financial Year:

Benefits	FY 2021-22			FY 2020-21		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A)
PF	100.00	NA	Yes (EPFO)	100.00	NA	Yes (EPFO)
Gratuity	100.00	NA	Yes (LIC)	100.00	NA	Yes (LIC)
ESI	100.00	NA	Yes (ESI)	100.00	NA	Yes (ESI)
Others – Fatality Benefits by SEWA	100.00	NA	Yes (SEWA Trust)	100.00	NA	Yes (SEWA Trust)

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes, offices which have differently abled employees are made accessible.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

We do not have a policy but we practice non-discrimination in matters of employment.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	N/A	N/A	N/A	N/A
Female	100%	100%	N/A	N/A
TOTAL	100%	100%	N/A	N/A

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Employees	Your Company is committed to provide a safe and positive work environment. The Company has a Grievance Redressal Cell for the employees to register and redress their concerns.
Other than Permanent Employees	Not Applicable

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity: None.

8. Details of training given to employees and workers:

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 and Sustainability Reporting Contd.

Category	FY 2021-22					FY 2020-21				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Male	135,043	135,043	100.00	135,043	100.00	145,923	145,923	100.00	145,923	100.00
Female	8,918	8,918	100.00	8,918	100.00	9,105	9,105	100.00	9,105	100.00
TOTAL	143,961	143,961	100.00	143,961	100.00	155,028	155,028	100.00	155,028	100.00

9. Details of performance and career development reviews of employees and worker:

Category	FY 2021-22			FY 2020-21		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Employees						
Male	2,155	1,820	84.45	2,210	1,781	80.58
Female	110	91	82.73	110	87	79.09
TOTAL	2,265	1911	84.37	2,320	1,868	80.51

The career development programmes carried out for billing employees includes – GTS: Annual one-week residential training programme for the development of Guards to Supervisor levels at SIS Lucknow Training Centre. It covers all 1 Lakh+ billing employees in Security for a nominated batch size of 30-50 annually. (ii) GTO: Annual One-month residential training programme (cadre course) for the development of supervisors/inspectors to ASO rank (Unit Commander rank) at SIS Garhwa Training Centre with a batch size of 30 per year. (iii) Udaan: Annual one-week on-the-job training programme for the development of billing employees to non-billing role (office staff). Batch size is based on the requirement of business teams and covers all billing employees. (iv) Arise: Annual 2 months on-the-job training programme for the development of billing employees; high potential janitor to supervisor role. Batch size is based on the requirement of the business team and covers all billing employees.

The career development programmes carried out for non-billing employees includes – (i) induction training: Seven-day handholding program, including a mix of classroom as well as on-the-job trainings to familiarise new recruits with the organisation and the role, among other parameters; (ii) functional training: hold online and offline functional training programs such as ManTech training for sales and P&L heads, GST training for Accounts team, Circle of Safety online training sessions for Sales team, HRMS and compliance training for HR team, among others. This covers roughly all 4,000+ non-billing employees of SIS group based on requirements.; (iii) development & transformational training: The Company organises online and offline functional training programs such as ManTech training for Sales and P&L heads, GST training for Accounts team, Circle of Safety online training sessions for Sales team, HRMS and compliance training for HR team. This covers roughly all 4,000+ non-billing employees of SIS Group based on requirement.; Training programs for self-development and career progression which includes (iv) tech Udaan: development program for Technical Supervisors to perform better in their current role; (v) ARM yourself: development program for ARMs to do better at their current roles; (vi) leap plus: Competency training program for branch heads to evolve in their current role more effectively; (vii) MR SIS: value and training culture; (viii) Emerge: Transformation program to develop Hi-Po ARMs into Operations Manager's role and (viii) Management development programmes: are conducted mainly for 200+ senior management and leadership level employees through classroom programs by 3rd party training partners such as 7 Habits of Highly Effective Managers by Stephen R Covey and Situational Leadership by Ken Blanchard International.

10. Health and safety management system:

- Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?** – Yes, the Company has well defined processes to ensure the safety and well being of employees. The HR and Operation teams are responsible for monitoring and managing employee health and safety.
- What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?** – The Operation teams are responsible for site service to identify work related hazards and assess risks on a continuous basis.
- Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)** – Yes, the employees are able to identify and report the issues to their respective site managers, operations managers, branch heads, regional heads and company leadership team.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) – Yes, all employees are insured under Group Medical Policy or Employee State Insurance which provides them to access to medical facilities for ongoing health requirements. The Company recognises that overall physical and mental well-being of its employees is integral to its success.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY 2021-22	FY 2020-21
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities	Employees	269 (refer note below)	175 (refer note below)
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

Note: COVID-19 pandemic

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

The Company's business is people driven and ensuring the health and safety of employees is paramount to the Company. The Company provides a secure and best-in-class workspace for our employees, ensures access to all welfare facilities for our employees as prescribed by the Central Government along with training and counselling of employees on emotional well-being, formed an organisational safety committee to ensure strict implementation of safety protocols at the workplace, conducted safety training sessions for our employees to avoid hazardous incidents.

The Company adopted a policy for conducting webinars for physical and mental well-being of employees.

13. Number of Complaints on the following made by employees and workers:

	FY 2021-22 (Current Financial Year)			FY 2020-21 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions			NIL			
Health & Safety			NIL			

14. Assessments for the year: None.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions. None identified.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of
 - Employees (Y/N) – Yes
 - Workers (Y/N) – Not Applicable
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners. – Where required depending on the nature of the contract declarations are obtained from vendors and partners to ensure that they are complying with the applicable statutory compliances. In respect of GST, we ensure to check the returns and the information related to input tax credit as part of the payment and approval process of the invoices.

Business Responsibility and Sustainability Reporting Contd.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Safety Incident/Number	Total no. Of affected employees/ workers		No. Of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2021-22	FY 2020-21	FY 2021-22	FY 2020-21
Employees	406	300	71	38

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? – On a case-to-case basis, certain employees are offered part time/full time contracts with the Company after retirement/superannuation.
5. Details on assessment of value chain partners: Nil, since our business does not have material dealings with value chain partners.
6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners. Not applicable.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.
The Company has adopted “Stakeholder Relationship Policy” to identify, engage and establish relations with Stakeholders. Some of the key stakeholders include investors, clients, employees, suppliers, government / regulators and the community. Stakeholder engagement process involves a variety of activities such as stakeholder identification, consultation, reporting and communication. The approach and frequency of the engagement with the stakeholders vary depending on the stakeholders. In addition, respective departments engage with their specific stakeholder groups on need and regular basis. The policy can be accessed through web link <https://sisindia.com/wp-content/uploads/2021/08/Stakeholder-Relationship-Policy.pdf>
2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.
- Some of SIS key stakeholders group include shareholders/investors, employees, suppliers/vendor, Central and State Government, customers, community, local bodies, etc. The identification of all pertinent stakeholders and understanding their expectations is of high concern for us in our pursuit to ensure sustainability.
 - The approach and frequency of the engagement with the stakeholders vary depending on the stakeholders. In addition, respective departments engage with their specific stakeholder groups on need and regular basis.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.
The process of consultation encourage (i) collaborations with stakeholders to ensure their concerns are resolved and they feel as a part of the Company’s progress; (ii) regular interactions to set priorities and iron out differences; (iii) transparency by way of disclosing key information in a timely manner and provide a comprehensive picture to all stakeholders.
The Company strives to minimise impact of business on environment. The chemical usage in facility management division and pest control division is regularly monitored. The Company is adopting bio-friendly chemicals that have minimal environmental impact. In our cash logistics business, we have aligned our fleet to the latest BS-VI standards and are rapidly converting our existing fleet to conform to these standards and has inducted CNG based CVs for operations, aiming to deploy electric cash vehicles (ECVs) post clearance of required tests, conduct regular certified pollution checks. We are in process of undertaking an environmental audit to identify areas of improvement in terms of energy and water consumption. The Company regularly conducts trainings of drivers to ensure fuel efficiency of the CVs in addition to keeping emissions under control.



2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

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. 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. Additionally, the Company also regularly engages in activities to improve the society and environment in which it operates.

The Company has a facility whereby meritorious students of SIS' employees are provided with scholarships by Indian Public School, a residential school in Dehradun. Awasar trust facilitates online coaching classes for preparation of competitive exams such as IIT JEE for higher education of SIS' employees.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format: Not Applicable

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2021-22					FY 2020-21				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
	No. (B)	% (B / A)	No. (C)	% (C / A)	No. (E)	% (E / D)	No. (F)	% (F / D)		
Permanent										
Male	178,351	23,770	12.49	166,506	87.51	169,814	12,726	7.02	168,672	92.98
Female	11,925					11,584				

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)				
(a) Executive Director				
(b) Non-Executive Non-Independent Directors				
(c) Non-Executive Independent Directors				
Key Managerial Personnel				
Employees other than BoD and KMP				

The details are available in Annexure III of the Board's report

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? - Yes.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Reporting avenues have been provided for employees, customers, suppliers and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, Policies or law. Representations received are reviewed and appropriate action is taken on substantiated violations.

The Company is committed on prohibition of child labour on every stage. Our employees' health and safety will always be our topmost priority. During COVID-19 Pandemic, we equipped our employees with PPE kits and sanitisers, conducted sensitisation sessions for employees on the COVID safety protocols, implemented roster plan, complete work from home was for employees who are highly prone to virus due to age or disease, regularly sanitised our office

Business Responsibility and Sustainability Reporting Contd.

premises to maintain safety and hygiene levels. We ensured vaccination for all our employees from the first day of vaccination and specially for staff who are on or above 45 years. A special SoS team was deployed to ensure supply of medicines, oxygen cylinders, ambulance to our employees.

The Company 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. 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.

No complaints were received in the matters relating to child labour, forced labour, involuntary labour.

6. Number of Complaints on the following made by employees and workers:

	FY 2021-22			FY 2020-21		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	4	0		2	0	
Discrimination at workplace	N/A	N/A		N/A	N/A	
Child Labour	N/A	N/A		N/A	N/A	
Forced Labour/Involuntary Labour	N/A	N/A		N/A	N/A	
Wages	0	0		0	0	
Other human rights related issues	N/A	N/A		N/A	N/A	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company constituted an "Internal Complaint Committee" in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for prevention, prohibition, and redressal of sexual harassment at workplace. The Committee primarily enquire into complaints received, and recommends appropriate action, wherever required. The Company deal confidentially on the concerns raised regarding discrimination and harassment cases. The Company does not tolerate any form of retaliation against anyone reporting good faith concerns.

SIS provides work environment to all of its employees which is free from any type of discrimination and sexual harassment. The Company has Grievance Redressal Cell ("GRC") for registration and redressal of complaints. However, if an employee has a concern that he/she is not comfortable raising matter with GRC or the raised complaint is not addressed properly then such employee may directly approach the management of the Company.

During the year, no such instances were reported.

The details pertaining to the number of complaints received during the year, process of review and disposition of complaints are given in Board's Report and Corporate Governance Report.

8. **Do human rights requirements form part of your business agreements and contracts?** (Yes/No) – No, since third party agreement are not material to the business.
9. **Assessments for the year:** Not Applicable.
10. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.** – Not Applicable.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

The Business model of the Company does not mandatorily require formulation of policy on Human rights. However, the Company is committed to and are compliant with all statutory laws and regulations.

The Company has constituted a Grievance Redressal Cell ("GRC"), Centralised complaint cell for reporting and redressal of complaints by the employees.



2. Details of the scope and coverage of any Human rights due diligence conducted. – None
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016? We have been unable to locate premises which have provided access to the differently abled visitors during the construction. Where possible on a case to case basis, we are working with the owners/landlords to improve access to differently abled visitors.
4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	
Discrimination at workplace	
Child Labour	Nil
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. – Not Applicable.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2021-22	FY 2020-21
Total electricity consumption (A)		
Total fuel consumption (B)		
Energy consumption through other sources (C)		
Total energy consumption (A+B+C)		
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)		
Energy intensity (optional) – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. – No.
3. Provide details of the following disclosures related to water, in the following format: Not Applicable.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No
4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. - No.
5. Please provide details of air emissions (other than GHG emissions) by the entity:
We have not implemented a practice for measuring emissions and the Company does not have significant air emissions other than those arising from operation of DG sets during power outages as part of normal operations.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.

Business Responsibility and Sustainability Reporting Contd.

6. **Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:** We do not measure these parameters.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.
7. **Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. –** We have not measured our greenhouse gas emission and therefore we have not implemented any policy to measure this. However, the Company has inducted CNG based vehicles for day to day operations in select places and select locations. The Company has aligned the fleet to the latest BSVI standards and are rapidly converting existing fleet to conform to these standards, worked to deploy electric cash vehicles (ECVs), which are pending for their pass-through on necessary tests for operations, conducted regular driver trainings to ensure fuel efficiency of the CVs, in addition to keeping emissions under control, Fixed a kilometre per litre (KPL) of fuel target for each CV, depending on its age, condition and terrain where the CV is being driven.
8. **Provide details related to waste management by the entity, in the following format:** The Company has small offices across the country and we do not measure the waste generated. However, we take measures to segregate the waste at select locations.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. – No independent assessment has been carried.
9. **Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**
SIS, being a security services organization, does not manufacture physical products and therefore does not use any hazardous or toxic chemicals in any of its processes.
However, we take measures to segregate the waste at select locations.
10. **If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:** We do not have offices around the specified sensitive areas where environmental approvals / clearances are required.
11. **Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:** We are not required to undertake any impact assessment of projects undertaken by the Company.
12. **Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:** Yes, the Company is fully compliant with the applicable environmental law / regulations / guidelines in the places where we operate.

Leadership Indicators

1. **Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:** Not applicable
Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No
We do not have a system of capturing fuel and electricity consumption at these offices and no independent assessment has been carried out.
2. **Provide the following details related to water discharged:** The Company has small offices which are part of large commercial spaces and so not feasible to measure the same.
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No.
3. **Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):**
For each facility / plant located in areas of water stress, provide the following information: - Not Applicable.
 - i. Name of the area



- ii. Nature of operations
- iii. Water withdrawal, consumption and discharge in the following format:

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. – We are not required to do any independent assessment.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format: Not Applicable.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N)
If yes, name of the external agency. - We are not required to do any independent assessment.

- 5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.** – We operate only from small offices which are part of large commercial spaces. We believe there is no direct or indirect impact on biodiversity.
- 6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:** None.
- 7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**
Yes, we have implemented a plan during the COVID period, which ensured our operations and back office functions continued and uninterrupted. Application systems, servers and well designed structure are in place to ensure our systems are always live and support critical operations. The guiding principle of the Company throughout the Covid crisis was 'Business continuity with EHS priority'. Timely execution of Business continuity plan ensured no disruption/ uninterrupted operations which resulted in a customer satisfaction rating of 8.5/10.
- 8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.** – None, as the business model of the Company does not have adverse impact on the environment. Since we have small number of value chain partners, it is not feasible to assess the impact.
- 9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.** – Since we have small number of value chain partners, it is not feasible to assess the impact.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

- 1. (a) Number of affiliations with trade and industry chambers/ associations. 9 (Nine).
- (b) List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sl. No	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
2	International Security Ligue	International
3	Bihar Industries Association	State
4	Confederation of Indian Industry	National
5	BW Business world Media Private Limited	National
6	International Institute of Security & Safety Management	National
7	Management & Entrepreneurship and Professional Skills Council	National
8	Indo Australian Chamber of Commerce	National

- (c) Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities. – Not applicable since there has been no such issue.

Business Responsibility and Sustainability Reporting Contd.

2. Details of public policy positions advocated by the entity:

Sl. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
	Where suggestions are invited by the Government and where applicable to our business we provide our response.				

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year. – Not applicable.
2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: - Not Applicable.
3. Describe the mechanisms to receive and redress grievances of the community.
Our activities do not result in local communities being economically, socially or environmentally impacted (positively or negatively) by our operations.
The Company aim to elevate lives through strategic interventions in the areas we operate by way of providing a safe and clean society; touching millions of lives every day through our business units; helping people in need through promoter initiatives by way of promoting education, providing relief to poor, offering shelter, social welfare, betterment of health, rural development, national heritage protection, etc.
4. Percentage of input material (inputs to total inputs by value) sourced from suppliers: Not Applicable.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above): We are planning to do impact assessment and in case of any negative impact appropriate mitigating actions will be taken by the Company.
2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

Sl. No.	State	Aspirational District	Amount spent (In ₹)
	The details of the CSR projects forms part of annexure to the Board's Report. Please refer Annexure – I		

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) – Our business consists of providing security services from guards who majorly belongs 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.
(b) From which marginalized /vulnerable groups do you procure? – As stated above.
(c) What percentage of total procurement (by value) does it constitute? - Not applicable.
(d) Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge. IP does not specifically apply to our business.
(e) Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. Not Applicable.



(f) Details of beneficiaries of CSR Projects:

Sl. No	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
The details of the CSR projects forms part of annexure to the Board's Report. Please refer Annexure – I			

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.** –The business of the company involves the provision of services to other businesses and does not involve the provision of services to individual consumers and there is a well established feedback review and escalation matrix provided to our customers to resolve any issue raised.
2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:** Not Applicable.
3. **Number of consumer complaints in respect of data privacy, advertising, cybersecurity, delivery of essential services, restrictive trade practices, unfair trade practices:** No complaints have been received.
4. **Details of instances of product recalls on account of safety issues:** Not Applicable.
5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.** – Yes, the Company has formulated and adopted a policy on Risk management. The Committee has identified cyber security as one of the high rated risk and also developed mitigation plan which is reviewed on regular basis by the Committee.
6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.** There have been no such actions or penalty and hence the same is not applicable.

Leadership Indicators

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).** www.sisindia.com.
2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.** We provide security services to businesses on the basis of contracts executed between the customers and us.
3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.** We regularly engage with customers and notify them local branches/regional managers and pro-actively advise them in case of potential disruption of our services due to reasons beyond their control. However, the Company has business continuity plans in place to ensure the customer service is uninterrupted and the same were tested during COVID period.
4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No) – Not Applicable.**
5. **Provide the following information relating to data breaches:**
 - a. **Number of instances of data breaches along-with impact** - No such instance was reported to, or identified by, us.
 - b. **Percentage of data breaches involving personally identifiable information of customers** – 0%.

Management Discussion and Analysis

Global economic review

After a bounce back in 2021 on the back of the previous year's impact of the COVID pandemic, the recent geo-political events, general commodity and goods shortages caused by a continuing supply chain disruption leading to unprecedented inflation across the globe, is likely to result in a slowing down of the global economic growth from 6.1% in 2021 to 3.6% in 2022 and remain flat at 3.6% in 2023-24, the sharpest deceleration following an initial recovery from global recession in more than 80 years.

With regards to the advanced economies, trade activities have significantly dampened due to the rising energy prices, less favourable financial conditions, and supply chain disruptions, among others. Against this backdrop, growth in these economies is projected to decelerate from 5.2 percent in 2021 to 3.3 percent in 2022. Growth is expected to further moderate to 2.2 percent in 2023, due to further decline of the fiscal and monetary policy support provided during the pandemic.

The growth of the emerging market and developing economies is projected to reduce by half, slowing from 6.8 percent in 2021 to 3.8 percent in 2022, a considerable decline compared to the annual average of 4.8 percent between 2011-19. Slowdown could be attributed to the spillovers from the war in Ukraine, which have led to commodity price volatility, higher input costs, trade disruptions, and weaker confidence. These spillovers are also magnifying the effects of pre-existing headwinds to growth, including rising inflationary pressures, tightening financial conditions, continued withdrawal of macroeconomic policy support, and softening external demand.

Economies	2020	2021	2022	2023
Global	-3.1	6.1	3.6	3.6
Advanced economies	-4.5	5.2	3.3	2.2
Emerging markets and developing economies	-2.0	6.8	3.8	4.2

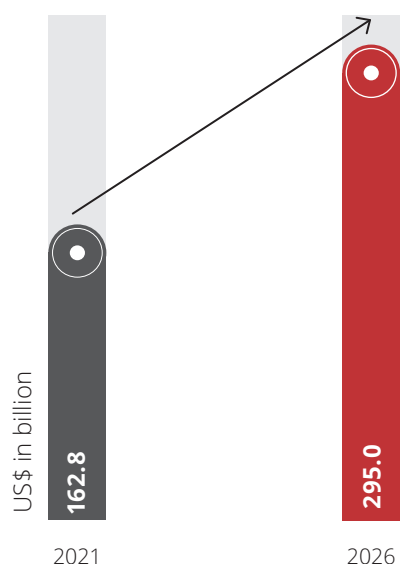
The IMF expects global growth to remain moderate and inflation to persist given that the uncertainties around the pandemic will persist for some time to come. Interest rate hikes in advanced economies will also impact global liquidity. However, it expects factors dragging economic growth in 2022 to wane eventually and the world economic output to pick up in 2023.

Global industry overview

Security Services

The global security services market was valued at US\$162.8 billion in 2021 and is projected to grow at a CAGR of 4.4 % to reach a market value of US\$295 billion in 2026 with China and India expected to be the fastest growing markets. While the majority of this growth will come from guarding services, alarm monitoring is expected to increase rapidly

Most pandemic-related limitations have lessened in the first half of 2022, and much of the world is shifting to a more sustainable, non-emergency manner of public management. However, some pandemic-era trends have continued, such as increasing security guard presence at facilities such as grocery shops and more people working remotely, and the long-term repercussions on the security service sector are complex.



US\$ 162.8 billion

Market value of the global security services in 2021

US\$ 295.0 billion

Projected market value of the global security services in 2026

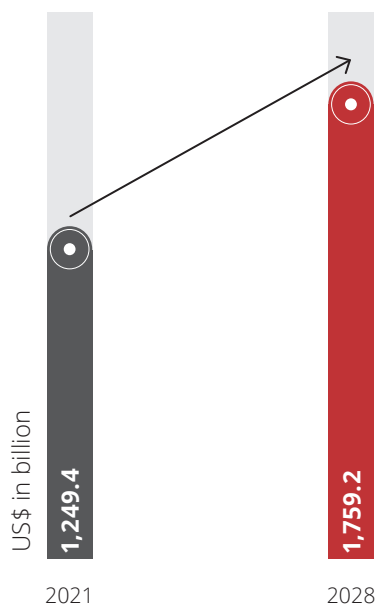
Growth drivers

- With the growing trend of smart cities, smart homes, and intelligent workplaces across the globe there is increasing demand for advanced security services (integrated with more technologies like big data and artificial intelligence, using smart devices and the internet of things) which are driving further growth in mature markets.
- An expanding middle class and increased activity in building construction, particularly in the emerging economies, are boosting demand for security services and the levels of investment.
- The need to implement public health standards boosted spending on security guards in several countries.
- Falling commercial real estate occupancy rates reduced the market base, but diminished in-person presence at many sites also raised security threats that needed to be addressed.
- Urbanization and industrialization continue to rise as more people move into cities. The residential market is expected to show the fastest growth as electronic monitoring equipment becomes more common. In

the commercial and industrial sector, multinational firms are adopting technologically advanced security solutions and services, particularly in the emerging urban areas of China and India.

Facility Management The global facility management market was valued at \$1,249.4 billion in 2021 and is expected to rise at a CAGR of 5.0 % to \$1759.2 billion in 2028. The Facility Management market is highly fragmented market and holds consolidation potential and continues to grow driven by increased outsourcing, convergence towards Integrated Facility Management offerings and a continuing shift in demand towards higher quality services. Large customers are shifting from input-based relationships to outcome-focused strategic partnerships, where cleaning and workplace management services are seen as pivotal drivers of corporate culture and employee health and engagement.

While the COVID pandemic has wreaked havoc on the economy, with multiple lockdowns affecting the facilities management business, the large customers started moving to solution providers who are financially strong, have ability to scale up, quality conscious and statutory compliant.



US\$ 1,249.4 billion

Global market value of the facility management segment in 2021

US\$ 1,759.2 billion

Global market value of the facility management segment in 2028

Growth drivers

- Rapid expansion of Tourism and hospitality industries.
- Increasing demand is expected for higher quality and more frequent offerings, including deep-cleaning and disinfection post pandemic
- Outsourcing is increasing rapidly in emerging Asia Pacific markets
- Government initiatives to boost the growth of smart cities and commercial hubs
- Compliance requirements with environmental and regulatory standards
- Increasing demand for Integrated Facility Management (IFM) offerings which is predominant in American and Europe markets and expecting a steady growth in China and Indian markets for IFM solutions

Management Discussion and Analysis Contd.

Business Overview

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

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, cash handling and processing, and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of installation of electronic security devices and systems, their monitoring and response.

A summary of our financial performance during the year is indicated in the tables below: table to be checked by Nitesh

Particulars	Full year Numbers		Change
	FY22	FY21	%age
	(in ₹ Crs)		
Revenue	10,059.1	9,127.3	10.2%
EBITDA	498.5	520.8	-4.3%
%	5.0%	5.7%	
Depreciation	99.4	98.6	0.9%
Finance Costs	98.4	107.1	-8.1%
Other Income & share of profit/(loss) in associates	29.6	160.1	-81.5%
Earnings Before Taxes (Incl. Grants)	330.3	475.2	-30.5%
Less: Acquisition related costs/ (income)			
- Depreciation & Amortization	12.1	14.5	
- Finance costs	0.0	20.2	
- Goodwill impairment	0.0	276.2	
- Gains arising out of adjustment of future tranche of acquired entities	-25.7	-318.2	
Earnings Before Taxes (Reported)	343.9	482.6	-28.7%
%	3.4%	5.3%	
Tax Expenses	17.9	115.4	
Profit After Taxes (Reported)	325.9	367.2	-11.2%
%	3.2%	4.0%	
Profit After Taxes (Operating)	288.6	193.5	49.1%
%	2.9%	2.1%	

The financial year 2021-22 ("FY22") has been a landmark year for SIS. We crossed the ₹ 10,000 crore annual revenue mark for the first time in our history. The Covid pandemic has underlined the resilient nature of our business and reinforced the critical need for our services, which are a business continuity imperative for a safe workplace and society. Despite the impact of COVID's second and third waves we ended FY22 with consolidated revenues of ₹10,059.1 Crs which is a 10.2% increase over the previous year.

All businesses continued to report revenue growth during the year signifying the continuation of the business recovery in all segments where the Group operates

India economic outlook

FY 2021-22 turned out to be another challenging year for the Indian economy. The year began with the second wave of the pandemic having a noxious socio-economic impact in the country followed by a sharp drop in its intensity, which aided smart recovery in economic activity that reached pre-pandemic levels towards the end of the second quarter. Even as economic prospects started looking up, the country was hit hard by the third wave with new cases rising exponentially across major cities and halting the recovery momentum. Just as the third wave had eased off in India, geopolitical tensions in Europe sparked off a fresh round of uncertainty in the operating environment



Amidst such a challenging backdrop where global economy growth slowed down, the Indian economy rebounded during the year growing by 8.9%, albeit on a low base. The GDP growth is projected at 7.2% for FY2022-23 and the inflation projected to be at 5.7% in FY2022-23 by the Reserve Bank of India (RBI). The Government of India continues to make concerted efforts, through several path-breaking initiatives across the areas of healthcare, infrastructure, social welfare and digital, to support various sections of the economy during these turbulent times and which helped to accelerate the revival of the economy. These include an effective and focused vaccination programme, targeted localised restrictions during peak caseloads, support to economically weak sections of society and assistance to sectors most impacted by the pandemic.

The early signs are now that supply-chain pressures are peaking globally and in India giving rise to an expectation that inflation pressures may recede over next few months according to the Reserve Bank of India

Australian economic outlook

The Australian economy also faced a very turbulent and challenging year with continuous waves of pandemic and flooding in various states. GDP is expected to grow by 2.7% over 2022 (was 3.4%) and a below-trend 1.8% in 2023 (was 2.1%) and expect growth of around 2.0% in 2024. Outlook for the labour market is broadly unchanged in the near term, with unemployment expected to continue to decline (~3.5% by the end of 2022) and wage growth to pick up, but the unemployment rate profile is expected to increase further out. Geopolitical decisions and events will have an impact over the economy in terms of demand and supply. The overall trajectory of the Australian economy is tilting towards a steady growth in 2022 with the inflation expected to be at 5%.

Segmental review

The SIS group has organized its business into the following business segments:

Security Solutions - India: The segment maintained its growth momentum with 10.6% revenue growth, reaching ₹ 3,856.9 Crs, the highest in our history and indicating a strong growth revival in recent months. During the year, we continued to incur expenses for employee protection and

safety in order to mitigate the impact of the second & third waves of Covid. Towards the end of FY22, we renewed our focus on investing in growth levers as we firmly believe that every crisis is followed by a fresh opportunity. We won the biggest contract in our history in the Coal sector where SIS will deliver Security Solutions at 18 sites through deployment of more than 3,000 security personnel in different categories. The contract is valued at approximately ₹ 226 crores. This is our first large value order in the Coal industries segment which is a testament to our strong capabilities, backed by our extensive experience in curating and providing customised and specific security solutions to the meet the unique needs of our customers.

Security Solutions - International: The segment reported revenue of ₹ 4,840.5 Crs, a 6.8% YoY increase. The revenue from the contracts for the Covid-related quarantine centers business began to slow down during the last quarter of the year, while the revenue from our existing customers and segments which were affected by the pandemic and its restrictions, slowly started to come back to normal thus offsetting each other. In spite of the challenging economic conditions, the business managed to ensure revenue growth and also continued to win new large orders to provide a strong base for the coming years.

Facility Management Solutions: The Facility Management segment showed the strongest recovery among all segments, with revenue of ₹ 1,394.7 Crs in FY22 against ₹ 1,127.3 Crs in FY21, a 23.7% YoY increase. Given the lessons learned over the past two years, we have diversified our client base with focus on resilient, stable and new sectors such as manufacturing, healthcare, BFSI and increase in focus on new sectors like Ecommerce/Logistics and decreasing the exposure to IT/ITES segments which are the slowest to recover to full normalcy and back to office.

Cash Logistics Solutions: The Cash Logistics business reported revenue of ₹ 392.6 Crs, a 18.8% YoY increase. Revenue continued to grow with our increasing focus on developing and deploying new products and solutions for the customers along with the growth in the traditional service. The joint venture business posted its highest ever EBITDA margins despite challenges on the cost front, especially fuel and related costs, and investments in sales initiatives in newer segments and solutions

Management Discussion and Analysis Contd.

For a detailed discussion of the segments and industries we operate in, please refer to the other sections in this report from Pg. 18.

Our Return on Net Worth (RoNW) was 16.7% and Return on Capital Employed was 15.6% as on 31st March, 2022, and displays our commitment to fiscal prudence.

Risk management

SIS has established a formal risk management process to identify potential risks that may affect the business, the capabilities to predict and respond to risks as and when they arise and manage the risk to be within its risk appetite. As a part of its risk management process, we have compiled a comprehensive risk library covering all likely risks under the categories of Operations, Strategic, Human resources, Legal & Compliance, Information Technology & Security and Financial. The key/top risks were then identified and presented to the Risk Management Committee along with the risk mitigation plan. Each risk is properly documented along with its mitigation plan and an owner assigned.

Operating Risks

The possibilities and uncertainties that a firm faces in the process of completing its regular business activities, procedures, and systems are referred to as operational risk. The sources of income in the security or facilities management industries are continuous, giving the income and cash flows a high degree of stability. With a vast operating network encompassing nearly 21,000 venues, we must assure that each of these locations adheres to the same high-quality standards.

We've learned a lot about anticipating risks and the mitigation steps that are required over the last four decades. These include hiring, training, evaluation, and quality control methods to guarantee that the risk of lapse is reduced. We also invest in technology to make the process of managing operations at all of these locations easier. Higher standardization is required in order to simplify monitoring and management.

Financial Risks

The Group's objective is to provide a degree of predictability and consistency in the group's financial performance while maintaining a balance between offering consistency in the business plan and reasonable market participation because Market risk, credit risk, and liquidity risk are all present in the Group's operations. The Group's policy does not permit derivatives trading for speculative purposes.

Please see note 40 in the standalone financial statements and note 41 in the consolidated financial statements for more information on the Group's financial risk management.

Information Technology & Security Risks

As a result of a mix of both organic and inorganic growth over the years, different business within the SIS Group operate on multiple ERP platforms, applications and business systems which are customized to suit their business requirements and are developed internally over the years. Challenges exist in the ability to adequately manage, maintain and constantly improve this platform to avoid operational bottlenecks and a resultant financial impact on the Group. Therefore, the Group has initiated the rollout of common systems to be used across the group which will ensure a more quality and robust management and support and also allow high visibility of key performance metrics across the Group to aid faster and more accurate decision making. With the use of technology being embedded in all facets of our operations, we are conscious of the risks arising out of disruption to our systems and have, therefore, also ensured that we prepare and keep a disaster recovery plan in readiness to allow operations to continue uninterrupted.

Legal & Compliance Risks

All our businesses are heavily governed by multiple regulations which are not always interpreted and implemented in a predictable and consistent manner. Sometime, general practices followed by the industry may be inconsistent with the regulations or an interpretation of the regulations. Inconsistency in, and differing, interpretations and implementations of the regulations may result in a significant financial impact on the Group. As a Group, we therefore, focus on the highest levels of compliance to avoid reputational damage and financial losses.

Workplace Risks

We have a comprehensive health and safety policy designed to safeguard our personnel and those functioning at our customers' locations. Our HR practices are in line with our businesses' health and safety laws. We believe that accidents and occupational health hazards can be greatly reduced via hazard analysis and control. As a result, we provide proper training to both management and personnel. To maintain a safe working environment at our customer sites, we have developed a set of comprehensive work safety procedures and our workforce is regularly trained and updated on these procedures.



Internal Quality control and adequacy

The Board has established policies and procedures for conducting business in an efficient and effective manner, including compliance with the Company's policies, asset protection, fraud prevention and detection, error reporting mechanisms, accounting record accuracy and completeness, and timely preparation of reliable financial statements.

While our continued growth in the scale of our business operations has the potential to impose strain on our internal systems and processes, we are constantly engaged in a review and update of our systems and processes, to ensure that they remain current and relevant in an ever-changing business environment. The SIS Group's information systems are constantly examined and improved in order to provide timely and relevant information to diverse stakeholders, enabling them to compete in a challenging market and environment. We feel that IT and information systems are vital in today's society, and we engage with numerous expert teams to evolve and improve these systems in order to keep pace with the fast environment.

The Company's internal auditing system ensures that established processes and practices are followed and adhered to, as well as to ensure that quality processes are followed properly. At all levels of the company, financial discipline is emphasized, and quality processes and a focus on customer satisfaction are vital for the company to retain and attract clients and business, and these are strictly followed.

As part of the group's long-term plan to leverage technology in order to enhance and effectively implement a system of internal controls and efficiency and productivity, we have commenced the roll-out of a new financial accounting and reporting system across the group which will complete in

FY23. At the same time the group is also commencing the roll-out of an enhanced and re-developed version of its existing core business systems to help achieve these objectives.

Material developments in human resources/ Industrial relations front, including number of people required

SIS is one of India's leading private sector employers, and we continue to create a substantial number of employees across the board. Thousands of families benefit from our consistent income, which is backed up by our strict compliance policies. We also provide health and medical insurance, as well as ESOPs that are forward-looking, in addition to the statutory pay and benefits.

The business relies heavily on people, and effective management of this resource is critical to success, profitability, and long-term viability. With an integrated capacity to recruit, train, and deploy a huge labor base, the SIS Group has India's largest trained manpower supply chain. We have cutting-edge infrastructure and curriculum, with the potential to teach thousands of security guards each year. We have 27 training centre across 14 states possessing state-of-the-art infrastructure and providing up-to-date courses, with capacity to churn out more than 30,000 trained guards every year. Furthermore, SIS has strong pan-India recruitment capabilities, ensuring a steady supply of workers.

We rejoice in the fact that our people management abilities have resulted in low attrition in middle and senior management. They are the backbone of SIS, and by providing them with a clear career path and the necessary skills, SIS is well-positioned to take advantage of the opportunities that lie ahead. As of 31st March, 2022, we possessed an employee strength of 2,42,641 in India.

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, 2022, 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, as amended ("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, 2022, its profit including, other 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 for the year ended March 31, 2022. 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. For each matters below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Standalone Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Standalone Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Standalone Financial Statements.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation & disclosures of revenue The Company's revenue for the financial year ending March 31, 2022 is ₹ 33,178.47 million. A significant proportion of the Company's revenue is derived from contracts with customer and consists 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.	How our audit addressed the key audit matter Our audit procedure included and not limited to the following 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.



Key Audit Matter	Auditor's Response
<p>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.</p> <p>Judgments include:</p> <ul style="list-style-type: none">• Interpretation of complex contract terms• Allocation of revenue to performance conditions; and• Combining of obligations where the services are related. <p>The nature of the Services provided by the Company also gives rise to a significant amount of work which is recorded as accrued / unbilled income with corresponding profit recognition. Accrued/ unbilled income as on March 31, 2022 aggregated to ₹ 2,186.59 million.</p>	<p>We have completed the following audit procedures:</p> <ul style="list-style-type: none">• Obtained a sample of contracts to confirm that revenue had been appropriately recognized.• Reviewed the revenue audit reports.• 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.• Review of presentation and disclosure
<p>Uncertain tax positions and deferred tax assets</p> <p>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 certain material tax positions including matters under disputes which involve significant judgment to determine the possible outcome of these disputes.</p> <p>In addition, the Company has recognized ₹ 1,045.66 million of deferred tax assets at March 31, 2022. 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.</p>	<p>How our audit addressed the key audit matter</p> <p>Our audit procedure included and not limited to the following</p> <p>We obtained details of completed tax assessments and demands during the year ended March 31, 2022 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, 2021 to evaluate whether any change was required to management's position on these uncertainties.</p> <p>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.</p>

Other Information

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 financial position and financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. 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

Independent Auditors' Report Contd.

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, the 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.

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 Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of



Changes in Equity and the Standalone 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 the Companies (Indian Accounting Standard) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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".
- 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 standalone financial statements;
 - The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (i) and (ii) above contain material misstatement.
- No dividend has been declared or paid during the year by the Company.
2. With respect to the other matters to be included in the Auditor's Report under Section 197(16) of the Act:
- In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.
3. As required by the Companies (Auditor's Report) Order, 2020 ("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: 22082118AIKHV7208

Place: New Delhi
Date: May 04, 2022

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, 2022 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, 2022, 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: 22082118AIKIHV7208

Place: New Delhi
Date: May 04, 2022

Annexure 'B' to the Independent Auditor's Report

(Referred to in paragraph 3 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) for the year ended 31 March 2022

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment ('PPE').
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) The PPE have been physically verified by the management in a phased manner during the year. In our opinion and according to the information and explanations given to us, 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 lease 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.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year at regular intervals. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits during any point of time of the year in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets and no discrepancies were noticed on quarterly returns or statements filed by the Company with the banks. The Company doesn't have any working capital limit from financial institutions
- (iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security or granted loan or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has made additional investments and provided guarantees to companies, in respect of which the requisite information is as below.
- (a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has given loans or guarantee to subsidiaries as under:

Particulars	Guarantees ₹ million	Loans ₹ million
Aggregate amount granted / provided during the year to subsidiaries	540.30	Nil
Balance outstanding as at		
balance sheet date in respect of above cases to Subsidiaries.	3,660.26	234.59

- (B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans or advances and guarantees or securities to parties other than subsidiaries, joint venture and associates.
- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that Investment made, guarantees provided and the terms and conditions of the Investment/guarantees are prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the schedule of repayment of principle and payment of interest has been stipulated and the repayment and receipts are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no amount overdue in respect of the loans as per the respective loan agreements.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans

- either repayable on demand or without specifying any terms or period of repayment.
- (iv) 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 Act with respect to investments, guarantees or securities, and loans given wherever applicable.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) 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.
- (c) According to the information and explanations given to us, statutory dues relating to Goods and Service tax, Provident fund, Employees State Insurance, Income-tax, or other statutory dues which have not been deposited on account of any dispute are as follows:
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company is generally regular in depositing of undisputed statutory dues including Goods & Service Tax, provident fund, employees' state insurance, income tax, duty of custom and cess and other material statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

Name of Statute	Nature of dues	Amount (in ₹ million)	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	0.18	FY 2011-12	Appellate Authority – upto Commissioners level (at Madurai)
Finance Act, 1994	Service tax	1.55	FY 2011-12	Appellate Authority – upto Comm. appeal level (Commissioner Appeal allowed, however sent back to commissioner)
Finance Act, 1994	Service tax	0.19	FY 2014-16	Appellate Authority- upto commissioner level
Finance Act, 1994	Service tax	67.89	FY 2014-17	Appellate Authority- upto Pr. Commissioner Level
Finance Act, 1994	Service tax	32.49	FY 2015-16	Appellate Authority- upto Pr. Commissioner Level
Income tax Act, 1961	Income tax demand	4.22	FY 2012-13	Appellate Authority – CIT (A)
Income tax Act, 1961	Income tax demand	3.21	FY 2015-16	Appellate Authority – CIT (A)
Income tax Act, 1961	Income tax demand	1.00	FY 2015-16	Appellate Authority – CIT (A)
Income tax Act, 1961	Income tax demand	1.00	FY 2016-17	Appellate Authority – CIT (A)
Income tax Act, 1961	Income tax demand	3.12	FY 2016-17	Appellate Authority – CIT (A)
Income tax Act, 1961	Income tax demand	41.12	FY 2017-18	Appellate Authority – CIT (A)

- (viii) There are no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 (43 of 1961).
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us by the management, term loan has been utilised for the purpose for which they were obtained by the Company.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates and joint ventures.

Annexure 'B' to the Independent Auditor's Report Contd.

- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associates and joint ventures as defined under Companies Act, 2013.
- (x) (a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Thus, paragraph 3 (x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partially or optionally convertible) during the year. Thus, paragraph 3 (x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality as outlined in the Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) Based on the information and explanations provided to us, the Company has not received whistle blower complaints during the year.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and 188 of the Act where applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, clause 3(xvi) (a & b) of the Order is not applicable.
- (c) According to the information and explanations provided to us during the course of audit, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016). Thus, Clause 3(xvi)(c & d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.



All amounts in ₹ million, except share data

- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of opinion that no material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any ongoing project. Accordingly, clause 3(xx) (a) and (b) of the Order is not applicable.

For Saxena & Saxena

Chartered Accountants
(Firm's Registration No. 006103N)

CA Dilip Kumar

(Partner)
Membership No. 082118
UDIN: 22082118AIKIHV7208

Place: New Delhi
Date: May 04, 2022

Balance Sheet

as at March 31, 2022

All amounts in ₹ million, except share data

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A ASSETS			
Non – current assets			
Property, plant and equipment	4	1,233.48	1,018.48
Capital work-in-progress	4	-	-
Other intangible assets	5	6.53	6.98
Intangible assets under development	5	211.40	114.07
Financial assets			
(i) Investments	6	5,765.48	5,243.19
(ii) Other non-current financial assets	7	597.13	527.46
Deferred tax assets (net)	8	1,045.66	809.77
Income tax assets (net)	8	1,410.12	938.14
Other non – current assets	9	31.83	11.93
Total non – current assets		10,301.63	8,670.02
Current assets			
Inventories	10	147.20	182.05
Financial assets			
(i) Trade receivables	11	5,072.09	4,455.15
(ii) Cash and cash equivalents	12	1,303.00	2,061.91
(iii) Bank balances other than in (ii) above	12	283.98	1,980.66
(iv) Other current financial assets	7	2,358.58	2,168.26
Other current assets	9	445.36	673.66
Total current assets		9,610.21	11,521.69
Total assets		19,911.84	20,191.71
B EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	735.16	741.51
Other equity	14	7,625.28	7,375.90
Total equity		8,360.44	8,117.41
Liabilities			
Non – current liabilities			
Financial liabilities			
(i) Borrowings	15	1,011.08	2,859.34
(ia) Lease liabilities	16	414.30	390.94
(ii) Other non-current financial liabilities	18	5.87	3.91
Provisions	20	786.90	627.64
Total non-current liabilities		2,218.15	3,881.83
Current liabilities			
Financial liabilities			
(i) Borrowings	15	5,387.23	4,655.84
(ia) Lease liabilities	16	76.13	62.52
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	6.13	1.85
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	124.21	78.51
(iii) Other current financial liabilities	18	2,526.44	2,330.29
Other current liabilities	21	1,086.84	974.97
Provisions	20	126.27	88.49
Total current liabilities		9,333.25	8,192.47
Total liabilities		11,551.40	12,074.30
Total equity and liabilities		19,911.84	20,191.71

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For **Saxena & Saxena**

Chartered Accountants

(Firm's Registration. No. 006103N)

For and on behalf of the Board of Directors

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: New Delhi

Date: May 04, 2022

Devesh Desai

Chief Financial Officer

Brajesh Kumar

Chief Financial Officer (India)

Pushpalatha Katkuri

Company Secretary



Statement of Profit and Loss

for the year ended March 31, 2022

All amounts in ₹ million, except share data

S No	Particulars	Note No.	Year ended	
			March 31, 2022	March 31, 2021
1	Income			
	a) Revenue from operations	23	33,178.47	30,040.79
	b) Other income	24	631.22	265.23
	c) Other gain/(loss)	25	2.95	(2.34)
	Total Income (a+ b +c)		33,812.64	30,303.68
2	Expenses			
	a) Purchases of inventory		394.86	385.15
	b) Changes in inventory	26	34.85	(13.21)
	c) Employee benefits expense	27	29,804.80	26,619.92
	d) Finance costs	29	560.80	702.08
	e) Depreciation and amortization expenses	30	378.60	414.75
	f) Other expenses	31	1,483.21	1,338.93
	Total expenses (a + b + c + d + e + f)		32,657.12	29,447.62
3	Profit before tax and exceptional items (1-2)		1,155.52	856.06
4	Exceptional items		-	-
5	Profit before tax (3+4)		1,155.52	856.06
6	Tax expense			
	a) Current tax	8	32.11	0.83
	b) Deferred tax	8	(215.60)	284.30
	Total tax expense		(183.49)	285.13
7	Profit for the year (5-6)		1,339.01	570.93
8	Other comprehensive income			
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	27	(80.63)	(61.28)
	b) Income tax relating to these items	8	20.29	15.42
	Other comprehensive income / (loss) for the year (net of taxes)		(60.34)	(45.86)
9	Total comprehensive income for the year (7+8)		1,278.67	525.07
10	Earnings per share (EPS) (face value ₹ 5 per share)	32		
	(a) Basic (₹)		9.10	3.88
	(b) Diluted (₹)		9.01	3.86
11	Weighted average equity shares used in computing earnings per equity share	32		
	(a) Basic (Nos.)		14,71,50,940	14,70,67,507
	(b) Diluted (Nos.)		14,86,39,390	14,77,46,111

The accompanying notes form an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors

CA. Dilip Kumar
(Partner)
Membership No. 082118

Place: New Delhi
Date: May 04, 2022

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Brajesh Kumar
Chief Financial Officer (India)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Pushpalatha Katkuri
Company Secretary

Statement of changes in Equity

for the year ended March 31, 2022

All amounts in ₹ million unless stated otherwise

A. Equity Share Capital

Particulars	Amounts
As at April 1, 2020	733.19
Issued on exercise of stock options	8.32
As at March 31, 2021	741.51
Issued on exercise of stock options	2.74
Buyback of equity shares (refer note 13)	(9.09)
As at March 31, 2022	735.16

B. Other Equity

Year ended March 31, 2021

Particulars	Reserves and surplus				Other reserves			Share application money pending allotment	Total other equity
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debtenture redemption reserve	Capital 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
Issue of bonus shares (refer note 13)	-	(0.05)	-	-	-	-	-	-	(0.05)
Creation of debtenture redemption reserve	-	-	(125.00)	-	125.00	-	-	-	-
Share application money received during the year	-	-	-	-	-	-	-	8.61	8.61
Issued on exercise of stock options	180.16	-	-	(180.16)	-	-	-	(8.32)	(8.32)
As at March 31, 2021	4,078.79	188.94	2,655.65	77.23	375.00	-	-	0.29	7,375.90

Statement of changes in Equity

for the year ended March 31, 2022

All amounts in ₹ million unless stated otherwise

Year ended March 31, 2022

Particulars	Reserves and surplus			Other reserves			Share application money pending allotment	Total other equity
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debenture redemption reserve	Capital redemption reserve		
As at April 1, 2021	4,078.79	188.94	2,655.65	77.23	375.00	-	0.29	7,375.90
Profit / (loss) for the year	-	-	1,339.01	-	-	-	-	1,339.01
Other comprehensive income / (loss)	-	-	(60.34)	-	-	-	-	(60.34)
Total comprehensive income for the year	-	-	1,278.67	-	-	-	-	1,278.67
Employee share-based payment expense	-	-	-	203.46	-	-	-	203.46
Buyback of equity shares, including tax thereon	(1,000.00)	-	(230.84)	-	-	9.09	-	(1,221.75)
Transaction cost related to buyback of equity shares (net of taxes)	(10.73)	-	-	-	-	-	-	(10.73)
Creation/transfer of debenture redemption reserve	-	375.00	-	-	(375.00)	-	-	-
Share application money received during the year	-	-	-	-	-	-	2.47	2.47
Issued on exercise of stock options	55.28	-	-	(55.28)	-	-	(2.74)	(2.74)
As at March 31, 2022	3,123.34	563.94	3,703.48	225.41	-	9.09	0.02	7,625.28

The accompanying notes form an integral part of these financial statements.

As per our report of even date

For **Saxena & Saxena**

Chartered Accountants

(Firm's Registration No. 006103N)

For and on behalf of the Board of Directors

CA. Dilip Kumar
(Partner)

Membership No. 082118

Place: New Delhi
Date: May 04, 2022

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Brajesh Kumar
Chief Financial Officer (India)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Pushpalatha Katkuri
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2022

All amounts in ₹ million, unless stated otherwise

S No	Particulars	Year ended	
		March 31, 2022	March 31, 2021
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	1,155.52	856.06
	Adjusted for:		
	Depreciation and amortization expenses	378.60	414.75
	Unrealised foreign exchange (gain) / loss	(0.83)	9.94
	Net (gain) / loss on sale of property, plant and equipment	(2.08)	(7.60)
	Finance costs	560.80	702.08
	Interest income	(126.28)	(260.40)
	Allowance for expected credit loss	97.33	129.44
	Dividend income	(504.94)	(4.83)
	Employee share-based payment expense	112.47	2.42
	Operating profit / (loss) before working capital changes	1,670.59	1,841.86
	Movement in working capital:		
	Decrease / (increase) in trade receivables	(713.83)	77.29
	Decrease / (increase) in inventories	34.85	49.75
	Decrease / (increase) in other current assets	315.78	81.94
	Decrease / (increase) in other current financial assets	(194.66)	184.40
	(Decrease) / increase in trade payables	49.99	(152.97)
	(Decrease) / increase in provisions	116.40	122.05
	(Decrease) / increase in other current liabilities	110.76	87.85
	(Decrease) / increase in other current financial liabilities	371.08	247.96
	Decrease / (increase) in other non-current assets	0.05	0.05
	Decrease / (increase) in other non-current financial assets	23.39	102.11
	(Decrease) / increase in other non-current financial liabilities	0.83	(9.93)
	Cash (used in) / generated from operations	1,785.23	2,632.36
	Direct tax (paid), net of refunds	(504.09)	334.59
	Net cash inflow / (outflow) from operating activities	1,281.14	2,966.95
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property plant and equipment and changes in capital work-in-progress	(620.37)	(212.26)
	Proceeds from sale / disposal of property, plant and equipment	20.46	25.39
	Investment in subsidiary (refer note 6)	(512.05)	(250.91)
	(Investment in) / redemption of fixed deposits	1,607.85	(1,599.81)
	Restricted balances	-	112.00
	Interest received	120.79	260.18
	Dividend received	504.94	4.83
	Net cash inflow / (outflow) from investing activities	1,121.62	(1,660.58)



All amounts in ₹ million, unless stated otherwise

S No Particulars	Year ended	
	March 31, 2022	March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital (net of share issue expenses)	2.47	8.56
Buyback of equity shares including transaction cost and tax	(1,241.57)	-
Proceeds from term loans	219.00	12.77
Repayment of term loans	(132.92)	(229.95)
Bonds/debentures issued / (repaid/redeemed)	(1,499.79)	1,900.00
Interest paid	(677.01)	(593.78)
Changes in lease liability	(130.31)	(127.88)
Net cash inflow / (outflow) from financing activities	(3,460.13)	969.72
D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,057.37)	2,276.09
E. Cash and cash equivalents at the beginning of the year	(928.09)	(3,204.18)
Cash and cash equivalents at the end of the year (D+E)	(1,985.46)	(928.09)
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, 2022	March 31, 2021
Cash and cash equivalents	1,303.00	2,061.91
Cash credit	(3,288.46)	(2,990.00)
Balances as per statement of cash flows	(1,985.46)	(928.09)

The accompanying notes form an integral part of these financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors

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: New Delhi
Date: May 04, 2022

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Notes to the financial statements

All amounts in ₹ million, unless stated otherwise

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 May 04, 2022.

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 Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 1, 2021. The Company has evaluated the effect of the amendments on its financial statements and complied with the same.

The financial statements are presented in Indian Rupees (₹) 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. The figures which are appearing as '0' are result of rounding off.

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:

- certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;
- assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;
- share based payments; and
- The defined benefit asset/(liability) which is recognized 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.

All amounts in ₹ million, unless stated otherwise

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 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 realized or intended to be sold or consumed in the normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be realized 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 recognized 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').

Advances given towards purchase of an item of property, plant and equipment outstanding as at each balance sheet date are disclosed under other non-financial assets.

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	60 years
Plant and machinery	5 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 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 derecognized.

An item of property, plant and equipment and any significant part, initially recognized, is derecognized 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 recognized in the statement of profit and loss when the asset is derecognized.

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 recognized 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 derecognized 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 recognized in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and measurement

Intangible assets are recognized 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 amortization 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 amortized 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 amortization period and the amortization 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 amortization period or method, as appropriate, and are treated as changes in accounting estimates and adjusted accordingly. The amortization expense on intangible assets with finite lives is recognized in the statement of profit and loss.

All amounts in ₹ million, unless stated otherwise

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 recognized in the statement of profit or loss when the asset is derecognized.

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 capitalized to software and systems. Costs capitalized 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% to 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 recognized 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 recognized 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 below categories:

- (i) Financial assets at amortized cost
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI)
- (iii) Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial instruments at amortized cost

A 'financial assets' is measured at the amortized 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 amortized 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. Amortized 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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

arising from impairment are recognized in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized. This category generally applies to trade and other receivables.

Financial instruments at FVTOCI

A 'financial asset' 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.

Financial assets 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 foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

Financial instruments at FVTPL

FVTPL is a residual category for financial assets. Any financial assets, 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 financial assets, 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').

Financial assets 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 recognized 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 derecognized (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 recognized 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.



All amounts in ₹ million, unless stated otherwise

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 recognized 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.

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 recognized 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 recognized in the statement of profit or loss.

Borrowings

After initial recognition, borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognized 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 amortized 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 recognized 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 amortized 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 recognized 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 recognized 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 financial asset. Financial guarantee contracts are recognized 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 recognized less cumulative amortization.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

Derecognition

A financial liability is derecognized 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 recognized 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 recognized in the statement of profit and loss as other gains/losses.

Derivatives

Derivatives are initially recognized 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 through profit or loss. These embedded derivatives are measured at fair value with changes in

fair value recognized 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 financial assets, 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 recognized 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 recognized amounts and there is an intention to settle on a net basis, to realize 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 recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment (allowance for expected credit loss).

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.



All amounts in ₹ million, unless stated otherwise

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 recognized 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
- (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 recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized 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 utilized, 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 recognized 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 utilized.

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 utilized. Unrecognized deferred tax assets are

re-assessed at each reporting date and are recognized 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 realized 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.

Effective from April 1, 2019, the Company has adopted the option of lower effective corporate tax rate of 25.17% (including surcharge and cess), as per Section 115BAA of Income Tax Act.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

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:

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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 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 recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognized 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 recognized. A gain or loss not previously recognized by the date of sale/distribution of the non-current asset (or disposal group) is recognized 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 amortized.

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 recognized initially at their fair value and subsequently measured at amortized 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 recognized for legal claims and service warranties. Provisions are not recognized 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 recognized 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 recognized 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 recognized 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.



All amounts in ₹ million, unless stated otherwise

Asset Retirement Obligations (ARO)

ARO are recognized 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 recognized as part of the cost of that particular asset and amortized 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 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 recognized in a business combination

A contingent liability recognized in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognized in accordance with the requirements for provisions above or the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with the requirements for revenue recognition.

o) Government grants

Grants from the Government are recognized 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 recognized 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 recognized 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 recognized as revenue are net of returns, trade allowances, discounts, rebates, deductions by customers, 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 recognized at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
- (v) Unearned/deferred revenue (contract liabilities) represents revenue billed but for which services have not yet been performed. 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 recognized 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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 recognized at the time the product is sold. Revenue is deferred and recognized 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 recognized 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 financial assets measured either at amortized 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 amortized 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 recognized 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 (₹) 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 recognized 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 recognized in OCI or profit or loss are also recognized in OCI or profit or loss, respectively).

The equity items denominated in foreign currencies are translated at historical cost.



All amounts in ₹ million, unless stated otherwise

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 recognized 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 recognized 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/Leave obligations

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 recognized as employee benefit expense when they are due. Prepaid contributions are recognized 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 recognized 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 recognized 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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 recognized 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 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 recognized as an employee benefits expense with a corresponding increase in equity (share option outstanding account).

The total expense is recognized 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 recognized 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.



All amounts in ₹ million, unless stated otherwise

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 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 recognized 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 recognized 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 recognized over the lease term on the same basis as rental income. Contingent rents are recognized 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.

The right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses if any and adjusted for any re-measurement of the lease liability.

v) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization 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 recognized 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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 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 recognized 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 recognized 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 recognized 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) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Amendment Rules, 2022 on March 23, 2022. The key amendments are given below;

IndAS16 - Property, Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements

All amounts in ₹ million, unless stated otherwise

IndAS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

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 recognized 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 27
- (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 28.

Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. Refer note 8

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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.

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.



All amounts in ₹ million, unless stated otherwise

4. Property, plant and equipment 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	Charge for the year	Sale and adjustments	
Buildings (refer note below)	580.34	78.31	(3.62)	655.03	126.75	(2.13)	265.19
Leasehold improvement	146.25	7.52	(2.46)	151.31	32.95	(2.28)	96.93
Plant and machinery	162.41	27.82	-	190.23	32.95	-	88.63
Furniture and fixture	472.90	15.22	(0.06)	488.06	49.49	(0.02)	330.06
Vehicles	413.94	22.11	(19.89)	416.16	73.81	(17.05)	242.84
Office equipment	481.72	42.46	(116.34)	407.84	313.99	(99.76)	285.08
Computer equipment	105.18	4.29	-	109.47	73.37	17.52	90.89
	2,362.74	197.73	(142.37)	2,418.10	404.32	(121.24)	1,399.62
Capital work-in-progress	10.64	-	(10.64)	-	-	-	-
Grand total	2,373.38	197.73	(153.01)	2,418.10	404.32	(121.24)	1,399.62

Year ended March 31, 2022

Description of assets	Gross block			Accumulated depreciation			Net carrying value as at March 31, 2022
	As at April 1, 2021	Additions during the year	Sale and adjustments	As at March 31, 2022	Charge for the year	Sale and adjustments	
Buildings (refer note below)	655.03	109.88	(11.00)	753.91	122.62	(1.94)	385.87
Leasehold improvement	151.31	31.03	-	182.34	22.16	-	119.09
Plant and machinery	190.23	213.90	-	404.13	48.54	-	137.17
Furniture and fixture	488.06	25.95	-	514.01	41.86	-	371.92
Vehicles	416.16	161.34	(47.83)	529.67	62.55	(37.67)	267.72
Office equipment	407.84	44.40	(1.35)	450.89	60.60	(1.09)	344.59
Computer equipment	109.47	15.88	-	125.35	9.57	-	100.46
	2,418.10	602.38	(60.18)	2,960.30	367.90	(40.70)	1,726.82
Capital work-in-progress	-	-	-	-	-	-	-
Grand total	2,418.10	602.38	(60.18)	2,960.30	367.90	(40.70)	1,726.82

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

4 Property, Plant & Equipment (Contd.)

(i) Details for right-of-use assets is as below

Particulars	Building	Total
Balance as on March 31, 2020	358.18	358.18
Additions during the year	52.93	52.93
Derecognized 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
Additions during the year	109.88	109.88
Derecognized during the year	(0.59)	(0.59)
Depreciation during the year	(117.63)	(117.63)
Balance as on March 31, 2022	278.55	278.55

Refer note 16 for disclosure of related lease liabilities.

(ii) Capital work in progress (CWIP)

Capital work in progress (CWIP) as at March 31, 2021 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 34(a) for disclosure on contractual commitments for acquisition of Property, plant and equipment.

5 Other Intangible Assets

Year ended March 31, 2021

Description of assets	Gross block				Accumulated amortization				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

Year ended March 31, 2022

Description of assets	Gross block				Accumulated amortization				Net carrying value as at March 31, 2022
	As at April 1, 2021	Additions during the year	Sale and adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	Sale and adjustments	As at March 31, 2022	
Computer software *	91.77	10.25	-	102.02	84.79	10.70	-	95.49	6.53
Intangible assets under development	114.07	97.33	-	211.40	-	-	-	-	211.40
Grand Total	205.84	107.58	-	313.42	84.79	10.70	-	95.49	217.93

* Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.



All amounts in ₹ million, unless stated otherwise

5 Other Intangible Assets (Contd.)

i) Intangible assets under development

Year ended March 31, 2021

Amount in intangible assets under development for the year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress	73.04	26.79	14.24	-	114.07
Total	73.04	26.79	14.24	-	114.07

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress	98.11	72.49	26.56	14.24	211.40
Total	98.11	72.49	26.56	14.24	211.40

Intangible assets under development consist of expenditure on development of a new Enterprise Resource Planning (ERP) software.

ii) Estimated remaining useful life of other intangible assets are as follows:

Description of asset	March 31, 2022	March 31, 2021
Computer software	3.96 years	2.88 years

6 Investments

Particulars	March 31, 2022	March 31, 2021
Non-current investments		
Investments in equity instruments		
Investment in subsidiaries (at cost unless stated otherwise)		
Unquoted equity shares (fully paid)		
4,000,000 (March 31, 2021: 4,000,000) equity shares in SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Ltd.) of AUD 1/- each fully paid up	249.07	249.07
11,512,800 (March 31, 2021: 11,512,800) equity shares in Service Master Clean Limited of ₹ 10/- each fully paid up	135.20	131.23
11,252,250 (March 31, 2021: 11,252,250) equity shares in Terminix SIS India Private Limited of ₹ 10/- each fully paid up	114.26	114.26
14,800,000 (March 31, 2021: 14,800,000) equity shares in Tech SIS Limited of ₹ 10/- each fully paid up #	152.60	152.30
800,000 (March 31, 2021: 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, 2021: 2,801,666) equity shares in Dusters Total Solutions Services Private Limited of ₹ 10/- each fully paid up	1,965.58	1,965.58
Equity shares in SLV Security Services Private Limited of ₹ 100/- each fully paid up \$	827.24	825.96
1,169,213 (March 31, 2021 : 1,169,213) equity shares in RARE Hospitality and Services Private Limited of ₹ 10/- each fully paid up *	519.71	518.86
1,800,000 (March 31, 2021 : 918,000) equity shares in Uniq Security Solutions Services Private Limited (formerly known as Uniq Detective and Security Services Private Limited) of ₹ 10/- each fully paid up *	1,032.53	520.48
10,000 (March 31, 2021: 10,000) equity shares in SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited) of ₹ 10/- each fully paid up	0.10	0.10
10,000 (March 31, 2021: 10,000) equity shares in SIS Business Support Services and Solutions Private Limited of ₹ 10/- each fully paid up	0.10	0.10
29,000,000 (March 31, 2021: 29,000,000) equity shares in SIS Alarm Monitoring and Response Services Private Limited of ₹ 10/- each fully paid up	294.56	293.30

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

6 Investments (Contd.)

Particulars	March 31, 2022	March 31, 2021
10,000 (March 31, 2021: 10,000) equity shares in One SIS Solutions Private Limited of ₹ 10/- each fully paid up	0.10	0.10
Total investment in subsidiaries (A)	5,338.98	4,819.27
Investment in associates (at cost unless stated otherwise)		
Unquoted equity shares (fully paid)		
7,788,892 (March 31, 2021: 7,788,892) equity shares in SIS Cash Services Private Limited of ₹ 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)	5,416.87	4,897.16
Investments in debentures or bonds		
175 (March 31, 2021: 175) Non-convertible debentures in SIS Cash Services Private Limited of ₹ 1,000,000/- each fully paid up	175.00	175.00
120 (March 31, 2021: 120) Non-convertible debentures in SIS Alarm Monitoring and Response Services Private Limited of ₹ 1,000,000/- each fully paid up	120.00	120.00
300,000 (March 31, 2021: 300,000) Optionally convertible debentures in Terminix SIS India Private Limited of ₹ 100/- each fully paid up	29.45	29.07
49 (March 31, 2021: 49) Optionally convertible debentures in Service Master Clean Limited of ₹ 1,000,000/- each fully paid up	24.16	21.96
Total investments in debentures or bonds	348.61	346.03
Total non-current investments	5,765.48	5,243.19
Current investments		
Total current investments	-	-
Total investments	5,765.48	5,243.19
Aggregate book value of quoted investments and market value thereof	-	-
Aggregate book value of unquoted investments	5,765.48	5,243.19
Aggregate amount of impairment in value of investments	-	-

\$ 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.

* Refer note 37 regarding the investments in respective subsidiary made during the year ended March 31, 2022 and March 31, 2021.

During the year ended March 31, 2021, the Company has converted loans given to respective subsidiary into equity investments

7 Other financial assets

Particulars	March 31, 2022	March 31, 2021
Other non-current financial assets		
Security deposits (unsecured, considered good)	263.27	282.13
Loans to related parties (unsecured, considered good)	234.59	234.59
Margin money in the form of fixed deposits *	94.18	10.40
Fixed deposit maturing after 12 months	4.75	-
Other non-current financial assets	0.34	0.34
Total other non-current financial assets	597.13	527.46
Other current financial assets		
Unbilled revenue ** (Refer note 23)	2,186.59	1,951.52
Security deposits (unsecured, considered good)	94.14	144.78
Interest accrued on deposits / investments	10.89	15.23
Other receivables	66.96	56.73
Total other current financial assets	2,358.58	2,168.26
Total financial assets	2,955.71	2,695.72

* Fixed deposits have been pledged as margin money against bank guarantees.

** All unbilled dues are undisputed and falling under the ageing of less than six months from the date of completion of delivery of goods/services.

All amounts in ₹ million, unless stated otherwise

7 Other financial assets (Contd.)

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 39.

Refer note 40 for the Company's policy regarding impairment allowance on other financial assets and Company's credit risk management processes.

8 Income tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	32.11	0.83
Adjustments in respect of current income tax expense / (reversal) of previous years	-	-
Deferred tax:		
Decrease / (increase) in deferred tax assets (net)	(215.60)	284.30
Income tax expense / (credit) reported in the statement of profit and loss	(183.49)	285.13

OCI section:

Tax related to items recognized in OCI during the year:

Particulars	March 31, 2022	March 31, 2021
Tax expense / (credit) on re-measurements of defined benefit plans	(20.29)	(15.42)
Income tax charged/(credited) to OCI	(20.29)	(15.42)

Tax related to items recognized directly in equity during the year:

Particulars	March 31, 2022	March 31, 2021
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	3.70	-
Income tax credited / (charged) to equity	3.70	-

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2022 and March 31, 2021:

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax from continuing operations	1,155.52	856.06
Accounting profit before income tax	1,155.52	856.06
Statutory income tax rate	25.17%	25.17%
Income tax expense at statutory rate	290.82	215.45
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(463.01)	63.92
Non-deductible expenses for tax purposes		
Corporate social responsibility expenditure	3.33	9.02
Donation	0.45	0.15
Other non-deductible expenses	(0.10)	(3.02)
Income taxed at differential rates		
Dividend from foreign subsidiaries taxed at a different/lower rate	(14.98)	(0.39)
Tax expense reported in the statement of profit and loss	(183.49)	285.13

*The effective tax rate applicable to the Company for the financial year 2022-23 would be 25.17% (including surcharge and cess) based on the law as it exists on the date of these financial statements.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

8 Income tax (Contd.)

The balance in deferred tax assets / (liabilities) comprises temporary differences attributable to:

Particulars	March 31, 2022	March 31, 2021
Property, plant and equipment / Intangible assets	118.14	112.70
Defined benefit obligations	301.39	202.09
Deductions in respect of certain benefits under the Income Tax Act, 1961	308.67	206.18
Accruals and others	238.49	234.33
Allowance for expected credit loss - trade receivables	77.45	52.95
Unused tax losses	1.52	1.52
Total deferred tax assets / (liabilities)	1,045.66	809.77

Reflected in the balance sheet as follows:

Particulars	March 31, 2022	March 31, 2021
Deferred tax assets	1,045.66	809.77
Deferred tax liabilities	-	-
Deferred tax assets / (liabilities), net	1,045.66	809.77

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 expected credit loss - trade receivables	Unused tax losses	Total
As at April 1, 2020	78.54	179.51	563.61	235.04	20.38	1.52	1,078.60
Tax income / (expense) during the period recognized in profit or loss	34.11	7.16	(357.43)	(0.71)	32.57	-	(284.30)
Tax income / (expense) during the period recognized 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
Tax income / (expense) during the period recognized in profit or loss	5.44	79.01	102.49	4.16	24.50	-	215.60
Tax income / (expense) during the period recognized in OCI	-	20.29	-	-	-	-	20.29
As at March 31, 2022	118.14	301.39	308.67	238.49	77.45	1.52	1,045.66

Income tax assets:

Particulars	March 31, 2022	March 31, 2021
Opening balance	938.14	1,273.56
Taxes paid	500.39	364.82
Refund received	-	(699.41)
Current tax payable for the year	(28.41)	(0.83)
Income tax assets	1,410.12	938.14

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.



All amounts in ₹ million, unless stated otherwise

9 Other Assets

Particulars	March 31, 2022	March 31, 2021
Other non-current assets		
Capital advances	29.25	8.96
Other advances	2.58	2.97
Total other non-current assets	31.83	11.93
Other current assets		
Prepaid expenses	87.13	42.55
Costs to obtain/fulfil contract with customers (refer note 23)	13.24	17.63
Other advances	230.71	321.33
Other current assets	114.28	292.15
Total other current assets	445.36	673.66
Total other assets	477.19	685.59

10 Inventories

Particulars	March 31, 2022	March 31, 2021
Uniforms	147.20	182.05
Total inventories at the lower of cost and net realisable value	147.20	182.05

11 Trade receivables

Particulars	March 31, 2022	March 31, 2021
Trade receivables	5,379.83	4,665.56
Less: Allowance for expected credit loss	307.74	210.41
Total trade receivables	5,072.09	4,455.15

Break-up of security details:

Particulars	March 31, 2022	March 31, 2021
Secured, considered good	-	-
Unsecured, considered good	5,379.83	4,665.56
Total	5,379.83	4,665.56

The ageing schedule for outstanding trade receivables from the due date is given below:

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,412.15	2,634.25	379.33	295.78	150.72	440.01	5,312.24
(ii) Disputed trade receivables – considered good	0.24	18.88	6.67	10.12	5.53	26.15	67.59

Year ended March 31, 2021

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,264.26	2,171.54	385.32	326.61	93.13	354.39	4,595.25
(ii) Disputed trade receivables – considered good	-	7.04	8.68	15.31	29.12	10.16	70.31

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

11 Trade receivables (Contd.)

The movement in allowances for expected credit loss is as follows:

Particulars	March 31, 2022	March 31, 2021
Opening balance	210.41	80.97
Additions	97.33	129.44
Write off (net of recovery)	-	-
Closing balance	307.74	210.41

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 39.

Refer note 40 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 39.

12 Cash and Bank balances

Cash and cash equivalents

Particulars	March 31, 2022	March 31, 2021
Balances with banks:		
- On current accounts	560.44	37.35
- Bank deposits with original maturity of three months or less	740.69	2,023.25
Cash on hand	1.87	1.31
Total	1,303.00	2,061.91

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, 2022	March 31, 2021
Unclaimed dividend accounts	1.05	1.36
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	100.15	1,542.64
Margin money *	182.78	436.66
Total	283.98	1,980.66

* Pledged as security/Margin Money against guarantees issued by banks on behalf of the Company

13 Equity Share capital

Authorised share capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2020 (Equity shares of ₹ 5 each)	270.00	1,350.00
Increase/(decrease) during the year	-	-
As at March 31, 2021 (Equity shares of ₹ 5 each)	270.00	1,350.00
Increase/(decrease) during the year	-	-
As at March 31, 2022 (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, 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
Issued on exercise of stock options	0.55	2.74
Buyback of equity shares	(1.82)	(9.09)
As at March 31, 2022 (Equity shares of ₹ 5 each)	147.03	735.16

All amounts in ₹ million, unless stated otherwise

13 Equity Share capital (Contd.)

Pursuant to the approval of the Board of Directors of the Company, at its meeting held on February 15, 2021, and the shareholders, by way of a special resolution through postal ballot, on March 20, 2021, 1,818,181 equity shares of face value of ₹ 5 each of the Company were offered for buyback by the Company to all eligible shareholders of the Company, through the tender offer process, 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 ₹ 550 per equity share, per the provisions of the Security and Exchange Board of India (Buyback of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer process was completed on June 21, 2021. The Company has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,818,181 equity shares of face value of ₹ 5 each of the Company were extinguished by appropriating a sum of ₹ 990.91 million from the securities premium and an amount of ₹ 9.09 million, being a sum equal to the nominal value of the Equity Shares bought back through the Buyback have been transferred to the capital redemption reserve account.

Notes (pre share sub-division effect):

- 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.
- 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.

- 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 ₹ 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 amounted to ₹ 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 ₹ 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.

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	57.65	39.21%	58.73	39.60%
Rita Kishore Sinha	23.51	15.99%	24.22	16.33%
Rituraj Kishore Sinha	15.79	10.74%	16.42	11.07%

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, 2022	March 31, 2021	March 31, 2020	March 31, 2019 *	March 31, 2018 *
	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
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	-
Buyback of equity shares	18,18,181	-	-	-	-

* Number of shares has been restated to give effect of share sub-division

During the year ended March 31, 2022, Nil (March 31, 2021: 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 Nil (March 31, 2021: 11,528) equity shares were allotted by the Company on exercise of Nil (March 31, 2021: 1,048) options by the employees, which included a total number of Nil (March 31, 2021: 10,480) equity shares allotted by the Company as bonus shares pursuant to the said terms of ESOP 2008.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

13 Equity Share capital (Contd.)

Details of promoter shareholding in the Company

Year ended March 31, 2022

S. No.	Name of the Promoter	Equity shares as on April 1, 2021 (in Nos.)	% holding in the class	Equity shares as on March 31, 2022 (in Nos.)	% holding in the class	% Change during the year
Promoters						
1	Ravindra Kishore Sinha	5,87,27,312	39.60%	5,76,48,582	39.21%	-0.39%
2	Rituraj Kishore Sinha	1,64,20,380	11.07%	1,57,91,311	10.74%	-0.33%
Total		7,51,47,692		7,34,39,893		

Year ended March 31, 2021

S. No.	Name of the Promoter	Equity shares as on April 1, 2020 (in Nos.)	% holding in the class	Equity shares as on March 31, 2021 (in Nos.)	% holding in the class	% Change during the year
Promoters						
1	Ravindra Kishore Sinha	5,92,67,312	40.42%	5,87,27,312	39.60%	-0.82%
2	Rituraj Kishore Sinha	1,66,95,380	11.39%	1,64,20,380	11.07%	-0.31%
Total		7,59,62,692		7,51,47,692		

Shares reserved for issue under options

Employees share options

Refer note 28 for details regarding employee share options issued by the Company.

14 Other equity

Particulars	March 31, 2022	March 31, 2021
Reserves and surplus		
Securities premium	3,123.34	4,078.79
General reserve	563.94	188.94
Retained earnings	3,703.48	2,655.65
Total reserves and surplus (A)	7,390.76	6,923.38
Other reserves		
Share options outstanding account	225.41	77.23
Debenture redemption reserve	-	375.00
Capital redemption reserve	9.09	-
Total other reserves (B)	234.50	452.23
Share application money pending allotment (C)	0.02	0.29
Total other equity (A+B+C)	7,625.28	7,375.90

Securities premium

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	4,078.79	3,898.63
Exercise of share options	55.28	180.16
Buyback of equity shares	(1,000.00)	-
Transaction cost related to buyback of equity shares (net of taxes)	(10.73)	-
Balance at the end of year	3,123.34	4,078.79



All amounts in ₹ million, unless stated otherwise

14 Other equity (Contd.)

General reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	188.94	188.99
Capitalisation on issue of bonus shares	-	(0.05)
Transferred from debenture redemption reserve	375.00	-
Balance at the end of year	563.94	188.94

Retained earnings

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	2,655.65	2,255.58
Net Profit / (loss) for the year	1,339.01	570.93
Items of other comprehensive income recognized directly in retained earnings		
- Remeasurements of post-employment benefit plans directly in retained earnings	(60.34)	(45.86)
Appropriations-		
- Tax on buyback of equity shares	(230.84)	
- Transfer to debenture redemption reserve	-	(125.00)
Balance at the end of year	3,703.48	2,655.65

Share options outstanding account

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	77.23	253.32
Stock option compensation expense	203.46	4.07
Transferred to securities premium on exercise of share options	(55.28)	(180.16)
Balance at the end of year	225.41	77.23

Capital Redemption Reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	-	-
Created on buyback of equity shares	9.09	-
Balance at the end of year	9.09	-

Debenture Redemption Reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	375.00	250.00
Created from retained earnings	-	125.00
Transfer to general reserves	(375.00)	-
Balance at the end of year	-	375.00

Share Application Money Pending Allotment

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	0.29	-
Share application money received during the year	2.47	8.61
Issued on exercise of stock options	(2.74)	(8.32)
Balance at the end of year	0.02	0.29

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

14 Other Equity (Contd.)

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 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.

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 28 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 utilized for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve will be transferred to retained earnings.

Capital redemption reserve

As per the Companies Act, 2013, Capital redemption reserve is created when a company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. This reserve can be utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

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, 2022	March 31, 2021
Non-current borrowings			
Secured			
Bonds/ debentures			
- Non convertible debentures	a	1,894.32	3,397.43
Term loans			
From banks			
- HDFC bank limited	b	-	19.06
- Kotak mahindra bank limited	c	157.83	247.69
- Standard chartered bank limited	d	152.36	-
- Vehicle loan from various banks	e	121.41	64.76
From other parties			
- Vehicle loan from others	g	36.35	49.23
Total secured borrowings		2,362.27	3,778.17



All amounts in ₹ million, unless stated otherwise

15 Borrowings (Contd.)

Particulars	Note	March 31, 2022	March 31, 2021
Unsecured			
Bonds/ debentures			
Rupee denominated bonds issued to SIS Australia Group Pty Limited, a subsidiary company	h	747.58	747.01
Total unsecured borrowings		747.58	747.01
Total non-current borrowings		3,109.85	4,525.18
Less: Current maturity of long term loans (refer table below)		(2,098.77)	(1,665.84)
Non-current borrowings (as per balance sheet)		1,011.08	2,859.34
Current borrowings			
Secured			
Loans repayable on demand			
From banks			
- Kotak mahindra bank limited	i	-	400.00
- Axis bank limited	i	800.22	540.00
- HDFC bank limited	i	1,000.00	1,000.00
- ICICI bank limited	i	676.85	-
- Standard chartered bank	i	-	460.00
- State bank of india	j	420.73	390.00
- Yes bank limited	l	390.66	200.00
Total secured borrowings		3,288.46	2,990.00
Unsecured		-	-
Add: Current maturities of long term debt (refer table below)		2,098.77	1,665.84
Current borrowings (as per balance sheet)		5,387.23	4,655.84
Aggregate secured borrowings		5,650.73	6,768.17
Aggregate unsecured borrowings		747.58	747.01

Breakup of current maturities of long term debt:

Particulars	March 31, 2022	March 31, 2021
Secured		
Bonds/ debentures	1,894.32	1,499.79
Term loans		
From banks	186.67	138.93
From other parties	17.78	27.12
Unsecured	-	-
Total current maturities of long term debt	2,098.77	1,665.84

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

15 Borrowings (Contd.)

Notes:

Long Term Borrowings - Secured:

Bonds/debentures:

- a) i) 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, 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, 2022, ICICI Prudential Credit Risk Fund is holding the NCDs.
- ii) ICICI Prudential Assets Management Company Limited has subscribed to 1,500 non-convertible debentures (NCDs) of ₹ 1,000,000/- each. The NCDs carried interest @ 9.50% per annum, payable annually. The NCDs were secured against 85.92% shareholding in Dusters total solutions services private limited, a subsidiary of the Company. The debentures were redeemable after 3 years i.e. April 13, 2021. As on March 31, 2021, ICICI Prudential Credit Risk Fund was held the NCDs. During the year ended March 31, 2022, the NCDs has been redeemed/repaid.

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 ₹ 9.53 million each, with repayment to commenced from November 2017 and has been fully 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 commenced from the end of the 1st quarter of FY 2019-20 after the end of moratorium Period of six months and last installment repayment is scheduled in fourth quarter of FY 2023-24.
- d) Secured by way of first charge on the Monitoring equipment of the Company purchased out of the term loan proceeds. The loan was repayable in 36 equal monthly instalments and shall be wholly paid by the last day of tenor i.e. by October, 2024.
- e) 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 in FY 2028-29.

- f) The terms loans mentioned above except vehicle loans, carry interest at quarterly/half-yearly/year MCLR plus spread margin ranging from 75 bps to 315 bps (March 31, 2021: 75 bps to 145 bps). The vehicle loans carry interest from 6.90% to 10.50% per annum.

Other loans and advances:

- g) 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 9.00% to 10.50% per annum and have various repayment schedules and last instalment repayment is scheduled in FY 2025-26.

Long term borrowings - Unsecured:

Bonds/debentures:

- h) SIS Australia Group Pty Limited, a subsidiary, has subscribed to 750 Rupee Denominated Bonds (RDBs) of face value of ₹ 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 (redemption due by August, 2025) from the date of issue with a lock-in-period of 3 years from the date of issue and interest is payable half yearly.

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 fixed assets.
- j) Secured by first pari passu charges over the current assets and immovable fixed assets and first charge over movable fixed assets (both present and future) of the Company and second pari passu charge is with other working capital lenders.
- k) The short-term borrowings charges is excluding assets specifically charged to term lenders, if any.
- l) Secured by first pari passu charge over current assets both present and future.
- m) The loans repayable on demand mentioned above, carry interest at quarterly/half yearly/yearly MCLR/ Repo rate/MIBOR/TBILL plus spread margin ranging from 25 bps to 60 bps (March 31, 2021: 25 bps to 80 bps) for cash credit facility and ranging from 4.30% p.a. to 4.60% p.a. for WCDL facilities.

There has been no default in the payment of interest or repayment of principal in respect of the above loans/ borrowings.

All amounts in ₹ million, unless stated otherwise

16. Lease Liabilities

Particulars	March 31, 2022	March 31, 2021
Non-current lease liabilities	414.30	390.94
Current lease liabilities	76.13	62.52
Total lease liabilities	490.43	453.46

Movement of lease liabilities during the year

Particulars	March 31, 2022	March 31, 2021
Opening balance	453.46	473.78
Additions	109.88	52.93
Deletions	(1.09)	(3.31)
Finance cost accrued during the year	58.49	57.94
Payment of lease liability	(130.31)	(127.88)
Closing balance	490.43	453.46

17 Trade payables

Particulars	March 31, 2022	March 31, 2021
Non-current	-	-
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME)	6.13	1.85
- total outstanding dues of creditors other than micro enterprises and small enterprises	124.21	78.51
Total current trade payables	130.34	80.36
Total	130.34	80.36

The terms and conditions of the above financial liabilities are as follows:

- 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.
- For outstanding balances, terms and conditions with related parties, refer to note 39

The ageing schedule for outstanding trade payables from due date is given below:

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	6.06	0.07	-	-	-	6.13
(ii) Others	70.86	51.15	2.00	0.11	0.09	124.21

Year ended March 31, 2021

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	1.52	0.33	-	-	-	1.85
(ii) Others	42.92	31.64	3.66	0.19	0.10	78.51

There are no disputed dues during the year ended March 31, 2022 and March 31, 2021.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

17 Trade payables (Contd.)

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:

MSME

Particulars	March 31, 2022	March 31, 2021
Principal amount and the interest [₹ Nil (March 31, 2021 –Nil)] due thereon	6.13	1.85
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	-	-

18 Other financial liabilities

Particulars	March 31, 2022	March 31, 2021
Non-current		
Financial guarantees	5.87	3.91
Total other non-current financial liabilities	5.87	3.91
Current		
Interest accrued but not due on borrowings	25.06	198.14
Financial guarantees	0.64	2.31
Unclaimed/unpaid dividends	1.05	1.36
Employee benefits payable	2,372.77	1,980.77
Other payables and accruals *	126.92	147.71
Total other current financial liabilities	2,526.44	2,330.29
Total other financial liabilities	2,532.31	2,334.20

* Includes unbilled dues having ageing of less than one year.

Details of loan given, investments made and guarantee given covered U/S 186(4) of the Companies Act, 2013.

Corporate guarantees given by the Company in respect of borrowings taken by subsidiaries:

Particulars	March 31, 2022	March 31, 2021
MSS Security Pty Ltd	-	2,000.00
Tech SIS Limited	50.00	50.00
Service Master Clean Limited	1,895.00	1,825.00
SIS Alarm Monitoring and Response Services Private Limited	550.00	350.00
SLV Security Services Private Limited	895.00	895.00
Rare Hospitality and Services Private Limited	270.26	175.00
Total	3,660.26	5,295.00

Loans given and investments made are given under the respective heads.



All amounts in ₹ million, unless stated otherwise

19 Financial instruments by category

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments						
-Bonds and debentures	-	-	348.61	-	-	346.03
Trade receivables	-	-	5,072.09	-	-	4,455.15
Cash and cash equivalents	-	-	1,303.00	-	-	2,061.91
Other bank balances	-	-	283.98	-	-	1,980.66
Loans	-	-	234.59	-	-	234.59
Other financial assets	-	-	2,721.12	-	-	2,461.13
Total financial assets	-	-	9,963.39	-	-	11,539.47
Financial liabilities:						
Trade payables	-	-	130.34	-	-	80.36
Borrowings	-	-	6,398.31	-	-	7,515.18
Lease liabilities	-	-	490.43	-	-	453.46
Other financial liabilities	-	-	2,532.31	-	-	2,334.20
Total financial liabilities	-	-	9,551.39	-	-	10,383.20

Fair Values of assets and liabilities carried at amortised costs are as follows:

Particulars	Fair value hierarchy	March 31, 2022		March 31, 2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:					
Investments	Level 3	348.61	379.47	346.03	321.08
Trade receivables		5,072.09	5,072.09	4,455.15	4,455.15
Cash and cash equivalents		1,303.00	1,303.00	2,061.91	2,061.91
Other bank balances		283.98	283.98	1,980.66	1,980.66
Loans	Level 3	234.59	259.24	234.59	208.72
Other financial assets		2,721.12	2,721.12	2,461.13	2,461.12
Total financial assets		9,963.39	10,018.90	11,539.47	11,488.64
Financial liabilities:					
Trade payables		130.34	130.34	80.36	80.36
Borrowings - floating rate		3,598.65	3,598.65	3,256.75	3,256.75
Borrowings - fixed rate	Level 3	2,799.66	2,794.88	4,258.43	4,258.43
Lease liabilities		490.43	490.43	453.46	453.47
Other financial liabilities		2,532.31	2,532.31	2,334.20	2,334.19
Total financial liabilities		9,551.39	9,546.61	10,383.20	10,383.20

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 fair value of investments, loans given and fixed rate borrowings are calculated based on cash flows discounted using weighted cost of debt as on balance sheet date. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

The Company does not have any financial assets/liabilities in Level 3 items for the years ended March 31, 2022 and March 31, 2021.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

19 Financial instruments by category (Contd.)

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.

20 Provisions

Particulars	March 31, 2022		March 31, 2021	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 27):				
Gratuity	786.90	62.71	627.64	15.45
Compensated absences	-	63.56	-	73.04
Total	786.90	126.27	627.64	88.49

21 Other liabilities

Particulars	March 31, 2022	March 31, 2021
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	1,077.67	957.34
Deferred revenue	9.17	17.63
Total other current liabilities	1,086.84	974.97
Total other liabilities	1,086.84	974.97

22 Government grants

Particulars	March 31, 2022	March 31, 2021
As at the beginning of the year	-	-
Received during the year	13.25	79.52
Released to the statement of profit and loss	(13.25)	(79.52)
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 (PMRYP) 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.



All amounts in ₹ million, unless stated otherwise

23 Revenue from operations

Particulars	March 31, 2022	March 31, 2021
Sale of products (traded goods)		
Revenue from sale of electronic security devices	206.79	104.87
Total (A)	206.79	104.87
Rendering of services		
Security services		
From guarding and other security services	32,245.66	29,226.09
Other services		
From training fees	95.41	79.09
Total rendering of services	32,341.07	29,305.18
Other operating revenues	630.61	630.74
Total (B)	32,971.68	29,935.92
Revenue from operations (A+B)	33,178.47	30,040.79

Disaggregated revenue information

The following table presents the disaggregated revenue from contracts with customers.

Particulars	March 31, 2022	March 31, 2021
Revenue by time of recognition		
At a point in time (sale of equipments)	206.79	104.87
Over the period of time	32,971.68	29,935.92
Total	33,178.47	30,040.79

Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers

Particulars	March 31, 2022		March 31, 2021	
	Unbilled revenue	Deferred revenue	Deferred revenue	Deferred revenue
Opening balance	1,951.52	17.63	1,980.20	55.37
Revenue recognized that was included in deferred revenue at the beginning of the year	-	(17.63)	-	(55.37)
Increase due to cash received, excluding amounts recognized as revenue during the year	-	9.17	-	17.63
Transfers from unbilled revenue, recognized at the beginning of the year, to receivables	(1,951.52)	-	(1,980.20)	-
Increase due to revenue recognized during the year, excluding amounts billed during the year	2,186.59	-	1,951.52	-
Closing balance	2,186.59	9.17	1,951.52	17.63

Cost to obtain or fulfil a contract with a customer

Particulars	March 31, 2022	March 31, 2021
Opening balance	17.63	55.37
Costs incurred and deferred	9.17	17.63
Less: Cost amortised	(17.63)	(55.37)
Closing balance	9.17	17.63

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

24 Other income

Particulars	March 31, 2022	March 31, 2021
Interest income *	126.28	260.40
Dividend income from subsidiaries	504.94	4.83
Total	631.22	265.23

*Includes interest income on income tax refunds

25. Other gain / (loss)

Particulars	March 31, 2022	March 31, 2021
Net gain/(loss) on sale of property, plant and equipment*	2.08	7.60
Foreign exchange gain/(loss)	0.83	(9.94)
Other items	0.04	-
Total	2.95	(2.34)

* Includes gain/(loss) on derecognition of Right of use assets

26 Changes in inventory

Particulars	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	182.05	168.84
Inventory at the end of the year	147.20	182.05
Changes in inventory - (increase)/decrease	34.85	(13.21)

27 Employee costs

(a) Employee benefits expense include:

Particulars	March 31, 2022	March 31, 2021
Salaries, wages and bonus	26,457.66	23,919.09
Contribution to provident and other funds	2,946.94	2,534.16
Government grants (Note 22)	(13.25)	(79.52)
Employee share-based payment expense	112.47	2.42
Gratuity expense	182.59	152.42
Leave compensation	(9.11)	9.97
Staff welfare expenses	127.50	81.38
Total	29,804.80	26,619.92

(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, 2022	March 31, 2021
Current leave obligation not expected to be settled within next 12 months	48.90	54.46

All amounts in ₹ million, unless stated otherwise

27 Employee costs (Contd.)

Unfunded Schemes:

Particulars	March 31, 2022	March 31, 2021
Present value of unfunded obligations	63.56	73.04
Expenses to be recognized in the statement of profit and loss	(9.11)	9.97
Discount rate (per annum)	5.30%	4.60%
Salary escalation rate (per annum)	8.00%	8.00%

The liability for earned and sick leave is recognized 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 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 ₹ 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% 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, 2022	March 31, 2021
Expense recognized during the period towards defined contribution plans	2,946.94	2,534.16

(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, years of employment with the Company 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 recognized in the statement of profit or loss and the funded status and amounts recognized in the balance sheet for the respective plans:

Expenditure to be recognized during the year:

Particulars	March 31, 2022	March 31, 2021
Current service cost	154.39	129.36
Interest cost	28.20	23.06
Total amount recognized in profit or loss	182.59	152.42
Remeasurements		
Return on plan assets, excluding amounts included in interest income	12.00	4.25
Loss / (gain) from changes in financial assumptions	25.66	22.09
Loss / (gain) from changes in demographic assumptions	-	-
Experience loss / (gain)	42.97	34.94
Total loss / (gain) recognized in other comprehensive income	80.63	61.28

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

27 Employee costs (Contd.)

Change in present value of defined benefit obligation is summarized below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2022	March 31, 2021
Defined benefit obligation at the beginning of year	818.12	630.37
Current service cost	154.39	129.36
Interest cost	33.25	29.24
Remeasurements	68.03	57.03
Benefits paid	(56.70)	(27.88)
Liabilities assumed / (settled)	0.60	-
Defined benefit obligation at the end of year	1,017.69	818.12

Reconciliation of fair value of Plan Assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	175.03	160.98
Interest income	5.05	6.18
Remeasurements	(12.00)	(4.25)
Contribution by employer	56.70	40.00
Benefits paid	(56.70)	(27.88)
Fair value of plan assets at the closing of the year	168.08	175.03

Reconciliation of fair value of Assets and obligations:

Reconciliation of fair value of assets and obligations	March 31, 2022	March 31, 2021
Fair value of plan assets	168.08	175.03
Present value of obligation	(1,017.69)	(818.12)
Asset / (liability) recognized in balance Sheet	(849.61)	(643.09)

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, 2022	March 31, 2021
Discount rate	5.30%	4.60%
Future salary increase		
- Non-billing / indirect employees	8.00%	8.00%
- Billing /direct employees	7.00%	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%

All amounts in ₹ million, unless stated otherwise

27 Employee costs (Contd.)

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	March 31, 2022	March 31, 2021
Discount rate		
0.5% increase	(2.05%)	(2.09%)
0.5% decrease	2.13%	2.18%
Future salary increases		
0.5% increase	2.02%	2.08%
0.5% decrease	(1.96%)	(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 recognized in the balance sheet.

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, 2022	March 31, 2021
The weighted average duration of the post-employment benefit plan obligations (in years)	4.06	4.27
Expected contribution to the fund during next year	60.00	60.00

Maturity profile:	March 31, 2022	March 31, 2021
Less than a year	230.78	190.47
Between 1-2 years	200.75	152.95
Between 2-5 years	421.81	326.68
Over 5 Years	454.03	349.73
Total	1,307.37	1,019.83

- (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 Code has been published in the Gazette of India. The effective date of these Codes has not yet been notified and the Company will assess the impact of these codes as and when they come into effect and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

28. 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.
- 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, 2021, upon exercise of stock options by the eligible employees, the Company has allotted 5,764 equity shares of ₹ 10 each.

ESOP 2016 (post share sub-division effect)

- a) Under ESOP 2016, the Company granted 2,432,000 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 131,000 options have been forfeited on account of the respective employees no longer in employment.
 - ii 2,301,000 options have vested till March 31, 2022, out of these Options, a total of 2,169,956 options have been exercised.
- c) During the year ended March 31, 2018, the Company issued a further 64,830 options to eligible employees which will vest over three financial years and be eligible for exercise, subject to certain conditions, after August 1, 2020. 64,830 have vested till March 31, 2022, out of these options, a total of 51,150 options have been exercised.
- d) During the year ended March 31, 2019, the Company issued a further 3,000 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 and exercised during the year ended on March 31, 2021 and March 31, 2022 respectively.
- e) During the year ended March 31, 2019, the Company issued a further 18,000 options to eligible employee which will vest over three financial years and be eligible for exercise, subject to certain conditions, after October 3, 2021. All options have been forfeited on account of the respective employees no longer in employment.
- f) During the year ended March 31, 2022, the Company issued a further 1,421,973 options to eligible employee which will vest over four financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025.
 - i. 60,514 options have been forfeited/lapse on account of the respective employees no longer in employment.
 - ii. 1,443 options have vested till March 31, 2022, out of these Options, a total of 1,343 options have been exercised.
- g) During the year ended March 31, 2022, upon exercise of stock options by the eligible employees, the Company has allotted 547,473 equity shares of ₹ 5 each.

Options granted under the aforesaid plans carry no dividend or voting rights.



All amounts in ₹ million, unless stated otherwise

28. Share-based payments (Contd.)

Movements during the year (post share sub-division effect)

Year ended March 31, 2021

Particulars	ESOP 2008		ESOP 2016			Total
	ESOPs granted in					
	2016-17 *	2016-17	2017-18	2018-19#	2021-22	
Outstanding stock options as on April 1, 2020	1,048	22,87,880	64,830	21,000	-	23,74,758
Exercise Price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-		₹ 5/-
Options issued during the year	-	-	-	-	-	-
Options 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

Year ended March 31, 2022

Particulars	ESOP 2008		ESOP 2016			Total
	ESOPs granted in					
	2016-17 *	2016-17	2017-18	2018-19#	2021-22	
Outstanding stock options as on April 1, 2021	-	6,73,864	19,470	3,000	-	6,96,334
Exercise Price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Options issued during the year	-	-	-	-	14,21,973	14,21,973
Options exercised during the year**	-	5,37,340	5,790	3,000	1,343	5,47,473
Options forfeited/lapsed during the year	-	5,480	-	-	60,514	65,994
Outstanding stock options as at March 31, 2022	-	1,31,044	13,680	-	13,60,116	15,04,840
Excercisable stock options as at March 31, 2022	-	1,31,044	13,680	-	100	1,44,824

* 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, 2022 was ₹ 422.40 (March 31, 2021: ₹ 416.33).

There were no cancellations or modifications to the awards in March 31, 2022 or March 31, 2021.

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, 2022	Share options outstanding March 31, 2021
Plan II (ESOP 2016): Grant V	I	01-Aug-16	01-Aug-17	01-Aug-22	5.00	95.41	4,078	67,386
Plan II (ESOP 2016): Grant V	II	01-Aug-16	01-Aug-18	01-Aug-22	5.00	95.41	8,156	1,34,773
Plan II (ESOP 2016): Grant V	III	01-Aug-16	01-Aug-19	01-Aug-22	5.00	95.41	19,356	2,02,159
Plan II (ESOP 2016): Grant V	IV	01-Aug-16	01-Aug-20	01-Aug-22	5.00	95.41	99,454	2,69,546
Plan II (ESOP 2016): Grant II	I	03-Jan-18	03-Jan-19	01-Aug-22	5.00	561.09	4,104	5,841
Plan II (ESOP 2016): Grant II	II	03-Jan-18	03-Jan-20	01-Aug-22	5.00	561.09	4,104	5,841
Plan II (ESOP 2016): Grant II	III	03-Jan-18	01-Aug-20	01-Aug-22	5.00	561.09	5,472	7,788
Plan II (ESOP 2016): Grant IV	I	13-Dec-18	13-Dec-19	03-Oct-22	5.00	379.66	-	2,000
Plan II (ESOP 2016): Grant IV	II	13-Dec-18	03-Oct-20	03-Oct-22	5.00	379.66	-	1,000
Plan II (ESOP 2016): Grant V	I	20-Apr-21	01-Jun-22	01-Jun-27	5.00	357.19	2,72,023	-
Plan II (ESOP 2016): Grant V	II	20-Apr-21	01-Jun-23	01-Jun-27	5.00	357.19	2,72,023	-

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

28. Share-based payments (Contd.)

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (₹) @	Fair value (₹)	Share options outstanding March 31, 2022	Share options outstanding March 31, 2021
Plan II (ESOP 2016): Grant V	III	20-Apr-21	01-Jun-24	01-Jun-27	5.00	357.19	4,08,035	-
Plan II (ESOP 2016): Grant V	IV	20-Apr-21	01-Jun-25	01-Jun-27	5.00	357.19	4,08,035	-
Total							15,04,840	6,96,334

@ For pre-bonus issue options, additional shares on account of bonus adjustment are issued without cost to the employee.

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
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%
20-Apr-21	46.02%	360.95	5.12	5.55%	0.00%

* 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, 2022	March 31, 2021
Employee option plan	112.47	2.42
Total employee share-based payment expense	112.47	2.42

The Company has issued/granted share options to employees of its certain subsidiaries for which cost of ₹ 90.99 million (March 31, 2021: ₹ 1.65 million) is charged to respective subsidiary and reimbursed to the Company.

29 Finance costs

Particulars	March 31, 2022	March 31, 2021
Interest expenses	465.24	604.77
Interest on lease liability	58.49	57.94
Other finance costs*	37.07	39.37
Total	560.80	702.08

* Includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges, other ancillary costs incurred in connection with borrowings other than finance costs that do not meet the definition of transaction costs.



All amounts in ₹ million, unless stated otherwise

30. Depreciation and amortization expenses

Particulars	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment (Note 4)	367.90	404.32
Amortization of intangible assets (Note 5)	10.70	10.43
Total	378.60	414.75

31. Other expenses

Particulars	March 31, 2022	March 31, 2021
Training expenses	32.75	11.95
Uniform and kit items	75.12	74.56
Recruitment incentive expenses	16.27	15.99
Selling expenses	8.19	3.24
Administrative expenses:		
- Travelling and conveyance	173.83	180.50
- Postage and telephone	17.21	31.42
- Stationary and printing	26.11	17.21
- Rent *	216.02	196.47
- Rates & taxes	40.36	51.23
- Insurance	104.06	69.48
- Repairs and maintenance:		
- Buildings	0.94	0.43
- Machinery	10.49	4.99
- Others	49.69	26.78
- Vehicle hire charges	81.73	89.54
- Payments to auditors (Refer details below)	2.30	2.11
- Legal and professional fees	127.38	130.22
- Allowance for expected credit loss	97.33	129.44
- Expense towards corporate social responsibility	13.22	35.84
- Other direct operating cost	124.21	46.38
- Other administration and general expenses #	266.00	221.15
Total	1,483.21	1,338.93

* Rent expenses pertained to short-term leases and low value assets.

"Other Administration and General expenses" includes an amount of ₹ Nil (March 31, 2021: ₹ 0.05 million) towards contribution to a political party in terms of Section 182 of the Companies Act, 2013.

Payment to Auditors

Particulars	March 31, 2022	March 31, 2021
As auditor:		
Audit fee	1.90	1.70
In other capacity:		
Other services (certification fees)	0.40	0.41
Total payment to auditors	2.30	2.11

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

31. Other expenses (Contd.)

Details of CSR expenditure

Particulars	March 31, 2022	March 31, 2021
(a) Gross amount required to be spent by the Company during the year	17.71	19.05
(b) Amount spent during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	13.22	35.84
(c) The nature of CSR activities undertaken by the company		
(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	4.62	13.18
(ii) Local community health check camps, building hospitals, clinics, diagnostic centres and associated infrastructure, blood donation camps and other specific ailment camps.	6.90	19.66
(iii) Protection of national heritage	1.50	2.50
(iv) Programmes in connection with rural development	-	0.50
(v) Promotion of sports, culture and research activities	0.20	-
(d) Adjusted against excess amount spent during the previous year	4.49	-
(e) The excess amount incurred at the end of the year over and above the amount required to be spent by the company during the year	-	16.79

32. 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, 2022	March 31, 2021
Profit attributable to equity holders of the Company :		
Continuing operations	1,339.01	570.93
Profit attributable to equity holders of the Company for basic earnings	1,339.01	570.93
Profit attributable to equity holders of the Company adjusted for the effect of dilution	1,339.01	570.93
Weighted average number of equity shares for basic EPS (Numbers)	14,71,50,940	14,70,67,507
Effect of dilution:		
Stock options (Numbers)	14,88,450	6,78,604
Weighted average number of equity shares adjusted for the effect of dilution	14,86,39,390	14,77,46,111
Nominal value of equity shares (₹)	5.00	5.00
Earnings per share		
- Basic (₹)	9.10	3.88
- Diluted (₹)	9.01	3.86

All amounts in ₹ million, unless stated otherwise

33. Distributions made and proposed

Particulars	March 31, 2022	March 31, 2021
Cash dividends on equity shares declared and paid:		
Final dividend @ ₹ Nil per share (March 31, 2020: ₹ Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-
Interim dividend @ ₹ Nil per share (March 31, 2021: ₹ Nil per share)	-	-
Dividend distribution tax on Interim dividend	-	-

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognized as a liability (including DDT thereon) as at the reporting date.

34. Commitments and contingencies

(a) Capital commitment

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	20.14	2.66

(b) Commitment for purchase of non-controlling interests

Commitment towards Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited') ('Uniq')

Effective February 01, 2019, the Company has acquired 51% of the outstanding equity shares of Uniq 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.

During the year ended March 31, 2022, the Company acquired entire remaining shareholding of 49% in Uniq Security Solutions Private Limited, Subsidiary of the Company, for an aggregate consideration of ₹ 510 million which resulted in Uniq becoming a wholly owned subsidiary of the Company.

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 ₹ 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 ₹ 254 million. With this acquisition, the Company held 90.01% of the outstanding equity shares in SLV as at March 31, 2020.

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 ('RHPL')

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 ₹ 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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

34. Commitments and contingencies (Contd.)

During the year ended March 31, 2020, the Company increased its ownership interest to 82.89% consequent to the fresh equity infusion in RHPL.

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 ₹ 56.3 million which resulted in RHPL becoming a wholly owned subsidiary of the Company.

(c) Contingent liabilities

Particulars	March 31, 2022	March 31, 2021
Claims against the Company not acknowledged as debt:		
- Litigation matters with respect to direct taxes	53.67	-
- Litigation matters with respect indirect taxes	102.29	102.29
Other money for which the Company is contingently liable	7.70	2.55
Total	163.66	104.84

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, 2022.

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.

35. Events occurring after the balance sheet date

There were no significant events that occurred after the Balance Sheet date.

36. Operating segment

Particulars	March 31, 2022	March 31, 2021
Revenue from security services	33,178.47	30,040.79
EBITDA from security services	1,460.75	1,710.00

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.

All amounts in ₹ million, unless stated otherwise

37. Business combinations and acquisition of non-controlling interests

Acquisitions during the year ended March 31, 2022

a. Acquisition of additional interest in Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited') ('Uniq')

Effective February 01, 2019, the Company has acquired 51% of the outstanding equity shares of Uniq 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.

During the year ended March 31, 2022, the Company acquired entire remaining shareholding of 49% in Uniq, Subsidiary of the Company, for an aggregate consideration of ₹ 510 million which resulted in Uniq becoming a wholly owned subsidiary of the Company.

Acquisitions during the year ended March 31, 2021

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 ₹ 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.

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 (RHPL)

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 ₹ 56.3 million which resulted in RHPL becoming a wholly owned subsidiary of the Company.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

38. 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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 Terminus 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	Rendinger business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6 SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited)	India	Rendinger 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.	\$	\$	\$	\$
8 Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
9 Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	India	Providing Security Services.	100.00%	51.00%	0.00%	49.00%
10 Uniq Detective and Security Services (AP) Pvt. Ltd. *	India	Providing Security Services.	100.00%	51.00%	0.00%	49.00%
11 Uniq Detective and Security Services (Tamilnadu) Private Limited *	India	Providing Security Services.	100.00%	51.00%	0.00%	49.00%
12 Uniq Facility Services Private Limited *	India	Providing facility management services.	100.00%	51.00%	0.00%	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%	100.00%	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 Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	Singapore	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
17 SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	Singapore	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%



All amounts in ₹ million, unless stated otherwise

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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	0.00%	100.00%	0.00%	0.00%
27 SX Protective Services Pty. Ltd.#	Australia	Holding company	0.00%	100.00%	0.00%	0.00%
28 Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
29 Southern Cross Loss Prevention Pty Ltd #	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
30 Askara Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
31 Charter Security Protective Services Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
32 Charter Security (NZ) Pty Limited #	New Zealand	Loss prevention, asset protection and security services	0.00%	100.00%	0.00%	0.00%
33 Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	100.00%	51.00%	0.00%	49.00%
34 Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	51.00%	0.00%	49.00%
35 The Alarm Center Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	51.00%	0.00%	49.00%
36 SIS Henderson Holdings Pte Ltd	Singapore	Holding company	100.00%	60.00%	0.00%	40.00%
37 Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	100.00%	60.00%	0.00%	40.00%
38 Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	100.00%	60.00%	0.00%	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.

*** Wholly owned subsidiaries of Southern Cross Protection Pty limited.

Entities have been de-registered during the year ended March 31, 2022.

\$ 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.

\$\$ the place of business for SIS Security International Holdings Pte Limited (formerly known as SIS International Holdings Limited) and SIS Security Asia Pacific Holdings Pte Limited (formerly known as SIS Asia Pacific Holdings Limited) has been changed from British Virgin Islands (BVI) and Malta respectively, during the year ended March 31, 2022.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

38. 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, 2022	March 31, 2021
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, 2022	March 31, 2021
1 Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

39. Related party transactions

Note 38 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. Rajan Verma - Independent Director (w.e.f. July 28, 2021)		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 – India)		
Ms. Pushpalatha Katkuri (Company secretary)		



All amounts in ₹ million, unless stated otherwise

39. 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Purchase of property, plant and equipment	97.89	31.45	-	-	-	-	-	-	97.89	31.45
Purchase of goods / receiving of services / expenses reimbursed by the Company	322.10	112.92	0.50	1.48	-	-	-	65.85	322.60	180.25
Sale of goods / rendering of services / expenses reimbursed by related party	218.17	153.03	14.13	12.50	-	-	78.67	75.62	310.97	241.15
Repayment of loans given *	-	142.36	-	-	-	-	-	-	-	142.36
Interest expense on bonds / debentures / loans	60.00	60.00	-	-	-	-	-	-	60.00	60.00
Interest income on bonds or debentures or loans	44.89	55.80	19.25	19.25	-	-	0.72	0.84	64.86	75.89
Dividend income	504.94	4.83	-	-	-	-	-	-	504.94	4.83
Salary & remuneration paid **	-	-	-	-	71.25	65.58	-	-	71.25	65.58
Rent paid	-	-	-	-	16.56	16.56	73.10	70.76	89.66	87.32
Uniform business acquired under slump sale	-	-	-	-	-	-	-	4.78	-	4.78

*The Company has converted loan given to Tech SIS Limited into equity investment of ₹ 75.00 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

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade payables / other payables	18.25	51.51	-	-	-	-	19.73	19.68	37.99	71.19
Trade receivables / other receivables	118.01	270.93	94.58	110.89	-	-	70.75	87.53	283.34	469.35
Loans and advances to related party	234.59	234.59	-	-	-	-	-	-	234.59	234.59
Bonds and debentures issued	747.43	747.01	-	-	-	-	-	-	747.43	747.01

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

39. Related party transactions (Contd.)

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Investment in shares	5,337.08	4,819.27	77.89	77.89	-	-	-	-	5,414.97	4,897.16
Investment in bonds / debentures	173.61	171.02	175.00	175.00	-	-	-	-	348.61	346.02
Corporate guarantee provided	3,660.26	5,295.00	-	-	-	-	-	-	3,660.26	5,295.00

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, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ 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.

Information regarding significant transactions:

S No	Particulars	Relationship	March 31, 2022	March 31, 2021
a)	Purchase of property, plant and equipment			
	Tech SIS Limited	Subsidiaries	75.34	31.45
b)	Purchase of goods / receiving of services / expenses reimbursed to related parties			
	Tech SIS Limited	Subsidiaries	216.66	66.09
	Service Master Clean Limited	Subsidiaries	57.79	11.96
	Duster Total Solution Services Private Limited	Subsidiaries	30.04	24.25
c)	Sale of goods / rendering of services / expenses reimbursed by related parties			
	Duster Total Solution Services Private Limited	Subsidiaries	105.20	43.79
	Service Master Clean Limited	Subsidiaries	37.23	39.73
	Rare Hospitality and Services Private Limited	Subsidiaries	20.90	16.55
	Uniq Security Solutions Private Limited	Subsidiaries	19.72	18.65
	Security Skills Council India Limited	Others*	78.67	75.62
d)	Interest expense on bonds / debentures / loans received			
	SIS Australia Group Pty Ltd	Subsidiaries	60.00	60.00
e)	Interest income on bonds / debentures / loans given			
	Service Master Clean Limited	Subsidiaries	26.09	27.67
	SIS Alarm Monitoring and Response Service Pvt Ltd	Subsidiaries	13.20	13.20
	SIS Cash Services Private Limited	Associates	19.25	19.25
f)	Dividend income			
	SIS Australia Group Pty Limited	Subsidiaries	504.94	4.83
	SIS Security International Holdings Pte. Ltd.	Subsidiaries	-	-

All amounts in ₹ million, unless stated otherwise

39. Related party transactions (Contd.)

S No	Particulars	Relationship	March 31, 2022	March 31, 2021
g) Salary & remuneration				
	Ravindra Kishore Sinha	KMP **	22.82	22.71
	Devesh Desai	KMP **	12.31	11.65
	Rituraj Kishore Sinha	KMP **	9.69	9.69
	Arvind Kumar Prasad	KMP **	5.44	5.21
	Brajesh Kumar	KMP **	7.39	6.76
	Pushpalatha Katkuri	KMP **	3.76	3.40
h) Rent paid				
	SIS Asset Management Limited	Others*	53.36	51.02

* Others represents Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company

** Key Management personnel and their relatives

The details of loans and advances as required by Schedule V of SEBI (Listing Obligation and Disclosure requirements) regulation, 2015 are given in the table below:

	March 31, 2022		March 31, 2021	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
Service Masters Clean Limited	217.24	217.24	217.24	249.60
Tech SIS Limited	17.35	17.35	17.35	92.35
Total	234.59	234.59	234.59	341.95

40. 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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

40. Financial risk management (Contd.)

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:

Particulars	Financial assets	Financial liabilities
As at March 31, 2022		
SGD	2.42	-
AUD	7.81	10.79
Net exposure to foreign currency risk as at March 31, 2022	10.23	10.79
As at March 31, 2021		
AUD	-	51.51
Net exposure to foreign currency risk as at March 31, 2021	-	51.51

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, 2022	March 31, 2021
Sensitivity		
Increase by 5%	0.03	2.58
Decrease by 5%	(0.03)	(2.58)

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 Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2022	March 31, 2021
Variable rate borrowings:		
- Loan repayable on demand	3,288.46	2,990.00
- Loans	310.19	266.75
Fixed rate borrowings		
- Bonds/ Debentures	1,894.32	3,397.43
- Vehicle loan	157.76	113.99
- Others	747.58	747.01
Total	6,398.31	7,515.18

The Company's fixed rate borrowings are carried at amortized 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, 2022	March 31, 2021
Interest rates - increase by 25 basis points *	9.00	8.14
Interest rates - decrease by 25 basis points *	(9.00)	(8.14)

*Holding all other variables constant

All amounts in ₹ million, unless stated otherwise

40. Financial risk management (Contd.)

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, 2022 and March 31, 2021, respectively and revenues for the year ended March 31, 2022 and March 31, 2021, 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

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, 2022	March 31, 2021
Company's long-term debt	3,109.85	4,525.18
Company's long-term debt that will mature in less than one year from reporting period	2,098.77	1,665.84
	67.49%	36.81%

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, 2022

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	3,288.46	53.45	2,051.06	1,011.94	3.11	6,408.02
Lease liability	-	32.71	98.15	575.52	69.73	776.11
Other financial liabilities	-	2,500.74	-	-	-	2,500.74
Trade payables	-	130.34	-	-	-	130.34
Financial guarantee contracts	-	0.16	0.48	5.87	-	6.51

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, unless stated otherwise

40. Financial risk management (Contd.)

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	3.91	-	6.22

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.

Trade payable ratio has not been computed since trade payable for purchase of goods are not material.

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, 2022	March 31, 2021
Financial Assets:		
Investments	348.61	346.03
Loans	234.59	234.59
Other financial assets	2,721.12	2,461.13
Total	3,304.32	3,041.75

The Company has not invested in other than investments in subsidiaries and associates, hence Return on Investment ratio has not been disclosed.

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Year ended March 31, 2022

Balance sheet caption	As at April 1, 2021	Cash flow	Transaction cost	Finance cost	As at March 31, 2022
Borrowings *	4,525.18	(1,413.71)	-	(1.62)	3,109.85
Interest accrued	198.14	(677.01)	-	503.93	25.06

Year ended March 31, 2021

Balance sheet caption	As at April 1, 2020	Cash flow	Transaction cost	Finance cost	As at March 31, 2021
Borrowings *	2,837.90	1,682.82	-	4.46	4,525.18
Interest accrued	152.25	(593.78)	-	639.67	198.14

* Excluding borrowings considered as cash and cash equivalents for the purpose of statement of cash flows.



All amounts in ₹ million, unless stated otherwise

41. 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 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:

- 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
- 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 and lease liabilities less cash and cash equivalents including bank balances and deposits irrespective of their duration / maturity.

Particulars	March 31, 2022	March 31, 2021
Borrowings (Note 15)	6,398.31	7,515.18
Lease liability (Note 16)	490.43	453.46
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(1,685.91)	(4,052.97)
Net Debt	5,202.83	3,915.67
EBITDA	1,460.75	1,710.00
Net debt to EBITDA ratio	3.56	2.29

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.

A) Financial ratios:

Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021
Current ratio	Current asset	Current liabilities	1.03	1.41
Debt-equity ratio	Total debt	Shareholders' equity	0.77	0.93
Debt service coverage ratio	Earning before interest and taxes	Debt service *	0.42	0.56
Return on equity ratio	Net profits after taxes	Average shareholders' equity	16.02%	7.03%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.96	6.60
Inventory turnover ratio	Cost of goods sold	Average inventory	2.61	2.12
Net capital turnover ratio	Revenue from operations	Working capital	18.40	11.73
Net profit ratio	Net profits after taxes	Revenue from operations	4.04%	1.90%
Return on capital employed	Earning before interest and taxes	Capital employed **	8.46%	10.11%

Revenue growth and cost efficiency along with working capital improvement has resulted an improvement in ratios.

* Debt service = Interest expense + Current maturities of long-term debt

**Capital employed = Total equity + Net debt

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

41. Additional capital disclosures (Contd.)

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 May 04, 2022, has not proposed final dividend for the year ended March 31, 2022 (March 31, 2021: ₹ 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 ₹ 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 unrealized profits.

As per our report of even date

For **Saxena & Saxena**

For and on behalf of the Board of Directors

Chartered Accountants

(Firm's Registration. No. 006103N)

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: New Delhi

Date: May 04, 2022

Devesh Desai

Chief Financial Officer

Brajesh Kumar

Chief Financial Officer (India)

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, 2022, 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 as amended (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, 2022, 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 ethical 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 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 for the year ended March 31, 2022. 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. For each matters below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the Consolidated Financial Statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated Financial Statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Key Audit Matter	Auditor's Response
<p>Audit of Impairment Testing of Goodwill & Other Acquisition related intangible Assets</p> <p>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, 2022 corresponding to the percentage (approx. 56%) 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.</p> <p>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).</p> <p>The Group has an established process to test for such impairment, based on the identified cash generating units (CGU), as described in note 5.</p>	<p>How our Audit addressed the Key Audit matter</p> <p>Our audit procedure included and not limited to the following</p> <p>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.</p>

Independent Auditors' Report Contd.

Key Audit Matter	Auditor's Response
<p>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.</p> <p>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.</p> <p>Other acquisition related intangible assets are subject to depreciations/amortization according to plan. For these assets, an impairment test is performed if there is any indicator for the same.</p>	<p>Control of the sensitivity in the valuation for negative changes to key assumptions, that either individually or collectively could imply an impairment of goodwill.</p> <p>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.</p> <p>Based on our audit, it is however our conclusion that Group's assumptions are such that they are within acceptable intervals.</p>
Accuracy of recognition, measurement, presentation & disclosures of revenue	How our audit addressed the Key audit matter
<p>The Company's consolidated revenue for the financial year ending March 31, 2022 is ₹ 100,590.76 million. 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.</p> <p>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.</p> <p>Judgements include:</p> <ul style="list-style-type: none">• Interpretation of complex contract terms;• Allocation of revenue to performance conditions; and• Combining of obligations where the services are related. <p>The nature of the Group's activities also gives rise to significant amount of work which is recorded as accrued unbilled income with corresponding profit recognition. Accrued unbilled income as on March 31, 2022 aggregated to ₹ 4,867.30 million.</p>	<p>Our audit procedure included and not limited to the following</p> <p>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.</p> <p>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.</p> <p>We have also completed the following audit procedures:</p> <ul style="list-style-type: none">• 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 record, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied.• Reviewed the revenue audit reports• Review of presentation and disclosures.
Uncertain tax positions and deferred tax assets	How our audit addressed the Key audit matter
<p>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.</p>	<p>Our audit procedure included and not limited to the following</p> <p>We obtained details of completed tax assessments and demands for the year ended March 31, 2022 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, 2021 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.</p>

Key Audit Matter	Auditor's Response
<p>In addition, the Group has recognized ₹ 2,911.03 million of deferred tax assets at March 31, 2022. 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.</p>	<p>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.</p>

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:

Independent Auditors' Report Contd.

- 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 Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated 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 Consolidated Financial Statements.

We communicate with those charged with governance of the parent 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 consolidated 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 30 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 31,420.69 Mn as at March 31, 2022, total revenues of ₹ 62,902.33 Mn, total net profit after tax of ₹ 2,255.50 Mn and total comprehensive income of ₹ 2,265.19 Mn and net cash outflow of ₹ 1,296.85 Mn, for the year ended on that date, as considered in the Consolidated Financial Statements included in the Statements. The Consolidated Financial Statements also include the Group's share of net profit of ₹ 26.01 Mn for the year ended March 31, 2022, as considered in the consolidated 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 2 subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 455.95 Mn as at March 31, 2022, total revenues of ₹ Nil, total net profit after tax of ₹ 949.66 Mn and total comprehensive income of ₹ 949.66 Mn for the period ended on that date, as considered in the Consolidated Financial 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 30 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 Financial Statements, 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. The comparative financial information for the year ended March 31, 2021, in respect of 33 subsidiaries and 4 associates/ jointly controlled entities, included in the Consolidated Financial Statements and included in the Statements, prepared in accordance with Ind AS have been audited by other auditors and have been relied upon by us.
5. 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 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

1. 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 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 with companies (Indian Accounting Standards) Rules, 2015 as amended relevant rules issued there under.
 - e) On the basis of the written representations received from the directors of the parent as on March 31, 2022 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, 2022 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

Independent Auditors' Report Contd.

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.

iv. (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Parent from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever

("Ultimate Beneficiaries") by or on behalf of the Funding Party or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

(c) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d)(i) and d(ii) contain material mis statement.

v. No dividend has been declared or paid during the year by the Parent.

2. With respect to the other matters to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Parent to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

3. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports of the Parent and its subsidiaries, associates / joint ventures included in the consolidated financial statements of the Group, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For **Saxena & Saxena**

Chartered Accountants
(Firm's Registration. No. 006103N)

CA Dilip Kumar
(Partner)

Membership No. 082118
UDIN: 22082118AIKIWH1704

Place: New Delhi
Date: May 04, 2022

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, 2022, 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, 2022, 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: 22082118AIKIWH1704

Place: New Delhi
 Date: May 04, 2022

Balance Sheet

as at March 31, 2022

All amounts in ₹ million, except share data

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
A ASSETS			
Non – current assets			
Property, plant and equipment	4	2,791.81	2,564.11
Capital work-in-progress	4	23.22	50.37
Goodwill	5	11,646.63	11,413.21
Other intangible assets	5	1,576.92	1,621.73
Intangible assets under development	5	211.39	118.05
Investments in associates and joint ventures	6	410.24	383.23
Financial assets			
(i) Investments	6	549.82	549.82
(ii) Other non-current financial assets	7	712.81	560.97
Deferred tax assets (net)	8	2,911.03	2,406.74
Income tax assets (net)	8	2,395.03	1,586.68
Other non – current assets	9	31.83	10.55
Total non – current assets		23,260.73	21,265.46
Current assets			
Inventories	10	340.25	308.93
Financial assets			
(i) Investments	6	2.93	2.38
(ii) Trade receivables	11	13,912.96	12,430.13
(iii) Cash and cash equivalents	12	6,840.15	8,542.76
(iv) Bank balances other than (iii) above	12	543.94	2,337.61
(v) Other current financial assets	7	5,115.82	4,330.66
Other current assets	9	943.65	1,178.08
Assets classified as held for distribution to shareholders of subsidiary	37	2.22	2.22
Total current assets		27,701.92	29,132.77
Total assets		50,962.65	50,398.23
B EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	735.16	741.51
Other equity	14	19,977.36	17,566.12
Equity attributable to owners		20,712.52	18,307.63
Non-controlling interests	39	30.61	20.73
Total equity		20,743.13	18,328.36
Liabilities			
Non – current liabilities			
Financial liabilities			
(i) Borrowings	15	6,068.80	7,420.78
(ia) Lease liabilities	16	900.08	914.21
Provisions	20	1,699.61	1,413.85
Deferred tax liabilities (net)	8	369.93	475.07
Total non- current liabilities		9,038.42	10,223.91
Current liabilities			
Financial liabilities			
(i) Borrowings	15	7,214.47	6,141.82
(ia) Lease liabilities	16	324.78	253.20
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	39.23	20.11
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	543.38	641.36
(iii) Other current financial liabilities	18	7,449.00	9,028.30
Other current liabilities	21	1,745.15	1,563.22
Provisions	20	3,857.94	3,689.43
Current tax liabilities (net)	8	4.33	505.70
Liabilities classified as held for distribution to shareholders of subsidiary	37	2.82	2.82
Total current liabilities		21,181.10	21,845.96
Total liabilities		30,219.52	32,069.87
Total equity and liabilities		50,962.65	50,398.23

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

For **Saxena & Saxena**

Chartered Accountants

(Firm's Registration. No. 006103N)

For and on behalf of the Board of Directors

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: New Delhi

Date: May 04, 2022

Devesh Desai

Chief Financial Officer

Brajesh Kumar

Chief Financial Office (India)

Pushpalatha Katkuri

Company Secretary



Statement of Profit and Loss

for the year ended March 31, 2022

All amounts in ₹ million, except share data

S No	Particulars	Note No.	Year ended	
			March 31, 2022	March 31, 2021
1	Income			
	a) Revenue from operations	23	1,00,590.76	91,273.04
	b) Other income	24	282.07	1,198.60
	c) Other gain / (loss)	25	244.72	3,579.34
	Total income (a + b + c)		1,01,117.55	96,050.98
2	Expenses			
	a) Cost of materials consumed	26	398.50	314.56
	b) Purchases of inventories		429.03	456.32
	c) Changes in inventories	27	(31.32)	29.66
	d) Employee benefits expense	28	78,112.45	70,564.79
	e) Finance costs	29	983.67	1,272.50
	f) Depreciation and amortization expenses	30	1,115.51	1,130.30
	g) Other expenses	31	16,697.11	14,699.91
	Total expenses (a + b + c + d + e + f + g)		97,704.95	88,468.04
3	Profit before tax and exceptional items (1-2)		3,412.60	7,582.94
4	Share of profit/(loss) of associates / joint ventures	39	26.01	5.46
5	Exceptional items	5	-	2,762.46
6	Profit before tax (3+4-5)		3,438.61	4,825.94
7	Tax expense			
	a) Current tax	8	761.16	1,060.37
	b) Deferred tax	8	(581.82)	93.47
	Total tax expense		179.34	1,153.84
8	Profit for the year (6-7)		3,259.27	3,672.10
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	14	250.33	757.43
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	28	(83.01)	(2.95)
	b) Income tax relating to these items	8	20.89	0.74
	c) Share of other comprehensive income of associates / joint ventures"	39	3.91	-
	Other comprehensive income / (loss) for the year (net of taxes)		192.12	755.22
10	Total comprehensive income for the year (8+9)		3,451.39	4,427.32
11	Profit attributable to:			
	Owners of the Parent		3,250.69	3,654.10
	Non-controlling interests	39	8.58	18.00
			3,259.27	3,672.10
12	Other comprehensive income attributable to:			
	Owners of the Parent		190.82	755.51
	Non-Controlling interests	39	1.30	(0.29)
			192.12	755.22
13	Total comprehensive income attributable to:			
	Owners of the Parent		3,441.51	4,409.61
	Non-controlling interests	39	9.88	17.71
			3,451.39	4,427.32
11	Earnings per share (EPS) (face value ₹ 5/- per share)	32		
	(a) Basic (₹)		22.09	24.85
	(b) Diluted (₹)		21.87	24.73
12	Weighted average equity shares used in computing earnings per equity share	32		
	(a) Basic (Nos.)		14,71,50,940	14,70,67,507
	(b) Diluted (Nos.)		14,86,39,390	14,77,46,111

The accompanying notes form an integral part of these consolidated financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors

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: New Delhi
Date: May 04, 2022

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Statement of changes in Equity

for the year ended March 31, 2022

All amounts in ₹ million unless stated otherwise

A. Equity Share Capital

Particulars	Amounts
As at April 1, 2020	733.19
Issued on exercise of stock options	8.32
As at March 31, 2021	741.51
Issued on exercise of stock options	2.74
Buyback of equity shares (refer note 13)	(9.09)
As at March 31, 2022	735.16

B. Other Equity

Year ended March 31, 2021

Particulars	Reserves and Surplus										Total	
	Securities premium	General reserve	Retained earnings	Share options outstanding account	Debtenture redemption reserve	Capital redemption reserve	Capital reserve	Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners		Non-controlling interests
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 / (loss)	-	-	(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)
Share application money received during the year	-	-	-	-	-	-	-	-	8.61	8.61	-	8.61
Issued on exercise of stock options	180.16	-	-	(180.16)	-	-	-	-	(8.32)	(8.32)	-	(8.32)
Employee share-based payment expense	-	-	-	6.17	-	-	-	-	-	6.17	-	6.17
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	-	-	-	-	-	-	-
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

Statement of changes in Equity

for the year ended March 31, 2022

All amounts in ₹ million unless stated otherwise

Particulars	Reserves and Surplus										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 redemption reserve	Capital reserve	Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners				
As at April 1, 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		
Profit for the year	-	-	3,259.27	-	-	-	-	-	-	3,259.27	8.58	3,267.85		
Other comprehensive income / (loss)	-	-	(58.21)	-	-	-	-	250.33	-	192.12	1.30	193.42		
Total comprehensive income for the year	-	-	3,201.06	-	-	-	-	250.33	-	3,451.39	9.88	3,461.27		
Share application money received during the year	-	-	-	-	-	-	-	-	2.47	2.47	-	2.47		
Issued on exercise of stock options	55.28	-	-	(55.28)	-	-	-	-	(2.74)	(2.74)	-	(2.74)		
Employee share-based payment expense	-	-	-	202.48	-	-	-	-	-	202.48	-	202.48		
Allocation to non-controlling interests	-	-	(9.88)	-	-	-	-	-	-	(9.88)	-	(9.88)		
Creation/transfer of debenture redemption reserve	-	375.00	-	-	(375.00)	-	-	-	-	-	-	-		
Buyback of equity shares, including tax thereon	(1,000.00)	-	(230.84)	-	-	9.09	-	-	-	(1,221.75)	-	(1,221.75)		
Transaction cost related to buyback of equity shares (net of taxes)	(10.73)	-	-	-	-	-	-	-	-	(10.73)	-	(10.73)		
As at March 31, 2022	2,736.01	560.94	15,623.96	225.41	-	9.09	181.24	640.69	0.02	19,977.36	30.61	20,007.97		

The accompanying notes form an integral part of these Consolidated financial statements.

As per our report of even date

For **Saxena & Saxena**

Chartered Accountants

(Firm's Registration No. 006103N)

For and on behalf of the Board of Directors

CA. Dilip Kumar

(Partner)

Membership No. 082118

Place: New Delhi

Date: May 04, 2022

Ravindra Kishore Sinha

Chairman

(DIN: 00945635)

Devesh Desai

Chief Financial Officer

Rituraj Kishore Sinha

Managing Director

(DIN: 00477256)

Brajesh Kumar

Chief Financial Officer (India)

Arvind Kumar Prasad

Director – Finance

(DIN: 02865273)

Pushpalatha Katkuri

Company Secretary

Statement of Cash Flows

for the year ended March 31, 2022

All amounts in ₹ million, unless stated otherwise

S No	Particulars	Year ended	
		March 31, 2022	March 31, 2021
A. CASH FLOWS FROM OPERATING ACTIVITIES			
	Profit before tax	3,438.61	4,825.94
	Adjusted for:		
	Depreciation and amortization expenses	1,115.51	1,130.30
	Unrealised foreign exchange (gain) / loss	26.95	(392.74)
	Net (gain) / loss on sale of property, plant and equipment	(14.24)	(52.05)
	Finance costs	983.67	1,272.50
	Interest income (including net gain/ (loss) on fair value of financial assets/liabilities)	(539.50)	(4,333.15)
	Allowance for expected credit loss	195.67	252.90
	Employee share-based payment expense	112.47	2.42
	Other non-cash items	(26.01)	2,757.00
	Operating profit/(loss) before working capital changes	5,293.13	5,463.12
	Movement in working capital:		
	Decrease / (increase) in trade receivables	(1,422.81)	(92.99)
	Decrease / (increase) in inventories	(30.95)	94.51
	Decrease / (increase) in other current assets	260.81	(4.18)
	Decrease / (increase) in other current financial assets	(668.09)	472.06
	(Decrease) / increase in trade payables	(180.55)	(1.18)
	(Decrease) / increase in provisions	288.32	763.14
	(Decrease) / increase in other current liabilities	179.37	(25.46)
	(Decrease) / increase in other current financial liabilities	644.97	346.88
	Decrease / (increase) in other non-current assets	0.80	8.78
	Decrease / (increase) in other non-current financial assets	19.84	55.88
	(Decrease) / increase in other non-current financial liabilities	9.29	(80.77)
	Cash (used in) /generated from operations	4,394.13	6,999.79
	Direct tax (paid), net of refunds	(2,059.18)	(604.06)
	Net cash inflow / (outflow) from operating activities	2,334.95	6,395.73
B. CASH FLOWS FROM INVESTING ACTIVITIES			
	Purchase of property plant and equipment and changes in capital work in progress	(1,083.31)	(684.76)
	Proceeds from sale/disposal of property, plant and equipment	62.73	220.28
	Investment made	(2,125.72)	(2,146.49)
	(Investment in) / redemption of fixed deposits	1,641.99	(1,890.03)
	Restricted balances	(0.93)	1,740.76
	Interest received	277.85	1,122.40
	Dividend received	3.28	2.72
	Net cash inflow / (outflow) from investing activities	(1,224.11)	(1,635.12)



All amounts in ₹ million, unless stated otherwise

S No	Particulars	Year ended	
		March 31, 2022	March 31, 2021
C. CASH FLOWS FROM FINANCING ACTIVITIES			
	Proceeds from issue of share capital (net of share issue expenses)	2.46	7.65
	Buyback of equity shares including transaction cost and tax	(1,241.57)	-
	Foreign exchange gain / (loss) realized	(6.30)	(2.15)
	Proceeds from term loans	1,783.07	5,284.59
	Repayment of term loans	(1,254.88)	(5,475.24)
	Bonds/debentures issued / (repaid/redeemed)	(1,499.79)	1,900.00
	Interest paid	(932.62)	(909.17)
	Changes in lease liability	(361.53)	(367.32)
	Net cash inflow / (outflow) from financing activities	(3,511.16)	438.36
	D. Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,400.32)	5,198.97
	E. Cash and cash equivalents at the beginning of the year	4,318.00	(1,251.64)
	F. Translation adjustments	34.04	370.67
	Cash and cash equivalents at the end of the year (D+E+F)	1,951.72	4,318.00
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, 2022	March 31, 2021
	Cash and cash equivalents	6,840.15	8,542.76
	Cash credit	(4,888.43)	(4,224.76)
	Balances as per statement of cash flows	1,951.72	4,318.00

The accompanying notes form an integral part of these Consolidated financial statements.

As per our report of even date

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

For and on behalf of the Board of Directors

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: New Delhi
Date: May 04, 2022

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Notes to the financial statements

All amounts in ₹ million, unless stated otherwise

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 38.

These financial statements were authorized for issue by the directors on May 04, 2022.

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 Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for

financial periods commencing from April 1, 2021. The Group has evaluated the effect of the amendments on its financial statements and complied with the same.

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. The figures which are appearing as '0' are result of rounding off.

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:

- Certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;
- Assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;
- Share based payments; and
- The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.
- Liability in respect of forward contract/ call and put options for acquisition of Non-controlling interests are measured at fair value.
- 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

All amounts in ₹ million, unless stated otherwise

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 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:

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

- (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 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:

- It 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.



All amounts in ₹ million, unless stated otherwise

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 cost 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 Group depreciates property, plant and equipment over the estimated useful lives using the written down value method (and straight-line method in respect of certain subsidiaries) 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	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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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.

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.



All amounts in ₹ million, unless stated otherwise

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 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 below categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

- Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial instruments at amortised cost

A 'financial asset' 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 recognized in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognized 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.

Financial asset 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 in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss.

Financial instrument at FVTPL

FVTPL is a residual category for financial asset. Any financial asset, 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 financial asset, 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').

Financial asset 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 recognized 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 derecognized (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.



All amounts in ₹ million, unless stated otherwise

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 recognized 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 recognized 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 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 recognized 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 recognized 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 recognized in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognized 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 recognized 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 recognized and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 recognized 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 derecognized 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 recognized 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 recognized in the statement of profit and loss as other gains/losses.

Derivatives

Derivatives are initially recognized 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 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 through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognized 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 recognized 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 recognized 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

All amounts in ₹ million, unless stated otherwise

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 recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (allowance for expected credit loss).

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, 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.

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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 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,



All amounts in ₹ million, unless stated otherwise

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.

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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.

- e. Unearned/deferred revenue (contract liabilities) represents revenue billed but for which services have not yet been performed. 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.

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 financial asset 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").



All amounts in ₹ million, unless stated otherwise

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 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/Leave obligations

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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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's 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 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

All amounts in ₹ million, unless stated otherwise

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 right-of-use asset is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses if any and adjusted for any re-measurement of the lease liability. 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 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

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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 comprised 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 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



All amounts in ₹ million, unless stated otherwise

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.

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standard) Amendment Rules, 2022 on March 23, 2022. The key amendments are given below;

IndAS16 – Property, Plant and equipment - The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognized in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements

IndAS 37 – Provisions, Contingent Liabilities and Contingent Assets

- The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Group has evaluated the amendment and the impact is not expected to be material

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.

All amounts in ₹ million, unless stated otherwise

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 28
- Estimation of provision for warranty claims – Note 20
- 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 34
- 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 34
- Recognition of deferred tax assets for carried forward of tax losses – Note 8
- Consolidation decisions and classification of joint arrangements – Note 39
- 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 28.

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.

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

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.



All amounts in ₹ million, unless stated otherwise

4. Property, plant and equipment

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 and Machinery	817.60	-	221.77	(165.54)	31.80	905.63	322.82	143.36	(38.67)	24.67	452.18	453.45
Furniture and 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

Year ended March 31, 2022

Description of assets	Gross block					Accumulated depreciation					Net carrying value as at March 31, 2022	
	As at April 1, 2021	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	Sale and adjustments	Translation adjustments		As at March 31, 2022
Buildings	1,510.72	-	247.34	(27.15)	18.98	1,749.89	562.39	292.83	(9.03)	9.06	855.25	894.64
Leasehold improvement	229.61	-	34.16	-	-	263.77	134.22	31.36	(0.81)	-	164.77	99.00
Plant and Machinery	905.63	-	411.75	(47.28)	5.18	1,275.28	452.18	157.82	(31.10)	3.44	582.34	692.94
Furniture and Fixture	668.50	-	35.72	0.06	4.73	709.01	430.71	66.57	(21.48)	3.29	479.09	229.92
Vehicles	1,087.99	15.67	271.92	(105.40)	18.25	1,288.43	495.83	212.51	(59.56)	10.27	659.05	629.38
Office equipment	440.28	-	48.84	(1.47)	-	487.65	307.78	64.67	(1.10)	-	371.35	116.30
Computer equipment	295.47	-	66.63	(2.54)	5.21	364.77	190.98	43.02	(2.51)	3.65	235.14	129.63
	5,138.20	15.67	1,116.36	(183.78)	52.35	6,138.80	2,574.09	868.78	(125.59)	29.71	3,346.99	2,791.81
Capital work-in-progress	50.37	-	58.01	(85.56)	0.40	23.22	-	-	-	-	-	23.22
Grand total	5,188.57	15.67	1,174.37	(269.34)	52.75	6,162.02	2,574.09	868.78	(125.59)	29.71	3,346.99	2,815.03

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

4 Property, Plant & Equipment (Contd.)

Right-of use assets included above in building, vehicles and plant and machinery is mentioned below:

Particulars	Building	Vehicles	Equipment	Total
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/adjustments 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
Additions during the year	247.34	24.02	0.52	271.88
Derecognised/adjustments during the year	(9.66)	(0.95)	0.44	(10.17)
Depreciation during the year	(287.84)	(12.48)	(5.72)	(306.04)
Translation adjustments	9.92	0.75	(0.06)	10.61
Balance as on March 31, 2022	805.12	29.05	0.85	835.02

Refer note 16 for disclosure of related lease liabilities.

(i) Capital work in progress (CWIP)

CWIP as at March 31, 2022 and March 31, 2021 amounting to ₹ 23.22 Mn and 50.37 Mn respectively.

Year ended March 31, 2021

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	50.37	-	-	-	50.37
Total	50.37	-	-	-	50.37

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	23.22	-	-	-	23.22
Total	23.22	-	-	-	23.22

(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 34 (a) for disclosure of contractual commitment for the acquisition of property, plant and equipment.



All amounts in ₹ million, unless stated otherwise

5. Goodwill and Other Intangible assets

Year ended March 31, 2021

Description of assets	Gross block					Accumulated amortisation / Impairment loss				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 April 1, 2020	Charge for the year	Sale and adjustments	Translation adjustments		As at March 31, 2021
Goodwill	12,322.66	24.17	-	(49.19)	1,926.52	14,224.16	-	-	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
License and franchise	38.03	-	-	-	-	38.03	20.21	1.98	-	-	22.19
Customer Contracts/relationship	897.01	15.14	-	65.76	130.05	1,107.96	408.37	152.56	(18.57)	70.04	612.40
Brand name	833.27	-	-	-	2.50	835.77	-	-	-	-	835.77
Non-competition agreements	241.17	-	-	-	-	241.17	62.39	44.17	18.57	-	125.13
	2,166.79	15.14	98.01	62.94	212.01	2,554.89	556.67	244.55	(2.82)	134.76	933.16
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	(63.17)	2,148.14	16,897.10	556.67	3,007.01	(2.82)	183.25	3,744.11

Year ended March 31, 2022

Description of assets	Gross block					Accumulated amortisation / Impairment loss				Net carrying value as at March 31, 2022	
	As at April 1, 2021	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at April 1, 2021	Charge for the year	Sale and adjustments	Translation adjustments		As at March 31, 2022
Goodwill	14,224.16	51.88	-	-	240.77	14,516.81	2,810.95	-	59.23	2,870.18	11,646.63
Other intangible assets											
Computer software *	331.96	-	134.68	-	19.62	486.26	173.44	66.25	-	10.91	250.60
License and franchise	38.03	-	-	-	-	38.03	22.19	1.91	-	-	24.10
Customer Contracts/relationship	1,107.96	51.38	-	1.93	20.44	1,181.71	612.40	139.00	0.15	15.39	766.94
Brand name	835.77	-	-	-	0.32	836.09	-	-	-	-	836.09
Non-competition agreements	241.17	-	-	12.38	-	253.55	125.13	39.57	12.38	-	177.08
	2,554.89	51.38	134.68	14.31	40.38	2,795.64	933.16	246.73	12.53	26.30	1,218.72
Intangible assets under development											
Computer software	118.05	-	15.07	81.49	(3.22)	211.39	-	-	-	-	211.39
Grand total	16,897.10	103.26	149.75	95.80	277.93	17,523.84	3,744.11	246.73	12.53	85.53	4,088.90

* Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

5. Goodwill and Other Intangible assets (Contd.)

Ageing of Intangible assets under development:

Year ended March 31, 2021

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress	73.54	26.79	17.72	-	118.05
Total	73.54	26.79	17.72	-	118.05

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress	98.10	72.49	26.56	14.24	211.39
Total	98.10	72.49	26.56	14.24	211.39

Intangible assets under development consist of expenditure on development of a new Enterprise Resource Planning (ERP) software.

(i) Estimated remaining useful life of other intangible assets were as follows:

Description of assets	March 31, 2022	March 31, 2021
Computer software	3.91 years	3.92 years
Customer contracts/Relationship	9.22 years	10.27 years
Non-competition agreements	2.01 years	2.98 years
License and Franchise	7.00 years	8.00 years

(ii) Refer note 37 for assets acquired on acquisition of business

(iii) Impairment testing of goodwill and brands with indefinite lives

Particulars	March 31, 2022	March 31, 2021
Carrying value at the beginning of the year	11,413.21	12,322.66
Goodwill on acquisition of SIS Henderson Holdings Pte Ltd	-	(2,762.46)
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)
Goodwill on acquisition of business assets of Protection Plus Security Pty Limited	51.09	-
Goodwill on acquisition of business assets of Protective Services Limited	0.79	-
Translation differences	181.54	1,878.03
Carrying value at the end of the year	11,646.63	11,413.21

The break-up of allocation of goodwill to operating segments is as follows:

Particulars	March 31, 2022	March 31, 2021
Security Services – India	2,174.32	2,174.32
Security Services – International	8,427.56	8,194.14
Facilities Management	1,044.75	1,044.75
	11,646.63	11,413.21

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, Guardforce Security Limited, Protection Plus Security Pty Limited and Protective Services Limited has been allocated to the group of CGUs which are represented by the Security Services - International segment.



All amounts in ₹ million, unless stated otherwise

5. Goodwill and Other Intangible assets (Contd.)

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 amount of brands with indefinite life as follows:

Particulars	March 31, 2022	March 31, 2021
Carrying value at the beginning of the year	835.77	833.27
Change during the year	-	-
Translation differences	0.32	2.50
Carrying value at the end of the year	836.09	835.77

The break-up of allocation of brands to operating segments is as follows:

Particulars	March 31, 2022	March 31, 2021
Facilities management	820.99	820.99
International	15.10	14.78

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 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, 2022, and March 31, 2021, the estimated recoverable amount of the CGU exceeded its carrying amount. 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 ended March 31, 2021 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)	EBITDA (%)	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	3.00% - 17.40%	5.30% - 11.21%	2.00%	9.64%
Platform 4 Group Ltd	2.80%	12.11%	1.30%	10.66%

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

5. Goodwill and Other Intangible assets (Contd.)

Year ended March 31, 2022

Particulars	Sales (% annual growth rate)	EBITDA (%)	Long term growth rate (%)	Pre-tax discount rate (%)
SX Protective Holdings Pty Ltd. (Formerly known as Andwills Pty Ltd.)	2.50%	7.8% - 8.6%	2.00%	9.40%
Dusters Total Solutions Services Private Limited	10.00% - 20.00%	5.60% - 7.10%	5.00%	14.80%
SLV Security Services Private Limited	10.00% - 15.00%	4.60% - 6.40%	5.00%	8.66%
Rare Hospitality and Services Private Limited	12.00% - 15.50%	5.20% - 6.40%	5.00%	12.13%
Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	10.00% - 15.00%	4.40% - 6.20%	5.00%	15.00%
Static guarding business of Chubb Security, operated under MSS Security Pty Limited	1.90%	5.53%	2.00%	9.40%
SIS Henderson Holdings Pte Ltd	13.2% - 24%	8.30%	2.00%	9.60%
Platform 4 Group Ltd	4.80%	6.76% - 8.06%	2.00%	10.70%

6 Investments

Particulars	March 31, 2022	March 31, 2021
Non-current investments		
Investments in equity Instruments (Unquoted fully paid)		
Investment in associates (at cost unless stated otherwise)		
9,708,696 (March 31, 2021: 9,708,696) equity shares in SIS Cash Services Private Limited of ₹ 10/- each fully paid up	407.32	380.32
Total investment in associates (A)	407.32	380.32
Investment in joint ventures		
49 (March 31, 2021: 49) equity shares in Habitat Security Pty Ltd of AUD 1/- each fully paid up	2.92	2.91
Total investment in joint ventures (B)	2.92	2.91
Total investment in associates and joint ventures {A + B}	410.24	383.23
Investments in others (at FVTPL)		
5,000 (March 31, 2021: 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} (D)	410.29	383.28
Investments in preference shares (Unquoted fully paid)		
Investments in others (at cost unless stated otherwise)		
17,658,153 (March 31, 2021: 17,658,153) compulsory convertible preference shares in SIS Asset Management Limited of ₹ 10/- each	177.77	177.77
Total investment in preference shares (E)	177.77	177.77
Investments in debentures or bonds (Unquoted fully paid)		
Investments in associates (at cost unless stated otherwise)		
372 (March 31, 2021: 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 (F)	372.00	372.00
Total non-current investments {D+E+F} (G)	960.06	933.05
Current investments		
Investments in Mutual funds (Quoted fully paid)		
Investments in mutual funds (at FVTPL)	2.93	2.38
Total investments in mutual funds (H)	2.93	2.38
Total non-trade investments (I)	-	-
Total current investments {H+I} (J)	2.93	2.38
Total investments {G+J}	962.99	935.43
Aggregate book value of quoted investments and market value thereof	2.93	2.38
Aggregate book value of unquoted investments	960.06	933.05
Aggregate amount of impairment in value of investments	-	-

All amounts in ₹ million, unless stated otherwise

7 Other financial assets

Particulars	March 31, 2022	March 31, 2021
Other non-current financial assets		
Security deposits (unsecured, considered good)	410.23	440.49
Margin money in the form of fixed deposits *	245.34	87.66
Fixed deposit maturing after 12 months	11.14	6.44
Other non-current financial assets	46.10	26.38
Total other non-current financial assets	712.81	560.97
Particulars	March 31, 2022	March 31, 2021
Other current financial assets		
Unbilled revenue ** (refer note 23)	4,867.30	4,079.90
Security deposits (unsecured, considered good)	134.53	204.47
Interest accrued on deposits / investments	89.32	25.85
Other receivables	24.67	20.44
Total other current financial assets	5,115.82	4,330.66
Total financial assets	5,828.63	4,891.63

* Fixed deposits have been pledged as margin money against bank guarantees.

** All unbilled dues are undisputed and falling under the ageing of less than six months from the date of completion of delivery of goods/services. 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 40.

Refer note 41 for the Group's policy regarding impairment allowance on other financial assets and Group's credit risk management processes.

8. Income tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2022	March 31, 2021
Current income tax:		
Current income tax charge	770.21	1,065.96
Adjustments in respect of current income tax expense / (reversal) of previous years	(9.05)	(5.59)
Deferred tax:		
Decrease / (increase) in deferred tax assets (net)	(581.82)	93.47
Income tax expense/(credit) reported in the statement of profit and loss	179.34	1,153.84

OCI section:

Tax related to items recognised in OCI during the year:

Particulars	March 31, 2022	March 31, 2021
Tax expense/(credit) on re-measurements of defined benefit plans	(20.89)	(0.74)
Income tax charged to OCI	(20.89)	(0.74)

Amount recognized directly in equity:

Particulars	March 31, 2022	March 31, 2021
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	3.70	-
Income tax credited / (charged) to equity	3.70	-

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

8. Income tax (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2022 and March 31, 2021:

Particulars	March 31, 2022	March 31, 2021
Accounting profit before tax from continuing operations	3,438.61	4,825.94
Accounting profit before income tax	3,438.61	4,825.94
Income tax expense at statutory rate @ 25.17% (March 31, 2021: 25.17%)	865.43	1,214.59
Adjustments in respect of current income tax of previous years	(9.05)	(5.59)
Exempt income under applicable tax laws	-	(162.81)
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(827.74)	161.89
Non- Deductible expenses for tax purposes		
Corporate social responsibility expenditure	9.41	11.71
Donation	0.45	0.17
Other non-deductible expenses	55.16	(106.75)
Income taxed at differential rates		
Dividend from foreign subsidiaries taxed at a different/lower rate	(13.66)	(0.39)
Entities taxed at different rates	99.34	41.02
Tax expense reported in the statement of profit and loss	179.34	1,153.84

The effective tax rate applicable to the Parent for the financial year 2022-23 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, 2022	March 31, 2021
Property, plant and equipment / Intangible assets	(334.69)	(486.34)
Defined benefit obligations	1,753.36	1,565.46
Deductions in respect of certain benefits under the Income Tax Act, 1961	647.88	350.90
Accruals and others	120.23	186.66
Allowance for expected credit loss - trade receivables	180.81	134.28
Unused tax losses	173.51	180.71
Total deferred tax assets/(liabilities)	2,541.10	1,931.67

Reflected in the balance sheet as follows:

Particulars	March 31, 2022	March 31, 2021
Deferred tax assets	2,911.03	2,406.74
Deferred tax liabilities	369.93	475.07
Deferred tax assets / (liabilities), net	2,541.10	1,931.67



All amounts in ₹ million, unless stated otherwise

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 expected credit loss - trade receivables	Unused tax losses	Total
As at April 1, 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
Tax income/(expense) during the period recognised in profit or loss	170.89	137.69	296.98	(62.98)	46.43	(7.20)	581.82
Tax income/(expense) during the period recognised in OCI	-	20.89	-	-	-	-	20.89
Addition on business combination	(15.61)	-	-	-	-	-	(15.61)
Exchange translation	(3.63)	29.32	-	(3.45)	0.10	-	22.33
As at March 31, 2022	(334.69)	1,753.36	647.88	120.23	180.81	173.51	2,541.10

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, 2022	March 31, 2021
Opening balance	1,586.68	1,923.98
Acquisition	-	-
Taxes paid	837.24	619.36
Refund received	(8.02)	(924.62)
Current tax payable for the year	(20.87)	(32.04)
Income tax assets	2,395.03	1,586.68

Current tax liabilities:

Particulars	March 31, 2022	March 31, 2021
Opening balance	505.70	306.95
Current tax payable for the year	736.59	1,028.33
Taxes paid	(1,220.50)	(928.09)
Refund received	(2.54)	30.47
Exchange translation	(14.92)	68.04
Current tax liabilities	4.33	505.70

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 financial statements Contd.

All amounts in ₹ million, unless stated otherwise

9 Other Assets

Particulars	March 31, 2022	March 31, 2021
Other non-current assets		
Capital advances	29.25	8.96
Other advances	2.58	1.59
Total other non-current assets	31.83	10.55
Other current assets		
Prepaid expenses	514.54	541.76
Cost to obtain/fulfil contract with customers (refer note 23)	17.73	14.68
Security deposits	319.79	414.54
Other advances	91.59	207.10
Total other current assets	943.65	1,178.08
Total other assets	975.48	1,188.63

10 Inventories

Particulars	March 31, 2022	March 31, 2021
Stock-in-trade	138.62	96.89
Uniforms	164.06	187.71
Consumables	37.57	24.33
Total inventories at the lower of cost and net realisable value	340.25	308.93

11 Trade receivables

Particulars	March 31, 2022	March 31, 2021
Trade receivables	14,627.59	12,981.02
Less: Allowance for expected credit loss	714.63	550.89
Total trade receivables	13,912.96	12,430.13

Break-up of security details:

Particulars	March 31, 2022	March 31, 2021
Secured, considered good	-	-
Unsecured, considered good	14,627.59	12,981.02
Total	14,627.59	12,981.02

The movement in allowances for doubtful debts is as follows:

Particulars	March 31, 2022	March 31, 2021
Opening balance	550.89	295.88
Additions	195.67	252.90
Write off (net of recovery)	(20.70)	-
Exchange differences	(11.23)	2.11
Closing balance	714.63	550.89



All amounts in ₹ million, unless stated otherwise

11 Trade receivables (Contd.)

The ageing schedule for outstanding trade receivables from the due date is given below:

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	7,185.26	5,272.04	613.60	522.80	296.15	564.85	14,454.70
(ii) Disputed trade receivables – considered good	0.24	18.88	6.86	34.06	44.57	68.28	172.89

Year ended March 31, 2021

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	6,037.81	4,916.61	756.25	501.35	178.90	432.77	12,823.69
(ii) Disputed trade receivables – considered good	-	7.04	29.97	42.24	36.78	41.30	157.33

The movement in allowance for expected credit loss is as follows:

Particulars	March 31, 2022	March 31, 2021
Opening balance	550.89	295.88
Additions	195.67	252.90
Write off (net of recovery)	(20.70)	-
Exchange differences	(11.23)	2.11
Closing balance	714.63	550.89

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 40.

Refer Note 41 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 40.

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, 2022	March 31, 2021
Balances with banks:		
– On current accounts	5,521.30	5,903.93
– Bank deposits with original maturity of three months or less	1,316.40	2,635.84
Cash on hand	2.45	2.99
	6,840.15	8,542.76

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

12 Cash and Bank balances (Contd.)

Other bank balances

Particulars	March 31, 2022	March 31, 2021
Unclaimed dividend accounts	1.05	1.36
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	230.29	1,807.07
Ristricted balances	32.46	30.02
Margin money*	280.14	499.16
Total	543.94	2,337.61

* Pledged as security/margin money against guarantees issued by banks on behalf of the Group

13 Equity Share capital

Authorised share capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2020 (Equity shares of ₹ 5 each)	270.00	1,350.00
Increase / (decrease) during the year	-	-
As at March 31, 2021 (Equity shares of ₹ 5 each)	270.00	1,350.00
Increase / (decrease) during the year	-	-
As at March 31, 2022 (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, 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
Issued on exercise of stock options	0.55	2.74
Buyback of equity shares	(1.82)	(9.09)
As at March 31, 2022 (Equity shares of ₹ 5 each)	147.03	735.16

Pursuant to the approval of the Board of Directors of the Parent, at its meeting held on February 15, 2021, and the shareholders, by way of a special resolution through postal ballot, on March 20, 2021, 1,818,181 equity shares of face value of ₹ 5 each of the Parent were offered for buyback by the Parent to all eligible shareholders of the Parent, through the tender offer process, 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, per the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer process was completed on June 21, 2021. The Parent has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,818,181 equity shares of face value of ₹ 5 each of the Parent were extinguished by appropriating a sum of ₹ 990.91 million from the securities premium and an amount of ₹ 9.09 million, being a sum equal to the nominal value of the Equity Shares bought back through the Buyback have been transferred to the capital redemption reserve account.

Notes (pre share sub-division effect):

- 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.
- 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.
- 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



All amounts in ₹ million, unless stated otherwise

13 Equity Share capital (Contd.)

offer component from the IPO 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.

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.

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

Details of shareholders holding more than 5% shares in the Parent

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	57.65	39.21%	58.73	39.60%
Rita Kishore Sinha	23.51	15.99%	24.22	16.33%
Rituraj Kishore Sinha	15.79	10.74%	16.42	11.07%

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, 2022	March 31, 2021	March 31, 2020	March 31, 2019 *	March 31, 2018 *
	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
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	-
Buyback of equity shares	18,18,181	-	-	-	-

* Number of shares has been restated to give effect of share sub-division

During the year ended March 31, 2022, Nil (March 31, 2021: 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 Parent on July 27, 2016. Accordingly, a total number of Nil (March 31, 2021: 11,528) equity shares were allotted by the Parent on exercise of Nil (March 31, 2021: 1,048) options by the employees, which included a total number of Nil (March 31, 2021: 10,480) equity shares allotted by the Parent as bonus shares pursuant to the said terms of ESOP 2008.

Details of promoter shareholding in the parent

Year ended March 31, 2022

S. No.	Name of the Promoter	Equity shares as on April 1, 2021 (in Nos.)	% holding in the class	Equity shares as on March 31, 2022 (in Nos.)	% holding in the class	% Change during the year
1	Ravindra Kishore Sinha	5,87,27,312	39.60%	5,76,48,582	39.21%	-0.39%
2	Rituraj Kishore Sinha	1,64,20,380	11.07%	1,57,91,311	10.74%	-0.33%
Total		7,51,47,692		7,34,39,893		

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

13 Equity Share capital (Contd.)

Year ended March 31, 2021

S. No.	Name of the Promoter	Equity shares as on April 1, 2020 (in Nos.)	% holding in the class	Equity shares as on March 31, 2021 (in Nos.)	% holding in the class	% Change during the year
1	Ravindra Kishore Sinha	5,92,67,312	40.42%	5,87,27,312	39.60%	-0.82%
2	Rituraj Kishore Sinha	1,66,95,380	11.39%	1,64,20,380	11.07%	-0.31%
Total		7,59,62,692		7,51,47,692		

Shares reserved for issue under options

Employees share options

Refer note 28 for details regarding employee share options issued by the Group.

14 Other equity

Particulars	March 31, 2022	March 31, 2021
Reserves and surplus		
Securities premium	2,736.01	3,691.46
General reserve	560.94	185.94
Retained earnings	15,623.96	12,663.62
Share options outstanding account	225.41	78.21
Capital reserve	181.24	181.24
Capital redemption reserve	9.09	-
Debenture redemption reserve	-	375.00
Total reserves and surplus (A)	19,336.65	17,175.47
Foreign currency translation reserve (B)	640.69	390.36
Share application money pending allotment (C)	0.02	0.29
Total other equity (A+B+C)	19,977.36	17,566.12

Securities premium

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	3,691.46	3,511.30
Exercise of share options	55.28	180.16
Buyback of equity shares	(1,000.00)	-
Transaction cost related to buyback of equity shares (net of taxes)	(10.73)	-
Balance at the end of year	2,736.01	3,691.46

General reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	185.94	185.99
Capitalisation on issue of bonus shares	-	(0.05)
Transferred from debenture redemption reserve	375.00	-
Balance at the end of year	560.94	185.94



All amounts in ₹ million, unless stated otherwise

14 Other equity (Contd.)

Retained earnings

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	12,663.62	9,137.34
Net Profit / (loss) for the year	3,259.27	3,672.10
Other comprehensive income recognised directly in retained earnings	(58.21)	(2.21)
Appropriations-		
- Share issue expenses incurred by subsidiary entities	-	(0.90)
- Tax on buyback of equity shares	(230.84)	
- Allocation to non-controlling interests	(9.88)	(17.71)
- Transfer to debenture redemption reserve	-	(125.00)
Balance at the end of year	15,623.96	12,663.62

Share options outstanding account

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	78.21	252.20
Stock option compensation expense	202.48	6.17
Transferred to securities premium on exercise of share options	(55.28)	(180.16)
Balance at the end of year	225.41	78.21

Capital Reserve

Particulars	March 31, 2022	March 31, 2021
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

Capital Redemption Reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	-	-
Created on buyback of equity shares	9.09	-
Balance at the end of year	9.09	-

Debenture Redemption Reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	375.00	250.00
Created from retained earnings	-	125.00
Transfer to general reserve	(375.00)	-
Balance at the end of year	-	375.00

Foreign currency translation reserve

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	390.36	(367.07)
Translation reserve	250.33	757.43
Balance at the end of year	640.69	390.36

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

14 Other Equity (Contd.)

Share application money pending allotment

Particulars	March 31, 2022	March 31, 2021
Balance at the beginning of year	0.29	-
Share application money received during the year	2.47	8.61
Issued on exercise of stock options	(2.74)	(8.32)
Balance at the end of year	0.02	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.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Group and re-measurement differences on defined benefit plans.

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.

Capital redemption reserve

As per the Companies Act, 2013, Capital redemption reserve is created when a company purchases its own shares out of free reserves or securities premium. A sum equal to the

nominal value of the shares so purchased is transferred to capital redemption reserve. This reserve can be utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

Capital reserve

It pertains to capital reserve created pursuant to the scheme of arrangement under the Act accounted under demerger and excess of purchase consideration over fair value of net assets.

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 utilized 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	Note	March 31, 2022	March 31, 2021
Non-current borrowings			
Secured			
Bonds/ debentures			
- Non convertible debentures	a	1,894.32	3,397.43
Term loans			
From banks			
- HDFC Bank Limited	b	55.44	85.17
- ICICI Bank Limited	c	45.55	90.47
- National Australia Bank	d	5,498.65	4,965.97
- Yes Bank Limited	e	92.97	7.14
- Small Industries Development Bank of India ('SIDBI')	f	21.18	34.32



All amounts in ₹ million, unless stated otherwise

15 Borrowings (Contd.)

Particulars	Note	March 31, 2022	March 31, 2021
- Kotak Mahindra Bank Limited	g	157.83	247.70
- Citizen Credit Co-operative Bank Limited	h	-	4.17
- Standard Chartered Bank Limited	i	152.36	-
- Vehicle Loan from various banks	j	440.15	455.56
From other parties			
- Vehicle Loan from others	l	36.39	49.91
Total secured borrowings		8,394.84	9,337.84
Total unsecured borrowings		-	-
Total non-current borrowings		8,394.84	9,337.84
Current maturity of long term borrowings		(2,326.04)	(1,917.06)
Non-current borrowings (as per balance sheet)		6,068.80	7,420.78
Current borrowings			
Secured			
Loans repayable on demand			
From banks			
- Kotak Mahindra Bank Limited	m	-	400.00
- RBL Bank Ltd	n	114.85	1.10
- Axis Bank Limited	m	800.22	540.00
- HDFC Bank Limited	m	1,960.39	1,641.39
- ICICI Bank Limited	m	749.62	-
- Standard Chartered Bank	m	173.46	662.11
- State Bank of India	o	420.73	390.00
- Yes Bank Limited	p	665.38	430.34
- Citizen Credit Co-operative Bank Limited	q	-	111.38
- Commonwealth bank of Australia	s	3.78	48.44
Total secured borrowings		4,888.43	4,224.76
Unsecured			
Loans repayable on demand			
Total unsecured borrowings		-	-
Current maturity of long term borrowings		2,326.04	1,917.06
Current borrowings (as per balance sheet)		7,214.47	6,141.82
Aggregate secured borrowings		13,283.27	13,562.60
Aggregate unsecured borrowings		-	-

Break up of current Maturities of long-term debt:

Particulars	March 31, 2022	March 31, 2021
Secured		
Bonds/ debentures	1,894.32	1,499.79
Term loans		
From banks	413.89	389.57
From other parties	17.83	27.70
Unsecured	-	-
Total current maturities of long term debt	2,326.04	1,917.06

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

15 Borrowings (Contd.)

Notes:

Long Term Borrowings - Secured:

Bonds/debentures:

- a. i) 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, 2022, ICICI Prudential Credit Risk Fund is holding the NCDs.
- ii) ICICI Prudential Assets Management Company Limited has subscribed to 1,500 non-convertible debentures (NCDs) of ₹ 1,000,000/- each. The NCDs carried interest @ 9.50% per annum, payable annually. The NCDs were secured against 85.92% shareholding in Dusters total solutions services private limited. The debentures were redeemable after 3 years i.e. April 13, 2021, from the date of issue. During the year ended March 31, 2022, the NCDs has been redeemed/repaid.

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 commenced from November 2017 and has been fully repaid during FY 2021 - 22.
- (ii) Secured against an exclusive charge over the fixed assets and current assets of Service Master Clean Ltd and corporate guarantee from Parent. The term loans are repayable in 54 equal monthly instalments from the date of respective draw down, totaling ₹ 1.70 million per month with repayment commenced from January 2020 and are scheduled to be completely repaid by FY 2024 - 25.
- (iii) Secured against the fixed assets of Rare Hospitality and Services Private Limited purchased out of various disbursement of the loan proceeds and corporate guarantee from the Parent. The repayments are scheduled in 11-35 equal monthly instalments of ₹ 0.04million - 0.14 million each 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) and corporate guarantee from Parent. The loan 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. The loan is scheduled for repayment on its maturity (i.e. November 28, 2024). The loan carries interest @ 1.91 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 Parent. The term loans were 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 completely repaid during the year ended March 31, 2022.
- (ii) Secured by way of first pari-passu charge over the entire movable fixed assets (both present and future) of Service Master Clean Limited and by corporate guarantee from Parent. The term loans are repayable in 54 equal monthly instalments after a moratorium period of 6 months from the date of first disbursement, totaling ₹ 1.73 million per month with repayment commencing from April 2022 and is schedule to be repaid by FY 2026-27.
- 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 commenced from the end of the 1st quarter of FY 2019-20 after the end of moratorium period of six months and last installment repayment is scheduled in fourth quarter of FY 2023-24.
- h. Term loan from Citizen credit co-operative bank limited were 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 and corporate guarantee from Parent. The loan was repayable in 60 equal monthly instalments of ₹ 0.17 million each. The loan has been fully repaid during the year ended March 31, 2022.
- i. Secured by way of charge over the monitoring equipment of the Parent purchased out of the term loan proceeds. The loan is repayable in 36 equal



All amounts in ₹ million, unless stated otherwise

- monthly installments and shall be wholly paid by the last day of tenor i.e. October, 2024.
- j. 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 in FY 2028-29.
- k. 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 315 bps (March 31, 2021: 75 bps to 145 bps). The vehicle loans carry interest from 6.90% to 10.50% per annum for India business and 3.00% to 6.00% for International business.
- Other loans and advances:**
- l. Vehicle Loan from others are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that respective financier(s). The loans carry interest from 9.00% to 10.50% per annum and have various repayment schedules and the last instalment repayment is scheduled in FY 2025-26.
- Short Term Borrowings - Secured Loans repayable on demand:**
- m. (i) Secured by first pari passu charges over the current assets and immovable fixed assets and second pari passu charge over movable fixed assets of the Parent.
- (ii) Secured by first pari passu charges over the current assets and immovable fixed assets and second pari passu charge over movable fixed assets of the Service Master Clean Limited and corporate guarantee from Parent.
- (iii) Secured by first pari passu charges over the current assets and immovable fixed assets and second pari passu charge over movable fixed assets of the SLV Security Services Private Limited and corporate guarantee from Parent.
- (iv) Secured by first pari passu charge on current assets of Dusters Total Solutions Services Private Limited.
- (v) Secured against stocks and book debts (both present and future) of Rare Hospitality and Services Private Limited and Corporate Guarantee from Parent.
- 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 Parent.
- (ii) Secured by first pari passu charge on current assets of Dusters Total Solutions Services Private Limited.
- (iii) Secured by first exclusive charge on all entire current assets of ADIS enterprises Private Limited both present and future and unconditional and irrevocable corporate guarantee of Dusters Total Solutions Services Private Limited (a subsidiary of the Parent entity).
- o. Secured by first pari passu charges over the current assets and immovable fixed assets and first charge over movable fixed assets (both present and future) of the Parent and second pari passu charge is with other working capital lenders.
- 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 Corporate Guarantee from Parent.
- (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 corporate guarantee from 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 corporate guarantee from Parent.
- The short-term borrowings charges is excluding assets specifically charged to term lenders, if any.
- 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 25 bps to 60 bps (March 31, 2021: 70 bps to 80 bps) for cash credit facility and ranging from 4.30% p.a. to 4.60% p.a. for WCDL facilities.
- s. (i) The loan from Commonwealth bank of Australia is scheduled for repayment every quarter. The loan interest changes every quarter, last interest rate January 2021 was 0.0619%. The bank debt is secured by a fixed and floating charge over the assets of the international group.
- (ii) Secured by a charge over trade receivables of Platform 4 Group Limited.
- There has been no default in the payment of interest or repayment of principal in respect of the above loans/borrowings

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

16 Lease liabilities

Particulars	March 31, 2022	March 31, 2021
Non-current lease liabilities	900.08	914.21
Current lease liabilities	324.78	253.20
Total lease liabilities	1,224.86	1,167.41

Movement of lease liabilities during the year

Particulars	March 31, 2022	March 31, 2021
Opening balance	1,167.41	1,109.69
Additions	271.88	223.22
Deletions / adjustments during the year	29.04	5.17
Finance cost accrued during the year	105.63	95.86
Payment of lease liability	(361.53)	(367.32)
Translation differences	12.43	100.79
Closing balance	1,224.86	1,167.41

17 Trade payables

Particulars	March 31, 2022	March 31, 2021
Non-current	-	-
Current		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (MSME)	39.23	20.11
- Total outstanding dues of creditors other than micro enterprises and small enterprises	543.38	641.36
Total current trade payables	582.61	661.47
Total trade payables	582.61	661.47

The ageing schedule for outstanding trade payables where due date is given below:

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	18.84	20.39	-	-	-	39.23
(ii) Others	220.34	294.40	11.34	15.62	1.68	543.38

Year ended March 31, 2021

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	10.04	10.07	-	-	-	20.11
(ii) Others	406.52	191.48	38.38	4.29	0.69	641.36

The terms and conditions of the above financial liabilities are as follows:

- 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.
- For outstanding balances, terms and conditions with related parties, refer note 40



All amounts in ₹ million, unless stated otherwise

18 Other financial liabilities

Particulars	March 31, 2022	March 31, 2021
Non-current	-	-
Current		
Capital creditors	7.91	15.73
Interest accrued but not due on borrowings	231.97	280.38
Unclaimed/unpaid dividends	1.05	1.36
Employee benefits payable	3,752.62	3,180.67
Contingent consideration (refer note 34)	-	2,241.88
Other payables and accruals*	3,455.45	3,308.28
Total other current financial liabilities	7,449.00	9,028.30
Total other financial liabilities	7,449.00	9,028.30

*Includes unbilled dues having ageing of less than one year.

19 Financial instruments by category

Particulars	March 31, 2022			March 31, 2021		
	FVTPL	FVTOCI	Amortized cost	FVTPL	FVTOCI	Amortized 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	2.93	-	-	2.38	-	-
Trade receivables	-	-	13,912.96	-	-	12,430.13
Cash and cash equivalents	-	-	6,840.15	-	-	8,542.76
Other bank balances	-	-	543.94	-	-	2,337.61
Other financial assets	24.66	-	5,803.97	23.36	-	4,868.27
Total financial assets	27.64	-	27,650.79	25.79	-	28,728.54
Financial liabilities:						
Trade payables	-	-	582.61	-	-	661.47
Borrowings	-	-	13,283.27	-	-	13,562.60
Lease liability	-	-	1,224.86	-	-	1,167.41
Other financial liabilities	-	-	7,449.00	2,241.88	-	6,786.42
Total financial liabilities	-	-	22,539.74	2,241.88	-	22,177.90

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, 2022			March 31, 2021		
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Level 1 inputs	Level 2 inputs	Level 3 inputs
Financial assets:						
Investments carried at FVTPL	2.93	-	0.05	2.38	-	0.05
Other financial assets	-	-	24.66	-	-	23.36
Total financial assets	2.93	-	24.71	2.38	-	23.41
Other financial liabilities	-	-	-	-	-	2,241.88
Total financial liabilities	-	-	-	-	-	2,241.88

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

19 Financial instruments by category (Contd.)

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.

The following table presents the change in Level 3 items for the periods ended March 31, 2022 and March 31, 2021:

Particulars	Unlisted equity securities	Indemnification asset	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, 2020	0.05	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	0.05	23.36	510.20	1,731.68
Unwinding of present value discount	-	1.30	-	-
(Gains) / loss on fair value recognized in statement of profit and loss	-	-	-	(239.36)
Discharge of liability	-	-	(510.20)	(1,536.35)
Translation adjustments	-	-	-	44.03
As at March 31, 2022	0.05	24.66	-	-
Unrealised fair value (gains) / losses recognized in statement of profit and loss related to assets and liabilities held as on reporting date:				
March 31, 2022	-	-	-	(239.36)
March 31, 2021	-	-	11.15	(3,145.70)

Particulars	Fair value hierarchy	March 31, 2022		March 31, 2021	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:					
Investments	Level 3	549.77	577.75	549.77	538.54
Trade receivables		13,912.96	13,912.96	12,430.13	12,430.13
Cash and cash equivalents		6,840.15	6,840.15	8,542.76	8,542.76
Other bank balances		543.94	543.94	2,337.61	2,337.61
Other financial assets		5,803.97	5,803.97	4,868.27	4,868.27
Total financial assets		27,650.79	27,678.77	28,728.54	28,717.31
Financial liabilities:					
Trade payables		582.61	582.61	661.47	661.47
Borrowings - floating rate		10,912.41	10,912.41	9,659.70	9,659.70
Borrowings - fixed rate	Level 3	2,370.86	2,057.33	3,902.90	3,902.90
Lease liability		1,224.86	1,224.86	1,167.41	1,167.41
Other financial liabilities		7,449.00	7,449.00	6,786.42	6,786.42
Total financial liabilities		22,539.74	22,226.21	22,177.90	22,177.90

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.

All amounts in ₹ million, unless stated otherwise

19 Financial instruments by category (Contd.)

The fair value of investments, loans given and fixed rate borrowings are calculated based on cash flows discounted using weighted cost of debt as on balance sheet date. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs.

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, 2022	March 31, 2021		
Unquoted equity / preference instruments	0.05	0.05	Cost	Management has considered cost to be approximating to fair value of such investments.
Indemnification asset recognised on business combination	24.66	23.36	Probability of outcome of litigation	Change in estimates by 10% results in increase/decrease in fair value by: March 31, 2022: ₹ 2.47 million March 31, 2021: ₹ 2.34 million
Contingent consideration	-	2,241.88	Probability of achieving financial projections	Change in estimates by 5% results in increase/decrease in fair value by: March 31, 2022: ₹ Nil million March 31, 2021: ₹ 112.09 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.

20 Provisions

Particulars	March 31, 2022		March 31, 2021	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 28)				
Gratuity	1,205.22	275.64	917.02	246.74
Compensated absences	485.85	3,489.32	490.70	3,361.62
Other provisions				
IBNR	-	63.97	-	62.61
Others	8.54	29.01	6.13	18.46
Total	1,699.61	3,857.94	1,413.85	3,689.43

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

21 Other liabilities

Particulars	March 31, 2022	March 31, 2021
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	1,722.02	1,499.69
Deferred revenue (refer note 23)	11.71	19.52
Others	11.42	44.01
Total other current liabilities	1,745.15	1,563.22
Total other liabilities	1,745.15	1,563.22

22 Government grants

Particulars	March 31, 2022	March 31, 2021
As at the beginning of the year	-	-
Received during the year	23.58	126.71
Released to the statement of profit and loss	(23.58)	(126.71)
As at the end of the year	-	-
Current	-	-
Non-current	-	-

The Parent and certain subsidiaries are 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.

23 Revenue from operations

Particulars	March 31, 2022	March 31, 2021
Sale of products (traded goods)		
Revenue from sale of electronic security devices	425.46	583.66
Total (A)	425.46	583.66
Rendering of services		
Security services		
From guarding and other security services	85,174.60	78,371.20
Facility management services		
From Housekeeping, Cleaning, Facility operation & management services	13,602.48	11,038.06
From pest control services	295.95	271.57
Other services		
From training fees	95.48	79.15
Total rendering of services (B)	99,168.51	89,759.98
Other operating revenues	996.79	929.40
Total (C)	1,00,165.30	90,689.38
Revenue from operations (A+B+C)	1,00,590.76	91,273.04



All amounts in ₹ million, unless stated otherwise

23 Revenue from operations (Contd.)

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2022.

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)	212.60	212.86	-	-	425.46
Over the period of time	38,356.65	48,192.37	13,946.86	(330.58)	1,00,165.30
Total	38,569.25	48,405.23	13,946.86	(330.58)	1,00,590.76
Revenue by geographical markets					
India	38,569.25	-	13,946.86	(330.58)	52,185.53
Outside India	-	48,405.23	-	-	48,405.23
Total	38,569.25	48,405.23	13,946.86	(330.58)	1,00,590.76

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

Contract Balances

The following table provides information about unbilled revenue and deferred revenue from contract with customers:

Particulars	March 31, 2022		March 31, 2021	
	Unbilled revenue	Deferred revenue	Unbilled revenue	Deferred revenue
Opening balance	4,079.90	19.52	4,210.74	70.48
Revenue recognised that was included in deferred revenue at the beginning of the year	-	(106.21)	-	(79.10)
Increase due to cash received, excluding amounts recognised as revenue during the year	-	98.40	-	28.14
Transfers from unbilled revenue, recognised at the beginning of the year, to receivables	(4,079.90)	-	(4,210.74)	-
Increase due to revenue recognised during the year, excluding amounts billed during the year	4,867.30	-	4,079.90	-
Closing balance	4,867.30	11.71	4,079.90	19.52

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

23 Revenue from operations (Contd.)

Cost to obtain or fulfil a contract with a customer

Particulars	March 31, 2022	March 31, 2021
Opening balance	14.68	9.32
Costs incurred and deferred	47.56	14.35
Less: Cost amortised	(44.51)	(8.99)
Closing balance	17.73	14.68

24 Other income

Particulars	March 31, 2022	March 31, 2021
Interest income *	282.07	1,198.60
Total	282.07	1,198.60

*includes interest income on income tax refund

25 Other gain / (loss)

Particulars	March 31, 2022	March 31, 2021
Net gain / (loss) on sale of property, plant and equipment*	14.24	52.05
Foreign exchange gain/(loss)	(26.95)	392.74
Net gain / (loss) on financial assets/liabilities mandatorily measured at FVTPL	257.43	3,134.55
Total	244.72	3,579.34

* Includes gain/(loss) on derecognition of right of use assets.

26 Cost of materials consumed

Particulars	March 31, 2022	March 31, 2021
Purchases of chemicals, consumables, and others	330.28	288.98
Uniforms and related inventories	68.22	25.58
Total	398.50	314.56

27 Changes in inventory of stock-in-trade

Particulars	March 31, 2022	March 31, 2021
Inventory at the beginning of the year	308.93	338.59
Inventory at the end of the year	340.25	308.93
Changes in inventory of stock-in-trade - (increase)/decrease	(31.32)	29.66

28. Employee benefits expense

a) Employee benefits expense include

Particulars	March 31, 2022	March 31, 2021
Salaries, wages and bonus	69,688.46	63,506.01
Contribution to provident and other funds	6,737.41	5,877.70
Government grants (Note 22)	(23.58)	(126.71)
Employee share-based payment expense	202.48	4.02
Gratuity expense	317.99	283.26
Leave compensation	436.33	342.76
Staff welfare expenses	753.36	677.75
Total	78,112.45	70,564.79

All amounts in ₹ million, unless stated otherwise

28. Employee benefits expense (Contd.)

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, 2022	March 31, 2021
Current leave obligation not expected to be settled within next 12 months	89.24	83.22

Unfunded Schemes:

Particulars	March 31, 2022	March 31, 2021
Present value of unfunded obligations	162.31	189.69
Expenses to be recognized in the statement of profit and loss	436.33	342.76
Discount rate (per annum)	5.30%	4.60%
Salary escalation rate (per annum)	8.00%	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% 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 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, 2022	March 31, 2021
Expense recognised during the period towards defined contribution plans	6,737.41	5,877.70

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 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's 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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

28. Employee benefits expense (Contd.)

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, 2022	March 31, 2021
Current service cost	270.81	240.17
Interest cost	47.18	43.09
Total amount recognised in profit or loss	317.99	283.26
Remeasurements		
Return on plan assets, excluding amounts included in interest income	11.62	4.21
Loss / (gain) from changes in financial assumptions	(2.43)	31.69
Loss / (gain) from changes in demographic assumptions	62.60	-
Experience loss / (gain)	11.22	(32.95)
Total loss / (gain) recognised in other comprehensive income	83.01	2.95

Change in present value of defined benefit obligation is summarized below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2022	March 31, 2021
Defined benefit obligation at the beginning of year	1,344.91	1,105.85
Acquired on business combination	-	-
Current service cost	270.81	240.17
Interest cost	52.21	49.12
Remeasurements	71.39	(1.26)
Benefits paid	(83.64)	(48.97)
Defined benefit obligation at the end of year	1,655.68	1,344.91

Reconciliation of fair value of plan assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning of the year	181.15	164.96
Interest income	5.03	6.03
Remeasurements	(11.62)	(4.21)
Contribution by employer	83.90	63.34
Benefits paid	(83.64)	(48.97)
Fair value of plan assets at the closing of the year	174.82	181.15

Reconciliation of fair value of Assets and Obligations:

Reconciliation of fair value of assets and obligations	March 31, 2022	March 31, 2021
Fair value of plan assets	174.82	181.15
Present value of obligation	(1,655.68)	(1,344.91)
Asset / (liability) recognized in balance Sheet	(1,480.86)	(1,163.76)

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.



All amounts in ₹ million, unless stated otherwise

28. Employee benefits expense (Contd.)

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, 2022	March 31, 2021
Discount rate	5.30%	4.60%
Future salary increase		
- Non-billing / indirect employees	8.00%	6.00-8.00%
- Billing /direct employees	5.00-7.00%	5.00-8.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	39-52%	29-62%
- 31-40	28-42%	28-62%
- 41-50	28-40%	28-62%
- 51 & above	28-43%	28-62%
Non billing employees		
- Age from 21-30 years	24-27%	15-29%
- 31-40	16-21%	13-29%
- 41-50	12-24%	5-29%
- 51 & above	11-16%	4-29%

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	March 31, 2022	March 31, 2021
Discount rate		
0.5% increase	(1.88%)	(2.30%)
0.5% decrease	1.96%	2.43%
Future salary increases		
0.5% increase	1.86%	2.27%
0.5% decrease	(1.80%)	(2.18%)

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.

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.

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

28. Employee benefits expense (Contd.)

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, 2022	March 31, 2021
The weighted average duration of the post-employment benefit plan obligations (in years)	3.63	3.62
Expected contribution to the fund during the next year	229.96	271.09
Maturity profile:		
Less than a year	430.52	420.87
Between 1-2 years	351.77	276.67
Between 2-5 years	689.26	481.61
Over 5 Years	598.24	452.58
Total	2,069.79	1,631.73

- 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 Group towards certain employee benefits. The Code has been published in the Gazette of India. The effective date of these Codes has not yet been notified and the Group will assess the impact of these codes as and when they come into effect and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective.
- 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.

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.

- h) During the year ended March 31, 2021, upon exercise of stock options by the eligible employees, the Parent has allotted 5,764 equity shares of ₹ 10 each.

ESOP 2016 (post share sub-division effect)

- a) Under ESOP 2016, the Parent granted 2,432,000 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:
- 131,000 options have been forfeited on account of the respective employees no longer in employment
 - 2,301,000 options have vested till March 31, 2022, out of these Options, a total of 2,169,956 options have been exercised.
- c) During the year ended March 31, 2018, the Parent issued a further 64,830 options to eligible employees which will vest over three financial years and be eligible for exercise, subject to certain conditions, after August 1, 2020. 64,830 have vested till March 31, 2022, out of these options, a total of 51,150 options have been exercised.
- d) During the year ended March 31, 2019, the Parent issued a further 3,000 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 and exercised during the year ended on March 31, 2022.



All amounts in ₹ million, unless stated otherwise

28. Employee benefits expense (Contd.)

- e) During the year ended March 31, 2019, the Parent issued a further 18,000 options to eligible employee which will vest over three financial years and be eligible for exercise, subject to certain conditions, after October 3, 2021. All options have been forfeited on account of the respective employee's no longer in employment.
- f) During the year ended March 31, 2022, the Parent issued a further 1,421,973 options to eligible employee which will vest over four financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025.

Of these options:

- i. 60,514 options have been forfeited/lapse on account of the respective employees no longer in employment.
- ii. 1,443 options have vested till March 31, 2022, out of these options, a total of 1,343 options have been exercised.
- g) During the year ended March 31, 2022, upon exercise of stock options by the eligible employees, the Parent has allotted 547,473 equity shares of ₹ 5 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, 2022

Particulars	ESOP 2008		ESOP 2016			Total
	ESOPs granted in					
	2016-17 *	2016-17	2017-18	2018-19#	2021-22	
Outstanding stock options as on April 1, 2021	-	6,73,864	19,470	3,000	-	6,96,334
Exercise price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Options issued during the year	-	-	-	-	14,21,973	14,21,973
Options exercised during the year**	-	5,37,340	5,790	3,000	1,343	5,47,473
Options forfeited/lapsed during the year	-	5,480	-	-	60,514	65,994
Outstanding stock options as at March 31, 2022	-	1,31,044	13,680	-	13,60,116	15,04,840
Excercisable stock options as at March 31, 2022	-	1,31,044	13,680	-	100	1,44,824

Year ended March 31, 2021

Particulars	ESOP 2008		ESOP 2016			Total
	ESOPs granted in					
	2016-17 *	2016-17	2017-18	2018-19#	2021-22	
Outstanding stock options as on April 1, 2020	1,048	22,87,880	64,830	21,000	-	23,74,758
Exercise price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Options issued during the year	-	-	-	-	-	-
Options 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

**The weighted average share price (post share sub-division effect) at the date of exercise of options during the year ended March 31, 2022 was ₹ 422.40 (March 31, 2021: ₹ 416.33)

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

28. Employee benefits expense (Contd.)

There were no cancellations or modifications to the awards in March 31, 2022 or March 31, 2021.

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, 2022	Share options outstanding March 31, 2021
Plan II (ESOP 2016): Grant I	I	01-Aug-16	01-Aug-17	01-Aug-22	5.00	95.41	4,078	67,386
Plan II (ESOP 2016): Grant I	II	01-Aug-16	01-Aug-18	01-Aug-22	5.00	95.41	8,156	1,34,773
Plan II (ESOP 2016): Grant I	III	01-Aug-16	01-Aug-19	01-Aug-22	5.00	95.41	19,356	2,02,159
Plan II (ESOP 2016): Grant I	IV	01-Aug-16	01-Aug-20	01-Aug-22	5.00	95.41	99,454	2,69,546
Plan II (ESOP 2016): Grant II	I	03-Jan-18	03-Jan-19	01-Aug-22	5.00	561.09	4,104	5,841
Plan II (ESOP 2016): Grant II	II	03-Jan-18	03-Jan-20	01-Aug-22	5.00	561.09	4,104	5,841
Plan II (ESOP 2016): Grant II	III	03-Jan-18	01-Aug-20	01-Aug-22	5.00	561.09	5,472	7,788
Plan II (ESOP 2016): Grant IV	I	13-Dec-18	13-Dec-19	03-Oct-22	5.00	379.66	-	2,000
Plan II (ESOP 2016): Grant IV	II	13-Dec-18	03-Oct-20	03-Oct-22	5.00	379.66	-	1,000
Plan II (ESOP 2016): Grant V	I	20-Apr-21	01-Jun-22	01-Jun-27	5.00	357.19	2,72,023	-
Plan II (ESOP 2016): Grant V	II	20-Apr-21	01-Jun-23	01-Jun-27	5.00	357.19	2,72,023	-
Plan II (ESOP 2016): Grant V	III	20-Apr-21	01-Jun-24	01-Jun-27	5.00	357.19	4,08,035	-
Plan II (ESOP 2016): Grant V	IV	20-Apr-21	01-Jun-25	01-Jun-27	5.00	357.19	4,08,035	-
Total							15,04,840	6,96,334

@ For pre-bonus issue options, additional shares on account of bonus adjustment are issued without cost to the employee.

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
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%
20-Apr-21	46.02%	360.95	5.12	5.55%	0.00%

* Post bonus adjustment of ten equity shares for every one equity share held.

In respect of options granted by the Parent 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, 2022	March 31, 2021
Employee option plan	202.48	4.02
Total employee share-based payment expense	202.48	4.02



All amounts in ₹ million, unless stated otherwise

29 Finance costs

Particulars	March 31, 2022	March 31, 2021
Interest and finance charges on financial liabilities not at fair value through profit or loss	832.33	1,131.26
Interest on lease liability	105.63	95.86
Other finance costs *	45.71	45.38
Total	983.67	1,272.50

*Includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges, other ancillary costs incurred in connection with borrowings other than finance costs that do not meet the definition of transaction costs.

30. Depreciation and amortization expense

Particulars	March 31, 2022	March 31, 2021
Depreciation on property, plant and equipment (Note 4)	868.78	885.75
Amortization of intangible assets (Note 5)	246.73	244.55
Total	1,115.51	1,130.30

31 Other expenses

Particulars	March 31, 2022	March 31, 2021
Training expenses	140.37	73.66
Uniform and kit items	215.40	240.63
Recruitment incentive expenses	9.71	10.68
Selling expenses	87.62	36.03
Administrative expenses:		
-Travelling and conveyance	648.01	592.50
-Postage and telephone	297.15	266.61
-Rent *	378.72	292.23
-Rates & taxes	100.90	110.30
-Insurance	222.88	181.31
Repairs and maintenance:		
- Buildings	12.27	12.61
- Machinery	64.42	98.27
- Others	77.15	48.95
-Vehicle hire charges	125.19	140.41
-Payments to auditors	46.01	44.35
-Legal and professional fees	517.72	629.11
-Allowance for expected credit loss	195.67	252.90
-Expense towards corporate social responsibility	20.72	42.53
-Other direct operating cost	13,042.77	11,217.60
-Other administration and general expenses #	494.43	409.23
Total	16,697.11	14,699.91

* Rent expenses are pertaining to short-term leases and low value assets.

#“Other Administration and General expenses” include an amount of ₹ Nil million (March 31, 2021: ₹ 0.05 million) towards contribution to a political party in terms of Section 182 of the Companies Act, 2013.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

32 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, 2022	March 31, 2021
Profit attributable to equity holders of the Company :		
Continuing operations	3,250.69	3,654.10
Profit attributable to equity holders of the Company for basic earnings	3,250.69	3,654.10
Profit attributable to equity holders of the Company adjusted for the effect of dilution	3,250.69	3,654.10
Weighted average number of equity shares for basic EPS (Numbers)	14,71,50,940	14,70,67,507
Effect of dilution:		
Stock options (Numbers)	14,88,450	6,78,604
Weighted average number of Equity shares adjusted for the effect of dilution	14,86,39,390	14,77,46,111
Nominal value of equity shares (₹)	5.00	5.00
Earnings per share		
- Basic (₹)	22.09	24.85
- Diluted (₹)	21.87	24.73

33. Distributions made and proposed

Particulars	March 31, 2022	March 31, 2021
Cash dividends on Equity shares declared and paid:		
Final dividend @ ₹ Nil per share (March 31, 2020: ₹ Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-
Interim dividend @ ₹ Nil per share (March 31, 2021: ₹ Nil per share)	-	-
Dividend distribution tax on Interim dividend	-	-

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.

34. Commitments and contingencies

a) Capital commitment

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	20.14	2.66

b) Commitment towards forward contract/ put and call option to purchase non-controlling interests

Particulars	March 31, 2022	March 31, 2021
Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	-	510.20
Liability for forward contracts/Share purchase agreement (A)	-	510.20
SIS Henderson Holdings Pte Ltd	-	1,196.97
Platform 4 Group Ltd	-	534.71
Liability for put & call options (B)	-	1,731.68
Carrying value at the end of the year (A+B)	-	2,241.88

All amounts in ₹ million, unless stated otherwise

34. Commitments and contingencies (Contd.)

Commitment towards 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 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.

During the year ended March 31, 2022, the Parent acquired entire remaining shareholding of 49% in Uniq, subsidiary of the Parent, for an aggregate consideration of ₹ 510 million which resulted in Uniq becoming a wholly owned subsidiary of the Parent.

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.

During the year ended March 31, 2022, a subsidiary of the Group acquired all of the remaining shareholding and voting rights of 40% in SIS Henderson Holdings Pte. Ltd., Singapore, an indirect subsidiary of the Parent, for an aggregate consideration of ₹ 1,260.8 million (AUD 22.25 million), which resulted in SIS Henderson Holdings Pte Ltd. and its subsidiaries becoming wholly owned subsidiaries of the Parent.

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.

During the year ended March 31, 2022, a subsidiary of the Group acquired all of the remaining shareholding of 49% in Platform4 Group Ltd (P4G) pursuant to share purchase and option agreements entered into in 2019, for an aggregate consideration of ₹ 275.55 million (NZD 5.38 million), which resulted in P4G and its subsidiaries becoming wholly owned subsidiaries of the Parent.

c) Contingent liabilities

Particulars	March 31, 2022	March 31, 2021
Claims against the Group not acknowledged as debt:		
- Litigation matters with respect to direct taxes	240.06	18.86
- Litigation matters with respect indirect taxes	136.97	138.10
Other money for which the Group is contingently liable	67.32	10.10
Total	444.35	167.06

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, 2022.

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 financial statements Contd.

All amounts in ₹ million, unless stated otherwise

35. Events occurring after the Balance Sheet date

There were no significant events that occurred after the Balance Sheet date.

36. 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, 2022			March 31, 2021		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Security services – India	38,358.08	211.17	38,569.25	34,749.50	129.78	34,879.28
Security services – International	48,405.23	-	48,405.23	45,303.47	-	45,303.47
Facility Management	13,827.45	119.41	13,946.86	11,220.07	52.51	11,272.58
	1,00,590.76	330.58	1,00,921.34	91,273.04	182.29	91,455.33
Inter.co / inter-business elimination			(330.58)			(182.29)
			1,00,590.76			91,273.04
EBITDA						
Security services – India	1,574.29	82.22	1,656.51	1,822.24	77.27	1,899.51
Security services – International	2,691.69	-	2,691.69	2,919.08	-	2,919.08
Facility Management	722.32	(86.69)	635.63	469.40	(78.97)	390.43
	4,988.30	(4.47)	4,983.83	5,210.72	(1.70)	5,209.02
Inter.co / inter-business elimination			4.47			1.70
			4,988.30			5,210.72
Unallocated corporate expenses			(3.30)			(2.92)
			4,984.99			5,207.80
Finance costs			(983.67)			(1,070.53)
Depreciation and amortisation			(1,007.41)			(990.62)
Other income and gains			276.67			1,071.32
Share of profit/(loss) from associates/joint ventures			26.01			5.46
Profit before tax reported to CODM			3,296.59			4,223.43
Exceptional items			-			(2,762.46)
Other gains/ (losses) and effect of entries resulting from consolidation and business combination accounting			142.02			3,364.97

All amounts in ₹ million, unless stated otherwise

36. Segment information (Contd.)

Particulars	March 31, 2022			March 31, 2021		
	External	Inter-segment	Total	External	Inter-segment	Total
Profit before tax			3,438.61			4,825.94
Other information						
Trade receivables			13,912.96			12,430.13
Gross debt			14,508.13			14,730.01
Net debt			6,867.56			3,755.54
Capital expenditure			1,052.24			692.83

The total of non-current assets other than financial instruments and deferred tax assets by geographical location:

Particulars	March 31, 2022	March 31, 2021
India	7,767.33	6,655.31
International	11,319.74	11,092.62
Total	19,087.07	17,747.93

37. Business combinations and acquisition of non-controlling interests

I. 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 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.

During the year ended March 31, 2022, the Parent acquired entire remaining shareholding of 49% in Uniq, subsidiary of the Parent, for an aggregate consideration of ₹ 510 million which resulted in Uniq becoming a wholly owned subsidiary of the Parent.

II. 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.

During the year ended March 31, 2022, SIS International Group Holdings Pty Limited, a subsidiary of the Group, acquired entire remaining shareholding of 40% in SIS Henderson Holdings Pte Ltd., Singapore, an indirect subsidiary of the Parent, for an aggregate consideration of ₹ 1,260.8 mn (AUD 22.25 mn) which resulted in SISHH and its subsidiaries becoming a wholly owned subsidiary of the Parent.

III. 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.

During the year ended March 31, 2022, SIS Australia Group Pty Limited, a subsidiary of the Group, acquired entire remaining shareholding of 49% in Platform 4 Group Ltd., New Zealand, an indirect subsidiary of the Parent, for an aggregate consideration of ₹ 275.55 mn (NZD 5.38 mn) which resulted in P4G and its subsidiaries becoming a wholly owned subsidiary of the Parent.

IV. Acquisition of Protection Plus Security and Protective Services Limited

On 1 February 2022, Southern Cross Protection Pty Ltd, a subsidiary of the Group acquired the business assets of Protection Plus Security, which is a leading locally owned and operated security company based in the region with branches in Townsville & Cairns, as well as servicing all of North Queensland region. The company provides mobile patrols, static guards, alarm response, cash collection and banking services, armed guards, ATM first- and second-line response. The acquisition was made to enhance the Group's footprint in the region.

On 14 June 2021, Platform 4 Group Ltd, a subsidiary of the Group acquired the business assets of Protective Services Limited as a going concern. The acquisition was made to enhance the Group's footprint in the lower north island region of New Zealand.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

37. Business combinations and acquisition of non-controlling interests (Contd.)

Purchase consideration:

Purchase consideration	PPS	PSL
Cash paid for acquisition of shares	66.02	4.21
Deferred consideration	13.15	-
Total consideration	79.17	4.21

Net assets acquired:

The fair values of the identifiable assets and assumed liabilities as at the date of acquisition were:

Particulars	PPS	PSL
Assets		
Property, plant and equipment	15.2	0.47
Trade and other receivables	0.39	-
Acquired contracts	47.29	4.09
Less: Liabilities		
Trade and other payables	20.97	-
Deferred tax liabilities	13.83	1.14
Total identifiable net assets at fair value	28.08	3.42

Calculation of goodwill:

Purchase consideration	PPS	PSL
Total consideration	79.17	4.21
Less: Net identifiable assets acquired	28.08	3.42
Goodwill	51.09	0.79

V. 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

All amounts in ₹ million, unless stated otherwise

37. Business combinations and acquisition of non-controlling interests (Contd.)

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
Inventories	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

VI. Acquisition of ADIS Enterprises Private Limited ('AEPL')

Effective February 1, 2020, Dusters Total Solutions Services Private Limited, a wholly owned subsidiary of the Parent, 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.

During the year ended March 31, 2021, Dusters Total Solutions Services Private Limited ('DTSS'), a wholly owned subsidiary of the Parent, 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.

VII. Acquisition of additional interest in SLV Security Services Private Limited ('SLV')

Effective September 01, 2018, the Parent acquired 51% of the outstanding equity shares of SLV Security Services Private Limited for an aggregate consideration of ₹ 505 mn.

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.

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

37. Business combinations and acquisition of non-controlling interests (Contd.)

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. The assets and liabilities mentioned in below table represent assets and liability in the training center business:

Particulars	March 31, 2022	March 31, 2021
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
Less: Liabilities		
Trade payables	1.15	1.15
Other	1.67	1.67
Total liabilities classified as held for distribution to shareholders of subsidiary	2.82	2.82

VIII. Acquisition of Rare Hospitality and Services Private Limited ('RHPL')

Effective November 01, 2018, the Parent acquired 80% of the outstanding equity shares of Rare Hospitality and Services Private Limited for an aggregate consideration of ₹ 319.66 mn. In addition to the cash consideration, Parent injected ₹ 100 mn by way of subscription of convertible loan instrument of RHPL.

During the year ended March 31, 2020, the Parent converted its 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.

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.



All amounts in ₹ million, unless stated otherwise

38. 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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 SIS Synergistic Adjacencies Ventures Private Limited (formerly known as 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.	\$	\$	\$	\$
8 Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
9 Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	India	Providing Security Services.	100.00%	51.00%	0.00%	49.00%
10 Uniq Detective and Security Services (AP) Pvt. Ltd. **	India	Providing Security Services.	100.00%	51.00%	0.00%	49.00%
11 Uniq Detective and Security Services (Tamilnadu) Private Limited **	India	Providing Security Services.	100.00%	51.00%	0.00%	49.00%
12 Uniq Facility Services Private Limited **	India	Providing facility management services.	100.00%	51.00%	0.00%	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%	100.00%	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 Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	Singapore	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
17 SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	Singapore	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%

38. Group information (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, 2022	March 31, 2021	March 31, 2022	March 31, 2021
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 (Formerly known as Andwillis Pty. Limited)#	Australia	Holding company	0.00%	100.00%	0.00%	0.00%
27 SX Protective Services Pty. Ltd.#	Australia	Holding company	0.00%	100.00%	0.00%	0.00%
28 Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
29 Southern Cross Loss Prevention Pty Ltd #	Australia	Loss prevention, asset protection and security services	0.00%	100.00%	0.00%	0.00%
30 Askara Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
31 Charter Security Protective Services Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
32 Charter Security (NZ) Pty Limited #	New Zealand	Loss prevention, asset protection and security services	0.00%	100.00%	0.00%	0.00%
33 Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	100.00%	51.00%	0.00%	49.00%
34 Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	51.00%	0.00%	49.00%
35 The Alarm Center Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	51.00%	0.00%	49.00%
36 SIS Henderson Holdings Pte Ltd	Singapore	Holding company	100.00%	60.00%	0.00%	40.00%
37 Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	100.00%	60.00%	0.00%	40.00%
38 Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	100.00%	60.00%	0.00%	40.00%

* 41% ownership interest is held through SIS Group International Holdings Pty Ltd, Australia, a step-down subsidiary of the Parent.

**Wholly owned subsidiaries of Uniq Security Solutions Private Limited (formerly known as 'Uniq Detective and Security Services Private Limited')

*** Wholly owned subsidiaries of Southern Cross Protection Pty Limited.

Companies were deregistered during financial year ended March 31, 2022 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.

\$\$ the place of business for SIS Security International Holdings Pty Ltd. (formerly known as SIS International Holdings Limited) and SIS Security Asia Pacific Holdings Pte Limited (formerly known as SIS Asia Pacific Holdings Limited) has been changed from British Virgin Islands (BVI) and Malta, respectively during the year ended March 31, 2022.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise



All amounts in ₹ million, unless stated otherwise

38. Group information (Contd.)

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, 2022	March 31, 2021
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, 2022	March 31, 2021
1 Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

38. Group information (Contd.) Additional information under General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

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	40.3%	8,360.44	41.1%	1,339.01	(31.4%)	(60.34)	37.0%	1,278.67
Subsidiaries - Indian								
2 Service Master Clean Limited	7.0%	1,456.50	4.3%	140.51	3.3%	6.36	4.3%	146.87
3 Tech SIS Limited	0.1%	27.01	(0.4%)	(11.75)	0.3%	0.54	(0.3%)	(11.21)
4 Terminix SIS India Private Limited	0.3%	61.23	0.5%	17.18	1.4%	2.61	0.6%	19.79
5 Dusters Total Solutions Services Private Limited	10.3%	2,126.78	12.1%	394.09	(16.6%)	(31.83)	10.5%	362.26
6 SIS Business Support Services and Solutions Private Limited	0.0%	0.11	0.0%	0.22	0.0%	-	0.0%	0.22
7 SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited)	0.0%	0.14	0.0%	0.01	0.0%	-	0.0%	0.01
8 SLV Security Services Private Limited	(0.2%)	(46.62)	2.0%	65.56	(2.0%)	(3.77)	1.8%	61.79
9 Rare Hospitality and Services Private Limited	0.5%	111.11	1.2%	40.64	0.2%	0.40	1.2%	41.04
10 Uniq Security Solutions Private Limited (formerly known as Uniq Detective and Security Services Private Limited)	3.2%	665.73	3.5%	115.03	11.9%	22.91	4.0%	137.94
11 Uniq Detective and Security Services (AP) Pvt. Ltd.	0.0%	2.71	0.1%	3.06	0.0%	0.03	0.1%	3.09
12 Uniq Detective and Security Services (Tamilnadu) Private Limited	(0.0%)	(1.56)	0.0%	0.64	0.1%	0.24	0.0%	0.88
13 Uniq Facility Services Private Limited	0.0%	6.87	0.1%	3.97	0.3%	0.57	0.1%	4.54
14 SIS Alarm Monitoring and Response Services Private Limited	0.1%	15.60	(1.6%)	(51.38)	0.3%	0.57	(1.5%)	(50.81)
15 Adis Enterprises Private Limited	0.0%	8.66	0.1%	2.00	(0.2%)	(0.42)	0.0%	1.58
16 One SIS Solutions Private Limited	0.0%	0.11	0.0%	0.02	0.0%	-	0.0%	0.02



All amounts in ₹ million, unless stated otherwise

**38. Group information (Contd.)
Additional information under General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the
Companies Act, 2013:**

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)
Subsidiaries - Foreign								
17 SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	1.1%	227.66	0.0%	-	0.0%	-	0.0%	-
18 SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	1.1%	227.69	0.0%	-	0.0%	-	0.0%	-
19 SIS Australia Holdings Pty Ltd	1.5%	304.23	15.8%	515.63	0.0%	-	14.9%	515.63
20 SIS Australia Group Pty Ltd	9.1%	1,885.94	22.7%	741.35	0.0%	-	21.5%	741.35
21 SIS Group International Holdings Pty Ltd	(5.4%)	(1,129.14)	1.6%	53.29	0.0%	-	1.5%	53.29
22 MSS Strategic Medical and Rescue Pty Ltd	0.9%	191.52	(0.6%)	(18.98)	0.0%	-	(0.5%)	(18.98)
23 SIS MSS Security Holdings Pty Ltd	7.3%	1,509.23	23.0%	750.62	0.0%	-	21.7%	750.62
24 MSS Security Pty Ltd	40.0%	8,289.21	43.7%	1,424.80	0.0%	-	41.3%	1,424.80
25 Australian Security Connections Pty Ltd	0.0%	0.57	0.0%	-	0.0%	-	0.0%	-
26 MSS AJG Pty Ltd	0.0%	-	0.0%	-	0.0%	-	0.0%	-
27 SX Protective Holdings Pty Ltd (Formally known as Andwills Pty. Limited)	0.0%	-	0.0%	-	0.0%	-	0.0%	-
28 SX Protective Services Pty. Ltd.	0.0%	-	0.0%	-	0.0%	-	0.0%	-
29 Southern Cross Protection Pty. Ltd.	7.2%	1,503.58	11.6%	376.76	0.0%	-	10.9%	376.76
30 Southern Cross Loss Prevention Pty Ltd	0.0%	-	0.0%	-	0.0%	-	0.0%	-
31 Askara Pty Ltd	(0.0%)	(1.26)	(0.1%)	(2.08)	0.0%	-	(0.1%)	(2.08)
32 Charter Security Protective Services Pty Ltd	1.1%	226.49	(0.0%)	(0.11)	0.0%	-	(0.0%)	(0.11)
33 Charter Security (NZ) Pty Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-
34 Platform 4 Group Limited	0.6%	118.51	0.7%	21.26	(1.2%)	(2.31)	0.5%	18.95
35 Triton Security Services Limited	0.7%	150.86	0.7%	21.44	0.0%	-	0.6%	21.44
36 The Alarm Center Limited	0.0%	8.70	(0.0%)	(0.18)	0.0%	-	(0.0%)	(0.18)
37 SIS Henderson Holdings Pte Ltd	12.6%	2,621.81	48.7%	1,587.96	(39.0%)	(74.86)	43.8%	1,513.10
38 Henderson Security Services Pte Ltd	1.8%	364.91	(3.5%)	(114.19)	40.8%	78.45	(1.0%)	(35.74)
39 Henderson Technologies Pte Ltd	0.2%	38.71	(0.2%)	(6.91)	8.8%	16.95	0.3%	10.04

**38. Group information (Contd.)
Additional information under General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the
Companies Act, 2013:**

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)
Joint ventures / Associates - Indian								
1	3.4%	712.34	1.4%	46.13	(0.2%)	(0.37)	1.3%	45.76
2	2.9%	595.03	(1.5%)	(47.33)	2.2%	4.17	(1.3%)	(43.16)
3	1.6%	339.11	0.0%	0.42	0.0%	-	0.0%	0.42
Joint ventures / Associates - Foreign								
4	0.0%	3.18	0.1%	2.54	0.0%	-	0.1%	2.54
Others								
Adjustments arising out of consolidation/translation adjustments		(10,271.17)		(4,101.22)		227.92		(3,873.30)
Non-controlling interests		30.61		8.58		1.30		9.88
Total		20,743.13		3,259.27		192.12		3,451.39

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise



All amounts in ₹ million, unless stated otherwise

39. Interests in other entities

a) Non-controlling interests (NCI)

Particulars	March 31, 2022	March 31, 2021
Share capital / investment	112.48	112.48
Other equity	(81.87)	(91.75)
Total non-controlling interests	30.61	20.73

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, 2022	March 31, 2021
SIS Cash Services Private Limited	India	49.00%	Associate	Equity method	407.32	380.32
Habitat Security Pty Ltd.	Australia	49.00%	Joint venture	Equity method	2.92	2.91
Total equity accounted investments					410.24	383.23

The share of profits from associates and joint ventures recognised by the Group is given below:

Aggregate amount of share of those joint ventures and associates	Joint ventures		Associates		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
(a) Profit or loss from continuing operations	2.92	2.45	23.09	(0.79)	26.01	1.66
(b) Post-tax profit or loss from discontinued operations.	-	-	-	-	-	-
(c) Other comprehensive income	-	-	3.91	3.80	3.91	3.80
(d) Total comprehensive income	2.92	2.45	27.00	3.01	29.92	5.46
(e) Impact of change in accounting policies on adoption of new accounting standards	-	-	-	-	-	-

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

40. Related party transactions

Note 38 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. Rituraj Kishore Sinha (Managing Director)	- SIS Prosegur Holdings Private Limited	- Security Skills Council India Limited
- Mr. Uday Singh (Non-Executive 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		- Superb Intelligence Services Private Limited
- Mr. Amrendra Prasad Verma – Independent Director		- Mahamanav Mritunjay Institute of Yoga & Alternative Medicine Limited
- Mr. T C A Ranganathan – Independent Director		- Sunrays Overseas Private Limited
- Mr. Devdas Apte – Independent Director		- Vardan Overseas Private Limited
- Mr. Rajan Krishnanath Medhekar – Independent Director		- SIS Asset Management Limited
- Ms. Renu Mattoo – Independent Director		- Rituraj Resorts Limited
- Mr. Rajan Verma - Independent Director (w.e.f. July 28, 2021)		- Lotus Learning Private Limited
- Mr. Sunil Srivastav - Independent director		
- Mr. Brajesh Kumar (Chief Financial Officer – India)		
- Mr. Devesh Desai (Chief Financial Officer)		
- 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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Purchase of goods / receiving of services / expenses reimbursed to related parties	1.99	5.38	-	-	-	65.85	1.99	71.23
Sale of goods / rendering of services / expenses reimbursed by related parties	22.24	21.47	-	-	85.38	83.83	107.62	105.30
Uniform business acquired under slump sale	-	-	-	-	-	4.78	-	4.78
Interest income on bonds or debentures or loans	40.92	40.92	-	-	2.42	2.54	43.34	43.46
Salary & remuneration paid *	-	-	61.38	65.58	-	-	61.38	65.58
Rent paid	-	-	16.56	16.56	73.10	70.76	89.66	87.32

* Post-employment benefits are actuarially determined for the Group as a whole and hence not separately provided



All amounts in ₹ million, unless stated otherwise

40. Related party transactions (Contd.)

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, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Trade payables / Other payables	0.14	0.32	-	-	19.73	19.68	19.87	20.00
Trade receivables / Other receivables	169.45	185.13	-	-	101.69	117.79	271.14	302.92
Investment in shares	410.24	383.24	-	-	-	-	410.24	383.24
Investment in bonds / debentures	372.00	372.00	-	-	-	-	372.00	372.00

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, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2021: ₹ 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.

Information regarding significant transactions

S No	Particulars	Relationship	March 31, 2022	March 31, 2021
b)	Purchase of goods / receiving of services / expenses reimbursed to related parties			
	SIS Cash Services Private Limited	Associates	1.98	5.23
c)	Sale of goods / rendering of services / expenses reimbursed by related parties			
	SIS Cash Services Private Limited	Associates	16.01	15.51
	Security Skills Council India Limited	Others*	78.67	75.62
e)	Interest income on bonds / debentures / loans given			
	SIS cash Services Private Limited	Associates	40.92	40.92
g)	Salary & remuneration			
	Ravindra Kishore Sinha	KMP **	22.82	22.71
	Devesh Desai	KMP **	12.29	11.65
	Rituraj Kishore Sinha	KMP **	9.69	9.69
	Arvind Kumar Prasad	KMP **	5.44	5.21
	Brajesh Kumar	KMP **	7.39	6.76
	Pushpa Latha Katkuri	KMP **	3.76	3.40
h)	Rent paid			
	SIS AMC	Others*	53.36	51.02

*Others represents Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group

** Key management personnel and their relatives

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

41. 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

The Group's exposure to foreign currency risk at the end of the reporting period expressed in ₹ are as follows:

Particulars	Financial liabilities	
	March 31, 2022	March 31, 2021
Foreign currency risk in ₹		
SGD	-	1,196.97
NZD	-	534.71
USD	15.67	5.79
EURO	3.54	10.19
Net exposure to foreign currency risk	19.21	1,747.66

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, 2022	March 31, 2021
Sensitivity		
Increase by 5%	0.96	87.38
Decrease by 5%	(0.96)	(87.38)

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.

All amounts in ₹ million, unless stated otherwise

41. Financial risk management (Contd.)

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, 2022	March 31, 2021
Variable rate borrowings:		
- Loan repayable on demand	4,888.43	4,224.76
- Loans	6,023.98	5,434.94
Fixed rate borrowings		
- Bonds/ Debentures	1,894.32	3,397.43
- Vehicle loan	476.54	505.47
Total	13,283.27	13,562.60

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, 2022	March 31, 2021
Interest rates - increase by 25 basis points *	27.28	24.15
Interest rates - decrease by 25 basis points *	(27.28)	(24.15)

*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, 2022 and March 31, 2021, respectively and revenues for the year ended March 31, 2022 and March 31, 2021, 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.

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.

Notes to the financial statements Contd.

All amounts in ₹ million, unless stated otherwise

41. Financial risk management (Contd.)

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, 2022	March 31, 2021
Group's long-term debt	8,394.84	9,337.84
Group's long-term debt that will mature in less than one year from reporting period	2,326.04	1,917.06
	27.71%	20.53%

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, 2022

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	4,888.43	107.97	2,222.50	6,036.92	3.11	13,258.93
Lease liabilities	-	98.06	292.14	987.65	123.34	1,501.19
Other financial liabilities	-	7,217.03	-	-	-	7,217.03
Trade payables	-	582.61	-	-	-	582.61
Contingent consideration	-	-	-	-	-	-

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 liabilities	-	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	-	112.00	2,129.88	-	-	2,241.88

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.

Particulars	March 31, 2022	March 31, 2021
Financial Assets:		
Investments	549.77	549.77
Other financial assets	5,803.97	4,868.27
Total	6,353.74	5,418.04



All amounts in ₹ million, unless stated otherwise

41. Financial risk management (Contd.)

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Year ended March 31, 2022

Balance sheet caption	As at April 1, 2021	Cash flow	Transaction cost	Finance costs	Exchange translation	As at March 31, 2022
Borrowings*	9,337.84	(971.60)	(6.63)	4.31	30.92	8,394.84
Interest accrued	280.38	(932.62)	6.63	873.73	3.85	231.97

Year ended March 31, 2021

Balance sheet caption	As at April 1, 2020	Cash flow	Transaction cost	Finance costs	Exchange translation	As at March 31, 2021
Borrowings*	6,720.53	1,709.35	(14.04)	17.61	904.39	9,337.84
Interest accrued	194.58	(909.17)	14.04	957.06	23.87	280.38

*Excluding borrowings considered as cash and cash equivalents for the purpose of statement of cash flows.

42. 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 Group. 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:

- 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
- 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 and lease liabilities less cash and cash equivalents including bank balances and deposits irrespective of their duration / maturity.

Particulars	March 31, 2022	March 31, 2021
Borrowings (Note 15)	13,283.27	13,562.60
Lease liabilities (Note 17)	1,224.86	1,167.41
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(7,640.57)	(10,974.47)
Net Debt	6,867.56	3,755.54
EBITDA	4,988.30	5,210.72
Net debt to EBITDA ratio	1.38	0.72

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 financial statements Contd.

All amounts in ₹ million, unless stated otherwise

42. Additional capital disclosures (Contd.)

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 May 04, 2022, has not proposed final dividend for the year ended March 31, 2022 (March 31, 2021: ₹ 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.

As per our report of even date

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

For and on behalf of the Board of Directors

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: New Delhi
Date: May 04, 2022

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary



A Market Leader in
Security, Cash Logistics
& Facility Management

Group Enterprises

Registered Office

Annapoorna Bhawan, Telephone Exchange
Road, Kurji, Patna, Bihar-800010

Corporate Office

A-28 & 29, Okhla Industrial Area, Phase-1,
New Delhi - 110020