

Independent Auditor's Review Report on the Consolidated Quarterly Financial Results of Security and Intelligence Services (India) Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
**The Board of Directors of
Security and Intelligence Services (India) Limited**

We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of Security and Intelligence Services (India) Limited ("the Parent"), its subsidiaries (collectively referred to as "the Group"), its associates and joint ventures as listed in Note 1 to the Statement for the quarter ended June 30, 2019 attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

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

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free of material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Based on our review conducted and procedures performed as stated in paragraph above and based on the consideration of the review reports of the other auditors referred to in paragraph below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the financial results and financial information, in respect of 38 subsidiaries whose financial results include total revenue from operations of INR 12,440 Mn and total net profit after tax of INR 473.48 Mn for the quarter ended June 30, 2019 respectively. The financial results and other financial information of these subsidiaries have been reviewed by other auditors and the financial results, other financial information and limited review reports have been furnished to us by the Parent's management. The consolidated financial results also include the group's share of net loss of INR 23.24 Mn for the quarter ended June 30, 2019, in respect of 4 associates/jointly controlled entities, whose financial results and other financial information have been reviewed by another auditor, whose report has been furnished to us by the Parent's management. Our conclusion, in so far as it relates to the affairs of such subsidiaries and associates/jointly controlled entities is based solely on reports of other auditors and the procedures performed by us as stated in paragraph above. Our report is not qualified in respect of this matter.

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 reviewed 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 reviewed 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, the conversion adjustments prepared by the Parent's management and the procedures performed by us as stated in paragraph above.

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

CA. D.K. Saxena
(Partner)
M. No. 82118



UDIN: 19082118 AAAABW7732

Place: - New Delhi
Date: - July 24, 2019

Security and Intelligence Services (India) Limited
Registered office : Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083

Statement of consolidated financial results for the quarter ended June 30, 2019

SI No	Particulars	(Rupees in million except per share data)			
		Quarter ended			Year ended
		June 30, 2019 (Unaudited)	March 31, 2019 (Audited)	June 30, 2018 (Unaudited)	March 31, 2019 (Audited)
	Income				
1	a) Revenue from Operations	20,083.95	19,548.50	16,113.75	70,932.73
	b) Other Income	35.94	38.94	56.21	175.64
	c) Other Gain/loss	-34.17	-10.06	1.28	1.27
	Total Income (a +b+c)	20,085.72	19,577.38	16,171.24	71,109.64
	Expenses				
2	a) Cost of materials consumed	77.25	80.24	56.56	259.83
	b) Purchases of Stock-in-Trade	17.37	410.21	9.95	475.05
	c) Changes in inventories of finished goods	86.84	-302.38	56.46	-108.43
	d) Employee benefits expense	16,422.25	15,686.18	13,271.86	57,570.72
	e) Finance costs	370.89	357.01	168.17	938.34
	f) Depreciation and amortization expenses	294.29	190.82	132.68	659.51
	g) Other expenses	2,232.85	2,526.54	1,974.39	9,083.98
	Total expenses (a + b + c + d + e + f +g)	19,501.74	18,948.62	15,670.08	68,879.00
3	Profit before tax and exceptional items (1-2)	583.98	628.76	501.16	2,230.64
4	Share of profit/(loss) of associates	-23.24	-6.52	-43.03	-135.39
5	Profit before exceptional items and tax (3+4)	560.74	622.24	458.13	2,095.25
6	Exceptional items	-	-	-	-
7	Profit before tax (5-6)	560.74	622.24	458.13	2,095.25
8	Tax expense				
	Current tax	229.48	428.92	168.57	772.73
	Deferred tax	-417.88	-530.19	-105.25	-824.27
	Total tax expense	-188.40	-101.27	63.32	-51.54
9	Profit for the period (7-8)	749.14	723.51	394.82	2,146.79
10	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 a foreign subsidiary	-33.45	-25.69	33.47	-108.92
	b) Income tax relating to these items	-	-	3.22	-
	Items that will not be reclassified to profit or loss:				
	a) Remeasurement of defined benefits plan	18.99	30.49	-2.78	48.85
	b) Income tax relating to these items	-6.80	-12.54	1.04	-19.11
	Other Comprehensive income for the period (net of taxes)	-21.26	-7.74	34.94	-79.18
11	Total comprehensive income for the period (9+10)	727.88	715.77	429.76	2,067.61
12	Non-controlling Interests	-1.04	-2.77	-3.79	-11.51
13	Total comprehensive income attributable to owners (11-12)	728.92	718.54	433.55	2,079.12
14	Paid-up equity share capital (face value of Rs. 10 per share)	733.18	733.13	731.84	733.13
15	Reserves i.e. Other equity	12,402.41	11,765.80	10,003.80	11,765.80
16	Earnings Per Share (EPS) (of Rs.10/- each)	(not annualized)	(not annualized)	(not annualized)	(Annualized)
	(a) Basic (Rs)	10.23	10.03	5.39	29.48
	(b) Diluted (Rs)	10.07	9.87	5.30	29.01

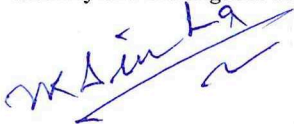
Please see the accompanying notes to the financial results



Notes to the consolidated financial results:

1. The above results of Security and Intelligence Services (India) Ltd (the "Parent" or "Company") including its subsidiaries (collectively known as the "Group"), its associates and its jointly controlled entities are prepared in accordance with Indian Accounting Standards i.e. Ind-AS, prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder, SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized accounting practices and policies. The consolidated figures above include figures of subsidiary companies namely, Service Master Clean Limited, Tech SIS Limited, Terminix SIS India Private Limited, SIS Business Support Services Private Limited, Dusters Total Solutions Services Private Limited, SISCO Security Services Private Limited, SLV Security Services Pvt Ltd, Rare Hospitality and Services Private Limited, Uniq Detective and Security Services Private Limited, Uniq Detective and Security Services (Tamilnadu) Private Limited, Uniq Detective and Security Services (AP) Private Limited, Uniq Facility Services Private Limited, SIS Prosecur Alarm Monitoring & Response Services Private Limited, SIS International Holdings Limited, SIS Asia Pacific Holdings Limited, SIS Australia Holdings Pty Ltd, SIS Australia Group Pty Ltd, SIS Group International Holdings Pty Ltd, MSS Strategic Medical and Rescue Pty Ltd, SIS MSS Security Holdings Pty Ltd, MSS Security Pty Ltd, Australian Security Connections Pty Ltd, SX Protective Holdings Pty Ltd. (formerly known as Andwills Pty. Limited), SX Protective Services Pty. Ltd., Southern Cross Protection Pty. Ltd., Southern Cross FLM Pty Ltd, Southern Cross Loss Prevention Pty Ltd, Cage Security Alarms Pty. Limited, Cage Security Guard Services Pty Ltd, Eymet Security Consultants Pty Ltd, Askara Pty Ltd, Charter Customer Services Pty Ltd, Charter Security Protective Services Pty Ltd, Charter Security (NZ) Pty Limited, MSS AJG Pty Ltd, Platform 4 Group Ltd, SIS Henderson Holdings Pte Ltd., Henderson Security Services Pte. Ltd, Henderson Technologies Pte Ltd and the results of associates/Jointly controlled entities, viz., SIS Cash Services Private Limited, SIS Prosecur Holdings Private Limited, SIS Prosecur Cash Logistics Private Limited and Habitat Security Pty Ltd.
2. The Statement of unaudited consolidated financial results ("the Statement") of the Group, its associates and its jointly controlled entities for the quarter ended June 30, 2019 have been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on July 24, 2019.
3. With effect from May 1, 2019, the Company acquired an additional 50% of the voting rights and shares {in addition to the 50% (direct/indirect) already held} in SIS Prosecur Alarm Monitoring & Response Services Private Limited ('Alarms') for an aggregate consideration of INR 200 million. Alarms was formerly a jointly controlled entity and, as a result, it has become a wholly owned subsidiary of the Group. In view of this acquisition and the change in recognition of the results of Alarms from equity accounting to being consolidated as a subsidiary, the previous periods' results are not strictly comparable with the results of the quarter ended June 30, 2019.
4. Effective April 1, 2019, the Group adopted Ind AS 116 "Leases", using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives have not been retrospectively adjusted. On transition, the adoption of the new standard resulted in recognition of Right of use asset ('RoU') of INR 868.73 million and a lease liability of INR 1,035.79 million. The cumulative effect of applying the standard resulted in INR 71.14 million being debited to retained earnings, net of taxes. The effect of this adoption is not significant on the profit for the period and earnings per share.
5. During the quarter ended June 30, 2019, upon exercise of vested stock options by the eligible employees, the Company has allotted 5,764 equity shares of INR 10 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from INR 733,126,730 divided into 73,312,673 equity shares of INR 10 each to INR 733,184,370 divided into 73,318,437 equity shares of INR 10 each.
6. The Board recommended a final dividend of INR 3.50 per equity share (Face value of Rs. 10 per share) for the financial year 2018-19, which was approved by the members in the annual general meeting held on June 28, 2019. The final dividend was paid on July 12, 2019.

For and on behalf of the Board of Directors of
Security and Intelligence Services (India) Limited



Ravindra Kishore Sinha
Chairman



Place: New Delhi
Date: July 24, 2019

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 620010
CIN: L75230BR1985PLC002083

Consolidated segment-wise Revenue, Results, Assets and Liabilities for the quarter ended June 30, 2019

Particulars	(Rupees in millions)			
	Quarter ended			Year ended
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment revenue				
Security services - India	8,083.66	7,786.91	5,649.55	26,962.71
Security services - International	9,133.95	9,018.84	8,497.42	34,580.81
Facilities management	2,897.44	2,774.20	1,997.64	9,483.19
Less: Inter-segment elimination	-31.10	-31.45	-30.86	-93.98
Total revenue from operations	20,083.95	19,548.50	16,113.75	70,932.73
Segment EBITDA				
Security services - India	530.48	493.63	274.66	1,514.10
Security services - International	536.51	465.26	343.30	1,520.72
Facilities management	180.91	193.23	126.56	639.90
Less: Inter-segment elimination	-0.52	-4.41	0.00	-23.13
Total EBITDA	1,247.38	1,147.71	744.52	3,651.59
Share of net profit / (loss) from associates	-23.24	-6.52	-43.03	-135.39
Other income and gains	-35.46	90.29	55.00	219.20
Other gains / (losses) and effect of entries resulting from consolidation and business combination accounting	-209.34	-312.23	-46.64	-505.87
Finance costs	252.86	144.85	139.57	615.07
Depreciation	236.66	152.02	112.14	519.06
Unallocated corporate expenses	-	0.14	-	0.14
Exceptional items	-	-	-	-
Total profit before tax	560.74	622.24	458.13	2,095.26

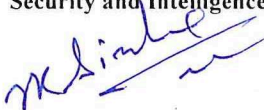
Particulars	As at	As at	As at	As at
	June 30, 2019	March 31, 2019	June 30, 2018	March 31, 2019
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment assets				
Security services - India	19,902.42	17,285.35	11,199.43	17,285.35
Security services - International	19,757.60	19,721.44	13,387.58	19,721.44
Facilities management	5,924.21	5,235.63	3,923.58	5,235.63
Unallocated	1.65	0.73	1,019.15	0.73
Total	45,585.88	42,243.15	29,529.75	42,243.15
Segment liabilities				
Security services - India	12,282.44	10,936.36	6,747.48	10,936.36
Security services - International	16,329.92	15,564.67	10,298.51	15,564.67
Facilities management	3,834.33	3,239.70	1,738.35	3,239.70
Unallocated	1.48	0.04	0.00	0.04
Total	32,448.17	29,740.77	18,784.34	29,740.77

The Group is currently focused on three business groups, viz., 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.

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
- Facilities Management – Housekeeping, Cleaning, Facility operation & management and Pest control services

For and on behalf of the Board of Directors of
Security and Intelligence Services (India) Limited


Ravindra Kishore Sinha
Chairman



Place: New Delhi
Date: July 24, 2019