

**Independent Auditor's Review Report on the Standalone Quarterly and Year to Date 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**

1. We have audited the accompanying Standalone financial results ("Results") of Security and Intelligence Services (India) Limited ("the Company"), for the year ended March 31, 2019 included in the accompanying Statements of Standalone Financial Results ("the Statements"), initiated by us for identification purpose only, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular number CIR/CFD/FAC/62/2016 dated July 5, 2016.

The Results included in the Statements, which are the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related Ind-AS standalone financial statements and reviewed quarterly financial results upto the third quarter which have been prepared by the Management in accordance with the Indian Accounting Standards specified under section 133 of the Companies Act 2013 (the Act), read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the Results included in the Statements, based on our audit of such standalone financial statements.


2. We conducted our audit in accordance with the Standards on Auditing issued by The Institute of Chartered Accountants of India. Those standards required that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Results included in the Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Results included in the Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Results included in the Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and fair presentation of the Results included in the Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal financial control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Results included in the Statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

3. In our opinion and to the best of our information and according to the explanations given to us the Results included in the Statements:
  - a. are presented in accordance with the requirement of SEBI (Listing Obligations and disclosure Requirement) Regulations, 2015, as modified by Circular No. CIR/ CFD/ FAC/62/2016 dated July 5, 2016; and
  - b. gives a true and fair view in conformity with the aforesaid Ind AS and other accounting principles generally accepted in India of the net profit, total comprehensive income and other financial information of the Company for the year ended March 31, 2019.
4. The Statements include the results for the quarter ended March 31, 2019 being the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the current financial year which were subject to limited review by us.

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

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



Place: - Hyderabad  
Date: May 02, 2019

# Saxena & Saxena

## Chartered Accountants

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Security and Intelligence Services (India) Limited						
Registered office : Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010						
CIN: L75230BR1985PLC002083						
Statement of unaudited standalone financial results for the quarter and year ended March 31, 2019						
Sl. No.	Particulars	(Rupees in million except per share data)				
		Quarter ended			Year ended	
		March 31, 2019	December 31, 2018	March 31, 2018	March 31, 2019	March 31, 2018
		(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Audited)
- 1	<b>Income</b>					
	a) Revenue from Operations	6,764.81	6,588.12	5,645.33	25,035.17	21,350.52
	b) Other Income	37.06	117.80	17.75	209.44	72.26
	c) Other Gain/loss	-1.23	6.20	0.15	5.44	3.70
	<b>Total Income (a + b)</b>	<b>6,800.64</b>	<b>6,712.12</b>	<b>5,663.22</b>	<b>25,250.05</b>	<b>21,426.48</b>
2	<b>Expenses</b>					
	a) Purchases	139.44	93.50	60.02	402.63	195.29
	b) Change in inventory of stock-in-trade	-40.10	-4.28	-21.50	-70.71	-91.43
	c) Employee benefits expense	5,918.34	5,772.89	4,945.17	22,007.91	18,820.41
	d) Finance costs	145.12	131.19	76.25	475.43	465.54
	e) Depreciation and amortization expense	88.93	79.15	73.12	295.10	305.27
	f) Other expenses	328.64	323.35	281.97	1,262.19	950.30
	<b>Total expenses (a + b + c + d + e + f)</b>	<b>6,580.37</b>	<b>6,395.80</b>	<b>5,415.03</b>	<b>24,372.55</b>	<b>20,645.38</b>
3	<b>Profit before tax and exceptional items (1-2)</b>	<b>220.27</b>	<b>316.32</b>	<b>248.19</b>	<b>877.50</b>	<b>781.10</b>
4	Exceptional items	-	-	8.32	-	8.32
5	<b>Profit before tax (3-4)</b>	<b>220.27</b>	<b>316.32</b>	<b>239.87</b>	<b>877.50</b>	<b>772.78</b>
6	<b>Tax expense</b>					
	Current tax	190.84	16.34	58.51	223.09	165.69
	Deferred tax	-354.55	-74.70	-50.00	-538.20	-130.35
	Tax expense for earlier periods	-	-	7.33	-	7.33
	<b>Total Tax expense</b>	<b>-163.71</b>	<b>-58.36</b>	<b>15.84</b>	<b>-315.11</b>	<b>42.67</b>
7	<b>Profit for the period (5-6)</b>	<b>383.98</b>	<b>374.68</b>	<b>224.02</b>	<b>1,192.61</b>	<b>730.11</b>
8	<b>Other comprehensive income</b>					
	Items that will not be reclassified to profit or loss					
	a) Remeasurement of Defined benefits plan	82.27	-23.06	-14.28	98.31	-2.66
	b) Income tax relating to these items	-28.74	8.06	4.95	-34.35	0.93
	<b>Other comprehensive income for the period (net of taxes)</b>	<b>53.53</b>	<b>-15.00</b>	<b>-9.33</b>	<b>63.96</b>	<b>-1.73</b>
9	<b>Total comprehensive income for the period (7+8)</b>	<b>437.51</b>	<b>359.68</b>	<b>214.69</b>	<b>1,256.57</b>	<b>728.38</b>
10	Paid-up equity share capital (face value of Rs. 10 per share)	733.13	733.13	731.84	733.13	731.84
11	Reserves i.e. Other equity	6,550.97	6,098.21	5,332.67	6,550.97	5,332.67
12	<b>Earnings Per Share (EPS) (of Rs. 10/- each)</b>	(not annualized)	(not annualized)	(not annualized)	(Annualized)	(Annualized)
	(a) Basic (Rs)	5.24	5.11	3.08	16.28	10.20
	(b) Diluted (Rs)	5.15	5.03	3.02	16.02	10.01

Please see the accompanying notes to the financial results



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

Statement of unaudited standalone Assets and Liabilities as at March 31, 2019

Particulars		(Rupees in million)	
		March 31, 2019 (Audited)	March 31, 2018 (Audited)
<b>A</b>	<b>ASSETS</b>		
	<b>Non – Current Assets</b>		
	Property, Plant and Equipment	1022.01	714.89
	Capital work-in-progress	9.46	8.32
	Other Intangible Assets	16.15	21.10
	Intangible assets under Development	20.77	0.00
	<b>Financial Assets</b>		
	(i) Investments	3,848.76	2,063.96
	(ii) Others	712.00	472.29
	Deferred tax assets (net)	1,216.61	712.76
	Income tax Assets	944.77	705.82
	Other Non – Current Assets	16.38	5.16
	<b>Total Non – Current Assets</b>	<b>7,806.91</b>	<b>4,704.30</b>
	<b>Current Assets</b>		
	Inventories	162.13	91.43
	<b>Financial Assets</b>		
	(i) Trade Receivables	3,473.77	2,290.61
	(ii) Cash and Cash Equivalents	573.31	708.00
	(iii) Bank Balances other than in (ii) above	736.50	508.57
	(iv) Other financial assets	2,079.31	2,026.46
	Other Current Assets	655.89	696.53
	<b>Total Current Assets</b>	<b>7,680.91</b>	<b>6,321.59</b>
	<b>Total Assets</b>	<b>15,487.82</b>	<b>11,025.89</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	Equity share capital	733.13	731.84
	Other Equity	6,550.97	5,332.67
	<b>Total Equity</b>	<b>7,284.10</b>	<b>6,064.51</b>
	<b>Liabilities</b>		
	<b>Non – Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	(i) Borrowings	2,645.41	986.03
	(ii) Other Financial Liabilities	26.59	22.52
	Provisions	390.72	374.71
	<b>Total Non- Current liabilities</b>	<b>3,062.72</b>	<b>1,383.26</b>
	<b>Current Liabilities</b>		
	<b>Financial Liabilities</b>		
	(i) Borrowings	2,082.85	1,110.74
	(ii) Trade Payables		
	a. Total outstanding dues of micro enterprises and small enterprises	0.18	-
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	155.15	170.16
	(iii) Others	2,110.24	1,638.49
	Other Current Liabilities	742.95	618.89
	Provisions	49.63	39.84
	<b>Total Current Liabilities</b>	<b>5,141.00</b>	<b>3,578.12</b>
	<b>Total Liabilities</b>	<b>8,203.72</b>	<b>4,961.38</b>
	<b>Total Equity and Liabilities</b>	<b>15,487.82</b>	<b>11,025.89</b>



**Notes to the standalone financial results:**

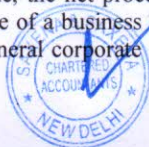
1. The Statement of standalone financial results ("the Statement") of the Company for the quarter and year ended March 31, 2019 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on May 02, 2019.
2. The standalone results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as prescribed in Section 133 of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized accounting practices and policies.
3. The figures for the quarter ended March 31, 2019 and the corresponding quarter ended March 31, 2018 are the balancing figures between the audited figures in respect of the full financial year and the year to date figures upto the third quarter of the respective financial years.
4. Effective September 1, 2018, the Company acquired 51% of the outstanding equity shares of SLV Security Services Private Limited for an aggregate consideration of INR 505.00 Mn. In addition, the share purchase agreement (SPA), executed on August 1, 2018 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. The fair value of such options is not material on the balance sheet date and, hence, have not been recognised in the financial statements.
5. Effective November 1, 2018, the Company acquired 80% of the outstanding equity shares of Rare Hospitality and Services Private Limited for an aggregate consideration of INR 319.66 Mn. In addition, the share purchase agreement (SPA), executed on October 16, 2018 provides for acquisition of 100% of the outstanding equity shares, by July 2020, at a price to be determined according to a pre-agreed valuation formula. The fair value of such options is not material on the balance sheet date and, hence, have not been recognised in the financial statements.
6. Effective February 01, 2019, the Company acquired 51% of the outstanding equity shares of Uniq Detective & Security Services Private Limited for an aggregate consideration of INR 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, by September 2020, at a price to be determined according to a pre-agreed valuation formula. The fair value of such options is not material on the balance sheet date and, hence, have not been recognised in the financial statements.
7. Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method which is applied to contracts that were not completed as of April 1, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was not material on the financial statements.
8. During the previous 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 Rs. 10 each at a premium of Rs. 805 per share and an offer for sale of 5,120,619 equity shares of Rs. 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO amounted to Rs. 3,410.47 million (net of issue expenses). The equity shares of the Company were listed on NSE and BSE effective August 10, 2017.

Details of the utilisation of IPO proceeds are as follows:

Particulars	Net proceeds as per prospectus
Gross proceeds of the Issue	3,622.5
Less: Estimated offer related expenses in relation to the Issue	233.82
<b>Net Proceeds</b>	<b>3,388.68</b>
Add: Saving in offer related expenses	21.79
<b>Total</b>	<b>3,410.47</b>

Particulars	Projected utilization of funds as per prospectus	Utilised upto March 31, 2019	Unutilised amount as on March 31, 2019
a. Prepayment & repayment of Debts of company	2,000.00	2,000.00	Nil
b. Funding working capital requirements of the company	600.00	600.00	Nil
c. General corporate purposes	788.70		
Add : Saving in offer related expenses	21.79		
	810.47	810.47	Nil
<b>Total</b>	<b>3,410.47</b>	<b>3,410.47</b>	<b>Nil</b>

9. On April 13, 2018, the Company has issued 1,500 Secured Rated Listed Redeemable Non-Convertible Debentures ("the Debentures") of face value of INR 1.00 million each, aggregating to INR 1,500 million, on a private placement basis. As per the terms of the issue, the net proceeds shall be utilized towards payment of existing outstanding loans of the company, financing of purchase of a business by way of slump sale or acquisition/purchase of shares of a company, working capital requirements and general corporate purposes. The Debentures carry a coupon rate of 9.50% p.a. payable annually and are



redeemable at par after 3 years from the date of allotment. The Debentures are secured by way of security created over the Company's entire shareholding in one of its subsidiary companies.

10. Disclosure under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the year ended March 31, 2019:

Particulars	Details
a) credit rating in respect of above mentioned NCD by ICRA. We confirm there is no change in the credit rating as of date.	A+
b) asset cover available	2.86 times
c) debt-equity ratio*	0.67 times
d) previous due date for the payment of interest / repayment of principal of non-convertible debt securities and whether the same has been paid or not; and,	Interest of INR 143.28 Mn paid on April 15, 2019
e) next due date for the payment of interest/ principal along with the amount of interest payable and the redemption amount	April 13, 2020 is the next due date for interest payment of INR 142.11 Mn and April 13, 2021 is the due date for redemption of the debentures
f) debt service coverage ratio ** (Annualised)	2.04 times
g) interest service coverage ratio*** (Annualised)	2.59 times
h) Debenture redemption reserve	INR 125.00 Mn
i) net worth	INR 7,284.10 Mn
j) net profit after tax	INR 1,192.61 Mn
k) earnings per share (Basic)	INR 16.28 per share

\* Total debt / Equity

\*\* Profit before Interest and taxes / total debt service (interest and principal amounts due within next 12 months)

\*\*\* Profit before interest and exceptional items / Interest expense

11. The Board has recommended a final dividend of Rs. 3.50 per equity share (Face value of Rs. 10 per share) for the financial year 2018-19. The payment is subject to the approval of the members in the ensuing Annual General Meeting.
12. In accordance with Ind-AS 108, Operating segments, segment information has been provided in the unaudited consolidated financial results of the Company and, therefore, no separate disclosure on segment information is given in these standalone unaudited financial results.

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



**Ravindra Kishore Sinha**  
**Chairman**

Place: Hyderabad  
 Date: May 02, 2019

