

**Limited Review Report on Quarterly and Year to Date Standalone Financial Results of Security and Intelligence Services (India) Limited pursuant to the 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 standalone financial results (“Statement”) of Security and Intelligence Services (India) Limited (“the Company”), for the quarter and nine months ended December 31, 2017 attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Statement is the responsibility of the Company’s Management and has been approved by the Board of Directors in its meeting held on January 29, 2018. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with Standard on Review Engagements (SRE) 2410, “Review of Interim Financial Information Performed by the 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.

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

We have not reviewed the accompanying financial results and other financial information of the company for the quarter and nine months ended December 31, 2016 and for the year ended March 31, 2017, which have been solely based on the information compiled by the Company’s management and has been approved by the Board of Directors.

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



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



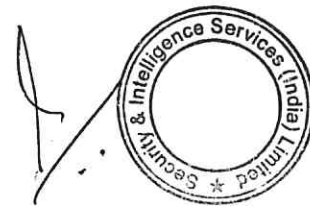
**Place: - New Delhi**  
**Date: January 29, 2018**

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

Part I Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2017

SL. NO.	Particulars	(Rupees in '000 except per share data)					
		Quarter ended			9 months ended		Year ended
		December 31, 2017	September 30, 2017	December 31, 2016	December 31, 2017	December 31, 2016	March 31, 2017
		(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
1	<b>Income</b>						
	a) Revenue from Operations	5,605,170	5,217,023	4,040,275	15,705,195	11,465,443	16,018,216
	b) Other Income	14,536	21,456	21,003	54,516	42,587	58,820
	c) Other Gain/loss	3,422	-914	-6,237	3,549	2,071	4,372
	<b>Total Income (a + b + c)</b>	<b>5,623,128</b>	<b>5,237,565</b>	<b>4,055,041</b>	<b>15,763,261</b>	<b>11,510,102</b>	<b>16,081,407</b>
2	<b>Expenses</b>						
	a) Cost of goods sold	65,344	0	0	65,344	0	0
	b) Employee benefits expense	4,924,653	4,641,886	3,616,249	13,875,952	10,307,038	14,365,732
	c) Finance costs	70,615	150,813	169,589	389,292	339,242	509,045
	d) Depreciation and amortization expenses	79,177	80,849	71,494	232,144	170,631	242,633
	e) Other expenses	241,849	210,088	158,552	667,619	467,820	669,897
	<b>Total expenses (a + b + c + d)</b>	<b>5,381,638</b>	<b>5,083,636</b>	<b>4,015,883</b>	<b>15,230,351</b>	<b>11,284,731</b>	<b>15,787,307</b>
3	<b>Profit before tax and exceptional items (1-2)</b>	<b>241,490</b>	<b>153,929</b>	<b>39,158</b>	<b>532,910</b>	<b>225,371</b>	<b>294,101</b>
4	Exceptional Items	0	0	0	0	0	0
5	<b>Profit before tax (3+4)</b>	<b>241,490</b>	<b>153,929</b>	<b>39,158</b>	<b>532,910</b>	<b>225,371</b>	<b>294,101</b>
6	<b>Tax Expense</b>						
	Current tax	41,269	16,706	25,230	107,184	107,613	50,049
	Deferred tax	-24,604	-28,588	-9,936	-80,362	-23,460	-287,954
	<b>Total Tax expense</b>	<b>16,665</b>	<b>-11,881</b>	<b>15,294</b>	<b>26,822</b>	<b>84,153</b>	<b>-237,904</b>
7	<b>Profit for the period (5 -6 )</b>	<b>224,825</b>	<b>165,810</b>	<b>23,864</b>	<b>506,087</b>	<b>141,218</b>	<b>532,005</b>
8	<b>Other Comprehensive income</b>						
	Items that will not be reclassified to profit or loss						
	a) Remeasurement of Defined benefits plan	3,873	3,873	-8,578	11,620	-25,735	-34,313
	b) Income tax relating to items that will not be reclassified to profit and loss	-1,341	-1,341	2,969	-4,022	8,906	11,875
	<b>Other Comprehensive income for the period net of taxes</b>	<b>2,533</b>	<b>2,533</b>	<b>-5,609</b>	<b>7,599</b>	<b>-16,828</b>	<b>-22,438</b>
9	<b>Total Comprehensive income for the period (7 + 8)</b>	<b>227,358</b>	<b>168,343</b>	<b>18,255</b>	<b>513,686</b>	<b>124,390</b>	<b>509,567</b>
10	Paid-up equity share capital (face value of Rs 10 Per share)	731,838	731,590	687,030	731,838	687,030	687,030
11	Reserves i.e. Other equity	5,389,401	5,144,657		5,389,401		1,450,256
12	Earnings Per Share (EPS)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(annualized)
	a) Basic (Rs)	3.07	2.33	0.35	7.12	2.07	7.77
	b) Diluted (Rs)	3.02	2.29	0.34	6.99	2.07	7.71

Please see the accompanying notes to the financial results

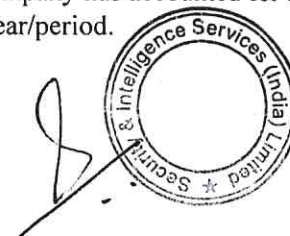


**Notes to the unaudited standalone financial results:**

1. The Statement of unaudited standalone financial results (“the Statement”) of the Company for the quarter and nine months ended December 31, 2017 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors in its meeting held on January 29, 2018.
2. The Board of Directors has declared an interim dividend of Rs. 2 per equity share of face value of Rs. 10 each for the financial year 2017-18 at its meeting held on January 29, 2018.
3. The Company has adopted Indian Accounting Standards (Ind-AS) as prescribed under section 133 of the Companies Act, 2013 on April 1, 2017 with the transition date as April 1, 2016, and the adoption was carried out in accordance with Ind-AS 101 – First time adoption of Indian Accounting Standards. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Companies Act, 2013 read with the rules made thereunder. Accordingly, the above mentioned financial results have been prepared in accordance with applicable Ind-AS.
4. Ind-AS compliant unaudited financial results for the quarter and nine months ended December 31, 2016 and for the year ended March 31, 2017 have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the results provide a true and fair view of the Company’s affairs.
5. Reconciliations of Net Profit after tax between Ind-AS and erstwhile Indian GAAP are given below:

Nature of Adjustment	(Rupees in 000s)		
	Quarter ended	9 months ended	Year ended
	December 31, 2016	December 31, 2016	March 31, 2017
<b>Net Profit as per erstwhile Indian GAAP</b>	<b>21,598</b>	<b>99,664</b>	<b>262,154</b>
Impact of changes in pattern of recognition of revenue			
- Finance Income	2,460	5,960	8,586
Finance costs – Impact arising on recognizing and measuring financial assets and financial liabilities in accordance with Ind-AS	(11,130)	32,874	19,522
ESOP expenses on fair value basis	1,584	2,643	4,227
Employee benefit expenses – Actuarial gain and loss on long term defined benefits plan reclassified as OCI (net of taxes)	5,609	16,828	22,438
Depreciation and amortization expenses	(1,267)	(4,592)	(5,657)
Expected Credit Losses	3,590	3,590	5,247
Others	512	3,168	5,222
Deferred tax impact of Ind-AS adoption	907	(18,917)	210,266
<b>Net Profit as per Ind-AS (A)</b>	<b>23,864</b>	<b>141,218</b>	<b>532,005</b>
Other comprehensive Income (net of tax) (B)	(5,609)	(16,828)	(22,438)
<b>Total comprehensive income as reported under Ind-AS (A+B)</b>	<b>18,255</b>	<b>124,390</b>	<b>509,567</b>

6. The Company has accounted for the benefits under Section 80JJAA of the Income Tax Act, 1961 in the year ended March 31, 2017 and the quarter and nine months ended December 31, 2017. On application of Ind-AS effective April 1, 2017 with the transition date as April 1, 2016, the Company has accounted for a deferred tax asset in respect of the related benefits in the respective financial year/period.



7. During the quarter ended 30 September 2017, 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. 3,414,066 (000s) (net of issue expenses). The equity shares of the Company were listed on NSE and BSE effective from 10 August 2017.

Details of the utilisation of IPO proceeds are as follows:

Particulars	(Rupees in 000s)		
	Projected utilization of funds as per prospectus	Utilised upto December 31, 2017	Unutilised amount as on December 31, 2017
Prepayment & repayment of Debts of company	2,000,000	2,000,000	0
Funding working capital requirements of the company	600,000	600,000	0
General corporate purpose	788,700	0	788,700
Issue related expenses	233,800	233,800	0

Issue related expenses incurred includes an amount of Rs. 21,772 (000s) incurred on behalf of the selling shareholders to be shared by them

The unutilised amounts of the issue as at December 31, 2017 have been temporarily deployed in the cash credit accounts of the company with banks which is in accordance with objects of the issue. The same needs to be utilised by 2018.

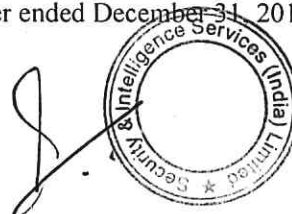
Expenses incurred by the Company, amounting to INR 212,028 (000s), in connection with the IPO have been adjusted towards the securities premium in accordance with Section 52 of the Companies Act, 2013.

8. During the quarter ended December 31, 2017, upon exercise of stock options by the eligible employees, the Company has allotted 24,750 equity shares of Rs. 10 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from Rs. 731,590,350 divided into 73,159,035 equity shares to Rs. 731,837,850 divided into 73,183,785 equity shares.
9. The Board of Directors of the Company at their meeting held on September 20, 2016 and, pursuant to an order of the National Company Law Tribunal, Kolkata Bench ("NCLT") consequent to an application filed before it for sanctioning the scheme, the shareholders and creditors of the Company at their respective meetings held on July 24, 2017, had approved a proposed composite scheme of arrangement under sections 230 to 232 of the Companies Act, 2013 between the Company, Service Master Clean Limited ("SMC"), Subsidiary of the Company and SIS Asset Management Private Limited ("SIS Asset Management) and their respective shareholders and creditors with effect from July 1, 2016, the appointed date ("the Scheme") to demerge certain businesses of the Company and SMC into SIS Asset Management.

During the quarter ended September 30, 2017, subsequent to shareholders and creditors of the Company approving the proposed scheme, the Company, SMC and SIS Asset Management Private Limited had further jointly filed a petition before NCLT for sanctioning of the proposed Scheme.

The NCLT has approved the Scheme by an order dated December 22, 2017 and the same has been filed with the Registrar of Companies on January 18, 2018. Thus, the Scheme is effective on the date of filing of the order with the Registrar of Companies. Since the said order was filed with the Registrar of Companies subsequent to the quarter ended December 31, 2017, which is the date on which it became effective, no effect has been given in these financial results other than to disclose the assets and liabilities to be transferred pursuant to the scheme as being classified as held for distribution to shareholders. This has no impact on results for the quarter and nine months ended December 31, 2017.

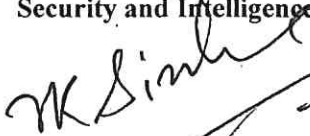
10. The following changes in the board of directors took place during the quarter ended December 31, 2017:
- Mr. Ashok Kumar Mattoo passed away on December 27, 2017



11. 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.

12. The Company does not have any exceptional items to report for the above periods.

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



**Ravindra Kishore Sinha**  
*Chairman*



Place: New Delhi

Date: January 29, 2018