

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**



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, 2018 attached herewith, being submitted by the Company 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 is the responsibility of the Company's Management and has been approved by the Board of Directors at its meeting held on January 30, 2019. This statement has been compiled from the related interim standalone financial statements which has been prepared in accordance with Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of Companies Act, 2013, read with relevant rules issued thereafter 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.

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 the 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.

For Saxena & Saxena
Chartered Accountants
(Firm Regn. No.0061031)



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

Place: - New Delhi
Date: January 30, 2019

Security and Intelligence Services (India) Limited

Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010

CIN: L75230BR1985PLC002083

Statement of unaudited standalone financial results for the quarter and nine months ended December 31, 2018

Sl. No.	Particulars	(Rupees in million except per share data)					
		Quarter ended			nine months ended		Year ended
		December 31, 2018	September 30, 2018	December 31, 2017	December 31, 2018	December 31, 2017	March 31, 2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
	Income						
1	a) Revenue from Operations	6,588.12	6,044.99	5,605.17	18,270.36	15,705.20	21,350.52
	b) Other Income	117.80	26.59	14.54	172.39	54.52	72.26
	c) Other Gain/loss	6.20	-1.38	3.42	6.67	3.55	3.70
	Total Income (a +b)	6,712.12	6,070.20	5,623.13	18,449.42	15,763.26	21,426.48
	Expenses						
2	a) Purchases	93.50	108.85	96.16	263.19	96.16	195.29
	b) Change in inventory of stock-in-trade	-4.28	-26.71	-30.82	-30.61	-30.82	-91.43
	c) Employee benefits expense	5,772.89	5,319.18	4,924.65	16,089.58	13,875.95	18,820.41
	d) Finance costs	131.19	106.48	70.62	330.30	389.29	465.54
	e) Depreciation and amortization expense	79.15	69.69	79.18	206.17	232.14	305.27
	f) Other expenses	323.35	315.26	241.85	933.56	667.63	950.20
	Total expenses (a + b + c + d + e + f)	6,395.80	5,892.75	5,381.64	17,792.19	15,230.35	20,645.37
3	Profit before tax and exceptional items (1-2)	316.32	177.45	241.49	657.23	532.91	781.11
4	Exceptional items	0.00	0.00	0.00	0.00	0.00	8.33
5	Profit before tax (3-4)	316.32	177.45	241.49	657.23	532.91	772.78
6	Tax expense						
	Current tax	16.34	6.81	41.27	32.25	107.18	165.69
	Deferred tax	-74.70	-66.78	-24.60	-183.65	-80.36	-130.35
	Tax expense for earlier periods	0.00	0.00	0.00	0.00	0.00	7.33
	Total Tax expense	-58.36	-59.97	16.66	-151.40	26.82	42.67
7	Profit for the period (5-6)	374.68	237.42	224.82	808.63	506.09	730.11
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	a) Remeasurement of Defined benefits plan	-23.06	39.77	3.87	16.04	11.62	-2.66
	b) Income tax relating to these items	8.06	-13.90	-1.34	(5.61)	-4.02	0.93
	Other comprehensive income for the period (net of taxes)	-15.00	25.87	2.53	10.44	7.60	-1.73
9	Total comprehensive income for the period (7+8)	359.68	263.29	227.36	819.07	513.69	728.38
10	Paid-up equity share capital (face value of Rs. 10 per share)	733.13	733.00	731.84	733.13	731.84	731.84
11	Reserves i.e. Other equity	6,098.21	5,723.70	5,389.40	6,098.21	5,389.40	5,332.67
12	Earnings Per Share (EPS) (of Rs. 10/- each)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(not annualized)	(annualized)
	(a) Basic (Rs)	5.11	3.24	3.07	11.04	7.12	10.20
	(b) Diluted (Rs)	5.03	3.19	3.02	10.87	6.99	10.01

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, 2018 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on January 30, 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. 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 are not material on the balance sheet date and, hence, have not been recognised in the financial statements.
4. 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 325.80 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 are not material on the balance sheet date and, hence, have not been recognised in the financial statements.
5. 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 insignificant on the financial statements.
6. 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
Net Proceeds	3,388.68
Add: Saving in offer related expenses	21.79
Total	3,410.47

Particulars	Projected utilization of funds as per prospectus	Utilised upto December 31, 2018	Unutilised amount as on December 31, 2018
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
Total	3,410.47	3,410.47	Nil



7. 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.
8. 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.
9. During the quarter ended December 31, 2018, upon exercise of vested stock options by the eligible employees, the Company has allotted 12,310 equity shares of Rs. 10 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from INR 733,003,630 divided into 73,300,363 equity shares to INR 733,126,730 divided into 73,312,673 equity shares.
10. During the quarter ended December 31, 2018, Mr. Jayanta Kumar Basu, Nominee Director has resigned as a Director effective from October 9, 2018 due to pre-occupations.

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 30, 2019

