

Independent Auditors' Report on Standalone Financial Results of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')

To

**The Board of Directors of
SIS Limited**

Opinion

We have audited the accompanying statement of standalone financial results ("Statement") of **SIS Limited** ("the "Company"), for the year ended March 31, 2022 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 amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- a. is presented in accordance with the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, as amended; and
- b. gives a true and fair view in conformity with the applicable Indian Accounting Standards 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, 2022.

Basis for Opinion

We conducted our audit of the standalone Financial Results in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results 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 results 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 results.

Management's Responsibility for the Standalone Financial Results

The Results included in the Statement, 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Company's Management 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results 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 results.

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 results, 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.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- 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 results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained upto 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 results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
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Materiality is the magnitude of misstatements in the Standalone Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Results 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 Standalone Financial Results.

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.

Other matters

The Statement include the results for the quarter ended March 31, 2022 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. Dilip Kumar
(Partner)
M. No. 082118

UDIN: 22082118AIKIHV7208

Place: New Delhi

Date: May 4, 2022

SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010 CIN: L75230BR1985PLC002083 Statement of standalone financial results for the quarter and year ended March 31, 2022						
Sl. No.	Particulars	(Rupees in million except per share data)				
		Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
	Income					
1	a) Revenue from Operations	8,946.05	8,516.52	7,753.42	33,178.47	30,040.79
	b) Other Income	43.43	26.54	51.57	631.22	265.23
	c) Other Gain/loss	0.60	-0.13	2.40	2.95	-2.34
	Total Income (a + b + c)	8,990.08	8,542.93	7,807.39	33,812.64	30,303.68
	Expenses					
2	a) Purchases	118.29	64.90	71.83	394.86	385.15
	b) Change in inventories of inventories	47.14	-1.56	15.21	34.85	-13.21
	c) Employee benefits expense	8,043.40	7,676.00	6,971.23	29,804.80	26,619.92
	d) Finance costs	140.72	139.16	152.66	560.80	702.08
	e) Depreciation and amortization expense	108.61	93.35	104.24	378.60	414.75
	f) Other expenses	396.98	391.58	325.79	1,483.21	1,338.93
	Total expenses (a + b + c + d + e + f)	8,855.14	8,363.43	7,640.96	32,657.12	29,447.62
3	Profit / (loss) before tax and exceptional items (1-2)	134.94	179.50	166.43	1,155.52	856.06
4	Exceptional items	-	-	-	-	-
5	Profit / (loss) before tax (3-4)	134.94	179.50	166.43	1,155.52	856.06
6	Tax expense / (credit)					
	Current tax	-58.68	-22.41	0.09	32.11	0.83
	Deferred tax	-73.86	-77.88	90.74	-215.60	284.30
	Total Tax expense / (credit)	-132.54	-100.29	90.83	-183.49	285.13
7	Profit / (loss) for the period (5-6)	267.48	279.79	75.60	1,339.01	570.93
8	Other comprehensive income					
	Items that will not be reclassified to profit or loss					
	a) Remeasurement of Defined benefits plan	-98.10	16.13	25.75	-80.63	-61.28
	b) Income tax relating to these items	24.69	-4.06	-6.48	20.29	15.42
	Other comprehensive income / (loss) for the period (net of taxes)	-73.41	12.07	19.27	-60.34	-45.86
9	Total comprehensive income / (loss) for the period (7+8)	194.07	291.86	94.87	1,278.67	525.07
10	Paid-up equity share capital (face value of Rs. 5 per share)	735.16	734.51	741.51	735.16	741.51
11	Reserves i.e. Other equity	7,625.28	7,384.30	7,375.90	7,625.28	7,375.90
12	Earnings Per Share (EPS) (of Rs. 5/- each)	(not annualized)	(not annualized)	(not annualized)	(Annualized)	(Annualized)
	(a) Basic (Rs)	1.82	1.90	0.51	9.10	3.88
	(b) Diluted (Rs)	1.80	1.88	0.51	9.01	3.86

Please see the accompanying notes to the financial results

Additional disclosure as per Clause 52 (4) and 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Sl. No.	Particulars	Quarter ended			Year ended	
		March 31, 2022	December 31, 2021	March 31, 2021	March 31, 2022	March 31, 2021
a)	Outstanding redeemable preference shares (INR Mn)	Nil	Nil	Nil	Nil	Nil
b)	Debenture redemption reserve (INR Mn)	Nil	Nil	375.00	Nil	375.00
c)	Net worth (total equity) (INR Mn)	8,360.44	8,118.81	8,117.41	8,360.44	8,117.41
d)	Net profit after tax (INR Mn)	267.48	279.79	75.60	1,339.01	570.93
e)	Basic earnings per share (Rs.) (of Rs. 5/- each)	1.82	1.90	0.51	9.10	3.88
f)	Debt-equity ratio (times)	0.77	0.86	0.93	0.77	0.93
g)	Debt service coverage ratio (times) *	0.36#	1.68	0.48#	0.42#	0.56 #
h)	Interest service coverage ratio (times) *	2.09	2.28	1.89	2.33	1.95
i)	Current ratio (times)	1.03	1.28	1.41	1.03	1.41
j)	Long term debt to working capital (times) *	1.31	1.28	0.91	1.31	0.91
k)	Bad debts to account receivable ratio (%) *	-	-	-	-	-
l)	Current liability ratio (times)	0.81	0.66	0.68	0.81	0.68
m)	Total debts to total assets (times)	0.32	0.35	0.37	0.32	0.37
n)	Debtor's turnover (times) *	7.19	7.33	6.99	6.96	6.60
o)	Inventory turnover (times) *	4.21	1.52	1.69	2.61	2.12
p)	Operating margin (%)	3.80%	4.53%	4.76%	4.40%	5.69%
q)	Net profit margin (%)	2.99%	3.29%	0.98%	4.04%	1.90%

Considering INR 1,900 million and INR 1,500 million for NCD as current maturity of long term debts for the quarter/year ended 31 March 2022 and 31 March 2021.

*Ratios for the quarters have been annualized.

The Secured Rated Listed Redeemable Non-Convertible Debentures ("the Debentures") of face value of INR 1.00 million each, aggregating to INR 1,900 million are secured by way of security created over a portion of the Company's shareholding in one of its subsidiary company. The asset cover as on March 31, 2022 is more or equal to 4 times of the principal amount of the said secured non-convertible debentures.

Formulae for computation of above ratios are as follows

Particulars	Details
a) Debt-equity ratio	Total debt/ Total Equity
b) Debt service coverage ratio	Profit before interest, tax and exceptional items/ (Interest expense + Current maturities of non-current borrowings)
c) Interest service coverage ratio	Profit before interest, tax and exceptional items/ Interest expense
d) Current ratio	Current assets/ Current liabilities
e) Long term debt to working capital	Non-current borrowings (including current maturities of non-current borrowings)/ (Current asset- Current liability (excluding current maturities of non-current borrowings))
f) Bad debts to account receivable ratio	Bad debt writes off during the period / Average Trade Receivable
g) Current liability ratio	Current liability/ Total liability
h) Total debts to total assets	Total debt/ Total assets
i) Debtors turnover	Revenue/ Average trade receivable
j) Inventory turnover	Cost of goods sold/ Average inventory
k) Operating margin	Profit before depreciation, interest, tax, and exceptional item less other income/ Revenue
l) Net profit margin	Profit after tax/ Revenue

SIS Limited

Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna – 800010
CIN: L75230BR1985PLC002083

Statement of standalone assets and liabilities as at March 31, 2022

Particulars		(Rupees in million)	
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
A	ASSETS		
	Non – current assets		
	Property, plant and equipment	1,233.48	1,018.48
	Capital work-in-progress	-	-
	Other intangible assets	6.53	6.98
	Intangible assets under development	211.40	114.07
	Financial assets		
	(i) Investments	5,765.48	5,243.19
	(ii) Other non-current financial assets	597.13	527.46
	Deferred tax assets (net)	1,045.66	809.77
	Income tax assets	1,410.12	938.14
	Other non – current assets	31.83	11.93
	Total non – current assets	10,301.63	8,670.02
	Current assets		
	Inventories	147.20	182.05
	Financial assets		
	(i) Trade receivables	5,072.09	4,455.15
	(ii) Cash and cash equivalents	1,303.00	2,061.91
	(iii) Bank balances other than in (ii) above	283.98	1,980.66
	(iv) Other current financial assets	2,358.58	2,168.26
	Other current assets	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	735.16	741.51
	Other equity	7,625.28	7,375.90
	Total equity	8,360.44	8,117.41
	Liabilities		
	Non – current liabilities		
	Financial liabilities		
	(i) Borrowings	1,011.08	2,859.34
	(ia) Lease liabilities	414.30	390.94
	(ii) Other non-current financial liabilities	5.87	3.91
	Provisions	786.90	627.64
	Total non- current liabilities	2,218.15	3,881.83
	Current liabilities		
	Financial liabilities		
	(i) Borrowings	5,387.23	4,655.84
	(ia) Lease liabilities	76.13	62.52
	(ii) Trade payables		
	a. Total outstanding dues of micro enterprises and small enterprises	6.13	1.85
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	124.21	78.51
	(iii) Other current financial liabilities	2,526.44	2,330.29
	Other current liabilities	1,086.84	974.97
	Provisions	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

SIS Limited

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

CIN: L75230BR1985PLC002083

Standalone statement of cash flows for the year ended March 31, 2022

Particulars		(Rupees in million)	
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
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 classified as investing cash flows	-126.28	-260.40
	Dividend Income	-504.94	-4.83
	Allowance for expected credit loss	97.33	129.44
	Employee share-based payment expenses	112.47	2.42
	Operating profit/(loss) before changes in working capital	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
	Investments made	-512.05	-250.91
	(Investment) in / matured fixed deposits	1,607.85	-1,599.81
	Decrease / (increase) in 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
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	2.47	8.56
	Buy back 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	1900.00
	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	2,061.91	502.08
F	Cash credit at the beginning of the year	-2,990.00	-3,706.26
	Cash and cash equivalents at the end of the year (D+E+F)	-1,985.46	-928.09

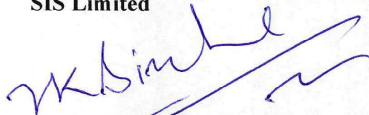
For the purpose of standalone statement of cash flows, cash and cash equivalents comprises of followings:

	March 31, 2022	March 31, 2021
Cash and cash equivalents at the end of the year	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

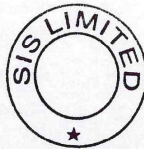
Notes to the standalone financial results:

1. The Statement of unaudited standalone financial results ("the Statement") of the Company for the quarter and year ended March 31, 2022 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on May 04, 2022.
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. During the quarter ended March 31, 2022, upon exercise of vested stock options by the eligible employees, the Company has allotted 1,29,443 equity shares of INR 5 each. Consequent to the said allotments, the paid-up equity share capital of the Company stands increased to INR 735,155,250 divided into 147,031,050 equity shares of INR 5 each.
4. 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.
5. The figures for the quarter ended March 31, 2022 and the corresponding quarter ended March 31, 2021 are the balancing figures between the audited figures in respect of the full financial year and the published year to date figures upto the third quarter of the respective financial year.
6. In accordance with Ind-AS 108, Operating segments, segment information has been provided in the audited consolidated financial results of the Group and, therefore, no separate disclosure on segment information is given in these standalone audited financial results.

For and on behalf of the Board of Directors of
SIS Limited



Ravindra Kishore Sinha
Chairman



Place: New Delhi

Date: May 4, 2022