

Independent Auditor's Review Report on the Standalone Quarterly and Half yearly 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 unaudited Standalone financial results ("Results") of **Security and Intelligence Services (India) Limited** ("the Company"), for the quarter and six months ended September 30, 2020 included in the accompanying Statements of Standalone Financial Results ("the Statements"), 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.

This Statement, which is the responsibility of the Company's Management and approved by the Board of Directors, has been compiled from the related interim standalone financial statements which have been prepared in accordance with the Indian Accounting Standards 34, "Interim Financial Reporting" prescribed 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 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.006103N)



CA. Dilip Kumar
(Partner)
M. No. 82118

UDIN: 20082118AAAAHM6020
Place: New Delhi
Date: October 29, 2020



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 six months ended September 30, 2020

Sl. No.	Particulars	(Rupees in million except per share data)					
		Quarter ended			Six months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	7,165.18	7,434.70	7,471.55	14,599.88	14,356.41	29,958.81
	b) Other income	80.54	89.63	157.50	170.17	184.06	440.32
	c) Other gains / (losses)	-0.42	-0.88	3.70	-1.30	5.78	8.83
	Total income (a + b + c)	7,245.30	7,523.45	7,632.75	14,768.75	14,546.25	30,407.96
	Expenses						
	a) Purchases	159.25	64.78	13.19	224.03	23.12	394.11
	b) Change in inventory of stock-in-trade	-7.92	-13.18	86.79	-21.10	152.20	-6.71
	c) Employee benefits expense	6,277.55	6,576.38	6,471.73	12,853.93	12,478.53	26,110.92
	d) Finance costs	179.09	211.85	192.95	390.94	354.43	756.36
	e) Depreciation and amortization expense	104.65	102.41	138.26	207.06	257.52	534.79
	f) Other expenses	288.40	372.88	425.57	661.28	749.43	1,548.80
	Total expenses (a + b + c + d + e + f)	7,001.02	7,315.12	7,328.49	14,316.14	14,015.23	29,338.27
3	Profit before tax and exceptional items (1-2)	244.28	208.33	304.26	452.61	531.02	1,069.69
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	244.28	208.33	304.26	452.61	531.02	1,069.69
6	Tax expense						
	Current tax	-0.65	1.13	35.98	0.48	92.19	62.23
	Deferred tax	88.06	60.41	-286.46	148.47	-594.04	144.18
	Total tax expense	87.41	61.54	-250.48	148.95	-501.85	206.41
7	Profit for the period (5-6)	156.87	146.79	554.74	303.66	1,032.87	863.28
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	a) Re-measurement of defined benefits plan	5.06	5.05	-72.40	10.11	-47.82	16.52
	b) Income tax relating to these items	-1.27	-1.27	25.30	-2.54	16.71	-4.16
	Other comprehensive income for the period (net of taxes)	3.79	3.78	-47.10	7.57	-31.11	12.36
9	Total comprehensive income for the period (7+8)	160.66	150.57	507.64	311.23	1,001.76	875.64
10	Paid-up equity share capital (face value of Rs. 5 per share)	733.87	733.25	733.18	733.87	733.18	733.19
11	Reserves i.e. Other equity	7,167.29	7,004.40	7,302.54	7,167.29	7,302.54	6,846.52
12	Earnings per share (EPS) (of Rs. 5/- each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
	(a) Basic (Rs)	1.07	1.00	3.79*	2.07	7.05*	5.89
	(b) Diluted (Rs)	1.05	0.99	3.73*	2.04	6.93*	5.79

*Restated to reflect the effect of share sub-division

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 standalone assets and liabilities as at September 30, 2020

Particulars		(Rupees in million)	
		September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
A	ASSETS		
	Non – current assets		
	Property, plant and equipment	1,108.34	1,246.20
	Capital work-in-progress	10.64	10.64
	Other intangible assets	11.00	17.41
	Intangible assets under development	75.39	41.03
	Financial assets		
	(i) Investments	5,048.83	4,981.19
	(ii) Other non-current financial assets	632.58	625.14
	Deferred tax assets (net)	927.64	1,078.60
	Income tax assets	761.39	1,273.56
	Other non – current assets	4.85	6.57
	Total non – current assets	8,580.66	9,280.34
	Current assets		
	Inventories	230.73	168.84
	Financial assets		
	(i) Trade receivables	4,336.51	4,649.03
	(ii) Cash and cash equivalents	1,825.65	502.08
	(iii) Bank balances other than in (ii) above	434.74	492.12
	(iv) Other current financial assets	2,622.83	2,366.86
	Other current assets	702.84	753.96
	Total current assets	10,153.30	8,932.89
	Total assets	18,733.96	18,213.23
B	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	733.87	733.19
	Other equity	7,167.29	6,846.52
	Total equity	7,901.16	7,579.71
	Liabilities		
	Non – current liabilities		
	Financial liabilities		
	(i) Borrowings	1,028.90	2,610.04
	(ii) Other non-current financial liabilities	413.51	414.02
	Provisions	541.95	469.39
	Total non- current liabilities	1,984.36	3,493.45
	Current liabilities		
	Financial liabilities		
	(i) Borrowings	3,821.86	3,706.26
	(ii) Trade payables		
	a. Total outstanding dues of micro enterprises and small enterprises	4.82	0.03
	b. Total outstanding dues of creditors other than micro enterprises and small enterprises	274.85	129.48
	(iii) Other current financial liabilities	4,009.54	2,322.47
	Other current liabilities	665.49	918.42
	Provisions	71.88	63.41
	Total current liabilities	8,848.44	7,140.07
	Total liabilities	10,832.80	10,633.52
	Total equity and liabilities	18,733.96	18,213.23

Security and Intelligence Services (India) Limited
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Standalone statement of cash flows for the six months ended September 30, 2020

Particulars		(Rupees in million)	
		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	452.61	531.02
	Adjusted for:		
	Depreciation and amortization expenses	207.06	257.52
	Unrealised foreign exchange (gain) / loss	6.91	-1.86
	Net (gain) / loss on sale of property, plant and equipment	-5.61	-3.92
	Finance costs	390.94	354.43
	Interest income classified as investing cash flows	-167.85	-62.15
	Dividend Income	-2.31	-121.90
	Provision for doubtful debts	124.72	40.41
	Employee stock option compensation expense	7.96	21.22
	Operating profit/(loss) before changes in working capital	1,014.43	1,014.77
	Changes in working capital:		
	Decrease / (increase) in trade receivables	200.99	-308.09
	Decrease / (increase) in inventories	1.06	-4.18
	Decrease / (increase) in other current assets	52.76	-71.68
	Decrease / (increase) in other current financial assets	-238.64	-611.03
	(Decrease) / increase in trade payables	46.35	-4.76
	(Decrease) / increase in provisions	91.14	74.38
	(Decrease) / increase in other current liabilities	-221.02	-31.37
	(Decrease) / increase in other current financial liabilities	267.71	285.82
		1,214.78	343.86
	Decrease / (increase) in other non-current assets	0.02	0.02
	Decrease / (increase) in other non-current financial assets	-9.13	-13.86
	(Decrease) / increase in other non-current financial liabilities	-6.91	-
	Cash (used in) / generated from operations	1,198.76	330.02
	Direct (tax paid), net of refunds	511.69	-139.18
	Net cash inflow / (outflow) from operating activities	1,710.45	190.84
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property plant and equipment and changes in capital work-in-progress	-78.09	-142.73
	Proceeds from sale / disposal of property, plant and equipment	23.77	6.15
	Investments made	-60.23	-795.45
	(Investment) in / matured fixed deposits	5.90	162.14
	Decrease / (increase) in restricted balances	56.05	60.00
	Interest received	142.00	53.68
	Dividend received	2.31	121.90
	Net cash inflow / (outflow) from investing activities	91.71	-534.31
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	0.63	0.01
	Proceeds from term loans	9.56	105.29
	Repayment of term loans	-127.06	-96.71
	Interest paid	-413.85	-393.15
	Dividends paid to Company's shareholders	-	-256.40
	Changes in lease liability	-63.47	-56.78
	Net cash inflow / (outflow) from financing activities	-594.19	-697.74
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,207.97	-1,041.21
E	Cash and cash equivalents at the beginning of the year	502.08	573.31
F	Cash credit at the beginning of the year	-3,706.26	-2,082.85
	Cash and cash equivalents at the end of the period (D+E+F)	-1,996.21	-2,550.75

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

Cash and cash equivalents at the end of the period	1,825.65	681.17
Cash credit at the end of the period	-3,821.86	-3,231.92
Balances as per statement of cash flows	-1,996.21	-2,550.75

Notes to the standalone financial results:

1. The Statement of unaudited standalone financial results (“the Statement”) of the Company for the quarter and six months ended September 30, 2020 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on October 29, 2020.
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 May 04, 2020, the Company acquired an additional shareholding of 5% in SLV Security Services Private Limited (“SLV”), a subsidiary of the Company, for an aggregate consideration of INR 56.05 million. With this acquisition, the Company held 95.01% of the outstanding equity shares in SLV as at September 30, 2020.
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. During the quarter ended September 30, 2020, upon exercise of vested stock options by the eligible employees, the Company has allotted 124,560 equity shares of INR 5 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from INR 733,247,510 divided into 146,649,502 equity shares of INR 5 each to INR 733,870,310 divided into 146,774,062 equity shares of INR 5 each.
6. Disclosure under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended September 30, 2020:

Particulars	Details
a) Credit rating in respect of above mentioned NCD by ICRA.	A+. We confirm there is no change in the credit rating as of date.
b) asset cover available	2.86 times. The Debentures are secured by way of security created over the Company’s entire shareholding in one of its subsidiary companies.
c) debt-equity ratio*	0.83 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 141.72 Mn paid on April 13, 2020
e) next due date for the payment of interest/ principal along with the amount of interest payable and the redemption amount	April 13, 2021 is the next due date for interest payment of INR 142.50 Mn and April 13, 2021 is the due date for redemption of the debentures
f) debt service coverage ratio ** (Annualised)	0.55 times #
g) interest service coverage ratio*** (Annualised)	1.82 times
h) Debenture redemption reserve	INR 312.50 Mn
i) net worth	INR 7,901.16 Mn
j) net profit after tax	INR 303.66 Mn
k) earnings per share (Basic)	INR 2.07 per share

Considering INR 1500 mn for NCD payment as current maturity of long term debts. If excluded, debt service coverage ratio would have been 1.43 times

* 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

7. In accordance with Ind-AS 108, Operating segments, segment information has been provided in the unaudited consolidated financial results of the Group 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


Rituraj Kishore Sinha
 Managing Director

Place: New Delhi
 Date: October 29, 2020

