

S S KOTHARI MEHTA
& COMPANY
CHARTERED ACCOUNTANTS

CERTIFICATE ON PERMISSIBLE CAPITAL PAYMENT

To,

The Board of Directors
SIS Limited
Annapoorna Bhawan, Telephone Exchange Road
Kurji, Patna, Bihar – 800 010

DAM Capital Advisors Limited
One BKC, Tower C, 15th Floor
Unit No. 1511, Bandra Kurla Complex
Bandra (East) Mumbai 400 051
Maharashtra, India
(hereinafter referred to as the “**Manager to the Buyback**”)

Dear Sir/ Madam,

Subject: Statutory Auditors’ report in respect of the proposed buyback of equity shares by SIS Limited (the “Company”) in terms of clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the “Buyback Regulations”).

1. This report is issued in accordance with our engagement letter dated November 29 2023.
2. The Board of Directors of SIS Limited (the “**Company**”) have approved a proposal for buyback of equity shares by the Company at its meeting held on November 30, 2023 (“**Board Meeting**”) in pursuance of the provisions of Sections 68, 69 and 70 of the Companies Act, 2013 as amended (the “**Act**”), the rules made thereunder, as amended, and the Buyback Regulations.
3. We have been engaged by the Company to perform a reasonable assurance engagement on determination of the amount of permissible capital payment in connection with the proposed buyback by the Company of its equity shares in pursuance of the provisions of Sections 68, 69 and 70 of the Act and regulations as specified in the Buyback Regulations and on the opinions expressed by the Board of Directors of the Company, as required under the Buyback Regulations.
4. The Company has prepared the attached “Statement of determination of the amount of permissible capital payment for proposed buyback of equity shares” (the “**Statement**”) which we have initialed for identification purposes only. The Statement contains the computation of amount of permissible capital payment towards the buyback of equity shares in accordance with the requirements of section 68(2)(c) of the Act and regulation 4(i) of the Buyback Regulations, based on the latest audited standalone and consolidated financial statements of the Company for the year ended March 31, 2023.

Responsibility of the Board of Directors

5. The Board of Directors of the Company is responsible for the following:
 - i. The preparation of the Statement is the responsibility of the Board of Directors of the Company, including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.



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- ii. The Board of Directors are responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion as specified in clause (x) of Schedule I to the Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board Meeting. The Board of Directors are also responsible for ensuring that the Company complies with the requirements of the Act and Buyback Regulations.

Auditor's Responsibility

6. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to obtain reasonable assurance on the following "Reporting Criteria":
- i. whether we have inquired into the state of affairs of the Company;
 - ii. whether the amount of capital payment for the proposed buyback is within the permissible limit computed in accordance with the provisions of Section 68 of the Act and Regulation 4(i) of the Buyback Regulations read with the proviso to Regulation 5(i)(b) of the Buyback Regulations, and has been properly determined; and
 - iii. whether the Board of Directors has formed the opinion, as specified in Clause (x) of Schedule I to the Buyback Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the date of the Board Meeting.
7. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the Reporting Criteria. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the Reporting Criteria. Within the scope of our work, we performed the following procedures:
- i. Examined authorisation for buyback from the Articles of Association of the Company;
 - ii. Examined that the amount of capital payment for the buyback is within the permissible limit computed in accordance with the provisions of Section 68 of the Act and Regulation 4(i) of the Buyback Regulations;
 - iii. Traced the amounts of paid-up share capital, securities premium account, general reserves and retained earnings as disclosed in the accompanying Statement, with the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2023;
 - iv. Examined that the ratio of the secured and unsecured debt owed by the Company after the buyback is not more than twice the paid-up capital and its free reserves based on both, [the audited standalone and consolidated financial statements of the Company as on March 31, 2023;
 - v. Examined that all the shares for buyback are fully paid-up;
 - vi. Inquired into the state of affairs of the Company with reference to the audited standalone and consolidated financial statements of the Company as at and for the year ended March 31, 2023 (the "**Audited Financial Statements**") which has been prepared by the Management of the Company and audited by us on which we have issued our audit report dated May 03, 2023,
 - vii. Inquired if the Board of Directors of the Company, in its meeting held on November 30, 2023 has formed the opinion as specified in Clause (x) of Schedule I to the Buyback



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Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of the Board meeting;

- viii. Examined that the Company has not availed any borrowings to discharge its obligations under the Buyback;
 - ix. Examined Directors' declarations for the purpose of buyback and solvency of the Company; and
 - x. Obtained appropriate representations from the Management of the Company.
8. We conducted our examination in accordance with the 'Guidance Note on Reports and Certificates for Special Purposes' issued by ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that perform Audits and Review of Historical Financial Information, and other assurance and related services engagements.
10. The financial statements referred to in paragraph 7 (vi) above, have been audited by us on which we issued an unmodified audit opinion vide our report dated May 03, 2023. Our audit of these financial statements was conducted in accordance with the Standards on Auditing, as specified under section 143(10) of the Act, and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Our audits were not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.

Opinion

11. Based on our examination as above, and the information and explanations given to us, we report that:
- i. we have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements for year ended March 31, 2023.
 - ii. the amount of permissible capital payment for proposed buyback of the equity shares as included in the Statement has been properly determined in accordance with the provisions of Section 68(2)(c) of the Act and Regulation 4(i) of the Buyback Regulations read with proviso of Regulation 5(i)(b) of the Buyback Regulations;
 - iii. the Board of Directors, in their meeting held on November 30, 2023, have formed the opinion as specified in clause (x) of Schedule I of the Buyback Regulations on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the date of Board Meeting.

Restrictions on Use

12. Our work was performed solely to assist you in meeting your responsibilities with reference to the Buyback Regulations. Our obligations in respect of this report are entirely separate from, and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend any duty of care we may have in our capacity as auditors of the Company.



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13. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Buyback Regulations solely to enable the Board of Directors of the Company to include in:
- i. Public announcement to be made to the shareholders of the Company;
 - ii. Letter of offer to be filed with the Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited, Registrar of Companies, National Securities Depository Limited and the Central Depository Services (India) Limited, as applicable; and
 - iii. for providing to the Manager to the Buyback.
14. This report can be relied on by the Manager to the Buyback and the legal counsel in relation to the Buyback.

For S S Kothari Mehta & Company

Chartered Accountants

Firm Registration Number: 000756M

NW

Naveen Aggarwal

Partner

Membership Number: 094380



Place: New Delhi

Date: November 30, 2023

UDIN: 23094380BGUNFI8216

Statement of permissible capital payment ("the Statement") for the proposed buy back of equity shares.

Statement of computation of the amount of permissible capital payment towards the buyback of equity shares of SIS Limited in accordance with Regulation 4(i) read with proviso of Regulation 5(i)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 and Section 68(2)(c) of the Companies Act, 2013, as amended based on both the [audited consolidated financial statements and the audited standalone financial statements] as at March 31, 2023:

Computation of permissible capital payment:

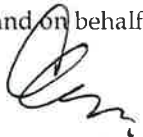
(Amount in ₹ millions)

Particulars	Consolidated	Standalone
A. Paid-up Equity Share Capital (145,729,441 equity shares of INR 5/- each fully paid-up)	728.65	728.65
B. Free reserves*		
- General reserve	563.47	566.47
- Retained earnings	19,022.22	5,485.90
- Securities Premium	1,946.94	2,334.27
Total free reserves	21,532.63	8,386.64
Total of paid-up Equity Share Capital and Free Reserves (A+B)	22,261.28	9,115.29
Maximum permissible capital payment in accordance with Section 68(2)(c) of the Companies Act, 2013, as amended and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (25% of the total paid-up Equity Share Capital and free reserves)	5,565.32	2,278.82
Maximum permissible capital payment in accordance with proviso to Regulation 5(i)(b) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (10% of the total paid-up Equity Share Capital and free reserves)	2,226.13	911.53
Amount approved by the Board of Directors in the meeting held on November 30, 2023 approving buyback		900.00
Buy back size as a percentage of total paid-up Equity Share Capital and free reserves	4.04%	9.87%

*Free reserves as defined in Section 2(43) of the Companies Act, 2013 read along with Explanation II provided in Section 68 of the Companies Act, 2013, as amended.

Note: The above calculation of the total paid-up equity share capital and free reserves as at March 31, 2023 for buyback of equity shares is based on the amounts appearing in the audited consolidated and standalone financial statements of the Company for the year ended March 31, 2023. These financial statements are prepared and presented in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with Rules made thereunder, each as amended from time to time.

For and on behalf of SIS Limited


Devesh Desai
Chief Financial Officer
Date: November 30, 2023

