

AUDITOR CERTIFICATE ON PERMISSIBLE CAPITAL PAYMENT

Independent Auditor's Report on the proposed buyback of equity shares pursuant to the requirements of Schedule I to the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 as amended.

Date: March 25, 2025

To,

The Board of Directors

SIS Limited

Annapoorna Bhawan, Telephone Exchange Road
Kurji, Patna, Bihar – 800 010

1. This Report is issued to the Board of directors of SIS Limited (hereinafter referred as "**the Company**") in connection with their proposed buyback of equity shares.
2. The Board of Directors of the Company ("**the Board of Directors**") has prepared the accompanying **Annexure A** - Statement of permissible capital payment as at March 31, 2024 ("**the Statement**") pursuant to the proposed buyback of equity shares approved by the Board of Directors of the Company in their meeting held on March 25, 2025 in accordance with the provisions of sections 68, 69 and 70 of the Companies Act, 2013, as amended and the rules made thereunder, as amended ("**the Companies Act**") and the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("**the SEBI Buyback Regulations**"). The Statement contains the computation of amount of permissible capital payment towards buyback of equity shares in accordance with the requirements of Section 68(2)(c) of the Companies Act read with Regulation 4(i) of the SEBI Buyback Regulations and based on the latest audited standalone and consolidated financial statements for the year ended March 31, 2024. We have initialled the Statement for identification purposes only.

Responsibility of Board of Directors

3. The preparation of the Statement (**Annexure-A**) in accordance with the requirements of section 68(2)(c) of the Companies Act and ensuring compliance with the SEBI Buyback Regulations, 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.
4. The Board of Directors is also responsible to make a full inquiry into the affairs and prospects of the Company and to form an opinion on reasonable grounds that the Company will be able to pay its debts from the date of Board meeting approving the buyback of its equity shares i.e., March 25, 2025 (hereinafter referred as "**the date of the Board meeting**") and will not be rendered insolvent within a period of one year from the date of the Board meeting, and in forming the opinion, it has taken into account the liabilities (including prospective and contingent liabilities) as if the Company were being wound up under the provisions of the Companies Act or the Insolvency and Bankruptcy Code, 2016.

Auditor's Responsibility

5. Pursuant to the requirements of the SEBI Buyback Regulations, it is our responsibility to provide reasonable assurance on:
 - 5.1. Whether we have inquired into the state of affairs of the Company;
 - 5.2. Whether the amount of capital payment for the buyback, as stated in the Statement, is within the permissible limit and computed in accordance with the provisions of Section 68(2)(c) read with Regulation 4(i) and Regulation 5(i)(b) of the SEBI Buyback Regulations;
 - 5.3. whether the Board of Directors of the Company, in its meeting held on March 25, 2025, has formed the opinion as specified in clause (x) of Schedule I to the SEBI 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.

6. The audited standalone and consolidated financial statements as of and for the financial year ended March 31, 2024 were audited by us, on which we issued an unmodified audit opinion vide our report dated May 01, 2024. Our audit of these financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ("the ICAI"). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that maybe of potential interest to third parties.
7. We conducted our examination of the Statement in accordance with the 'Guidance Note on Reports or Certificates for Special Purposes' ("**Guidance Note**"), issued by ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
9. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the matters as mentioned in this paragraph below. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated with the matters mentioned in this paragraph 9 below. We have performed the following procedures in relation to the matters mentioned in this paragraph 9 below:
 - 9.1. Inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended March 31, 2024 which has been prepared by the Management of the Company and audited by us on which we have issued our audit report dated May 01, 2024.
 - 9.2. Examined authorisation for buyback from the Articles of Association of the Company;
 - 9.3. Agreed the amounts of paid-up equity share capital, securities premium account, general reserve and retained earnings as at March 31, 2024 as disclosed in the accompanying Statement, with the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2024.
 - 9.4. Examined that the ratio of the aggregate of secured and unsecured debts owed by the Company after the Buyback shall not be more than twice its paid-up capital and free reserves based on both, audited standalone and consolidated financial statements of the Company as on March 31, 2024;
 - 9.5. Examined that all the shares for buy-back are fully paid-up;
 - 9.6. Examined that the Company has not availed any borrowings to discharge its obligations under the Buyback;
 - 9.7. Examined that the amount of capital payment for the buyback as detailed in the Statement is within the permissible limit computed in accordance with section 68(2)(c) read with Regulation 4(i) of the SEBI Buyback Regulations;
 - 9.8. Inquired if the Board of Directors of the Company, in its meeting held on March 25, 2025 has formed the opinion as specified in Clause (x) of Schedule I to the SEBI 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;
 - 9.9. Examined Director's declarations in respect of the buyback and solvency of the Company;
 - 9.10. Obtained necessary representations from the management of the Company.



Opinion


10. Based on inquiries conducted and our examination as above, and according to the information and explanations provided to us by the management of the Company we report that:
- 10.1 We have inquired into the state of affairs of the Company in relation to its latest standalone and consolidated audited financial statements for the year ended March 31, 2024.
- 10.2 the permissible capital payment towards buyback of equity shares, as stated in the Statement, is in our view properly determined in accordance with Section 68(2)(c) of the Companies Act read with Regulation 4(i) of the SEBI Buyback Regulations, based on the audited standalone and consolidated financial statements for the year ended March 31, 2024.; and
- 10.3 the Board of Directors, in their meeting held on March 25, 2025 have formed the opinion, as specified in clause (x) of Schedule I of the SEBI 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 and we are not aware of anything to indicate that the opinion expressed by the directors in the declaration as to any of the matters mentioned in the declaration of insolvency is unreasonable in the circumstances as of the date of declaration.

Restriction on Use

11. This certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose of enabling it to comply with the aforesaid requirements and for onward submission to DAM Capital Advisors Limited, (hereinafter referred to as "**the Manager to the Buyback**") and to include this report, pursuant to the requirements of the SEBI Buyback Regulations, (i) Postal Ballot Notice to be sent to shareholders for Buyback; (ii) public announcement to be made to the shareholders of the Company, (iii) in the letter of offer and other documents pertaining to the Buyback to be filed with the Registrar of Companies, Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited, as required by the SEBI Buyback Regulations, the Central Depository Services (India) Limited, National Securities Depository Limited, as applicable, and for providing to the Manager to the Buyback.
12. This report can be relied on by the Manager to the Buyback and the legal counsel in relation to the Buyback.

Yours faithfully,

For and on behalf of
SS Kothari Mehta & Co. LLP
Chartered Accountants
Firm Registration No: 000756N/N500441


Naveen Aggarwal
Partner

Membership No.: 094380
UDIN:25094380BMKXGA8718
Place: New Delhi
Date: March 25, 2025



ANNEXURE A - STATEMENT OF PERMISSIBLE CAPITAL PAYMENT

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with the requirements of Section 68(2)(c) of the Companies Act, 2013, as amended (the "Companies Act") and Regulation 4(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended ("SEBI Buyback Regulations"), based on annual audited standalone and consolidated financial statements as at March 31, 2024.

Particulars	(Amount in ₹ million)	
	Consolidated	Standalone
A. Paid-up Equity Share Capital [144,100,390] equity shares of ₹ 5/- each fully paid up)	720.50	720.50
B. Free Reserves*		
Securities premium	1,036.41	1,423.74
Retained earnings	20,765.25	7,151.63
General reserve	574.96	577.96
Total Free Reserves	22,376.62	9,153.33
Total of Paid-up Equity Share Capital and Free Reserves (A+B)	23,097.12	9,873.83
Maximum amount permissible for buyback under Section 68(2)(c) of the Act and Regulation 4(i) of the SEBI Buyback Regulations (25% of the total paid-up equity capital and free reserves)	5,774.28	2,468.46
Amount approved by the Board of Directors in the meeting held on March 25, 2025 approving buyback		1,500.00
Buyback size as a percentage of total paid-up Equity Share Capital and Free reserves	6.49%	15.19%

*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, 2024 for buyback of equity shares is based on the amounts appearing in the audited standalone and consolidated financial statements of the Company for the year ended March 31, 2024. 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


Brajesh Kumar
Chief Financial Officer

Date: March 25, 2025

