

INDEPENDENT AUDITOR'S REPORT

To The Members of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')** (the "Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and its profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation & disclosures of revenue The Company's revenue for the financial year ending March 31, 2023, is INR 39,848.72 million.	Audit Procedures Our audit procedures on recognition, measurement, presentation & disclosures of revenue included but not limited to the following:

Key Audit Matter	Auditor's Response
<p>A significant proportion of the Company's revenue is derived from contracts with customer which consist of the rendering of services.</p> <p>Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.</p> <p>Revenue is recognized when the Company has completed its performance obligations under the contracts and/ or the control is transferred to the customer.</p> <p>Revenue is recognized in a manner that depicts the transfer of goods and/ or services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.</p> <p>Further, the contractual terms also underpin the measurement and recognition of revenue and profit. The Company is therefore required to make operational and financial assumptions & various judgements.</p> <p>The nature of the Services provided by the Company also gives rise to a significant amount of work which is recorded as accrued/ unbilled income with corresponding profit recognition. Accrued/ unbilled income as on March 31, 2023, aggregated to INR 2,561.39 million.</p>	<ul style="list-style-type: none"> • We performed testing of revenue transactions to confirm the transactions had been appropriately recorded in the statement of profit & loss and verified the satisfaction of performance obligation to recognise revenue by analyzing the contract and terms of the sale and determining whether the management has appropriately identified the separate performance obligations, where relevant; compared the terms with the revenue recorded by management to determine whether the Company's revenue recognition policies had been properly applied and has been appropriately measured; and testing management's calculations. • We tested the effectiveness of controls relating to contract monitoring, billings and approvals and related IT controls used to generate the information. The basis for the evaluation of internal control has been Company's internal control framework for financial reporting. The testing of controls and amounts has been performed on a sample basis. • We obtained and read customer contracts and confirmed our understanding of the Company's sales process from initiation to collection of receivables, including the design and implementation of controls and tested the operating effectiveness of these controls. • We read and understood the Company's accounting policy for the recognition of revenue as per Ind AS 115. • We requested independent balance confirmations from the Company's customers on a sample basis. • Tested a sample of accrued unbilled income balance with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied.
Uncertain tax positions and deferred tax assets	Audit Procedures



Key Audit Matter	Auditor's Response
<p>The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. Where the amount of tax payable is uncertain, the Company establishes provisions based on management's judgment of the probable amount of the future tax liability. The Company has material certain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes.</p> <p>In addition, the Company has recognized INR 1,689.83 million of deferred tax assets on March 31, 2023. The recognition of deferred tax assets involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support the utilization of these assets.</p> <p>For details: - Refer to Note No 8 to the Standalone Financial Statements.</p>	<p>Our audit procedures in relation to the recognition of Uncertain tax position and deferred tax assets/liabilities included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Discussion with the management on the development of tax litigations during the year ended March 31, 2023. • Verification that the accounting and/or disclosures as the case may be in the standalone financial statements is by the assessment of management/ tax practitioners. • Obtaining a representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations. • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of the Company's ability to generate sufficient taxable profits in the foreseeable future allowing the use of deferred tax assets. • Tested the arithmetical accuracy of the calculations performed by the management. • Evaluated management's assessment for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.



Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the 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 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 design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

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

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 statements, 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 control 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 the management.
- 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 statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to 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 statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements 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 statements.

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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 (the "Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.



2. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. (Refer Note 34 to the financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether

recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b. The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The Company had not declared and paid any dividend during the year and until the date of this report is in compliance with Section 123 of the Act.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For S S Kothari Mehta & Company

Chartered Accountants

Firm's Registration No.000756N




Naveen Aggarwal

Partner

Membership No.094380

UDIN: 23094380BGUMYB9715

Place: New Delhi

Date: May 03, 2023

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SIS Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - a. (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.
 - b. According to the information and explanation provided to us, the Property, Plant & Equipment and right of use assets have been physically verified by the management in phased manner according to designed process, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.
 - c. According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date.
 - d. According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right of use assets) and intangible assets during the year.
 - e. According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) As explained to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory i.e. uniforms and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. As far as we could ascertain and according to the information and explanations given to us, no discrepancies of 10% or more in the aggregate were noticed between the physical stock and book records.

(b) According to the information and explanation given to us and based on our examination of records, the company has been sanctioned working capital limit against current asset in excess of five crore rupees, in aggregate, from banks. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investment in, provided guarantee or security,

granted unsecured loans to companies, firms, limited liability partnership or any other parties during the year in respect of which the requisite information is set out below. However, there were no advances in the nature of loans given during the year:

- (a) (A) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has not provided any advances in the nature of loans. However, the Company has given loans or guarantee to subsidiaries which are disclosed hereunder:

(INR in Million)		
Particulars	Guarantee	Loans
Aggregate amount granted / provided during the year to subsidiaries	120.00	31.96
Balance outstanding as at balance sheet date in respect of above cases to subsidiaries.	3,660.26	141.21

(B) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no loans or advances and guarantees or securities to parties other than subsidiaries, joint venture. Further the company is not having any associates during the year.

- (b) In our opinion, the investments made, guarantees provided and security given and the terms and conditions of the grant of all loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no amount overdue in respect of the loans as per the respective loan agreements.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties. Hence reporting under clause 3(iii)(e) is not applicable.
- (f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.
- iv. According to the information and explanations given to us, provisions of Section 185 are not applicable to the Company. However, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees provided, to the extent applicable.
- v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable.

- vi.** In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company. Hence, reporting under clause 3(vi) of the Order is not applicable.
- vii.** According to the information and explanations given to us and the records of the Company examined by us, in our opinion:
- a.** the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities with slight delays. There were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable except employee provident fund where the amount involved is Rs 1.09 million.
- b.** Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount INR (in million)
Finance Act, 1994	Service tax	Appellate Authority – upto Commissioners level (at Madurai)	FY* 2011-12	0.18
Finance Act, 1994	Service tax	Appellate Authority – upto Comm. Appeal level (Commissioner Appeal allowed, however sent back to commissioner commissioner)	FY* 2011-12	1.55
Finance Act, 1994	Service tax	Appellate Authority- upto commissioner level	FY* 2014-15 & FY 2015-16	0.19
Finance Act, 1994	Service tax	Appellate Authority- upto Pr. Commissioner Level	FY* 2014-15, FY* 2015-16 & FY* 2016-17	67.89
Finance Act, 1994	Service tax	Appellate Authority – upto commissioner level	FY* 2015-16	32.48
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2012-13	4.22
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2015-16	3.21
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2015-16	1.00
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2016-17	1.00
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2016-17	3.12
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2017-18	41.12
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2018-19	208.73

* FY = Financial Year



- viii.** There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix.** (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.
- (b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) According to the information and explanation given to us and based on our examination of records, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture. Company is not having any associate. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.
- (f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries or joint ventures except as mentioned below. Further, there is no default in repayment of such loans. The Company is not having any associate during the year.

Nature of loan taken	Name of lender	Amount of loan involved	Carrying Value of Loan as per financial statements**	Name of the subsidiary	Relation	Details of security pledged
Term Loan	Axis Finance Limited (NBFC)	950.00	940.12	Dusters Total Solutions Services Pvt Ltd	Wholly owned subsidiary	Equity Shares having carrying value of Rs. 255.53 million (i.e. 13% of Rs. 1965.58* million)
Term Loan	Bajaj Finance Limited (NBFC)	950.00	940.22	Dusters Total Solutions Services Pvt Ltd	Wholly owned subsidiary	Equity Shares having carrying value of Rs. 255.53 million (i.e. 13% of Rs. 1965.58* million)

* Refer Note 6 read with Note 15 to the standalone financial statements.

** Refer Note 15 to the standalone financial statements

- x.** (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised moneys by way of initial public offer or further public offer

(including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us the company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause (x)(b) of para 3 of the order is not applicable.

xi. (a) As per the information and explanation given to us and on the basis of our examination of the records, we have neither come across any instance of fraud by the company or on the company by its employees, noticed or reported during the year, nor have been informed of such case by the management.

(b) According to the information and explanation given to us and based on our examination of records, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

(c) We have been informed that there are no whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures. Accordingly, the reporting under the clause 3(xi)(c) of the Order is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable Ind AS (Refer Note No. 39 to the financial statements).

xiv. (a) According to the information and explanation given to us and based on our examination of records, in our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date of our report, in determining the nature, timing and extent of our audit procedures.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable.

xvi. (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of the clause 3(xvi)(a) of the Order are not applicable.

(b) According to the information and explanations given to us and based on our examination of the records, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, clause 3(xvi)(b) of the Order is not applicable.



(c) According to the information and explanations given to us and based on our examination of the records, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly, paragraph 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and based on our examination of the records, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

- xvii.** According to the information and explanations given to us and based on our examination of the records, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii.** According to the information and explanations given to us and based on our examination of the records, the previous statutory auditors of the Company had vacated the office on completion of their tenure during the period under audit. We have obtained no objection from the previous statutory auditors and no issues have been informed to us.
- xix.** On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx.** There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For S S Kothari Mehta & Company

Chartered Accountants

Firm's Registration No.000756N



Naveen Aggarwal

Partner

Membership No.094380

UDIN: 23094380BGUMYB9715

Place: New Delhi

Date: May 03, 2023



ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of SIS Limited of even date)

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

We have audited the internal financial controls with reference to financial statements of **SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')** (the "Company") as of March 31, 2023 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For S S Kothari Mehta & Company

Chartered Accountants

Firm's Registration No.000756N




Naveen Aggarwal

Partner

Membership No.094380

UDIN: 23094380BGUMYB9715

Place: New Delhi

Date: May 03, 2023



A Market Leader in
Security, Cash Logistics
& Facility Management

SIS LIMITED
(Formerly known as 'SECURITY AND
INTELLIGENCE SERVICES
(INDIA) LIMITED')

CIN: L75230BR1985PLC002083

FINANCIAL STATEMENTS

FY 2022-23

SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, except share data

Balance Sheet

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A ASSETS			
Non – current assets			
Property, plant and equipment	4	1,348.44	1,233.48
Capital work-in-progress	4	180.15	-
Other intangible assets	5	128.25	6.53
Intangible assets under development	5	136.71	211.40
Financial assets			
(i) Investments	6	5,733.59	5,765.48
(ii) Other non-current financial assets	7	459.89	597.13
Deferred tax assets (net)	8	1,689.83	1,045.66
Income tax assets	8	1,204.96	1,410.12
Other non – current assets	9	30.49	31.83
Total non – current assets		10,912.31	10,301.63
Current assets			
Inventories	10	150.57	147.20
Financial assets			
(i) Investments	6	179.89	-
(ii) Trade receivables	11	6,863.07	5,072.09
(iii) Cash and cash equivalents	12	1,002.49	1,303.00
(iv) Bank balances other than (iii) above	12	536.43	283.98
(v) Other current financial assets	7	2,948.50	2,358.58
Other current assets	9	629.86	445.36
Total current assets		12,310.81	9,610.21
Total assets		23,223.12	19,911.84
B EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	728.65	735.16
Other equity	14	8,737.87	7,625.28
Total equity		9,466.52	8,360.44
Liabilities			
Non – current liabilities			
Financial liabilities			
(i) Borrowings	15	2,904.53	1,011.08
(ia) Lease liabilities	16	398.52	414.30
(ii) Other non-current financial liabilities	18	1.47	5.87
Provisions	20	813.45	786.90
Total non-current liabilities		4,117.97	2,218.15



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, except share data

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
Current liabilities			
Financial liabilities			
(i) Borrowings	15	4,704.82	5,387.23
(ia) Lease liabilities	16	96.93	76.13
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	24.30	6.13
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	199.88	124.21
(iii) Other current financial liabilities	18	3,234.02	2,526.44
Other current liabilities	21	1,201.18	1,086.84
Provisions	20	177.50	126.27
Total current liabilities		9,638.63	9,333.25
Total liabilities		13,756.60	11,551.40
Total equity and liabilities		23,223.12	19,911.84

The accompanying notes 1 to 42 form an integral part of these financial statements.

As per our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

(Firm's Registration. No. 00075615)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 03, 2023

For and on behalf of the Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Brajesh Kumar
Chief Financial Officer
(India)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Pushpalatha Katturi
Company Secretary



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, except share data

Statement of Profit and Loss

S No	Particulars	Note No.	Year ended	
			March 31, 2023	March 31, 2022
1	Income			
	a) Revenue from operations	23	39,848.72	33,178.47
	b) Other income	24	694.26	631.22
	c) Other gain/(loss)	25	(1.90)	2.95
	Total Income (a + b + c)		40,541.08	33,812.64
2	Expenses			
	a) Purchases of inventory		433.48	394.86
	b) Changes in inventory	26	(3.37)	34.85
	c) Employee benefits expense	27	35,302.02	29,804.80
	d) Finance costs	29	670.45	560.80
	e) Depreciation and amortisation expenses	30	542.61	378.60
	f) Other expenses	31	2,246.77	1,483.21
	Total expenses (a + b + c + d + e + f)		39,191.96	32,657.12
3	Profit before exceptional items and tax (1-2)		1,349.12	1,155.52
4	Exceptional items		-	-
5	Profit before tax (3-4)		1,349.12	1,155.52
6	Tax expense / (credit)			
	a) Current tax	8	114.11	32.11
	b) Deferred tax	8	(666.29)	(215.60)
	Total tax expense / (credit)		(552.18)	(183.49)
7	Profit for the year (5-6)		1,901.30	1,339.01
8	Other comprehensive income			
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	27	87.91	(80.63)
	b) Income tax relating to these items	8	(22.12)	20.29
	Other comprehensive income / (loss) for the year (net of taxes)		65.79	(60.34)
9	Total comprehensive income for the year (7+8)		1,967.09	1,278.67
10	Earnings per share (EPS) (face value INR 5 per share)	32		
	(a) Basic (INR)		12.97	9.10
	(b) Diluted (INR)		12.86	9.01
11	Weighted average equity shares used in computing earnings per equity share	32		
	(a) Basic (Nos.)		146,537,510	147,150,940
	(b) Diluted (Nos.)		147,849,999	148,639,390

The accompanying notes 1 to 42 form an integral part of these financial statements.

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
(Firm's Registration. No. 000756N)

For and on behalf of the Board of Directors

Naveen Aggarwal
(Partner)
Membership No. 094380

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

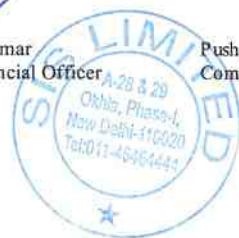
Arvind Kumar Prasad
Director - Finance
(DIN: 02865273)

Place: New Delhi
Date: May 03, 2023

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer
(India)

Pushpalatha Katkuri
Company Secretary



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Statement of Changes in Equity

A. Equity Share Capital

Particulars	Amounts
As at April 1, 2021	741.51
Issued on exercise of stock options	2.74
Buyback of equity shares (refer note 13)	(9.09)
As at March 31, 2022	735.16
Issued on exercise of stock options	0.76
Buyback of equity shares (refer note 13)	(7.27)
As at March 31, 2023	728.65

B. Other Equity Year ended March 31, 2022

Particulars	Reserves and surplus				Other reserves			Share application money pending allotment	Total other equity
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Debenture redemption reserve	Capital redemption reserve			
As at April 1, 2021	4,078.79	188.94	2,655.65	77.23	375.00	-	-	0.29	7,375.90
Profit for the year	-	-	1,339.01	-	-	-	-	-	1,339.01
Other comprehensive income / (loss)	-	-	(60.34)	-	-	-	-	-	(60.34)
Total comprehensive income for the year	-	-	1,278.67	-	-	-	-	-	1,278.67
Employee share-based payment expense	-	-	-	203.46	-	-	-	-	203.46
Buyback of equity shares, including tax thereon	(1,000.00)	-	(230.84)	-	-	9.09	-	-	(1,221.75)
Transaction cost related to buyback of equity shares (net of taxes)	(10.73)	-	-	-	-	-	-	-	(10.73)
Creation/transfer of debenture redemption reserve	-	375.00	-	-	(375.00)	-	-	-	-
Share application money received during the year	-	-	-	-	-	-	-	2.47	2.47
Issued on exercise of stock options (refer note 28)	55.28	-	-	(55.28)	-	-	-	(2.74)	(2.74)
As at March 31, 2022	3,123.34	563.94	3,703.48	225.41	-	9.09	-	0.02	7,625.28



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Year ended March 31, 2023

Particulars	Reserves and surplus			Other reserves			Share application money pending allotment	Total other equity
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Debenture redemption reserve	Capital redemption reserve		
As at April 1, 2022	3,123.34	563.94	3,703.48	225.41	-	9.09	0.02	7,625.28
Profit for the year	-	-	1,901.30	-	-	-	-	1,901.30
Other comprehensive income / (loss)	-	-	65.79	-	-	-	-	65.79
Total comprehensive income for the year	-	-	1,967.09	-	-	-	-	1,967.09
Employee share-based payment expense	-	-	-	135.54	-	-	-	135.54
Buyback of equity shares, including tax thereon	(800.00)	-	(184.67)	-	-	7.27	-	(977.40)
Transaction cost related to buyback of equity shares (net of taxes)	(12.62)	-	-	-	-	-	-	(12.62)
Share application money received during the year	-	-	-	-	-	-	0.70	0.70
Issued on exercise of stock options (refer note 28)	23.55	-	-	(23.55)	-	-	(0.72)	(0.72)
Stock options expired	-	2.53	-	(2.53)	-	-	-	-
As at March 31, 2023	2,334.27	566.47	5,485.90	334.87	-	16.36	-	8,737.87

The accompanying notes 1 to 42 form an integral part of these financial statements.

As per our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

(Firm's Registration No. 000756N)



Naveen Aggarwal

(Partner)

Membership No. 094380

For and on behalf of the Board of Directors

[Signature]
Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

[Signature]
Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

[Signature]
Dinesh Desai
Chief Financial Officer

[Signature]
Brajesh Kumar
Chief Financial Officer
(India)

Place: New Delhi
Date: May 03, 2023



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Statement of Cash Flows

S No	Particulars	Year ended	
		March 31, 2023	March 31, 2022
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	1,349.12	1,155.52
	Adjusted for:		
	Depreciation and amortization expenses	542.61	378.60
	Unrealised foreign exchange (gain) / loss	1.33	(0.83)
	Net (gain) / loss on sale of property, plant and equipment	1.00	(2.08)
	Finance costs	670.45	560.80
	Interest income	(174.13)	(126.28)
	Provision for doubtful debts	209.17	97.33
	Dividend income	(520.13)	(504.94)
	Employee stock option compensation expense	78.47	112.47
	Operating profit / (loss) before working capital changes	2,157.89	1,670.59
	Changes in working capital:		
	Decrease / (increase) in trade receivables	(2,000.16)	(713.83)
	Decrease / (increase) in inventories	(3.37)	34.85
	Decrease / (increase) in other current assets	84.18	315.78
	Decrease / (increase) in other current financial assets	(544.28)	(194.66)
	(Decrease) / increase in trade payables	93.83	49.99
	(Decrease) / increase in provisions	165.71	116.40
	(Decrease) / increase in other current liabilities	112.70	110.76
	(Decrease) / increase in other current financial liabilities	621.52	371.08
	Decrease / (increase) in other non-current assets	2.58	0.05
	Decrease / (increase) in other non-current financial assets	209.39	23.39
	(Decrease) / increase in other non-current financial liabilities	(1.19)	0.83
	Cash (used in) / generated from operations	898.80	1,785.23
	Direct tax (paid), net of refunds	(213.04)	(504.09)
	Net cash inflow / (outflow) from operating activities	685.76	1,281.14
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property plant and equipment and capital work-in-progress	(727.20)	(620.37)
	Proceeds from sale / disposal of property, plant and equipment	11.61	20.46
	Investment in subsidiary (refer note 6)	(17.77)	(512.05)
	Other investments made	(63.29)	-
	Investment in fixed deposits	(697.91)	-
	Redemption of fixed deposits	376.25	1,607.85
	Interest received	151.70	120.79
	Dividend received	520.13	504.94
	Net cash inflow / (outflow) from investing activities	(446.48)	1,121.62

(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

S No	Particulars	Year ended	
		March 31, 2023	March 31, 2022
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	0.76	2.47
	Buyback of equity shares including transaction cost and tax	(997.29)	(1,241.57)
	Proceeds from term loans	2,283.17	219.00
	Repayment of term loans	(305.05)	(132.92)
	Bonds/debentures repaid/redeemed	(1,900.00)	(1,499.79)
	Interest paid	(593.94)	(677.01)
	Payment of lease liabilities	(154.07)	(130.31)
	Net cash inflow / (outflow) from financing activities	(1,666.42)	(3,460.13)
D.	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(1,427.14)	(1,057.37)
E.	Cash and cash equivalents at the beginning of the year	1,303.00	2,061.91
F.	Cash credit at the beginning of the year	(3,288.46)	(2,990.00)
	Cash and cash equivalents at the end of the year (D+E+F)	(3,412.60)	(1,985.46)

Reconciliation of cash and cash equivalents as per the statement of the cash flows			
	Cash and cash equivalents as per above comprise of the following:	March 31, 2023	March 31, 2022
	Cash and cash equivalents	1,002.49	1,303.00
	Cash credit	(4,415.09)	(3,288.46)
	Balances as per statement of cash flows	(3,412.60)	(1,985.46)

Refer note 40 for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flow.

The accompanying notes 1 to 42 form an integral part of these financial statements.

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
(Firm's Registration No. 00075638)

For and on behalf of the Board of Directors

Naveen Aggarwal
(Partner)
Membership No. 094380



Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Brajesh Kumar
Chief Financial Officer
(India)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Pushpalatha Katkuri
Company Secretary

Place: New Delhi
Date: May 03, 2023



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Notes to the financial statements

1. Company overview

SIS Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company is listed on the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna, Bihar – 800010, India, and its principal place of business is situated at A-28 & 29, Okhla Industrial Area, Phase I, New Delhi – 110020

The name of the Company has been changed to 'SIS Limited' from 'Security and Intelligence Services (India) Limited' and a fresh certificate of incorporation in the name of 'SIS Limited' was issued by the Registrar of Companies on January 13, 2021.

The Company is directly and indirectly engaged in rendering security and related services consisting of manned guarding, training, and indirectly engaged in paramedic and emergency response services; loss prevention, asset protection and mobile patrols; facility management services consisting of cleaning, house-keeping and pest control management services in the areas of facility management; cash logistics services consisting of cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of trading and installation of electronic security devices and systems through its subsidiaries, joint ventures and associates.

These financial statements were authorized for issue by the directors on May 03, 2023.

2. Significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) and other applicable provisions of the Companies Act, 2013 ("the Companies Act") and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind-AS are notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements are presented in Indian Rupees (INR) and are rounded off to the nearest millions ('Mn') except per share data and unless stated otherwise. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. The figures which are appearing as '0' are the result of rounding off.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following material items which have been measured at fair value as required by relevant Ind-AS:

- certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;
- assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;
- share based payments; and
- The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable or required.

Fair value measurement

The Company records certain financial assets and liabilities at fair value on a recurring basis. The Company determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and either in the principal market or in the absence of a principal market, most advantageous market for that asset or liability.

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds and debentures and mutual funds that have a quoted price. The fair value of all financial instruments which are traded on the stock exchanges is valued using the closing price as at the reporting period.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity / preference securities included in level 3.

In accordance with Ind-AS 113, 'Fair value measurement', assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- Cost approach – Replacement cost method.

2.3 Summary of significant accounting policies

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

- (iii) Expected to be realised within twelve months after the reporting period; or
- (iv) Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;

All other assets are classified as non-current.

A liability is current when it is:

- (i) Expected to be settled in the normal operating cycle;
- (ii) Held primarily for the purpose of trading;
- (iii) Expected to be settled within twelve months after the reporting period; or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

b) Property, plant and equipment

Recognition and measurement

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably. Items of property, plant and equipment ('PPE') are initially recognized at cost. Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and costs directly attributable towards bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalized as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year during which such expenses are incurred.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress ('CWIP').

Advances given towards purchase of an item of property, plant and equipment outstanding as at each balance sheet date are disclosed under other non-financial assets.

Depreciation

The Company depreciates property, plant and equipment over the estimated useful lives using the written down value method from the date the assets are available for use.

The estimated useful lives of assets are as follows:

Category	Useful life
Buildings	60 years
Plant and machinery	5 to 15 years
Leasehold improvement	Shorter of useful life or lease period
Right-of-use assets	Lease period
Computer equipment	3 years
Furniture and fixtures	10 years
Office Equipment	5 years
Vehicles	8 years

Based on technical assessment, the useful lives as given above best represent the period over which the management expects to use these assets. The estimated useful lives for these assets may therefore be different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values are generally not more than 5% of the original cost of the asset. The asset's residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Additions are depreciated on a pro-rata basis from the date the asset is available for use till the date the assets are derecognised.

An item of property, plant and equipment and any significant part, initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of such expenditure can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Investment properties are depreciated using written down value method over their estimated useful lives of 60 years. The useful life has been determined based on a technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

d) Intangible assets

Recognition and measurement

Intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised software development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life on a written down value method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted accordingly. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Category	Useful life
Computer software	5 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials, services, and direct payroll and related costs of employees' time spent on the project.

License & franchise:

Licenses & franchise fees are amortized commencing from the date when license & franchise fees are available for intended use.

e) Investment in subsidiaries, associates and joint ventures

A subsidiary is an entity over which the Company has control. The Company controls an investee entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. This is generally the case where the Company holds between 20% to 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control exist are similar to those necessary to determine control over the subsidiaries.

Investments in subsidiaries, associates and joint ventures are accounted for at cost less impairment loss, if any. The said investments are tested for impairment whenever circumstances indicate that their carrying value may exceed the recoverable amount.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories:

- (i) Financial assets at amortised cost
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI)
- (iii) Financial assets derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial instruments at amortised cost

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of profit and loss. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial asset which is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables.

Financial instruments at FVTOCI

A ‘financial asset’ is classified as at the FVTOCI if both of the following criteria are met:

- (i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (ii) The asset’s contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income calculated using the EIR method, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instruments at FVTPL

FVTPL is a residual category for financial assets. Any financial asset, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial asset, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’).

Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain /loss on assets measured at FVTPL are presented in the statement of profit and loss within other gains/losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of profit and loss within other gains/losses in the period in which it arises.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company’s balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized. Similarly, where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Company recognizes loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognized for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. How the Company determines whether there has been a significant increase in



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

the credit risk has been detailed in the notes to the financial statements. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any entered into by the Company, that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Borrowings

After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares which are mandatorily redeemable are classified as liabilities. The dividends on these preference shares, to the extent such dividends are mandatorily payable, are recognised in profit or loss as finance costs.

The fair value of the liability portion of an optionally convertible debenture/ bond/ preference share or a zero-coupon debenture/ bond/ preference share or compulsorily convertible debenture/preference shares where the price of conversion of the debenture/preference shares into equity share is not fixed, is determined using a market rate of interest for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of a liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a financial asset. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee, with corresponding increase in investment in subsidiary. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss as other gains/losses.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends upon whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Derivatives which are not designated as hedges are accounted for at fair value through profit or loss and are included in other gains/ losses.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are financial assets, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines changes in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company of the counterparty.

g) Trade receivables

Trade receivables that do not contain a significant financing component are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment (allowance for expected credit loss).

h) Current and deferred tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and unused tax credits.

Current tax

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- (i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- (ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Effective from April 1, 2019, the Company has adopted the option of lower effective corporate tax rate of 25.17% (including surcharge and cess), as per Section 115BAA of Income Tax Act.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

i) Inventories

Inventories are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

ii) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit facilities) as they are considered an integral part of the Company's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

iii) Non-current assets held for sale/distribution to owners and discontinued operations

The Company classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and where a sale is considered highly probable. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn and Management must be committed to the sale/distribution being completed within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/distribute except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognised for any subsequent increases in fair value less costs to sell/distribute an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale/ distribution of the non-current asset (or disposal group) is recognised on the date of derecognition.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- (i) Represents a separate major line of business or geographical area of operations,
- (ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- (iii) Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

iv) Equity share capital

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

v) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

vi) Provisions and contingencies

Provisions

A provision is recognized when the Company has a present legal or a constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised for legal claims and service warranties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an interest expense.



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. In respect of losses that are covered by insurance, such losses are recognised as an expense when there is clear evidence or determination or probability that any portion of the loss is not expected to be settled through insurance or other forms of recovery.

Asset Retirement Obligations (ARO)

ARO are recognised for those operating lease arrangements where the Company has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset and amortised or depreciated in the same manner as the asset to which it pertains. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

Contingent liabilities and Contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made. Contingent asset is not recognised and is disclosed only where an inflow of economic benefits are probable.

Contingent liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

q) Government grants

Grants from the Government are recognised at their transaction value where there is a reasonable assurance that the grant will be received, and the Company will comply with all attached conditions.

Government grants relating to income or expenditure /expenses are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and recognised on a straight-line basis over the expected lives of related assets and presented within other income.

p) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. Revenue is recognized when the control is transferred to the customer and when the Company has completed its performance obligations under the contracts.

At the inception of the new contractual arrangement with the customer, the Company identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer.

Revenue is recognized as follows:

- (i) Revenue from services represents the amounts receivable for services rendered.
- (ii) For contract-based business (Expressed or implied), revenue represents the sales value of work carried out for customers during the period. Such revenues are recognized in the period in which the service is rendered.
- (iii) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
- (iv) Unearned income (contract liabilities) represents revenue billed but for which services have not yet been performed. The same is released to the statement of profit and loss as and when the services are rendered.
- (v) Revenue from the use of assets such as rent for using property, plant and equipment is recognized on a straight-line basis over the terms of the related leases unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. The Company provide normal warranty provisions for general repairs for one year on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight-line basis over the extended warranty period in case warranty is provided to customer for a period beyond one year.

Rendering of services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortized costs. If the unamortized costs exceed the undiscounted cash flow, a loss is recognized.

Interest income

For all financial assets measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income from investments is recognised in profit or loss as other income when the Company's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and amount of the dividend can be measured reliably.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increase and is included in revenue in the statement of profit or loss due to its operating nature.

Foreign currency transaction and balances

The financial statements of the Company are presented in Indian Rupees (INR) which is also the Company's functional currency, i.e., the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are initially recorded by the Company at their respective functional currency spot rates prevailing at the date, the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing as at the reporting date. Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and translation differences are recognized in OCI with the accumulation in other equity as foreign currency translation reserve. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The equity items denominated in foreign currencies are translated at historical cost.

Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, compensated absences, defined contribution to plans, defined benefit plans and share-based payments. The employee benefits are recognized in the year in which the associated services are rendered by the employees of the Company.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and compensated absences expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for compensated absences is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as employee benefits payable under other financial liabilities, current.

Bonus

The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually or legally obliged or where there is a past practice that has created a constructive obligation.

Compensated absences/Leave obligations

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to a specified portion of the unutilized accumulated compensated absences and utilize it in future periods or receive cash at retirement. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognized in the statement of profit and loss in the year in which the absences occur. Re-measurements arising out of actuarial gains / losses are immediately taken into the statement of profit and loss and are not deferred.

In respect of those employees who are entitled to an encashment of the leave at the end of every calendar year, a provision is created to account for the liability.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Post-employment obligations

The Company operates the following post-employment schemes:

- i) Defined contribution plans such as provident fund and employees' state insurance; and
- ii) Defined benefit plans such as gratuity.

Defined contribution plan

The Company's policy to contribute on a defined contribution basis for eligible employees, to Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

The Company has a defined benefit plan, viz., Gratuity, for all its employees, the liability for which is accrued and provided for as determined by an independent actuarial valuation. A portion of this liability for gratuity is contributed to a fund administered and operated by a reputed insurance company. The liability or asset recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

Present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government bonds at the end of the reporting periods that have approximately similar terms to the related obligation.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense or income

Past service costs are recognised in profit or loss on the earlier of:

- (i) The date of the plan amendment or curtailment, and
- (ii) The date that the Company recognises related restructuring costs.

The net interest is calculated by applying the above-mentioned discount rate to the net balance of the defined benefit obligations and the fair value of plan assets. This cost is included in the employee benefits expense in the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Equity settled stock-based compensation

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of options granted under various Employee Stock option plans is recognised as an employee benefits expense with a corresponding increase in equity (stock option outstanding account).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates in the period of change, if any, in the profit or loss, with corresponding adjustment to equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

4) Borrowing costs

Borrowing costs include interest calculated on the effective interest rate method, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of the assets that necessarily take a substantial period of time to get ready for their intended use or sale ('qualifying assets'), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the statement of profit and loss within finance costs in the period in which they are incurred.

5) Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

(ii) Leases

Company as a lessee

The Company's lease asset classes primarily consist of leases for buildings, equipment and vehicles. For any new contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- (i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company
- (ii) The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- (iii) The Company has the right to direct the use of the identified asset throughout the period of use.

The Company assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Company recognises a right-of-use asset ('ROU') and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets using the written down value method from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

IndAS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Extension and termination options are included in a number of leases of the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprises of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Lease liability and right-of-use assets have been separately presented in the notes to the financial statements under 'Other financial liability' and 'Property, plant and equipment' (except those meeting the definition of investment property) respectively. Lease payments have been classified as 'Cash flows from financing activities'.

Short-term leases and leases of low-value assets:

The Company has elected not to recognise ROU and lease liabilities for short-term leases that have a lease term of twelve months or less and leases of low value assets. The Company recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless payments are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increase under "Other Income" in the statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

(iii) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, other than inventories and deferred tax assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognized in the statement



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

w) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders of the Company (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

Diluted Earnings per share amounts are computed by dividing the net profit attributable to the equity holders of the Company (after deducting preference dividends and attributable taxes but after adjusting the after income tax effect of interest and other financing cost associated with dilutive potential equity shares) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

x) Cash dividend and non-cash distribution to equity holders of the Company

The Company recognises a liability to make cash or non-cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the carrying value of the assets to be distributed in case of distributions in which all owners of the same class of equity instruments are treated equally or the distributed asset is ultimately controlled by the same party or parties both before and after the distribution, and at fair value of the assets to be distributed in other cases, with such value recognised directly in equity. For this purpose, a group of individuals shall be regarded as controlling an entity when, as a result of contractual arrangements, they collectively have the power to govern its financial and operating policies so as to obtain benefits from its activities, and that ultimate collective power is not transitory. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

y) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.4 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Company does not expect this amendment to have any significant impact in its financial statements.

3. Significant accounting judgements, estimates and assumptions

Use of estimates and judgment

The preparation of the financial statements in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Company's accounting policies, management has made various judgements, which have the most significant effect on the amounts recognised in the financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- (i) Estimation of current tax expense and payable – Note 8
- (ii) Estimated useful life of intangible assets – Note 2.3.d
- (iii) Estimation of defined benefit obligation – Note 27
- (iv) Recognition of deferred tax assets for carried forward of tax losses – Note 8
- (v) Impairment of trade receivables – Note 11
- (vi) Whether assets held for distribution to owners meet the definition of discontinued operations – Note 2.3.k

Impairment

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There are no reasonable foreseeable changes in these key estimates which would have caused an impairment of these assets.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. (Refer note 8)

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at intervals in response to demographic changes. Future salary increases, and gratuity increases are based on expected future inflation rates. (Refer note 27)

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. (Refer note 19)

Intangible asset under development

The Company capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. (Refer note 5)

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances (Refer note 16).



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

4. Property, plant and equipment

Year ended March 31, 2022

Description of assets	Gross block			Accumulated depreciation			Net carrying value as at March 31, 2022
	As at April 1, 2021	Additions during the year	Sale and adjustments	As at March 31, 2022	Charge for the year	Sale and adjustments	As at March 31, 2022
Buildings (refer note (i) below)*	655.03	109.88	(11.00)	753.91	122.62	(1.94)	385.87
Leasehold improvement	151.31	31.03	-	182.34	22.16	-	119.09
Plant and machinery	190.23	213.90	-	404.13	48.54	-	137.17
Furniture and fixture	488.06	25.95	-	514.01	41.86	-	371.92
Vehicles	416.16	161.34	(47.83)	529.67	62.55	(37.67)	267.72
Office equipment	407.84	44.40	(1.35)	450.89	60.60	(1.09)	344.59
Computer equipment	109.47	15.88	-	125.35	9.57	-	100.46
Capital work-in-progress	2,418.10	602.38	(60.18)	2,960.30	367.90	(40.70)	1,726.82
Grand total	2,418.10	602.38	(60.18)	2,960.30	367.90	(40.70)	1,233.48

Year ended March 31, 2023

Description of assets	Gross block			Accumulated depreciation			Net carrying value as at March 31, 2023
	As at April 1, 2022	Additions during the year	Sale and adjustments	As at March 31, 2023	Charge for the year	Sale and adjustments	As at March 31, 2023
Buildings (refer note (i) below)*	753.91	105.31	-	859.22	136.48	-	522.35
Leasehold improvement	182.34	49.25	-	231.59	26.98	-	146.07
Plant and machinery	404.13	245.49	-	649.62	173.77	-	310.94
Furniture and fixture	514.01	40.78	(0.03)	554.76	35.74	(1.39)	406.27
Vehicles	529.67	148.32	(107.95)	570.04	94.73	(98.85)	263.60
Office equipment	450.89	38.10	(4.07)	484.92	44.55	(3.57)	385.57
Computer equipment	125.35	20.18	-	145.53	11.98	-	112.44
Capital work-in-progress	2,960.30	647.43	(112.05)	3,495.68	524.23	(103.81)	2,147.24
Grand total	2,960.30	827.58	(112.05)	3,675.83	524.23	(103.81)	1,528.59

*Includes building on leasehold land.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

(i) Details for right-of-use assets is as below

Particulars	Building	Total
Balance as on March 31, 2021	286.89	286.89
Additions during the year	109.88	109.88
Derecognised during the year	(0.59)	(0.59)
Depreciation during the year	(117.63)	(117.63)
Balance as on March 31, 2022	278.55	278.55
Additions during the year	96.66	96.66
Derecognised during the year	-	-
Depreciation during the year	(132.25)	(132.25)
Balance as on March 31, 2023	242.96	242.96

Refer note 16 for disclosure of related lease liabilities.

(ii) Property, Plant and Equipment pledged as security

Refer note 15 for information on Property, plant and equipment pledged as security by the Company.

(iii) Contractual obligations

Refer note 34(a) for disclosure on contractual commitments for acquisition of Property, plant and equipment.

(iv) Capital work-in-progress

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

Year ended March 31, 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress*	180.15	-	-	-	180.15
Total	180.15	-	-	-	180.15

*Includes plant and machinery pending put to use as per terms of the agreements.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

5. Other intangible assets

Year ended March 31, 2022

Description of assets	Gross block			Accumulated amortisation			Net carrying value as at March 31, 2022
	As at April 1, 2021	Additions during the year	Sale and adjustments	As at March 31, 2022	Charge for the year	Sale and adjustments	As at March 31, 2022
Computer software	91.77	10.25	-	102.02	10.70	-	95.49
Intangible assets under development	114.07	97.33	-	211.40	-	-	211.40
Grand Total	205.84	107.58	-	313.42	10.70	-	217.93

Year ended March 31, 2023

Description of assets	Gross block			Accumulated amortisation			Net carrying value as at March 31, 2023
	As at April 1, 2022	Additions during the year	Sale and adjustments	As at March 31, 2023	Charge for the year	Sale and adjustments	As at March 31, 2023
Computer software	102.02	140.20	-	242.22	18.38	0.10	128.25
Intangible assets under development*	211.40	95.90	(170.59)	136.71	-	-	136.71
Grand Total	313.42	236.10	(170.59)	378.93	18.38	0.10	264.96

*Sales and adjustments include amount cross charged to subsidiaries of the Company

i) Intangible assets under development

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress	98.11	72.49	26.56	14.24	211.40
Total	98.11	72.49	26.56	14.24	211.40

Year ended March 31, 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress*	55.61	35.71	24.79	20.60	136.71
Total	55.61	35.71	24.79	20.60	136.71

*Intangible assets under development consist of expenditure on development of an Enterprise Resource Planning (ERP) software.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

6. Investments

Particulars	March 31, 2023	March 31, 2022
Non-current investments		
Investments in equity instruments		
Unquoted equity shares (fully paid)		
Investment in subsidiaries (at cost unless stated otherwise)		
4,000,000 (March 31, 2022: 4,000,000) equity shares in SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Ltd.) of AUD 1/- each fully paid up	249.07	249.07
11,512,800 (March 31, 2022: 11,512,800) equity shares in Service Master Clean Limited of INR 10/- each fully paid up	139.20	135.20
22,500,000 (March 31, 2022: 11,252,250) equity shares in Terminix SIS India Private Limited of INR 10/- each fully paid up*	122.03	114.26
14,800,000 (March 31, 2022: 14,800,000) equity shares in Tech SIS Limited of INR 10/- each fully paid up	152.90	152.60
800,000 (March 31, 2022: 800,000) equity shares in SIS Australia Group Pty Ltd. of AUD 1/- each fully paid up	47.93	47.93
2,801,666 (March 31, 2022: 2,801,666) equity shares in Dusters Total Solutions Services Private Limited of INR. 10/- each fully paid up	1,965.58	1,965.58
250,000 Equity shares in SLV Security Services Private Limited of INR. 100/- each fully paid up \$	884.95	827.24
1,169,213 (March 31, 2022 : 1,169,213) equity shares in RARE Hospitality and Services Private Limited of INR. 10/- each fully paid up	520.51	519.71
1,800,000 (March 31, 2022 : 1,800,000) equity shares in Uniq Security Solutions Services Private Limited (formerly known as Uniq Detective and Security Services Private Limited) of INR. 10/- each fully paid up *	1,032.53	1,032.53
10,000 (March 31, 2022: 10,000) equity shares in SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited) of INR 10/- each fully paid up	0.10	0.10
10,000 (March 31, 2022: 10,000) equity shares in SIS Business Support Services and Solutions Private Limited of INR 10/- each fully paid up	0.10	0.10
29,000,000 (March 31, 2022: 29,000,000) equity shares in SIS Alarm Monitoring and Response Services Private Limited of INR 10/- each fully paid up	295.68	294.56
1,010,000 (March 31, 2022: 10,000) equity shares in One SIS Solutions Private Limited of INR 10/- each fully paid up	10.10	0.10
Total investment in subsidiaries (A)	5,420.68	5,338.98
Investment in joint ventures (at cost unless stated otherwise)		
7,788,892 (March 31, 2022: 7,788,892) equity shares in SIS Cash Services Private Limited of INR 10/- each fully paid up	77.89	77.89
Total investment in joint ventures (B)	77.89	77.89
Investment in others (at FVTPL)		
30 (March 31, 2022: Nil) equity shares in Sraqu Technologies Private Limited of INR 10/- each fully paid up	0.18	-
Total Investment in others (C)	0.18	-
Total investment in equity instruments (D=A+B+C)	5,498.75	5,416.87



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Particulars	March 31, 2023	March 31, 2022
Investment in preference shares (at FVTPL)		
Unquoted preference shares (fully paid)		
Investment in others		
7,773 (March 31, 2022: Nil) Class-2 compulsory convertible cumulative preference shares in Staqu Technologies Private Limited of INR 10/- each fully paid up	50.01	-
2,169 (March 31, 2022: Nil) Compulsory convertible preference shares in Staqu Technologies Private Limited of INR 542/- each fully paid up	13.26	-
Total investment in preference shares (E)	63.27	-
Investments in debentures or bonds (at amortised cost)		
175 (March 31, 2022: 175) Non-convertible debentures in SIS Cash Services Private Limited of INR 1,000,000/- each fully paid up ***	125.00	175.00
120 (March 31, 2022: 120) Non-convertible debentures in SIS Alarm Monitoring and Response Services Private Limited of INR 1,000,000/- each fully paid up***	20.00	120.00
300,000 (March 31, 2022: 300,000) Optionally convertible debentures in Terminix SIS India Private Limited of INR 100/- each fully paid up**	-	29.45
49 (March 31, 2022: 49) Optionally convertible debentures in Service Master Clean Limited of INR 1,000,000/- each fully paid up	26.57	24.16
Total investments in debentures or bonds (F)	171.57	348.61
Total non-current investments (D+E+F)	5,733.59	5,765.48
Current investments		
Investments in debentures or bonds (at amortised cost)		
Optionally convertible debentures in Terminix SIS India Private Limited of INR 100/- each fully paid up**	29.89	-
Non-convertible debentures in SIS Cash Services Private Limited of INR 1,000,000/- each fully paid up ***	50.00	-
Non-convertible debentures in SIS Alarm Monitoring and Response Services Private Limited of INR 1,000,000/- each fully paid up***	100.00	-
Total current investments	179.89	-
Total investments	5,913.48	5,765.48
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5,913.48	5,765.48
Aggregate amount of impairment in value of investments	-	-

\$ During the year ended March 31, 2021, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

* Refer note 37 regarding the investments in respective subsidiary made during the year ended March 31, 2023 and March 31, 2022.

** During the year ended March 31, 2023, current maturity of optionally convertible debentures in Terminix SIS India Private Limited amounting to INR 29.89 million (March 31, 2022: Nil) has been disclosed under current investments.

*** During the year ended March 31, 2023, current maturity of Non-convertible debentures in SIS Cash Services Private Limited and SIS Alarm Monitoring and Response Services Private Limited amounting to INR 50 million & INR 100 million respectively (March 31, 2022: Nil) has been disclosed under current investments.



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

7. Other financial assets

Particulars	March 31, 2023	March 31, 2022
Other non-current financial assets		
Security deposits (unsecured, considered good)	150.22	263.27
Loans to related parties (unsecured, considered good)	141.21	234.59
Margin money in the form of fixed deposits *	21.52	94.18
Fixed deposit maturing after 12 months	146.60	4.75
Other non-current financial assets	0.34	0.34
Total other non-current financial assets	459.89	597.13
Other current financial assets		
Unbilled revenue ** (Refer note 23)	2,561.39	2,186.59
Security deposits (unsecured, considered good)	134.53	94.14
Interest accrued on deposits / investments / loans	112.64	10.89
Other receivables	139.94	66.96
Total other current financial assets	2,948.50	2,358.58
Total financial assets	3,408.39	2,955.71

* Fixed deposits have been pledged as margin money against bank guarantees.

** All unbilled dues are undisputed and falling under the ageing of less than six months from the date of completion of delivery of goods/services.

No loans or other advances are due from directors or other officers of the Company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 39.

Refer note 40 for the Company's policy regarding impairment allowance on other financial assets and Company's credit risk management processes.

8. Income tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	29.25	32.11
Adjustments in respect of current income tax expense / (reversal) of previous years	84.86	-
Deferred tax:		
Decrease / (increase) in deferred tax assets (net)	(666.29)	(215.60)
Income tax expense / (credit) reported in the statement of profit and loss	(552.18)	(183.49)

OCI section:

Tax related to items recognised in OCI during the year:

Particulars	March 31, 2023	March 31, 2022
Tax expense / (credit) on re-measurements of defined benefit plans	22.12	(20.29)
Income tax charged/(credited) to OCI	22.12	(20.29)

Tax related to items recognised directly in equity during the year:

Particulars	March 31, 2023	March 31, 2022
Aggregate current and deferred tax arising in the reporting period and not recognized in profit or loss or other comprehensive income, but directly debited/credited to equity	-	3.70
Income tax credited / (charged) to equity	-	3.70



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2023 and March 31, 2022:

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax from continuing operations	1,349.12	1,155.52
Accounting profit before income tax	1,349.12	1,155.52
Statutory income tax rate	25.17%	25.17%
Income tax expense at statutory rate	339.55	290.82
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(982.81)	(463.01)
Non-deductible expenses for tax purposes		
Corporate social responsibility expenditure	1.83	3.33
Donation	1.73	0.45
Other non-deductible expenses	2.66	(0.10)
Adjustments in respect of current income tax expense / (reversal) of previous years	84.86	-
Income taxed at differential rates		
Dividend from foreign subsidiaries taxed at a different/lower rate	-	(14.98)
Tax expense reported in the statement of profit and loss	(552.18)	(183.49)

The effective tax rate applicable to the Company for the financial year 2023-24 would be 25.17% (including surcharge and cess) based on the law as it exists on the date of these financial statements.

The balance in deferred tax assets/ (liabilities) comprises temporary differences attributable to:

Particulars	March 31, 2023	March 31, 2022
Property, plant and equipment / Intangible assets	145.55	118.14
Defined benefit obligations	364.78	301.39
Deductions in respect of certain benefits under the Income Tax Act, 1961	809.55	308.67
Accruals and others	258.36	238.49
Allowance for expected credit loss – trade receivables	110.07	77.45
Unused tax losses	1.52	1.52
Total deferred tax assets / (liabilities)	1,689.83	1,045.66

Reflected in the balance sheet as follows:

Particulars	March 31, 2023	March 31, 2022
Deferred tax assets	1,689.83	1,045.66
Deferred tax liabilities	-	-
Deferred tax assets / (liabilities), net	1,689.83	1,045.66



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Reconciliation of deferred tax assets / (liabilities), net:

Particulars	Property, plant and equipment / Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Accruals and others	Allowance for expected credit loss – trade receivables	Unused tax losses	Total
As at April 1, 2021	112.70	202.09	206.18	234.33	52.95	1.52	809.77
Tax income / (expense) during the period recognised in profit or loss	5.44	79.01	102.49	4.16	24.50	-	215.60
Tax income / (expense) during the period recognised in OCI	-	20.29	-	-	-	-	20.29
As at March 31, 2022	118.14	301.39	308.67	238.49	77.45	1.52	1,045.66
Tax income / (expense) during the period recognised in profit or loss	27.41	85.51	500.88	19.87	32.62	-	666.29
Tax income / (expense) during the period recognised in OCI	-	(22.12)	-	-	-	-	(22.12)
As at March 31, 2023	145.55	364.78	809.55	258.36	110.07	1.52	1,689.83

Income tax assets:

Particulars	March 31, 2023	March 31, 2022
Opening balance	1,410.12	938.14
Taxes paid	640.31	500.39
Refund received	(816.22)	-
Current tax payable for the year	(29.25)	(28.41)
Income tax assets	1,204.96	1,410.12

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

9. Other Assets

Particulars	March 31, 2023	March 31, 2022
Other non-current assets		
Capital advances	30.44	29.25
Other advances	0.05	2.58
Total other non-current assets	30.49	31.83
Other current assets		
Prepaid expenses	202.15	91.20
Costs to obtain/fulfil contract with customers	0.72	9.17
Other advances	91.56	230.71
Other current assets*	335.43	114.28
Total other current assets	629.86	445.36
Total other assets	660.35	477.19

*Includes balance with revenue authorities.

10. Inventories

Particulars	March 31, 2023	March 31, 2022
Uniforms	150.57	147.20
Total inventories at the lower of cost and net realisable value	150.57	147.20



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

11. Trade receivables

Particulars	March 31, 2023	March 31, 2022
Trade receivables	7,379.98	5,379.83
Less: Allowance for expected credit loss	516.91	307.74
Total trade receivables	6,863.07	5,072.09

Break-up of security details:

Particulars	March 31, 2023	March 31, 2022
Secured, considered good	-	-
Unsecured, considered good	6,863.07	5,072.09
Total	6,863.07	5,072.09

The amount of loss allowance (lifetime expected credit loss) has been recognised under the simplified approach for trade receivable and hence break-up of trade receivable into 'significant increase in credit risk' and 'credit impaired' has not been disclosed separately.

The ageing schedule for outstanding trade receivables from the due date is given below:

Year ended March 31, 2023

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	3,265.96	2,483.59	498.92	469.18	304.21	324.53	7,346.39
(ii) Disputed trade receivables – considered good	-	-	4.60	4.22	0.70	24.07	33.59

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables – considered good	1,412.15	2,634.25	379.33	295.78	150.72	440.01	5,312.24
(ii) Disputed trade receivables – considered good	0.24	18.88	6.67	10.12	5.53	26.15	67.59

The movement in allowances for expected credit loss is as follows:

Particulars	March 31, 2023	March 31, 2022
Opening balance	307.74	210.41
Additions	209.17	97.33
Write off (net of recovery)	-	-
Closing balance	516.91	307.74

No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 39.

Refer note 40 for the Company's policy regarding impairment allowance on trade receivables and Company's credit risk management processes.

For outstanding balances, terms and conditions relating to related party receivables, refer note 39.

12. Cash and bank balances

Cash and cash equivalents

Particulars	March 31, 2023	March 31, 2022
Balances with banks:		
– On current accounts	183.44	560.44
– Bank deposits with original maturity of three months or less*	816.58	740.69
Cash on hand	2.47	1.87
Total	1,002.49	1,303.00

*Includes amount pledged as security/margin money against guarantees issued by banks on behalf of the Company.

Bank balances lying in various current accounts bear no interest.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Other bank balances

Particulars	March 31, 2023	March 31, 2022
Unclaimed dividend accounts	1.04	1.05
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	360.31	100.15
Margin money *	175.08	182.78
Total	536.43	283.98

* Pledged as security/margin money against guarantees issued by banks on behalf of the Company

13: Equity Share capital

Authorised share capital

Particulars	(Nos. in million)	(INR million)
As at April 1, 2021 (Equity shares of INR 5 each)	270.00	1,350.00
Increase/(decrease) during the year	-	-
As at March 31, 2022 (Equity shares of INR 5 each)	270.00	1,350.00
Increase/(decrease) during the year	-	-
As at March 31, 2023 (Equity shares of INR 5 each)	270.00	1,350.00

Issued, Subscribed and paid up equity capital

Particulars	(Nos. in million)	(INR million)
As at April 1, 2021 (Equity shares of INR 5 each)	148.30	741.51
Issued on exercise of stock options	0.55	2.74
Buyback of equity shares	(1.82)	(9.09)
As at March 31, 2022 (Equity shares of INR 5 each)	147.03	735.16
Issued on exercise of stock options	0.15	0.76
Buyback of equity shares	(1.45)	(7.27)
As at March 31, 2023 (Equity shares of INR 5 each)	145.73	728.65

During the year ended March 31, 2023, pursuant to the approval of the Board of Directors of the Company, at its meeting held on June 29, 2022, and the shareholders, by way of a special resolution through postal ballot, on August 12, 2022, 1,454,545 equity shares of face value of INR 5 each of the Company were offered for buyback by the Company to all eligible shareholders, through the tender offer process, for an aggregate amount not exceeding 800 million, being 0.99% of the total paid up equity share capital of the Company as on March 31, 2022, at INR 550 per equity share, as per the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer process was completed on November 11, 2022. The Company has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,454,545 equity shares of face value of INR 5 each were extinguished by appropriating a sum of INR 792.73 million from the securities premium and an amount of INR 7.27 million, being a sum equal to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

During the year ended March 31, 2022, pursuant to the approval of the Board of Directors of the Company, at its meeting held on February 15, 2021, and the shareholders, by way of a special resolution through postal ballot, on March 20, 2021, 1,818,181 equity shares of face value of INR 5 each of the Company were offered for buyback by the Company to all eligible shareholders of the Company, through the tender offer process, for an aggregate amount not exceeding 1,000 million, being 1.24% of the total paid up equity share capital of the Company as on March 31, 2020, at INR 550 per equity share, per the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer process was completed on June 21, 2021. The Company has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,818,181 equity shares of face value of INR 5 each were extinguished by appropriating a sum of INR 990.91 million from the securities premium and an amount of INR 9.09 million, being a sum equal to the nominal value of the Equity Shares bought back through the Buyback have been transferred to the capital redemption reserve account.

Notes (pre share sub-division effect):

- 2,210,500 and 62,457,240 equity shares were allotted as fully paid Bonus Shares by capitalization of general reserve during the year ended March 31, 2006 and March 31, 2017 respectively.
- Mr. Uday Singh was the holder of 79,000 unpaid shares in SIS International Holdings Ltd., a wholly owned subsidiary. In terms of a letter dated December 1, 2009, Mr. Singh had the option to exchange these shares for shares of the Company in a manner reflecting the fair value of these shares, reduced by the amounts unpaid on them. Subsequently, in lieu of these shares and suitably adjusted for amounts unpaid thereon, Mr. Singh was allotted 40,565 Equity Shares during the year ended March 31, 2017, at a ratio as determined in accordance with a valuation report prepared by a SEBI registered merchant banker.
- During the 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 INR 10 each at a premium of INR 805 per share and an offer for sale of 5,120,619 equity shares of INR 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO amounted to INR 3,410.47 (million) (net of issue expenses). The equity shares of the Company were listed on NSE and BSE effective August 10, 2017.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share and to participate in dividends in proportion to the number of and amounts paid on the shares held. The Company declares and pays dividends in Indian rupees.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	57.16	39.23%	57.65	39.21%
Rita Kishore Sinha	23.31	16.00%	23.51	15.99%
Rituraj Kishore Sinha	15.66	10.74%	15.79	10.74%

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019 *
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	-	-	10,480	10,480	211,960
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	-
Buyback of equity shares	1,454,545	1,818,181	-	-	-

* Number of shares has been restated to give effect of share sub-division

Details of promoter shareholding in the Company

Year ended March 31, 2023

S. No.	Name of the Promoter	Equity shares as on April 1, 2022 (in Nos.)	% holding in the class	Equity shares as on March 31, 2023 (in Nos.)	% holding in the class	% Change during the year
Promoters						
1	Ravindra Kishore Sinha	57,648,582	39.21%	57,163,671	39.23%	0.02%
2	Rituraj Kishore Sinha	15,791,311	10.74%	15,658,482	10.74%	0.00%
Total		73,439,893		72,822,153		

Year ended March 31, 2022

S. No.	Name of the Promoter	Equity shares as on April 1, 2021 (in Nos.)	% holding in the class	Equity shares as on March 31, 2022 (in Nos.)	% holding in the class	% Change during the year
Promoters						
1	Ravindra Kishore Sinha	58,727,312	39.60%	57,648,582	39.21%	-0.39%
2	Rituraj Kishore Sinha	16,420,380	11.07%	15,791,311	10.74%	-0.33%
Total		75,147,692		73,439,893		

Shares reserved for issue under options

Employees stock options

Refer note 28 for details regarding employee stock options issued by the Company.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

14. Other equity

Particulars	March 31, 2023	March 31, 2022
Reserves and surplus		
Securities premium	2,334.27	3,123.34
General reserve	566.47	563.94
Retained earnings	5,485.90	3,703.48
Total reserves and surplus (A)	8,386.64	7,390.76
Other reserves		
Stock options outstanding account	334.87	225.41
Debenture redemption reserve	-	-
Capital redemption reserve	16.36	9.09
Total other reserves (B)	351.23	234.50
Share application money pending allotment (C)	-	0.02
Total other equity (A+B+C)	8,737.87	7,625.28

Securities premium

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	3,123.34	4,078.79
Exercise of stock options	23.55	55.28
Buyback of equity shares	(800.00)	(1,000.00)
Transaction cost related to buyback of equity shares (net of taxes)	(12.62)	(10.73)
Balance at the end of year	2,334.27	3,123.34

General reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	563.94	188.94
Transferred from debenture redemption reserve	-	375.00
Transferred from stock options outstanding account on stock options expired	2.53	-
Balance at the end of year	566.47	563.94

Retained earnings

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	3,703.48	2,655.65
Net Profit / (loss) for the year	1,901.30	1,339.01
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit plans directly in retained earnings	65.79	(60.34)
Appropriations-		
- Tax on buyback of equity shares	(184.67)	(230.84)
Balance at the end of year	5,485.90	3,703.48

Stock options outstanding account

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	225.41	77.23
Stock option compensation expense	135.54	203.46
Transferred to securities premium on exercise of stock options	(23.55)	(55.28)
Transferred to general reserve on stock options expired	(2.53)	-
Balance at the end of year	334.87	225.41



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Debenture redemption reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	-	375.00
Created from retained earnings	-	-
Transfer to general reserve	-	(375.00)
Balance at the end of year	-	-

Capital redemption reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	9.09	-
Created on buyback of equity shares	7.27	9.09
Balance at the end of year	16.36	9.09

Share application money pending allotment

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	0.02	0.29
Share application money received during the year	0.70	2.47
Issued on exercise of stock options	(0.72)	(2.74)
Balance at the end of year	-	0.02

Nature and purpose of Reserves

Securities Premium

Security premium is used to record the premium on issue of shares or other securities such as debentures or bonds. The reserve is utilised in accordance with the Companies Act, 2013.

General Reserve

The general reserve is the result of a company's transferring a certain amount of profit from the account of retained earnings to the general reserve account. The purpose of setting up a general reserve account is to meet potential future unknown liabilities. In other words, the general reserve is a free reserve which can be utilized for any purpose after fulfilling certain conditions.

Retained earnings

Retained earnings represent the amount of accumulated earnings of the Company and re-measurement differences on defined benefit plans.

Stock Options outstanding Account

The stock options outstanding account is used to recognize the grant date fair value of options issued to employees under the company's employee stock option plans. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to note 28 for further details.

Debenture redemption reserve

Pursuant to the provisions of the Act, the Company is required to create a debenture redemption reserve out of the profits which is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve will be transferred to retained earnings.

Capital redemption reserve

As per the Companies Act, 2013, Capital redemption reserve is created when a company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. This reserve can be utilized in accordance with the provisions of section 69 of the Companies Act, 2013.

Share application money pending allotment

Share application money pending allotment represents the exercise price received from employees of the Company against stock options on which allotment is not yet made.



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

15. Borrowings

Particulars	Note	March 31, 2023	March 31, 2022
Non-current borrowings			
Secured			
Bonds/ debentures			
- Non convertible debentures	a	-	1,894.32
Term loans			
From banks			
- Kotak Mahindra Bank Limited	b	67.74	157.83
- Standard Chartered Bank	c	254.24	152.36
- Vehicle loan from various banks	d	225.21	121.41
From other parties			
- Axis Finance Limited	e	940.12	-
- Bajaj Finance Limited	f	940.22	-
- Vehicle loan from others	g	18.53	36.35
Total secured borrowings		2,446.06	2,362.27
Unsecured			
Bonds/ debentures			
Rupee denominated bonds issued to SIS Australia Group Pty Limited, a subsidiary company	h	748.20	747.58
Total unsecured borrowings		748.20	747.58
Total non-current borrowings		3,194.26	3,109.85
Less: Current maturity of long-term borrowings (refer table below)		(289.73)	(2,098.77)
Non-current borrowings		2,904.53	1,011.08
Current borrowings			
Secured			
Loans repayable on demand			
From banks			
- Kotak Mahindra Bank Limited	i	19.50	-
- Axis Bank Limited	i	588.94	800.22
- HDFC Bank Limited	i	1,500.00	1,000.00
- ICICI Bank Limited	i	666.65	676.85
- Standard Chartered Bank	i	200.00	-
- State Bank of India	j	640.00	420.73
- Yes Bank Limited	k	600.00	390.66
Total secured borrowings		4,215.09	3,288.46
Unsecured			
Loans repayable on demand			
From Banks			
- HDFC Bank Limited		200.00	-
Total unsecured borrowings		200.00	-
Add: Current maturity of long-term borrowings (refer table below)		289.73	2,098.77
Current borrowings		4,704.82	5,387.23
Aggregate secured borrowings		6,661.15	5,650.73
Aggregate unsecured borrowings		948.20	747.58



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Breakup of current maturity of long-term borrowings:

Particulars	March 31, 2023	March 31, 2022
Secured		
Bonds/ debentures	-	1,894.32
Term loans		
From banks	277.29	186.67
From other parties	12.44	17.78
Unsecured	-	-
Total current maturity of long-term borrowings	289.73	2,098.77

Notes:

Long Term Borrowings - Secured:

Bonds/debentures:

- a) i) ICICI Prudential Assets Management Company Limited has subscribed to 1,900 non-convertible debentures (NCDs) of INR 1,000,000/- each on March 30, 2021. The NCDs carried interest @ 7.90% per annum, payable annually. The NCDs were secured against 85.68% shareholding in Dusters total solutions services private limited, a subsidiary of the Company. The debentures were redeemable after 2 years from the date of issue. i.e. March 30, 2023. During the year ended March 31, 2023, NCDs have been repaid on maturity.

Term loans:

From Banks:

- b) Secured by way of first charge on the movable fixed assets of the Company purchased out of the term loan proceeds and second pari passu charge on receivables/ current assets of the Company both present and future. The loan is repayable in 18 equal quarterly instalments commenced from the end of the 1st quarter of FY 2019-20 after the end of moratorium Period of six months and last installment repayment is scheduled in fourth quarter of FY 2023-24.
- c) Secured by way of first charge on the Monitoring equipment purchased out of the term loan proceeds. The loan is repayable in 12 equal quarterly instalments commenced from the end of the fourth quarter of FY 2021-22 and last installment repayment is scheduled in third quarter of FY 2024-25.
- d) Vehicle Loan from banks are secured by hypothecation of vehicles purchased against the loan taken from that Bank. The loans have various repayment schedules and the last instalment repayment is scheduled in FY 2028-29.

The term loans mentioned above except vehicle loans, carry interest at quarterly/half-yearly/year MCLR/MIBOR/Repo plus spread margin ranging from 75 bps to 315 bps (March 31, 2022: 75 bps to 315 bps). The vehicle loans carry interest from 7.10% to 9.75% per annum.

From Other Parties:

- e) Secured by way of first pari-passu charge on current and non-current assets of Dusters Total Solution Services Private Limited & Uniq Security Solutions Private Limited (subsidiaries of the Company) and 13 % pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 5 semi-annual equal instalments commenced from the end of fourth quarter of F.Y 2024-25 after the moratorium of 1.5 years and last payment of repayment is scheduled on fourth quarter of FY 2026-27.
- f) Secured by way of first pari-passu charge on current and movable fixed assets of Dusters Total Solutions Services Private Limited & UNIQ Security Solutions Private Limited (subsidiaries of the Company) and 13 % pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 8 equal quarterly instalments commenced from the end of first quarter of F.Y 2024-25 after the moratorium of 1 year and last payment of repayment is scheduled on fourth quarter of FY 2025-26.
- g) Vehicle Loan from other financiers are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that financier(s). The loans carry interest from 7.50% to 10.50% per annum and have various repayment schedules and last instalment repayment is scheduled in FY 2025-2026.

Long term borrowings – Unsecured:

Bonds/debentures:

- h) SIS Australia Group Pty Limited, a subsidiary, has subscribed to 750 Rupee Denominated Bonds (RDBs) of face value of INR 1,000,000/- each. The RDBs will constitute direct, unconditional and unsecured obligations of the Company to repay the issue price plus interest @ 8% per annum. These RDB's shall be redeemed within 9 years (redemption due by August 2025) from the date of issue with a lock-in-period of 3 years from the date of issue and interest is payable half yearly.

Being a fixed interest instrument, Transfer pricing (TP) compliance has already been done for this transaction under fixed interest agreement and it is within the allowed premises for TP compliance.

Short term borrowings – Secured/Unsecured loans repayable on demand:

- i) Secured by first pari-passu charges over the current assets and immovable fixed assets and second pari-passu charge over movable fixed assets.
- j) Secured by first pari-passu charges over the current assets and movable fixed assets (both present and future) of the Company and second pari-passu charge is with other working capital lenders.
- k) Secured by first pari-passu charge over current assets both present and future.
- l) The short-term borrowing charges are excluding assets specifically charged to term loan lenders, if any.

The loans repayable on demand mentioned above, carry interest at quarterly/half yearly/yearly MCLR/Repo rate/MIBOR/TBILL plus spread margin ranging from 25 bps to 125 bps (March 31, 2022: 25 bps to 60 bps) for cash credit facility and ranging from 7.40% p.a. to 7.90% p.a. for WCDL facilities (March 31, 2022: 4.30% p.a. to 4.60% p.a.).

There has been no default in the payment of interest or repayment of principal in respect of the above loans/borrowings.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

16. Lease Liabilities

Particulars	March 31, 2023	March 31, 2022
Non-current lease liabilities	398.52	414.30
Current lease liabilities	96.93	76.13
Total lease liabilities	495.45	490.43

Movement of lease liabilities during the year

Particulars	March 31, 2023	March 31, 2022
Opening balance	490.43	453.46
Additions	96.66	109.88
Deletions	-	(1.09)
Finance cost accrued during the year	62.43	58.49
Payment of lease liability	(154.07)	(130.31)
Closing balance	495.45	490.43

The Company does not expect potential exposure to variable lease payments, extension / termination options, guaranteed residual value and lease commitments.

17. Trade payables

Particulars	March 31, 2023	March 31, 2022
Non-current	-	-
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME)	24.30	6.13
- total outstanding dues of creditors other than micro enterprises and small enterprises	199.88	124.21
Total current trade payables	224.18	130.34
Total	224.18	130.34

The terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-60 days which vary by vendor and type of service.
- For outstanding balances, terms and conditions with related parties, refer to note 39

The ageing schedule for outstanding trade payables from due date is given below:

Year ended March 31, 2023

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	12.47	11.83	-	-	-	24.30
(ii)Others	82.30	109.52	7.43	0.51	0.12	199.88

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	6.06	0.07	-	-	-	6.13
(ii)Others	70.86	51.15	2.00	0.11	0.09	124.21

There are no disputed dues during the year ended March 31, 2023 and March 31, 2022.



(This space has been intentionally left blank)



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)*All amounts in INR million, unless stated otherwise*

Based on the information available with the Company, the amount payable to creditors who have been identified as “suppliers” within the meaning of “Micro, Small and Medium Enterprises Development (MSMED) Act, 2006” is as below:

Particulars	March 31, 2023	March 31, 2022
Principal amount and the interest [₹ Nil (March 31, 2022 – Nil)] due thereon	24.30	6.13
Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

18. Other financial liabilities

Particulars	March 31, 2023	March 31, 2022
Non-current		
Financial guarantees	1.47	5.87
Total other non-current financial liabilities	1.47	5.87
Current		
Capital creditors	74.72	-
Interest accrued but not due on borrowings	32.79	25.06
Financial guarantees	4.19	0.64
Unclaimed/unpaid dividends	1.04	1.05
Employee benefits payable	2,925.32	2,372.77
Other payables and accruals *	195.96	126.92
Total other current financial liabilities	3,234.02	2,526.44
Total other financial liabilities	3,235.49	2,532.31

* Includes unbilled dues having ageing of less than one year.

Details of loan given, investments made and guarantee given covered U/S 186(4) of the Companies Act, 2013.

Corporate guarantees given by the Company in respect of borrowings taken by subsidiaries:

Particulars	March 31, 2023	March 31, 2022
Tech SIS Limited	70.00	50.00
Service Master Clean Limited	1,895.00	1,895.00
SIS Alarm Monitoring and Response Services Private Limited	530.00	550.00
SLV Security Services Private Limited	895.00	895.00
Rare Hospitality and Services Private Limited	270.26	270.26
Total	3,660.26	3,660.26

Loans given and investments made are given under the respective heads.



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

19. Financial instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments						
-Equity instruments	0.18	-	-	-	-	-
-Preference shares	63.27	-	-	-	-	-
-Bonds and debentures	-	-	351.46	-	-	348.61
Trade receivables	-	-	6,863.07	-	-	5,072.09
Cash and cash equivalents	-	-	1,002.49	-	-	1,303.00
Other bank balances	-	-	536.43	-	-	283.98
Loans	-	-	141.21	-	-	234.59
Other financial assets	-	-	3,267.18	-	-	2,721.12
Total financial assets	63.45	-	12,161.84	-	-	9,963.39
Financial liabilities:						
Trade payables	-	-	224.18	-	-	130.34
Borrowings	-	-	7,609.35	-	-	6,398.31
Lease liabilities	-	-	495.45	-	-	490.43
Other financial liabilities	-	-	3,235.49	-	-	2,532.31
Total financial liabilities	-	-	11,564.47	-	-	9,551.39

Fair value hierarchy

The assets measured at fair value on a recurring basis and the basis for that measurement is as below:

	March 31, 2023			March 31, 2022		
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Level 1 inputs	Level 2 inputs	Level 3 inputs
Financial Assets:						
Investments carried at FVTPL	-	-	63.45	-	-	-
Total Financial Assets	-	-	63.45	-	-	-

Valuation methodologies:

Investment in equity / preference instruments: The Company's investments consist primarily of investment in equity / preference shares of unquoted companies. Management has considered the cost to be approximating to fair value of such investments.

All of the resulting fair value estimates are included in Level 3 as the fair values have been determined based on present values and discount rates used are adjusted for counter party or own credit risk.

The following table presents the change in Level 3 items for the periods ended March 31, 2023 and March 31, 2022:

Particulars	Investments carried at FVTPL
As at April 1, 2021	-
Changes during the year	-
As at March 31, 2022	-
Additions	63.45
As at March 31, 2023	63.45
Unrealised fair value (gains) / losses recognized in statement of profit and loss related to assets and liabilities held at the end of the reporting period:	
March 31, 2023	-
March 31, 2022	-



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Fair Values of assets and liabilities carried at amortised costs are as follows:

Particulars	Fair value hierarchy	March 31, 2023		March 31, 2022	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:					
Investments	Level 2	351.46	355.80	348.61	379.47
Trade receivables		6,863.07	6,863.07	5,072.09	5,072.09
Cash and cash equivalents		1,002.49	1,002.49	1,303.00	1,303.00
Other bank balances		536.43	536.43	283.98	283.98
Loans	Level 2	141.21	143.34	234.59	259.24
Other financial assets		3,267.18	3,267.18	2,721.12	2,721.12
Total financial assets		12,161.84	12,168.31	9,963.39	10,018.90
Financial liabilities:					
Trade payables		224.18	224.18	130.34	130.34
Borrowings - floating rate		6,617.41	6,617.41	3,598.65	3,598.65
Borrowings - fixed rate	Level 2	991.94	941.96	2,799.66	2,794.88
Lease liabilities		495.45	495.45	490.43	490.43
Other financial liabilities		3,235.49	3,235.49	2,532.31	2,532.31
Total financial liabilities		11,564.47	11,514.49	9,551.39	9,546.61

The Company has assessed that the fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables, bank overdrafts, lease liabilities and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of investments, loans given and fixed rate borrowings are calculated based on fixed cash flows discounted using weighted average cost of debt as on balance sheet date and accordingly classified under level 2 fair values in the fair value hierarchy due to the use of significant observable inputs.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements:

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2023	March 31, 2022		
Unquoted investments	63.45	-	Cost	Management has considered cost to be approximating to fair value of such investments.

Valuation processes

The finance department of the Company includes the team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every 3 months, in line with the Company's quarterly reporting period. External valuer's assistance is also taken for valuation purposes where required.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Discounts rates are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counter parties (including assumptions about credit default rates) are derived from credit risk grading determined by the Company's internal credit risk management group.
- Volatility used for option pricing model is based on historical volatility of comparable companies.
- Contingent consideration – estimated based on expected cash outflows arising from the forecasted sales and the entities; knowledge of the business and how the current economic environment is likely to impact it.

30 Provisions

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 27) :				
Gratuity	813.45	103.70	786.90	62.71
Compensated absences	-	73.80	-	63.56
Total	813.45	177.50	786.90	126.27



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

21. Other liabilities

Particulars	March 31, 2023	March 31, 2022
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	1,200.46	1,077.67
Unearned Income (refer note 23)	0.72	9.17
Total other current liabilities	1,201.18	1,086.84
Total other liabilities	1,201.18	1,086.84

22. Government grants

Particulars	March 31, 2023	March 31, 2022
As at the beginning of the year	-	-
Received during the year	-	13.25
Released to the statement of profit and loss	-	(13.25)
As at the end of the year	-	-
Current	-	-
Non-current	-	-

The Company is availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees joined till March 31, 2019 meeting specified criteria. The grant is paid by the Government on a monthly basis in the first three years of employment of eligible new employees on fulfilment of certain conditions. Accordingly, such Government Grant is taken to profit or loss when the conditions are met.

23. Revenue from operations

Particulars	March 31, 2023	March 31, 2022
Sale of products (traded goods)		
Revenue from sale of electronic security devices	165.36	206.79
Total (A)	165.36	206.79
Rendering of services		
Security services		
From guarding and other security services	38,886.70	32,245.66
Other services		
From training fees	122.25	95.41
Total rendering of services	39,008.95	32,341.07
Other operating revenues*	674.41	630.61
Total (B)	39,683.36	32,971.68
Revenue from operations (A+B)	39,848.72	33,178.47

*Includes revenue from the sale of uniforms to employees.

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers.

Particulars	March 31, 2023	March 31, 2022
Revenue by time of recognition		
At a point in time (sale of equipments)	165.36	206.79
Over the period of time	39,683.36	32,971.68
Total	39,848.72	33,178.47

(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Contract balances:

The following table provides information about unbilled revenue and unearned income from contract with customers:

Particulars	March 31, 2023		March 31, 2022	
	Unbilled revenue	Unearned Income	Unbilled revenue	Unearned Income
Opening balance	2,186.59	9.17	1,951.52	17.63
Revenue recognised that was included in unearned income at the beginning of the year	-	(9.17)	-	(17.63)
Increase due to cash received, excluding amounts recognised as revenue during the year	-	0.72	-	9.17
Transfers from unbilled revenue, recognised at the beginning of the year, to receivables	(2,186.59)	-	(1,951.52)	-
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,561.39	-	2,186.59	-
Closing balance	2,561.39	0.72	2,186.59	9.17

Cost to obtain or fulfil a contract with a customer:

Particulars	March 31, 2023	March 31, 2022
Opening balance	9.17	17.63
Costs incurred and deferred	0.72	9.17
Less: Cost amortised	(9.17)	(17.63)
Closing balance	0.72	9.17

24. Other income:

Particulars	March 31, 2023	March 31, 2022
Interest income*	174.13	126.28
Dividend income from subsidiaries	520.13	504.94
Total	694.26	631.22

*Includes interest income on income tax refund

25. Other gain / (loss)

Particulars	March 31, 2023	March 31, 2022
Net gain/(loss) on sale of property, plant and equipment*	(1.00)	2.08
Foreign exchange gain/(loss)	(1.33)	0.83
Other items	0.43	0.04
Total	(1.90)	2.95

*Includes gain/(loss) on derecognition of Right of use assets

26. Changes in inventory

Particulars	March 31, 2023	March 31, 2022
Inventory at the beginning of the year	147.20	182.05
Inventory at the end of the year	150.57	147.20
Changes in inventory - (increase)/decrease	(3.37)	34.85



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

27. Employee Cost

(a) Employee benefits expense include:

Particulars	March 31, 2023	March 31, 2022
Salaries, wages and bonus	31,512.45	26,457.66
Contribution to provident and other funds	3,424.35	2,946.94
Government grants (Note 22)	-	(13.25)
Employee share-based payment expense	78.47	112.47
Gratuity expense	234.50	182.59
Leave compensation	10.77	(9.11)
Staff welfare expenses	41.48	127.50
Total	35,302.02	29,804.80

(b) Unfunded Scheme – Leave obligations

Leave obligations cover the Company's liability for sick and earned leave.

The provision for leave obligations is presented as current, since the Company does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months:

Particulars	March 31, 2023	March 31, 2022
Current leave obligation not expected to be settled within next 12 months	55.32	48.90

Unfunded Schemes:

Particulars	March 31, 2023	March 31, 2022
Present value of unfunded obligations	73.80	63.56
Expenses to be recognized in the statement of profit and loss	10.77	(9.11)
Discount rate (per annum)	7.20%	5.30%
Salary escalation rate (per annum)	8.00%	8.00%

The liability for earned and sick leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

(c) Defined contribution plans

The Company has certain defined contribution plans. Contributions are made to provident fund for employees at the rate of 12% of the salary (subject to a limit of INR 15,000 salary per month) as per regulations. The contributions are made to a statutory provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Further, contributions are made in respect of Employees' State Insurance Scheme, for specified employees, at the rate of 3.25% of the gross pay as per regulations. The contributions are towards medical benefits provided by the Government to the employees. The contributions are made to employees' state insurance authorities administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual or constructive obligations in this regard.

Contributions to provident fund and employees' state insurance scheme are recognized as an expense as they become payable which coincides with the period during which relevant employee services are received. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Particulars	March 31, 2023	March 31, 2022
Expense recognised during the period towards defined contribution plans	3,424.35	2,946.94

(d) Defined benefits plans

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary, years of employment with the Company subject to completion of five years of service and other conditions. The gratuity plan is a partly funded plan and the Company makes contributions to a fund administered and operated by a reputed insurance company. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The Company has invested the 100% plan assets in the funds managed by insurance companies.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Expenditure to be recognized during the year:

Particulars	March 31, 2023	March 31, 2022
Current service cost	191.06	154.39
Past service cost	-	-
Interest cost	43.44	28.20
Total amount recognised in profit or loss	234.50	182.59
Remeasurements		
Return on plan assets, excluding amounts included in interest income	(5.12)	12.00
Loss / (gain) from changes in financial assumptions	(81.99)	25.66
Loss / (gain) from changes in demographic assumptions	-	-
Experience loss / (gain)	(0.80)	42.97
Total loss / (gain) recognised in other comprehensive income	(87.91)	80.63

Change in present value of defined benefit obligation is summarized below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2023	March 31, 2022
Defined benefit obligation at the beginning of year	1,017.69	818.12
Current service cost	191.06	154.39
Past service cost	-	-
Interest cost	47.82	33.25
Remeasurements	(85.86)	68.03
Benefits paid	(78.32)	(56.70)
Liabilities assumed / (settled)	-	0.60
Defined benefit obligation at the end of year	1,092.39	1,017.69

Reconciliation of fair value of Plan Assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	168.08	175.03
Interest income	4.38	5.05
Remeasurements	5.12	(12.00)
Contribution by employer	75.98	56.70
Benefits paid	(78.32)	(56.70)
Fair value of plan assets at the closing of the year	175.24	168.08

Reconciliation of fair value of Assets and Obligations:

Reconciliation of fair value of assets and obligations	March 31, 2023	March 31, 2022
Fair value of plan assets	175.24	168.08
Present value of obligation	(1,092.39)	(1,017.69)
Asset / (liability) recognized in balance Sheet	(917.15)	(849.61)

The present value of defined benefit obligation relates to active employees only.

The Company has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one-off contributions. The Company intends to continue to contribute to the defined benefit plans to achieve a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Company's plans are shown below:

Principal Assumptions:

Principal actuarial assumptions	March 31, 2023	March 31, 2022
Discount rate	7.20%	5.30%
Future salary increase		
- Non-billing / indirect employees	8.00%	8.00%
- Billing /direct employees	7.00%	7.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	39.00%	39.00%
- 31 & above	28.00%	28.00%
Non billing employees		
- Age from 21-30 years	27.00%	27.00%
- 31-40	16.00%	16.00%
- 41-50	12.00%	12.00%
- 51 & above	16.00%	16.00%

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	March 31, 2023	March 31, 2022
Discount rate		
0.5% increase	(1.86%)	(2.05%)
0.5% decrease	1.94%	2.13%
Future salary increases		
0.5% increase	1.87%	2.02%
0.5% decrease	(1.82%)	(1.96%)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Risk Exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment and regulatory changes.

The Company has selected a suitable insurer to manage the funds in such a manner as to ensure that the investment positions are managed with an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The insurer, on behalf of the Company, actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

Defined benefit liability and employer contributions

The weighted average duration of the post-employment benefit plan obligations and expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	March 31, 2023	March 31, 2022
The weighted average duration of the post-employment benefit plan obligations (in years)	3.80	4.06
Expected contribution to the fund during next year	60.00	60.00

Maturity profile:	March 31, 2023	March 31, 2022
Less than a year	278.92	230.78
Between 1-2 years	231.54	200.75
Between 2-5 years	482.97	421.81
Over 5 Years	511.43	454.03
Total	1,504.86	1,307.37



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

(c) The Code on Wages, 2019 and the Code on Social Security, 2020 have been notified through Gazette of India after assent of Hon'ble President of India which govern, and are likely to impact, the contributions by the Company towards certain employee's benefits. Notification of the rules of these codes are pending. The effective date of implementation of these Codes has not yet been notified and the Company will assess the impact of these codes as and when they come into effect and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective.

38. Share-based payments

The Company has two Employee Stock Option plans namely ESOP 2008 and ESOP 2016.

ESOP 2008 (pre share sub-division effect)

- Under ESOP 2008, the Company has granted 59,000 options, 30,000 Options, 30,500 Options, 3,500 options and 2,096 options in the financial year ended 2008, 2011, 2014, 2015 and 2016, respectively. All such granted options have been either exercised or lapsed in accordance with the terms of the respective plan.
- All options under ESOP 2008 will now be governed by the terms of ESOP 2016 except in respect of vesting and exercise which will still be governed by the terms mentioned in the respective grant letters.
- The Options issued under ESOP 2008 will be adjusted for the bonus issue of ten equity shares for every equity share held as on September 20, 2016, as and when such options are exercised.

ESOP 2016 (post share sub-division effect)

- Under ESOP 2016, the Company has granted 2,432,000 options, 64,830 options, 21,000 options in the financial year 2016, 2018 and 2019, respectively. All such options granted, have been either exercised or lapsed in accordance with the terms of the respective plan as on March 31, 2023.
- During the year ended March 31, 2022, the Company issued a further 1,421,973 options to eligible employees which will vest over next four financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025. Out of such options:
 - 116,486 options have been forfeited/lapsed till March 31, 2023.
 - 11,199 options have been exercised up till March 31, 2023.
 - 258,858 options have been vested and not exercised/exercisable as on March 31, 2023
- During the year ended March 31, 2023, the Company issued a further 35,700 options to eligible employees which will vest over next three financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025. Out of such options:
 - 1,800 options have been forfeited/lapsed on account of the respective employees no longer in employment.
 - No options have been vested and not exercised/exercisable as on March 31, 2023

Options granted under the aforesaid plans carry no dividend or voting rights.

Movements during the year (post share sub-division effect)

Year ended March 31, 2022

Particulars	ESOP 2016					Total
	ESOPs granted in					
	2016-17	2017-18	2018-19	2021-22	2022-23	
Outstanding stock options as on April 1, 2021	673,864	19,470	3,000	-	-	696,334
Exercise Price	INR 5/-	INR 5/-	INR 5/-	INR 5/-		INR 5/-
Options granted during the year	-	-	-	1,421,973	-	1,421,973
Options exercised during the year*	537,340	5,790	3,000	1,343	-	547,473
Options forfeited/lapsed during the year	5,480	-	-	60,514	-	65,994
Outstanding stock options as at March 31, 2022	131,044	13,680	-	1,360,116	-	1,504,840
Exercisable stock options as at March 31, 2022	131,044	13,680	-	100	-	144,824



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Year ended March 31, 2023

Particulars	ESOP 2016					Total
	ESOPs granted in					
	2016-17	2017-18	2018-19	2021-22	2022-23	
Outstanding stock options as on April 1, 2022	131,044	13,680	-	1,360,116	-	1,504,840
Exercise Price	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-
Options granted during the year	-	-	-	-	35,700	35,700
Options exercised during the year*	129,400	13,680	-	9,856	-	152,936
Options forfeited/lapsed during the year	1,644	-	-	55,972	1,800	59,416
Outstanding stock options as at March 31, 2023	-	-	-	1,294,288	33,900	1,328,188
Exercisable stock options as at March 31, 2023	-	-	-	-	-	-

*The weighted average share price at the date of exercise of options during the year ended March 31, 2023 was INR 458.09 (March 31, 2022: INR 422.40). There were no cancellations or modifications to the awards in March 31, 2023 or March 31, 2022.

Stock options outstanding at the end of the year have the following details (post share sub-division effect):

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (INR) @	Fair value (INR)	Stock options outstanding March 31, 2023	Stock options outstanding March 31, 2022
Plan II (ESOP 2016): Grant I	I	1-Aug-16	1-Aug-17	1-Aug-22	5.00	95.41	-	4,078
Plan II (ESOP 2016): Grant I	II	1-Aug-16	1-Aug-18	1-Aug-22	5.00	95.41	-	8,156
Plan II (ESOP 2016): Grant I	III	1-Aug-16	1-Aug-19	1-Aug-22	5.00	95.41	-	19,356
Plan II (ESOP 2016): Grant I	IV	1-Aug-16	1-Aug-20	1-Aug-22	5.00	95.41	-	99,454
Plan II (ESOP 2016): Grant II	I	3-Jan-18	3-Jan-19	1-Aug-22	5.00	561.09	-	4,104
Plan II (ESOP 2016): Grant II	II	3-Jan-18	3-Jan-20	1-Aug-22	5.00	561.09	-	4,104
Plan II (ESOP 2016): Grant II	III	3-Jan-18	1-Aug-20	1-Aug-22	5.00	561.09	-	5,472
Plan II (ESOP 2016): Grant V	I	20-Apr-21	1-Jun-22	1-Jun-27	5.00	357.19	258,858	272,023
Plan II (ESOP 2016): Grant V	II	20-Apr-21	1-Jun-23	1-Jun-27	5.00	357.19	258,858	272,023
Plan II (ESOP 2016): Grant V	III	20-Apr-21	1-Jun-24	1-Jun-27	5.00	357.19	388,286	408,035
Plan II (ESOP 2016): Grant V	IV	20-Apr-21	1-Jun-25	1-Jun-27	5.00	357.19	388,286	408,035
Plan II (ESOP 2016): Grant V	I	20-Oct-22	21-Oct-23	1-Jun-27	5.00	411.65	11,299	-
Plan II (ESOP 2016): Grant V	II	20-Oct-22	1-Jun-24	1-Jun-27	5.00	411.65	11,299	-
Plan II (ESOP 2016): Grant V	III	20-Oct-22	1-Jun-25	1-Jun-27	5.00	411.65	11,302	-
Total							1,328,188	1,504,840

@ For pre-bonus issue options, additional shares on account of bonus adjustment are issued without cost to the employee.

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the market price being the latest available closing price prior to the date of the grant and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option as detailed below:

Grant date	Volatility	Market price (INR) *	Average life of the options (in Years)	Risk-free interest rate	Dividend yield
1-Aug-16	29.18%	107.96	5.00	7.10%	1.75%
3-Jan-18	30.94%	568.93	2.58	6.91%	0.25%
20-Apr-21	46.02%	360.95	5.12	5.55%	0.00%
20-Oct-22	39.02%	415.60	3.62	7.39%	0.00%

* Post bonus adjustment of ten equity shares for every one equity share held, wherever required.

In respect of options granted by the Company prior to listing of its shares on stock exchanges, the market value of shares was determined on the basis of valuation carried out by a SEBI registered merchant banker. The valuation was carried out using a combination of Market Approach (by using market multiples of comparable listed companies) and Cost Approach.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')*All amounts in INR million, unless stated otherwise*

Total expenses arising from share-based payment transactions recognized in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2023	March 31, 2022
Employee stock option plan	78.47	112.47
Total employee share-based payment expense	78.47	112.47

The Company has issued/granted stock options to employees of its certain subsidiaries for which cost of INR 57.07 million (March 31, 2022: INR 90.99 million) is charged to respective subsidiary and reimbursed to the Company.

39. Finance costs

Particulars	March 31, 2023	March 31, 2022
Interest expenses	589.87	465.24
Interest on lease liability	62.43	58.49
Other finance costs*	18.15	37.07
Total	670.45	560.80

* Includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges, other ancillary costs incurred in connection with borrowings other than finance costs that do not meet the definition of transaction costs.

40. Depreciation and amortization expenses

Particulars	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (Note 4)	524.23	367.90
Amortization of intangible assets (Note 5)	18.38	10.70
Total	542.61	378.60

41. Other expenses

Particulars	March 31, 2023	March 31, 2022
Training expenses	56.51	32.75
Uniform and kit items	58.28	75.12
Recruitment incentive expenses	-	16.27
Selling expenses	32.95	8.19
Travelling and conveyance	324.76	173.83
Postage and telephone	20.00	17.21
Stationary and printing	26.89	26.11
Rent *	277.00	216.02
Rates & taxes	22.58	40.36
Insurance	170.71	104.06
Repairs and maintenance:		
- Buildings	3.07	0.94
- Machinery	30.13	10.49
- Others	116.94	49.69
Vehicle hire charges	101.54	81.73
Payments to auditors (Refer details below)	4.26	2.30
Legal and professional fees	133.71	127.38
Allowance for expected credit loss	209.17	97.33
Expense towards corporate social responsibility	7.26	13.22
Other direct operating cost	394.74	124.21
Other administration and general expenses	256.27	266.00
Total	2,246.77	1,483.21

* Rent expenses pertained to short-term leases and low value assets.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Payment to Auditors

Particulars	March 31, 2023	March 31, 2022
As auditor:		
Audit fee (including fees for limited review)	3.45	1.90
In other capacity:		
Other services (certification fees)*	0.81	0.40
Total payment to auditors	4.26	2.30

* Includes reimbursement of expenses.

Details of CSR expenditure

Particulars	March 31, 2023	March 31, 2022
(a) Gross amount required to be spent by the Company during the year	19.56	17.71
(b) Amount spent during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	11.70	13.22
(c) The excess/(shortfall) amount at the end of the year over and above the amount required to be spent by the company during the year	(7.86)	(4.49)
(d) Total previous years excess/(shortfall) adjusted during the year	7.86	4.49
(e) The excess/(shortfall) amount at the end of the year (including excess/(shortfall) of previous years)	4.43	12.29
(f) The nature of CSR activities undertaken by the company		
(i) Promoting education to children including primary, secondary and university education, building schools, colleges and training institutions including provision for full time residential institutions and full student sponsorship, promoting and sponsoring girl education at all levels, women education and self-employment training, other educational projects	9.00	4.62
(ii) Local community health check camps, building hospitals, clinics, diagnostic centers and associated infrastructure, blood donation camps and other specific ailment camps.	1.20	6.90
(iii) Protection of national heritage	1.00	1.50
(iv) Promotion of sports, culture and research activities	-	0.20
(v) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	0.50	-
(g) Contribution to related parties in relation to CSR activities	3.50	-

32. Earnings per share (EPS)

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Particulars	March 31, 2023	March 31, 2022
Profit attributable to equity holders of the Company :		
Continuing operations	1,901.30	1,339.01
Profit attributable to equity holders of the Company for basic earnings	1,901.30	1,339.01
Profit attributable to equity holders of the Company adjusted for the effect of dilution	1,901.30	1,339.01
Weighted average number of equity shares for basic EPS (Numbers)	146,537,510	147,150,940
Effect of dilution:		
Stock options (Numbers)	1,312,489	1,488,450
Weighted average number of equity shares adjusted for the effect of dilution	147,849,999	148,639,390
Nominal value of equity shares (INR)	5.00	5.00
Earnings per share		
- Basic (INR)	12.97	9.10
- Diluted (INR)	12.86	9.01



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

33. Distributions made and proposed

Particulars	March 31, 2023	March 31, 2022
Cash dividends on equity shares declared and paid:		
Final dividend @ INR Nil per share (March 31, 2022: INR Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at the reporting date.

34. Commitments and contingencies

(a) Capital commitment

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	0.11	20.14

(b) Contingent liabilities

Particulars	March 31, 2023	March 31, 2022
Claims against the Company not acknowledged as debt:		
- Litigation matters with respect to direct taxes	262.40	53.67
- Litigation matters with respect indirect taxes	102.29	102.29
Other money for which the Company is contingently liable	9.65	7.70
Total	374.34	163.66

The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2023.

Disputed claims against the Company, including claims raised by the tax authorities and which are pending in appeal /court and for which no reliable estimate can be made of the amount of the obligation, are not provided for in the accounts. However, the present obligation, if any, as a result of past events with a possibility of outflow of resources, when reliably estimable, is recognized in the accounts as an expense as and when such obligation crystallises.

35. Events occurring after the balance sheet date

There were no significant events that occurred after the Balance Sheet date.

36. Operating segment

Particulars	March 31, 2023	March 31, 2022
Revenue from operations	39,848.72	33,178.47
Earning before interest, tax, depreciation and amortisation (EBITDA)*	1,869.82	1,460.75

*Excluding other income and other gain/(loss)

The Company is required to disclose segment information based on the 'management approach' as defined in Ind AS 108 - Operating Segments, which in how the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on the analysis of the various performance indicators. In the case of the Company, the CODM reviews the results of the Company as a whole as the Company is primarily engaged in the business of rendering security services in India. Accordingly, the Company is a single CGU, hence single segment Company. The information as required under Ind AS 108 is available directly from the financial statements, hence no separate disclosures have been made.

37. Business combinations and acquisition of non-controlling interests

Acquisitions during the year ended March 31, 2023

a. Acquisition of additional interest in Terminix SIS India Private Limited ('Terminix')

During the year ended March 31, 2023, the Company acquired entire remaining shareholding of 49.99% in Terminix, subsidiary of the Company, for an aggregate consideration of INR 7.77 million which resulted in Terminix becoming a wholly owned subsidiary of the Company.

Acquisitions during the year ended March 31, 2022

a. Acquisition of additional interest in Uniq Security Solutions Private Limited ('Uniq')

Effective February 01, 2019, the Company has acquired 51% of the outstanding equity shares of Uniq for an aggregate consideration of INR 515.00 million. In addition, the share purchase agreement provides for acquisition of 100% of the outstanding equity shares, by September 2020, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula.

During the year ended March 31, 2022, the Company acquired the entire remaining shareholding of 49% in Uniq, Subsidiary of the Company, for an aggregate consideration of INR 510 million which resulted in Uniq becoming a wholly owned subsidiary of the Company.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

38. Interests in other entities

Information about subsidiaries

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Service Master Clean Limited *	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
2	Tech SIS Limited	India	Trading and installation of electronic security devices and systems	100.00%	100.00%	0.00%	0.00%
3	Terminix SIS India Private Limited	India	Pest Control Management Services	100.00%	50.01%	0.00%	49.99%
4	Dusters Total Solutions Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
5	SIS Business Support Services and Solutions Private Limited	India	Rendering business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6	SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited)	India	Rendering security and related services in areas of manned guarding	100.00%	100.00%	0.00%	0.00%
7	SLV Security Services Private Limited	India	Providing manned guarding, facilities management and business process outsourcing.	100.00%	\$	0.00%	\$
8	Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
9	Uniq Security Solutions Private Limited	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
10	Uniq Detective and Security Services (AP) Pvt. Ltd. **	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
11	Uniq Detective and Security Services (Tamilnadu) Private Limited **	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
12	Uniq Facility Services Private Limited **	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
13	SIS Alarm Monitoring and Response Services Private Limited	India	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
14	ADIS Enterprises Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
15	ONE SIS Solutions Private Limited	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	100.00%	0.00%	0.00%
16	SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	Singapore ^{ss}	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
17	SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	Singapore ^{ss}	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
18	SIS Australia Holdings Pty Ltd	Australia	Holding company for Australia	100.00%	100.00%	0.00%	0.00%
19	SIS Australia Group Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
20	SIS Group International Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
21	MSS Strategic Medical and Rescue Pty Ltd	Australia	Provision of paramedic and emergency response services	100.00%	100.00%	0.00%	0.00%



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling	
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
22 SIS MSS Security Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
23 MSS Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
24 Australian Security Connections Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
25 MSS AJG Pty Ltd #	Australia	Provision of services relating to all aspects of physical security	0.00%	100.00%	0.00%	0.00%
26 Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
27 Askara Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
28 Charter Security Protective Services Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
29 Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	100.00%	100.00%	0.00%	0.00%
30 Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
31 The Alarm Center Limited #	New Zealand	Alarm Monitoring and Response Services	0.00%	100.00%	0.00%	0.00%
32 SIS Henderson Holdings Pte Ltd	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
33 Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	100.00%	100.00%	0.00%	0.00%
34 Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	100.00%	100.00%	0.00%	0.00%
35 Safety Direct Solutions Pty Ltd	Australia	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	0.00%	15.00%	0.00%
36 Safety Direct Solutions Pty Ltd NZ	New Zealand	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	0.00%	15.00%	0.00%

* 41% ownership interest is held through SIS Group International Holdings Pty Ltd, Australia, a step-down subsidiary of the Company.

** Wholly owned subsidiaries of Uniq Security Solutions Private Limited

*** Wholly owned subsidiaries of Southern Cross Protection Pty limited.

Companies have been deregistered during the year ended March 31, 2023.

\$ During the year ended March 31, 2021, the Company has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

\$\$ the place of business for SIS Security International Holdings Pte Limited (formerly known as SIS International Holdings Limited) and SIS Security Asia Pacific Holdings Pte Limited (formerly known as SIS Asia Pacific Holdings Limited) has been changed from British Virgin Islands (BVI) and Malta respectively, during the year ended March 31, 2022.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Joint ventures in which the Company is a joint venturer

The Joint Ventures considered in the preparation of the financial statements are:

Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
			March 31, 2023	March 31, 2022
1 SIS Cash Services Private Limited	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
2 SIS Prosegur Holdings Private Limited *	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
3 SIS Prosegur Cash Logistics Private Limited **	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
4 Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

* Wholly owned subsidiary of SIS Cash Services Private Limited

** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited



(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

39. Related party transactions

Note 38 above provides information about the Company's structure.

Name of related parties

Key Management Personnel and their relatives	Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company
<ul style="list-style-type: none"> - Mr. Ravindra Kishore Sinha (Chairman) - Mr. Rituraj Kishore Sinha (Managing Director) - Mr. Uday Singh (Appointed as Independent director and ceased to be non executive director w.e.f. 26th July 2022) - Mr. Arvind Kumar Prasad (Director - Finance) - Mrs. Rita Kishore Sinha – Non-Executive Director - Mr. Amrendra Prasad Verma – Independent Director (retired w.e.f. 24th September 2022) - Mr. T C A Ranganathan – Independent Director - Mr. Devdas Apte – Independent Director (retired w.e.f. 24th September 2022) - Mr. Rajan Krishnanath Medhekar – Independent Director (retired w.e.f. 24th September 2022) - Ms. Renu Mattoo – Independent Director (retired w.e.f. 28th January 2023) - Mr. Rajan Verma - Independent Director (appointed w.e.f. July 28, 2021) - Mr. Upendra Kumar Sinha - Independent Director (appointed w.e.f. June 29, 2022) - Ms. Rivoli Sinha - Non-Executive Director (appointed w.e.f. 2 November 2022) - Mr. Smil Srivastav - Independent director - Mr. Brajesh Kumar (Chief Financial Officer – India) - Mr. Devesh Desai (Chief Financial Officer) - Ms. Pushpalatha Katkuri (Company Secretary) 	<ul style="list-style-type: none"> - SIS Cash Services Private Limited - SIS Prosegur Holdings Private Limited - SIS Prosegur Cash Logistics Private Limited - Habitat Security Pty Ltd. 	<ul style="list-style-type: none"> - Saksham Bharat Skills Limited - Security Skills Council India Limited - SIS Group Enterprises Limited - Sunrays Overseas Private Limited - Vardan Overseas Private Limited - SIS Asset Management Limited - Lotus Learning Private Limited - The Indian Public School Educational Foundation Society - International Institute of Security & Safety Management - Annapurna SP, Sinha Welfare Activities & Social Awareness Reforms Charitable Trust - RSYA Dhanbad Auto Private Limited

(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	Subsidiaries		Joint Ventures		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Purchase of property, plant and equipment	89.23	97.89	-	-	-	-	3.27	-	92.50	97.89
Purchase of goods / receiving of services / expenses reimbursed to related parties	363.38	322.10	1.42	0.50	-	-	7.50	-	372.30	322.60
Sale of goods / rendering of services / expenses reimbursed by related parties	373.56	218.17	14.89	14.13	-	-	117.79	78.67	506.24	310.97
Loans given	31.96	-	-	-	-	-	-	-	31.96	-
Repayment of loans given	125.34	-	-	-	-	-	-	-	125.34	-
Interest expense on bonds / debentures / loans	60.00	60.00	-	-	-	-	-	-	60.00	60.00
Interest income on bonds or debentures or loans	44.01	44.89	19.25	19.25	-	-	-	0.72	63.26	64.86
Dividend income	520.13	504.94	-	-	-	-	-	-	520.13	504.94
Salary & remuneration paid **	-	-	-	-	86.80	71.25	-	-	86.80	71.25
Rent paid	-	-	-	-	17.16	16.56	79.06	73.10	96.22	89.66
Contribution to CSR Expenditure	-	-	-	-	-	-	3.50	-	3.50	-

* Post-employment benefits/other long term employee benefits are actuarially determined for the Company as a whole and hence not separately provided. Compensation towards share based payments are being disclosed in the year of exercise of options.

Includes sitting fees and commission paid.

(This space has been intentionally left blank)



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

Balances outstanding at end of the year

Particulars	Subsidiaries		Joint Ventures		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company			Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2022	March 31, 2023	March 31, 2022
Trade payables / other payables	45.83	18.25	0.11	-	-	-	1.46	19.73	47.40	37.99	37.99
Trade receivables / other receivables	192.25	118.01	52.13	94.58	-	-	64.60	70.75	308.98	283.34	283.34
Loans and advances to related party	141.21	234.59	-	-	-	-	-	-	141.21	234.59	234.59
Bonds, debentures and notes issued	748.04	747.43	-	-	-	-	-	-	748.04	747.43	747.43
Investment in bonds / debentures	176.46	173.61	175.00	175.00	-	-	-	-	351.46	348.61	348.61

Terms and conditions of transactions with related parties

Transactions relating to dividends paid, subscription for new equity shares were on the same terms and conditions that applied to other shareholders.

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to the market rate, where specified, in terms of the transactions, and settlement occurs in cash. For the year ended March 31, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.



(This space has been intentionally left blank)



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

Information regarding significant transactions:

S No	Particulars	Relationship	March 31, 2023	March 31, 2022
a)	Purchase of property, plant and equipment			
	Tech SIS Limited	Subsidiary	38.16	75.34
	SIS Alarm Monitoring and Response Service Private Limited	Subsidiary	51.07	22.55
b)	Purchase of goods / receiving of services / expenses reimbursed to related parties			
	Tech SIS Limited	Subsidiary	84.18	216.66
	Service Master Clean Limited	Subsidiary	87.86	57.79
	Duster Total Solution Services Private Limited	Subsidiary	62.03	30.04
	SLV Security Services Pvt Ltd	Subsidiary	122.19	8.56
c)	Sale of goods / rendering of services / expenses reimbursed by related parties			
	Duster Total Solution Services Private Limited	Subsidiary	166.72	105.20
	Service Master Clean Limited	Subsidiary	54.23	37.23
	Rare Hospitality and Services Private Limited	Subsidiary	16.32	20.90
	Uniq Security Solutions Private Limited	Subsidiary	21.70	19.72
	Security Skills Council India Limited	Others*	115.17	78.67
d)	Loans given			
	Tech SIS Limited	Subsidiary	31.96	-
e)	Repayment of loans given			
	Service Masters Clean Limited	Subsidiary	125.34	-
f)	Interest expense on bonds / debentures / loans received			
	SIS Australia Group Pty Ltd	Subsidiary	60.00	60.00
g)	Interest income on bonds / debentures / loans given			
	Service Master Clean Limited	Subsidiary	25.16	26.09
	SIS Alarm Monitoring and Response Service Pvt Ltd	Subsidiary	13.20	13.20
	SIS Cash Services Private Limited	Joint Ventures	19.25	19.25
h)	Dividend income			
	SIS Australia Group Pty Limited	Subsidiary	31.11	30.11
	SIS Security International Holdings Pte. Ltd.	Subsidiary	489.02	474.83
i)	Salary & remuneration			
	Ravindra Kishore Sinha	KMP **	22.71	22.82
	Devesh Desai	KMP **	14.94	12.31
	Rituraj Kishore Sinha	KMP **	9.69	9.69
	Arvind Kumar Prasad	KMP **	5.68	5.44
	Brajesh Kumar [#]	KMP **	11.52	7.39
	Pushpalatha Katkuri	KMP **	4.45	3.76
	Director sitting fees	KMP **	12.00	9.84
j)	Rent paid			
	SIS Asset Management Limited	Others*	58.38	53.36

* Others represents Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company

** Key Management personnel and their relatives

[#] Includes an amount of INR 2.86 million towards share based payments for the options exercised during the year.



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

The details of loans and advances as required by Schedule V of SEBI (Listing Obligation and Disclosure requirements) regulation, 2015 are given in the table below:

Particulars	March 31, 2023		March 31, 2022	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
Service Masters Clean Limited	91.90	91.90	217.24	217.24
Tech SIS Limited	49.31	49.31	17.35	17.35
Total	141.21	141.21	234.59	234.59

49. Financial risk management

The Company's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support the financing of the operations of its subsidiaries, joint ventures and associates. The Company's principal financial assets include trade and other receivables, cash and cash equivalents that derive directly from its operations, loans, security and other deposits.

The Company's operations expose it to market risk, credit risk and liquidity risk. The Company's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Company's business plan along with reasonable participation in market movement. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, loans and deposits given, FVTOCI investments and derivative financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates which arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency revenue and cash flows. The Company's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency) and the Company's net investments in foreign subsidiaries. The Company has limited foreign currency transactions and has limited exposure to foreign currency assets and liabilities resulting in the foreign currency risk being low.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in recent years and may continue to do so in the future. Consequently, the results of the Company's operations may be affected as the Indian Rupee appreciates/depreciates against these currencies.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	Financial assets	Financial liabilities
As at March 31, 2023		
SGD	4.45	-
AUD	50.49	6.90
Net exposure to foreign currency risk as at March 31, 2023	54.94	6.90
As at March 31, 2022		
SGD	2.42	-
AUD	7.81	10.79
Net exposure to foreign currency risk as at March 31, 2022	10.23	10.79

Sensitivity

The sensitivity of profit or loss to change in the exchange rates arises mainly from foreign exchange denominated financial instruments are as follows:

Particulars	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Sensitivity		
Increase by 5%	(2.40)	0.03
Decrease by 5%	2.40	(0.03)

(This space has been intentionally left blank)



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings:		
- Loan repayable on demand	4,415.09	3,288.46
- Loans	2,202.32	310.19
Fixed rate borrowings		
- Bonds/ Debentures	-	1,894.32
- Vehicle loan	243.74	157.76
- Others	748.20	747.58
Total	7,609.35	6,398.31

The Company's fixed-rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind-AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	March 31, 2023	March 31, 2022
Interest rates - increase by 25 basis points *	16.54	9.00
Interest rates - decrease by 25 basis points *	(16.54)	(9.00)

*Holding all other variables constant

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue (refer note 11 & 7 respectively). These are unsecured and are managed by the Company through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. No single customer accounted for more than 10% of the accounts receivable as of March 31, 2023 and March 31, 2022, respectively and revenues for the year ended March 31, 2023 and March 31, 2022, respectively. There is no significant concentration of credit risk. The Company uses the expected credit loss ('ECL') method to assess the loss allowance for Trade receivables and Unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The Company does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures, if any.

The credit risk for financial assets other than bank balances and trade receivables are considered low.

Significant estimates and judgements

Impairment of financial assets

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history and existing market conditions. The Company estimates loss arising on trade receivables as a percentage of sales based on past trends and such loss is directly debited to revenue instead of creating a provision for impairment of receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Surplus funds are invested in bank fixed deposits or used to temporarily reduce the balance of cash credit accounts to optimize interest costs.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities. The Company consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, shareholder equity, and finance leases.

The below table summarises the Company's long-term debt that will mature in less than one year based on the carrying value of borrowings reflected in the financial statements.

Particulars	March 31, 2023	March 31, 2022
Company's long-term debt	3,194.26	3,109.85
Company's long-term debt that will mature in less than one year from reporting period	289.73	2,098.77
	9.07%	67.49%

The Company has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and significant portion of short-term debt maturing within 12 months can be rolled over with existing lenders. The Company believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2023

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	4,415.09	151.65	414.76	3,324.06	3.25	8,308.81
Lease liabilities	-	38.26	112.23	518.13	75.38	744.00
Other financial liabilities	-	3,197.04	-	-	-	3,197.04
Trade payables	-	224.18	-	-	-	224.18
Financial guarantee contracts	-	1.99	2.33	1.34	-	5.66

Year ended March 31, 2022

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	3,288.46	53.45	2,051.06	1,011.94	3.11	6,408.02
Lease liabilities	-	32.71	98.15	575.52	69.73	776.11
Other financial liabilities	-	2,500.74	-	-	-	2,500.74
Trade payables	-	130.34	-	-	-	130.34
Financial guarantee contracts	-	0.16	0.48	5.87	-	6.51

As a matter of policy, the Company does not carry out any hedging activities.
There has been no default in servicing borrowings and/ or breaches in loan covenants.

The company has the following financial assets which are subject to the impairment requirements of Ind AS 109. On assessment of the future cash flows arising from these assets, the Company believes that there is no provision required to be made for impairment losses on these assets.

Particulars	March 31, 2023	March 31, 2022
Financial Assets:		
Investments	351.46	348.61
Loans	141.21	234.59
Other financial assets	3,267.18	2,721.12
Total	3,759.85	3,304.32

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Year ended March 31, 2023

Balance sheet caption	As at April 1, 2022	Cash flow	Finance / Transaction cost	As at March 31, 2023
Borrowings *	3,109.85	78.12	6.29	3,194.26
Interest accrued	25.06	(593.94)	601.67	32.79

Year ended March 31, 2022

Balance sheet caption	As at April 1, 2021	Cash flow	Finance / Transaction cost	As at March 31, 2022
Borrowings *	4,525.18	(1,413.71)	(1.62)	3,109.85
Interest accrued	198.14	(677.01)	503.93	25.06

* Excluding borrowings considered as cash and cash equivalents for the purpose of statement of cash flows.

41. Additional capital disclosures

For the purpose of the Company's capital management, capital includes issued equity capital, share premium, all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise shareholder value and support its strategies and operating requirements. The key objective of the Company's capital management is to ensure that it maintains a stable capital structure with a focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements for the Company's operations are generally met through operating cash flows generated and supplemented by long-term and working capital borrowings from banks.

The Company's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to optimise the cost of capital.



SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')

All amounts in INR million, unless stated otherwise

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants to which it is subject. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a ratio, which is Net Debt divided by EBITDA. The Company defines Net Debt as borrowings and lease liabilities less cash and cash equivalents including bank balances and deposits irrespective of their duration / maturity.

Particulars	March 31, 2023	March 31, 2022
Borrowings (Note 15)	7,609.35	6,398.31
Lease liabilities (Note 16)	495.45	490.43
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(1,707.04)	(1,685.91)
Net Debt	6,397.76	5,202.83
EBITDA	1,869.82	1,460.75
Net debt to EBITDA ratio	3.42	3.56

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it simultaneously meets financial covenants attached to its borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

Dividends

The Company declares and pays dividends in Indian Rupees. According to the Companies Act, 2013 any dividend should be declared only out of accumulated distributable profits. A Company may, before the declaration of any dividend, transfer a percentage of its profits for that financial year, as it may consider appropriate, to the reserves.

The Board, at its meeting dated May 03, 2023, has not proposed final dividend for the year ended March 31, 2023 (March 31, 2022: INR Nil per share).

The Board of Directors at its meeting held on September 21, 2016 had approved the issue of bonus shares in the proportion of 10:1, i.e. 10 (ten) equity shares of INR 10 each for every 1 (one) fully paid-up equity share held as on September 15, 2016 pursuant to resolution passed by the shareholders on July 27, 2016. The Company has not issued any bonus shares out of capitalisation of its revaluation reserves or unrealised profits.

41. Additional Regulatory Information

41. Financial ratios:

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022
Current ratio	Current asset	Current liabilities	1.28	1.03
Debt-equity ratio	Total debt	Shareholders' equity	0.80	0.77
Debt service coverage ratio ¹	Earning before interest and taxes [#]	Debt service *	1.52	0.42
Return on equity ratio ²	Net profits after taxes	Average shareholders' equity	21.33%	16.25%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.68	6.96
Inventory turnover ratio	Cost of goods sold	Average inventory	2.89	2.61
Trade payables turnover ratio ²	Cost of goods sold	Average trade payables	2.43	4.08
Net capital turnover ratio ²	Revenue from operations	Working capital	27.02	18.40
Net profit ratio	Net profits after taxes	Revenue from operations	4.77%	4.04%
Return on capital employed	Earning before interest and taxes	Average Capital employed **	9.02%	8.46%
Return on investment	The Company has not invested in other than investments in subsidiaries and associates, hence Return on Investment ratio has not been disclosed		-	-

#Excluding other income and other gain/(loss)

* Debt service = Interest expense + Current maturities of long-term debt

**Capital employed = Total equity + Net debt

Notes to Financial Ratios

- Primarily due to INR 1,900 million for NCD payment as current maturity of long-term debts in March 2022 which has been repaid during March 2023.
- Primarily on account of business growth in terms of revenue, profit and working capital management



(This space has been intentionally left blank)



SIS LIMITED (formerly known as ‘Security and Intelligence Services (India) Limited’)

All amounts in INR million, unless stated otherwise

B) Relationship with Struck off Companies:

Relationship with struck off companies	Nature of transactions	Name of Struck off Companies	March 31, 2023	March 31, 2022
Companies with outstanding balance				
Customers	Receivables	Bateshwarnath Construction and Developers (Opc) Private Limited; Brij Packaging; Knorr-Bremse India Private Limited; MGF Developers Private Limited; Orient Micro Abrasive Limited; K M Memorial Hospital and Research Centre Private Limited	1.44	-
Companies with Nil outstanding balance				
Customers	Receivables	Nirmal Industries Ltd.	-	-

C) The disclosures required under Division II of Schedule III have been given to the extent applicable to the Company.

As per our report of even date

For S S Kothari Mehta & Company
Chartered Accountants
(Firm's Registration. No. 000756M)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 03, 2023

For and on behalf of the Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Brajesh Kumar
Chief Financial Officer
(India)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Pushpalatha Katkuri
Company Secretary



Independent Auditor's Report

To The Members of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited')** (the "Holding Company"), its subsidiaries (the Holding company and its subsidiaries/ step down subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, of consolidated profit & total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.



Key Audit Matter	Auditor's Response
<p>Accuracy of recognition, measurement, presentation & disclosures of revenue</p> <p>The Holding Company's revenue for the financial year ending March 31, 2023, is INR 39,848.72 million. A significant proportion of the Holding Company's revenue is derived from contracts with customer which consist of the rendering of services.</p> <p>Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation.</p> <p>Revenue is recognized when the Holding Company has completed its performance obligations under the contracts and/ or the control is transferred to the customer.</p> <p>Revenue is recognized in a manner that depicts the transfer of goods and/ or services to customers at an amount that reflects the consideration the Holding Company expects to be entitled to in exchange for those goods or services.</p> <p>Further, the contractual terms also underpin the measurement and recognition of revenue and profit. The Holding Company is therefore required to make operational and financial assumptions & various judgements.</p> <p>The nature of the Services provided by the Holding Company also gives rise to a significant amount of work which is recorded as accrued/ unbilled income with corresponding profit recognition. Accrued/ unbilled income as on March 31, 2023, aggregated to INR 2,561.39 million.</p>	<p>Audit Procedures</p> <p>Our audit procedures on recognition, measurement, presentation & disclosures of revenue included but not limited to the following:</p> <ul style="list-style-type: none"> • We performed testing of revenue transactions to confirm the transactions had been appropriately recorded in the statement of profit & loss and verified the satisfaction of performance obligation to recognise revenue by analysing the contract and terms of the sale and determining whether the management has appropriately identified the separate performance obligations, where relevant; compared the terms with the revenue recorded by management to determine whether the Holding Company's revenue recognition policies had been properly applied and has been appropriately measured; and testing management's calculations. • We tested the effectiveness of controls relating to contract monitoring, billings and approvals and related IT controls used to generate the information. The basis for the evaluation of internal control has been Holding Company's internal control framework for financial reporting. The testing of controls and amounts has been performed on a sample basis. • We obtained and read customer contracts and confirmed our understanding of the Holding Company's sales process from initiation to collection of receivables, including the design and implementation of controls and tested the operating effectiveness of these controls. • We read and understood the Holding Company's accounting policy for the recognition of revenue as per Ind AS 115. • We requested independent balance confirmations from the Holding Company's customers on a sample basis. • Tested a sample of accrued unbilled income balance with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied.



Key Audit Matter	Auditor's Response
<p>Uncertain tax positions and deferred tax assets</p> <p>The Holding Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. Where the amount of tax payable is uncertain, the Holding Company establishes provisions based on management's judgment of the probable amount of the future tax liability. The Holding Company has material certain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes.</p> <p>In addition, the Holding Company has recognized INR 1,689.83 million of deferred tax assets on March 31, 2023. The recognition of deferred tax assets involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support the utilization of these assets.</p> <p>For details: - Refer to Note No 8 to the Standalone Financial Statements.</p>	<p>Audit Procedures</p> <p>Our audit procedures in relation to the recognition of Uncertain tax position and deferred tax assets/liabilities included, but were not limited to the following:</p> <ul style="list-style-type: none"> • Discussion with the management on the development of tax litigations during the year ended March 31, 2023. • Verification that the accounting and/or disclosures as the case may be in the standalone financial statements is by the assessment of management/ tax practitioners. • Obtaining a representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations. • Evaluated the design and tested the operating effectiveness of key controls implemented by the Holding Company over recognition of deferred tax assets based on the assessment of the Holding Company's ability to generate sufficient taxable profits in the foreseeable future allowing the use of deferred tax assets. • Tested the arithmetical accuracy of the calculations performed by the management. • Evaluated management's assessment for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.
<p>Impairment Testing of Goodwill & Other Acquisition related intangible Assets</p> <p>Goodwill and other acquisition related intangible assets, including customer relationships, customer contracts comprise a</p>	<p>Audit Procedures</p> <p>Our audit procedures in relation to the Impairment Testing of Goodwill & Other Acquisition related intangible Assets included, but were not limited to the following:</p>



Key Audit Matter	Auditor's Response
significant portion in the consolidated balance sheet as on March 31, 2023. The Group annually reviews/ identifies Cash generating unit (CGU) and performs a test to assess the value of goodwill. The Holding Company has defined process for impairment testing which involves preparation of impairment testing model based on business plan & assumptions Other acquisition related intangible assets are subject to depreciations/amortization according to plan. For these assets, an impairment test is performed if there is any indicator for the same.	<ul style="list-style-type: none"> • Evaluation of process followed in identification of cash generating unit (CGU); • Obtain the impairment testing models based on forecasts and assumptions; • Evaluation of the assumptions and date used in the model; • Evaluation of the methodology used in impairment testing; • Evaluation of Assessment that the accounting and disclosures provided in the financial statements are correct based on the impairment test performed.

Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the other information identified above, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group 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 design, implementation and maintenance of adequate

internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

In preparing the consolidated financial statements, the respective Boards of Directors of the companies included in the Group and its joint ventures are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Boards of Directors either intend to liquidate their respective entities or to cease operations, or have no realistic alternative but to do so.

The respective Boards of Directors of the companies included in the Group and its joint ventures are also responsible for overseeing the financial reporting process of the Group and its joint ventures.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements 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 consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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 control 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 and its subsidiary companies which are companies incorporated in India, 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 the management.
- 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 ability of the Group and its joint ventures 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements 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 consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements/ financial information of 34 subsidiaries/ step down subsidiaries, whose financial statements/ financial information reflect total assets of Rs. 38,538.05 million as at March 31, 2023, total revenues of Rs. 74,642.19 million, total net profit after tax of Rs. 2,171.05 million and total comprehensive income of Rs 2,456.63 million and net cash outflow of Rs. 630.63 million, for the year ended on that date, as considered in the Consolidated Financial Statements.

The Statement also includes the Group's share of net profit/(loss) after tax of Rs. 102.13 million and total comprehensive income / (loss) of Rs. 104.70 million for the year ended March 31, 2023, as considered in the Statement, in respect of 4 jointly controlled entities, whose financial results have not been audited by us.

These financial statements have been audited by their respective independent auditors, whose reports have been furnished to us by the management and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries/step down subsidiaries, and joint ventures is based solely on the reports of such auditors.

The financial results of 2 foreign subsidiaries (including one step down subsidiary) whose financial results reflect total assets of Rs. 440.75 million, revenues of Rs. 993.48 million, total net profit/ (loss) after tax of Rs. 993.48 million and total comprehensive income/ (loss) of Rs. 993.48 million for the year ended March 31, 2023, and cash inflow (net) of Rs. 0.02 million for the year ended March 31, 2023, included in the Statement which have been prepared by the management of respective subsidiaries/ step down subsidiaries and furnished to us by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ information are not material to the Group.

The Statement includes the comparative financial information for the year ended March 31, 2022, which are based on the previously issued consolidated financial statements of the Group, prepared in accordance with the Indian Accounting Standards specified under Section 133 of the Act read with relevant Rules issued there under, which were audited by predecessor auditor, whose report dated May 4, 2022 expressed an unmodified opinion on those audited financial statements, have been furnished to us by the management and which have been relied upon by us for the purpose of issuing the report on the consolidated financial statements.

Certain of these subsidiaries and jointly controlled entities are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The holding Company's management has converted the financial statements of such subsidiaries and jointly controlled entities from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and jointly controlled entities is based on the report of other auditors and the conversion adjustments prepared by the Parent's management and audited by us.

Our opinion on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.



- e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, jointly controlled entities incorporated in India, none of the directors of the Group companies including jointly controlled entities incorporated in India is disqualified as on March 31, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Holding Company and its subsidiary companies incorporated in India, wherever applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company, its subsidiaries incorporated in India to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 34 to the consolidated financial statements);
 - ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.
 - iv) (a) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief,

no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v) The Holding Company or its subsidiary companies incorporated in India have not declared or paid any dividend during the year and has not proposed final dividend for the year.
- vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company or its subsidiary companies incorporated in India and with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/ "CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and further to the comments in "Annexure A" to Independent Auditor's Report on Standalone Financial Statements issued by us and auditors of its subsidiaries included in the consolidated financial statements of the Company, we report that there are no qualifications or adverse remarks in these CARO reports.

For S S Kothari Mehta & Company

Chartered Accountants

Firm's Registration No. 000756N



Naveen Aggarwal

Partner

Membership No.094380

UDIN: 23094380BGUMYC6093

Place: New Delhi

Date: May 03, 2023



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of SIS Limited (formerly known as ‘Security and Intelligence Services (India) Limited’) of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2023, we have audited the internal financial controls over financial reporting of **SIS Limited (formerly known as ‘Security and Intelligence Services (India) Limited’)** (hereinafter referred to as the “Company”) and its subsidiary companies, which are companies incorporated in India, wherever applicable, as of that date.

Management’s Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal control with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (“ICAI”) and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal control with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Company and its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls with reference to the financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to the financial statements

Because of the inherent limitations of internal financial controls with reference to the financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the financial statements to future periods are subject to the risk that the internal financial control with reference to the financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, wherever applicable, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to the financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For S S Kothari Mehta & Company

Chartered Accountants

Firm's Registration No. 000756N

Naveen Aggarwal

Partner

Membership No.094380

UDIN: 23094380BGUMYC6093

Place: New Delhi

Date: May 03, 2023

SIS Limited
**(Formerly known as 'SECURITY AND
INTELLIGENCE SERVICES
(INDIA) LIMITED')**

CIN: L75230BR1985PLC002083

CONSOLIDATED FINANCIAL STATEMENTS

FY 2022-23

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million except per share data)

Consolidated Balance Sheet

Particulars	Note No.	As at March 31, 2023	As at March 31, 2022
A ASSETS			
Non – current assets			
Property, plant and equipment	4	3,105.88	2,791.81
Capital work-in-progress	4	194.93	23.22
Goodwill	5	11,395.11	11,646.63
Other intangible assets	5	1,769.25	1,576.92
Intangible assets under development	5	217.46	211.39
Investments in joint ventures	6	513.49	410.24
Financial assets			
(i) Investments	6	366.27	549.82
(ii) Other non-current financial assets	7	699.50	712.81
Deferred tax assets (net)	8	3,906.72	2,911.03
Income tax assets (net)	8	2,498.51	2,395.03
Other non – current assets	9	16.93	31.83
Total non – current assets		24,684.05	23,260.73
Current assets			
Inventories	10	314.28	340.25
Financial assets			
(i) Investments	6	103.22	2.93
(ii) Trade receivables	11	16,777.06	13,912.96
(iii) Cash and cash equivalents	12	6,656.18	6,840.15
(iv) Bank balances other than (iii) above	12	853.50	543.94
(v) Other current financial assets	7	6,407.88	5,115.82
Other current assets	9	1,328.65	943.65
Assets classified as held for distribution to shareholders of subsidiary	37	2.22	2.22
Total current assets		32,442.99	27,701.92
Total assets		57,127.04	50,962.65
B EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	728.65	735.16
Other equity	14	22,604.28	19,977.36
Equity attributable to owners of the Parent		23,332.93	20,712.52
Non-controlling interests	39	-	30.61
Total equity		23,332.93	20,743.13
Liabilities			
Non – current liabilities			
Financial liabilities			
(i) Borrowings	15	8,031.84	6,068.80
(ia) Lease liabilities	16	921.26	900.08
(ii) Other non-current financial liabilities	18	52.69	-
Provisions	20	1,749.64	1,699.61
Deferred tax liabilities (net)	8	430.40	369.93
Total non- current liabilities		11,185.83	9,038.42



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million except per share data)*

Current liabilities			
Financial liabilities			
(i) Borrowings	15	7,191.17	7,214.47
(ia) Lease liabilities	16	330.66	324.78
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	53.23	39.23
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	585.85	543.38
(iii) Other current financial liabilities	18	8,521.48	7,449.00
Other current liabilities	21	1,964.86	1,745.15
Provisions	20	3,958.21	3,857.94
Current tax liabilities (net)	8	-	4.33
Liabilities classified as held for distribution to shareholders of subsidiary	37	2.82	2.82
Total current liabilities		22,608.28	21,181.10
Total liabilities		33,794.11	30,219.52
Total equity and liabilities		57,127.04	50,962.65

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

As per our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

Firm Reg. no. – 000756

Naveen Aggarwal

Partner

Membership No. – 094380

Place: New Delhi

Date: May 03, 2023

For and on behalf of the Board of Directors

Ravindra Kishore Sinha

Chairman

(DIN: 00945635)

Devsh Desai

Chief Financial Officer

Rituraj Kishore Sinha

Managing Director

(DIN: 00477256)

Brajesh Kumar

Chief Financial Officer

(India)

Arvind Kumar Prasad

Director – Finance

(DIN: 02865273)

Pushpalatha Kulkuri

Company Secretary

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million except per share data)

Consolidated Statement of Profit and Loss

S No	Particulars	Note No.	Year ended	
			March 31, 2023	March 31, 2022
1	Income			
	a) Revenue from operations	23	113,457.80	100,590.76
	b) Other income	24	264.68	282.07
	c) Other gain / (loss)	25	62.74	244.72
	Total income (a + b + c)		113,785.22	101,117.55
2	Expenses			
	a) Cost of materials consumed	26	583.38	398.50
	b) Purchases of inventories		460.57	429.03
	c) Changes in inventories	27	24.71	(31.32)
	d) Employee benefits expense	28	92,012.39	78,112.45
	e) Finance costs	29	1,148.91	983.67
	f) Depreciation and amortization expenses	30	1,346.81	1,115.51
	g) Other expenses	31	15,461.48	16,697.11
	Total expenses (a + b + c + d + e + f + g)		111,038.25	97,704.95
3	Share of profit/(loss) of associates / joint ventures	39	102.13	26.01
4	Profit before exceptional items and tax (1-2+3)		2,849.10	3,438.61
5	Exceptional items		-	-
6	Profit before tax (4-5)		2,849.10	3,438.61
7	Tax expense /(credit)			
	a) Current tax	8	421.49	761.16
	b) Deferred tax	8	(1,037.41)	(581.82)
	Total tax expense/(credit)		(615.92)	179.34
8	Profit for the year (6-7)		3,465.02	3,259.27
9	Other comprehensive income			
	Items that will be reclassified to profit or loss:			
	a) Foreign exchange gain/(loss) on monetary items included in net investment in a foreign subsidiary	14	(101.51)	250.33
	b) Income tax relating to these items	8	-	-
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	28	123.88	(83.01)
	b) Income tax relating to these items	8	(31.18)	20.89
	c) Share of other comprehensive income of associates / joint ventures	39	2.57	3.91
	Other comprehensive income / (loss) for the year (net of taxes)		(6.24)	192.12
10	Total comprehensive income for the year (8+9)		3,458.78	3,451.39



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million except per share data)*

11	Profit attributable to:			
	Owners of the Parent		3,463.89	3,250.69
	Non-controlling interests	39	1.13	8.58
			3,465.02	3,259.27
12	Other comprehensive income attributable to:			
	Owners of the Parent		(6.24)	190.82
	Non-Controlling interests	39	-	1.30
			(6.24)	192.12
13	Total comprehensive income attributable to:			
	Owners of the Parent		3,457.65	3,441.51
	Non-controlling interests	39	1.13	9.88
			3,458.78	3,451.39
14	Earnings per share (EPS) (face value INR 5/- per share)	32		
	(a) Basic (INR)		23.64	22.09
	(b) Diluted (INR)		23.43	21.87
15	Weighted average equity shares used in computing earnings per equity share	32		
	(a) Basic (Nos.)		146,537,510	147,150,940
	(b) Diluted (Nos.)		147,849,999	148,639,390

The accompanying 1 to 43 notes form an integral part of these consolidated financial statements.

As per our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

Firm Reg. no. – 0007564

Naveen Aggarwal
Partner

Membership No. – 094380

Place: New Delhi
Date: May 03, 2023**For and on behalf of the Board of Directors**Ravindra Kishore Sinha
Chairman
(DIN: 00945635)Devesh Desai
Chief Financial OfficerRituraj Kishore Sinha
Managing Director
(DIN: 00477256)Brajesh Kumar
Chief Financial Officer
(India)Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)Pushpalatha Kulkuri
Company Secretary

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Consolidated Statement of Changes in Equity

A. Equity Share Capital

Particulars	Amounts
As at April 1, 2021	741.51
Issued on exercise of stock options	2.74
Buyback of equity shares (refer note 13)	(9.09)
As at March 31, 2022	735.16
Issued on exercise of stock options	0.76
Buyback of equity shares (refer note 13)	(7.27)
As at March 31, 2023	728.65

B. Other Equity

Year ended March 31, 2022

Particulars	Reserves and Surplus						Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners	Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Debenture redemption reserve	Capital redemption reserve	Capital reserve				
As at April 1, 2021	3,691.46	185.94	12,663.62	78.21	375.00	-	181.24	0.29	17,566.12	20.73	17,586.85
Profit for the year	-	-	3,259.27	-	-	-	-	-	3,259.27	8.58	3,267.85
Other comprehensive income / (loss)	-	-	(58.21)	-	-	-	-	-	192.12	1.30	193.42
Total comprehensive income for the year	-	-	3,201.06	-	-	-	-	-	3,451.39	9.88	3,461.27
Share application money received during the year	-	-	-	-	-	-	-	2.47	2.47	-	2.47
Issued on exercise of stock options [refer note 28 (f)]	55.28	-	-	(55.28)	-	-	-	(2.74)	(2.74)	-	(2.74)
Employee share-based payment expense	-	-	-	202.48	-	-	-	-	202.48	-	202.48
Allocation to non-controlling interests	-	-	(9.88)	-	-	-	-	-	(9.88)	-	(9.88)
Creation/transfer of debenture redemption reserve	-	375.00	-	-	(375.00)	-	-	-	-	-	-
Buyback of equity shares, including tax thereon	(1,000.00)	-	(230.84)	-	-	9.09	-	-	(1,221.75)	-	(1,221.75)
Transaction cost related to buyback of equity shares (net of taxes)	(10.73)	-	-	-	-	-	-	-	(10.73)	-	(10.73)
As at March 31, 2022	2,736.01	560.94	15,623.96	225.41	-	9.09	181.24	0.02	19,977.36	30.61	20,007.97



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Year ended March 31, 2023

Particulars	Reserves and Surplus							Share application money pending allotment	Other equity attributable to owners	Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Debenture redemption reserve	Capital redemption reserve	Capital reserve				
As at April 1, 2022	2,736.01	560.94	15,623.96	225.41	-	9.09	181.24	0.02	19,977.36	30.61	20,007.97
Profit for the year	-	-	3,465.02	-	-	-	-	-	3,465.02	1.13	3,466.15
Other comprehensive income / (loss)	-	-	95.27	-	-	-	-	-	(6.24)	-	(6.24)
Total comprehensive income for the year	-	-	3,560.29	-	-	-	-	-	3,458.78	1.13	3,459.91
Share issues expenses incurred by subsidiary entities	-	-	(0.19)	-	-	-	-	-	(0.19)	-	(0.19)
Share application money received during the year	-	-	-	-	-	-	-	0.70	0.70	-	0.70
Issued on exercise of stock options [refer note 28 (f)]	23.55	-	-	(23.55)	-	-	-	(0.72)	(0.72)	-	(0.72)
Employee share-based payment expense	-	-	-	135.54	-	-	-	-	135.54	-	135.54
Stock options expired	-	2.53	-	(2.53)	-	-	-	-	-	-	-
Transactions with non-controlling interests	-	-	22.83	-	-	-	-	-	22.83	(31.74)	(8.91)
Buyback of equity shares, including tax thereon	(800.00)	-	(184.67)	-	-	7.27	-	-	(977.40)	-	(977.40)
Transaction cost related to buyback of equity shares (net of taxes)	(12.62)	-	-	-	-	-	-	-	(12.62)	-	(12.62)
As at March 31, 2023	1,946.94	563.47	19,022.22	334.87	-	16.36	181.24	-	22,604.28	-	22,604.28

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

As per our report of even date

For S Kothari Mehta & Company

Chartered Accountants

Firm Reg. no. - 000756N

Naveen Aggarwal

Partner

Membership No. - 094380

For and on behalf of the Board of Directors

Ravindra Kishore Sinha

Chairman

(DIN: 00945635)

Rituraj Kishore Sinha

Managing Director

(DIN: 00477256)

Arvind Kumar Prasad

Director - Finance

(DIN: 02865273)

Place: New Delhi

Date: May 03, 2023

Devesh Desai

Chief Financial Officer

Brajesh Kumar

Chief Financial Officer

(India)

Pushpalatha Katkuri

Company Secretary



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***Consolidated Statement of Cash Flows**

S No	Particulars	Year ended	
		March 31, 2023	March 31, 2022
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	2,849.10	3,438.61
	Adjusted for:		
	Depreciation and amortization expenses	1,346.81	1,115.51
	Unrealised foreign exchange (gain) / loss	(23.54)	26.95
	Net (gain) / loss on sale of property, plant and equipment	(38.64)	(14.24)
	Finance costs	1,148.91	983.67
	Interest income classified as investing cash flows	(264.68)	(539.50)
	Provision for doubtful debts	269.31	195.67
	Employee stock option compensation expense	78.47	112.47
	Other non-cash items	(110.73)	(26.01)
	Operating profit/(loss) before working capital changes	5,255.01	5,293.13
	Movement in working capital:		
	Decrease / (increase) in trade receivables	(3,349.23)	(1,422.81)
	Decrease / (increase) in inventories	24.99	(30.95)
	Decrease / (increase) in other current assets	(130.68)	260.81
	Decrease / (increase) in other current financial assets	(1,247.91)	(668.09)
	(Decrease) / increase in trade payables	65.67	(180.55)
	(Decrease) / increase in provisions	363.87	288.32
	(Decrease) / increase in other current liabilities	221.02	179.37
	(Decrease) / increase in other current financial liabilities	1,317.32	644.97
	Decrease / (increase) in other non-current assets	2.58	0.80
	Decrease / (increase) in other non-current financial assets	119.87	19.84
	(Decrease) / increase in other non-current financial liabilities	4.34	9.29
	Cash (used in) /generated from operations	2,646.85	4,394.13
	Direct tax (paid), net of refunds	(937.55)	(2,059.18)
	Net cash inflow / (outflow) from operating activities	1,709.30	2,334.95
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, plant & equipment and Capital work in progress	(1,293.45)	(1,083.31)
	Proceeds from sale/disposal of property, plant and equipment	106.06	62.73
	Investment made	(375.23)	(2,125.72)
	Proceeds from redemption of investments	147.00	-
	Investment in fixed deposits	(880.26)	1,641.99
	Redemption of fixed deposits	531.08	-
	Acquisition of Subsidiary's non-controlling interest	(7.77)	-
	Changes in restricted balances	(55.08)	(0.93)
	Interest received	346.65	277.85
	Dividend received	1.34	3.28
	Net cash inflow / (outflow) from investing activities	(1,479.66)	(1,224.11)

*(This space has been intentionally left blank)*

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	0.76	2.46
	Buyback of equity shares including transaction cost and tax	(997.29)	(1,241.57)
	Foreign exchange gain / (loss) realized	(4.27)	(6.30)
	Proceeds from term loans	2,817.29	1,783.07
	Repayment of term loans	(726.46)	(1,254.88)
	Bonds/debentures repaid/redeemed	(1,900.00)	(1,499.79)
	Interest paid	(1,065.73)	(932.62)
	Payment of lease liabilities	(409.57)	(361.53)
	Net cash inflow / (outflow) from financing activities	(2,285.27)	(3,511.16)
D.	Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,055.63)	(2,400.32)
E.	Cash and cash equivalents at the beginning of the year	1,951.72	4,318.00
F.	Translation adjustments	105.85	34.04
	Cash and cash equivalents at the end of the year (D+E+F)	1.94	1,951.72

Reconciliation of cash and cash equivalents as per the statement of the cash flows			
		March 31, 2023	March 31, 2022
	Cash and cash equivalents as per above comprise of the following:		
	Cash and cash equivalents	6,656.18	6,840.15
	Cash credit	(6,654.24)	(4,888.43)
	Balances as per statement of cash flows	1.94	1,951.72

Refer note 41 for reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows.

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.

As per our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

Firm Reg. no. – 000756N

Naveen Aggarwal

Partner

Membership No. – 094380

Place: New Delhi

Date: May 03, 2023

For and on behalf of the Board of Directors

Ravindra Kishore Sinha

Chairman

(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha

Managing Director

(DIN: 00477256)

Brajesh Kumar
Chief Financial Officer
(India)

Arvind Kumar Prasad

Director – Finance

(DIN: 02865273)

Pushpalatha Katkuri
Company Secretary

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Notes to the financial statements

1. Group overview

SIS Limited ("the Company") is a company limited by shares, incorporated and domiciled in India. The Company is listed on the BSE Limited ("BSE") and The National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna, Bihar – 800010, India, and its principal place of business is situated at A-28 & 29, Okhla Industrial Area, Phase I, New Delhi – 110020

The name of the Parent has been changed to 'SIS Limited' from 'Security and Intelligence Services (India) Limited' and a fresh certificate of incorporation in the name of 'SIS Limited' was issued by the Registrar of Companies on January 13, 2021.

SIS Limited ("the Parent") and its subsidiaries, associates and joint ventures ("Group" or "SIS Group") is engaged in rendering security and related services consisting of manned guarding, training, paramedic and emergency response services; loss prevention, asset protection and mobile patrols; facility management services consisting of cleaning, house-keeping and pest control management services in the areas of facility management; cash logistics services consisting of cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion; and alarm monitoring and response services consisting of trading and installation of electronic security devices and systems.

These financial statements are the consolidated financial statements of the Group consisting of SIS Limited and its subsidiaries, associates and joint ventures in accordance with applicable accounting standards. A list of subsidiaries is included in note 38.

These financial statements were authorised for issue by the directors on May 03, 2023.

2. Significant accounting policies

This note provides a list of significant accounting policies adopted in the preparation of these financial statements.

2.1 Basis of preparation

These financial statements are prepared in accordance with Indian Accounting Standards (Ind-AS) and other applicable provisions of the Companies Act, 2013 ("the Companies Act") and guidelines issued by Securities and Exchange Board of India (SEBI). The Ind-AS are notified under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

The financial statements are presented in Indian Rupees (INR) and are rounded off to the nearest millions ('Mn') except per share data, unless stated otherwise. Due to rounding off, the numbers presented throughout the document may not add up precisely to the totals and percentages may not precisely reflect the absolute figures. The figures which are appearing as '0' are result of rounding off.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost convention on an accrual and going concern basis, except for the following material items which have been measured at fair value as required by relevant Ind-AS:

- Certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;
- Assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;
- Share based payments; and
- The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.
- Liability in respect of forward contract/ call and put options for acquisition of Non-controlling interests are measured at fair value.
- Contingent liability and indemnification of asset acquired in a business combination are measured at fair value.

Accounting policies have been applied consistently to all periods presented in these financial statements.

The financial statements are based on the classification provisions contained in Ind AS 1, 'Presentation of Financial Statements' and division II of schedule III of the Companies Act 2013. For the purpose of clarity, various items are aggregated in the statements of profit and loss and balance sheet. These items are disaggregated separately in the notes to the financial statements, where applicable or required.

Fair value measurement

The Group records certain financial assets and liabilities at fair value on a recurring basis. The Group determines fair value based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and either in the principal market or in the absence of a principal market, most advantageous market for that asset or liability.

Fair value hierarchy

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds and debentures and mutual funds that have quoted price. The fair value of all financial instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs). If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity / preference securities included in level 3.

In accordance with Ind-AS 113, *Fair Value Measurement*, assets and liabilities are to be measured based on the following valuation techniques:

- Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.
- Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.
- Cost approach – Replacement cost method.



2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent, its subsidiaries and share of in net assets of associates and joint ventures as at, and for the year then ended. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee),
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements,
- The Group's voting rights and potential voting rights.
- Size of the Group's holding of voting rights relative to the size and dispersion of holdings of other investees with voting rights.
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The acquisition method of accounting is used to account for business combinations by the Group.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Parent, i.e., year ended on March 31.

In preparing the consolidated financial statements, the Group has used the following key consolidation procedures:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. The policy for accounting for Business combinations explains the accounting for any related goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind-AS 12 on Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- (d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- (e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised within equity.
- (f) If the Group loses control over a subsidiary, it:
 - Derecognises the assets (including goodwill) and liabilities of the subsidiary,
 - Derecognises the carrying amount of any non-controlling interests,
 - Derecognises the cumulative translation differences recorded in equity,
 - Recognises the fair value of the consideration received,
 - Recognises the fair value of any investment retained,
 - Recognises any surplus or deficit in profit or loss,
 - Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Parent's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition to acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

2.4 Summary of significant accounting policies**a) Current versus non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

A liability is current when it is:

- expected to be settled in normal operating cycle
- held primarily for the purpose of trading
- expected to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

b) Property, plant and equipment

Recognition and measurement

An item is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably. Items of property, plant and equipment ('PPE') are initially recognised at cost. Freehold land is carried at historical cost. All other items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price, asset retirement obligation and cost directly attributable towards bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price. General and specific borrowing costs directly attributable to the construction of a qualifying asset are capitalised as part of the cost.

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year during which such expenses are incurred.

Property, plant and equipment under construction and cost of assets not ready for use at the year-end are disclosed as capital work-in-progress ('CWIP').

Advances given towards purchase of an item of property, plant and equipment outstanding as at each balance sheet date are disclosed under other non-financial assets.

Depreciation

The Group depreciates property, plant and equipment over the estimated useful lives using the written down value method (and straight-line method in respect of certain subsidiaries) from the date the assets are available for use.

Category	Useful life
Buildings	60 years
Plant and machinery	3-15 years
Leasehold improvement	Shorter of 10 years or lease period
Right-of-use assets	Lease period
Computer equipment	2-6 years
Furniture and fixtures	2.5-13 years
Office Equipment	3-11 years
Vehicles	3-8 years

Based on technical assessment, the useful lives as given above best represent the period over which the management expects to use these assets. The estimated useful lives for these assets may therefore be different from the useful lives prescribed under Part C of Schedule II of the Companies Act 2013.

The residual values are generally not more than 5% of the original cost of the asset.

The assets' residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Additions are depreciated on a pro-rata basis from the date the asset is available for use till the date the assets are derecognised.

An item of property, plant and equipment and any significant part, initially recognised, is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in the statement of profit and loss when the asset is derecognised.

c) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and cost of such expenditure can be measured reliably. All other repair and maintenance costs are recognised in profit or loss as incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties are depreciated using written down value method over their estimated useful lives of 60 years. The useful life has been determined based on a technical evaluation performed by the management's expert.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

d) Intangible assets

Recognition and measurement

Intangible assets are recognised when the Group controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Group and the cost of the asset can be measured reliably. Intangible assets acquired separately are measured on initial recognition at historical cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised software development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

Subsequent expenditure is capitalised only when it increases the future economic benefits from the specific asset to which it relates.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life on written down value method (or straight line method in respect of certain subsidiaries) and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates and adjusted accordingly. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

The estimated useful lives of intangible assets are as follows:

Category	Useful life
Goodwill	Indefinite
Computer software	3 - 10 years
Brand name	Indefinite
Customer contracts	Expected contract duration
Customer relationship	Expected relationship duration
License & franchise fees	20 years
Non-competition agreements	The term of the respective non-compete agreements

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Goodwill

Goodwill is initially recorded at the amount by which the purchase price for a business or for an ownership interest in a controlled entity exceeds the fair value attributed to its net assets at date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is allocated to cash generating units, and is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose. The units or the groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the respective entities carrying out business.

Brand name

Brand name is not amortised and tested annually for impairment.

Customer contracts, customer relationship and non-competition agreements

Customer contracts, customer relationship and non-competition agreements acquired on an acquisition of business are recorded at the fair value of respective assets on the date of acquisition. Customer contracts, customer relationship and non-competition agreements are amortised based on their useful life.

Software

Costs incurred in developing products or systems and costs incurred in acquiring software and licenses that will contribute to future period financial benefits through revenue generation and/or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of materials, services, and direct payroll and related costs of employees' time spent on the project.

License & franchise

Licenses & franchise fees are amortised commencing from the date when license & franchise fees are available for intended use.

e) Investment in subsidiaries, associates, and joint ventures

A subsidiary is an entity over which the Group has control. The Group controls an investee entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. This is generally the case where the Group holds between 20% to 50% of the voting rights.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control exist are similar to those necessary to determine control over the subsidiaries.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint venture. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Dividends receivable from associates and joint ventures reduce the carrying amount of the investment.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate or joint venture, for the purpose of reflecting the Group's share of the results of operations of the associate or joint venture, are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as "Share of profit of associates / joint ventures" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

f) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Trade receivables that do not contain a significant financing component are measured at transaction price. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in below categories:

- Financial assets at amortised cost
- Financial assets at fair value through other comprehensive income (FVTOCI)
- Financial assets, derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial instruments at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating EIR, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayments, extensions call and similar options) but does not consider the expected credit losses. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The interest income based on EIR is included as interest income as a part of other income in the statement of profit and loss. The losses arising from impairment are recognised in profit or loss. A gain or loss on such financial assets which is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised. This category generally applies to trade and other receivables.

Financial instrument at FVTOCI

A 'financial assets' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVTOCI category are measured as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI). However, the Group recognizes interest income calculated using the EIR method, impairment losses & reversals and foreign exchange gain or loss in the profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

Financial instrument at FVTPL

FVTPL is a residual category for financial asset. Any financial asset, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a financial asset, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is made only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Financial asset included within the FVTPL category are measured at fair value with all changes recognised in the profit or loss in respect of such assets that are not part of a hedging relationship. The gain/loss on assets measured at FVTPL are presented in the statement of profit and loss within other gains/losses in the period in which it arises. Interest income from these financial assets is included in other income.

Equity investments

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an **Instrument-by-instrument** basis. The classification is made on initial recognition and is irrevocable.

If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Group may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with gain/loss presented in the statement of profit and loss within other gains/losses in the period in which it arises.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised. Similarly, where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Impairment of financial assets

The Group recognizes loss allowances on a forward-looking basis using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Lifetime ECL allowance is recognised for trade receivables with no significant financing component. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case they are measured at lifetime ECL. How the Group determines whether there has been a significant increase in the credit risk has been detailed in the notes to the financial statements. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised in the statement of profit and loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments, if any entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognised in OCI. These gains/losses are not subsequently transferred to profit or loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss.

Financial liability at fair value through profit or loss also include liabilities arising from forward contract/ call and put options for the purpose of non-controlling interests in subsidiaries and contingent liability acquired in a business combination. The fair value gain/loss arising on such liabilities is recognised in profit or loss.

Borrowings

After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares which are mandatorily redeemable are classified as liabilities. The dividends on these preference shares, to the extent such dividends are mandatorily payable, are recognised in profit or loss as finance costs.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

The fair value of the liability portion of an optionally convertible debenture/ bond/ preference share or a zero-coupon debenture/ bond/ preference share or compulsorily convertible debenture/preference shares where the price of conversion of the debenture/preference shares into equity share is not fixed, is determined using a market rate of interest for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound financial instrument. This is recognised and included in shareholders' equity, net of income tax effects, and not subsequently remeasured.

When the terms of a financial liability are renegotiated and the entity issues equity instrument to a creditor to extinguish all or part of a liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ losses. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss as other gains/losses.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends upon whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged, and the type of hedge relationship designated.

Derivatives which are not designated as hedges are accounted for at fair value through profit or loss and are included in other gains/ losses.

Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

If the hybrid contract contains a host that is a financial asset within the scope of Ind-AS 109, the Group does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind-AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

Reclassification of financial instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines changes in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

g) Trade receivables

Trade receivables that do not contain a significant financing component are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method, less provision for impairment (allowance for expected credit loss).

h) Current and deferred tax

Income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses and unused tax credits.

Current tax

The current income tax charge is calculated on the basis of tax laws enacted or substantially enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It established provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The effect of changes in tax rates on deferred income tax assets and liabilities is recognised as income or expense in the period that includes the enactment or the substantive enactment date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

i) Inventories

Inventories are valued at the lower of the cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.

j) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are readily convertible to known amounts of cash and cash equivalents and subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts (including cash credit facilities) as they are considered an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

k) Non-current assets held for sale/distribution to owners and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale/distribution to owners if their carrying amounts will be recovered principally through a sale/distribution rather than through continuing use and where a sale is considered highly probable. Actions required to complete the sale/distribution should indicate that it is unlikely that significant changes to the sale/distribution will be made or that the decision to sell/distribute will be withdrawn and Management must be committed to the sale/distribution being completed within one year from the date of classification.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/distribute except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets and liabilities classified as held for sale/distribution are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell/distribute. A gain is recognised for any subsequent increases in fair value less costs to sell/distribute an asset (or a disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale/ distribution of the non-current asset (or disposal group) is recognised on the date of derecognition.

Property, plant and equipment and intangible assets once classified as held for sale/distribution to owners are not depreciated or amortised.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations,
- Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or
- Is a subsidiary acquired exclusively with a view to resale

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit and loss.

All other notes to the financial statements mainly include amounts for continuing operations, unless otherwise mentioned.

l) Equity share capital

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

m) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

n) Provisions and contingencies

Provisions

A provision is recognised when the Group has a present legal or a constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are recognised for legal claims and service warranties. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an interest expense.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. In respect of losses that are covered by insurance, such losses are recognised as an expense when there is clear evidence or determination or probability that any portion of the loss is not expected to be settled through insurance or other forms of recovery.

Asset retirement obligations (ARO)

ARO are recognised for those operating lease arrangements where the Group has an obligation at the end of the lease period to restore the leased premises in a condition similar to inception of lease. ARO are provided at the present value of expected costs to settle the obligation and are recognised as part of the cost of that particular asset and amortised or depreciated in the same manner as the asset to which it pertains. The estimated future costs of decommissioning are reviewed annually and any changes in the estimated future costs or in the discount rate applied are adjusted from the cost of the asset.

Contingent liabilities and Contingent assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle, or a reliable estimate of the amount cannot be made. Contingent asset is not recognised and is disclosed only where an inflow of economic benefits are probable.

Liabilities recognised in a business combination

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of the amount that would be recognised in accordance with the requirements for provisions above or the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the requirements for revenue recognition.

o) Government grants

Grants from the Government are recognised at their transaction cost where there is a reasonable assurance that the grant will be received, and the Group will comply with all attached conditions.

Government grants relating to income or expenditure / expense are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are recognised on a straight-line basis over the expected lives of related assets and presented within other income.

p) Revenue recognition

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract. Revenue is recognised when the control is transferred to the customer and when the Group has completed its performance obligations under the contracts.

At the inception of the new contractual arrangement with the customer, the Group identifies the performance obligations inherent in the agreement. The terms of the contracts are such that the services to be rendered represent a series of services that are substantially the same with the same pattern of the transfer to the customer.

Revenue is recognised as follows:

- (i) Revenue from services represents the amounts receivable for services rendered.
- (ii) For contract-based business (Expressed or implied), revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the period in which the service is rendered.
- (iii) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.
- (iv) Unearned income (contract liabilities) represents revenue billed but for which services have not yet been performed. The same is released to the statement of profit and loss as and when the services are rendered.
- (v) Revenue from the use of assets such as rent for using property, plant and equipment is recognised on a straight-line basis over the terms of the related leases unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. Certain subsidiaries of the Group provide normal warranty provisions for general repairs for one year on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight line basis over the extended warranty period in case warranty is provided to customer for a period beyond one year.

Rendering of services

In contracts involving the rendering of services, revenue is measured using the proportionate completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service. When the contract outcome cannot be measured reliably, revenue is recognised only to the extent that the expenses incurred are eligible to be recovered.

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenue or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision become known to the management.

Multiple-element arrangements

When a sales arrangement contains multiple elements, such as services, material and maintenance, revenue for each element is determined based on each element's fair value.

Revenue recognition for delivered elements is limited to the amount that is not contingent on the future delivery of products or services, future performance obligations or subject to customer-specified return or refund privileges.

The undiscounted cash flows from the arrangement are periodically estimated and compared with the unamortised costs. If the unamortised costs exceed the undiscounted cash flow, a loss is recognised.

Interest income

For all financial asset measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the statement of profit and loss.

Dividends

Dividend income from investments is recognised in profit or loss as other income when the Group's right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and amount of the dividend can be measured reliably.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost increase and is included in revenue in the statement of profit or loss due to its operating nature.

g) Foreign currency transaction and balances

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency").

The consolidated financial statements of the Group are presented in Indian Rupee (INR) which is also the Parent's functional currency.

Transactions in foreign currencies are initially recorded by the entities of the Group at their respective functional currency spot rates prevailing at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing at the reporting date.

Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation or a monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions and translation differences are recognised in OCI with the accumulation in other equity as foreign currency translation reserve. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

The equity items denominated in foreign currencies are translated at historical cost.

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates prevailing at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedge of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

r) Employee Benefits

The Group's employee benefits mainly include wages, salaries, bonuses, compensated absences, defined contribution plans, defined benefit plans and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the employees of the Group.

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and compensated absences expected to be settled within twelve months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to reporting date and are measured at the amounts expected to be paid when the liabilities are settled. The liability for compensated absences is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as employee benefits payable under other financial liabilities, current.

Bonus

The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually or legally obliged or where there is a past practice that has created a constructive obligation.

Compensated absences/Leave obligations

The employees of the entities of the Group are entitled to compensated absences which are both accumulating and non-accumulating in nature. The employees can carry forward up to a specified portion of the unutilised accumulated compensated absences and utilize it in future periods or receive cash at retirement or termination of employment. The expected cost of accumulating compensated absences is determined by actuarial valuation (using the projected unit credit method) based on the additional amount expected to be paid as a result of the unused entitlement that has accumulated at the balance sheet date. The expense on non-accumulating compensated absences is recognised in the statement of profit and loss in the year in which the absences occur. Re-measurements arising out of actuarial gains/losses are immediately taken into the statement of profit and loss and are not deferred.

In respect of those employees who are entitled to an encashment of the leave at the end of every calendar year, a provision is created to account for the liability.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

Post-employment obligations

The Group operates the following post-employment schemes:

- (a) Defined contribution plans such as provident fund, employees' state insurance, superannuation funds and central provident fund; and
- (b) Defined benefit plans such as gratuity.

Defined contribution plan

The Group's policy is to contribute on a defined contribution basis for eligible employees, to Employees' Provident Fund, Employees' Pension Scheme and Employees' State Insurance Scheme towards post-employment benefits, all of which are administered by the respective Government authorities, and has no further obligation beyond making its contribution which is expected in the year in which it pertains. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

In respect of entities of the Group not incorporated in India, contributions to superannuation funds are recognised as an employee benefit expense as they become payable. The Group pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The central provident fund is an employment based savings scheme with employers and employees contributing a mandated amount to the Fund. The Group has no further obligation beyond making its contribution which is expected in the year in which it pertains. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit Plan

In India, the Group has a defined benefit plan, viz., Gratuity, for all its employees, and the Group's policy is to determine the liability for this benefit and to accrue and provide for the same as determined by an independent actuarial valuation. A portion of this liability for gratuity is contributed by some subsidiaries, associates and joint ventures to Group's gratuity policies administered and operated by reputed insurance companies. The liability or asset is recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

Present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields on government bonds at the end of the reporting periods, that have approximately similar terms to the related obligation.

The Group recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

The net interest is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in the employee benefit expense in the statement of profit and loss.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Equity settled stock-based compensation

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. The fair value of options granted under various Employee stock option plans is recognised as an employee benefits expense with a corresponding increase in equity (stock option outstanding account).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates in the period of change, if any, in the profit or loss, with corresponding adjustment to equity.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

s) Borrowing costs

Borrowing costs include interest calculated on the effective interest rate method, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost. General and specific borrowing costs directly attributable to the acquisition, construction or production of the assets that necessarily take a substantial period of time to get ready for their intended use or sale ('qualifying assets'), are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in statement of profit and loss within finance costs in the period in which they are incurred.

t) Exceptional items

Exceptional items refer to items of income or expense within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Group.

u) Leases

Group as a lessee

The Group's lease asset classes primarily consist of leases for buildings, vehicles and equipments. For any new contracts, the Group assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period in exchange for consideration'. To apply this definition the Group assesses whether the contract meets three key evaluations which are whether:

- (i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group
- (ii) The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract
- (iii) The Group has the right to direct the use of the identified asset throughout the period of use.

The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset ('ROU') and a corresponding lease liability on the balance sheet. The right-of-use asset is measured at cost, which comprises of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets using the written down value method (and straight-line method in respect of certain subsidiaries) from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprises of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Lease liability and right-of-use assets have been separately presented in the notes to the financial statements under 'Other financial liability' and 'Property, plant and equipment' (except those meeting the definition of investment property) respectively. Lease payments have been classified as 'cash flows from financing activities'.

Short-term leases and leases of low-value assets:

The Group has elected not to recognise ROU and lease liabilities for short term leases that have a lease term of twelve months or less and leases of low value assets. The Group recognises lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease unless payments are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increase under "Other Income" in the statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The respective leased assets are included in the balance sheet based on their nature.

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Group to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

v) Impairment of non-financial assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets, other than inventories and deferred tax assets, are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognised in the statement of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

w) Earnings per share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders of the Parent (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).

Diluted Earnings per share amounts are computed by dividing the net profit attributable to the equity holders of the Parent (after deducting preference dividends and attributable taxes but after adjusting the after income tax effect of interest and other financing cost associated with dilutive potential equity shares) by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The diluted potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. the average market value of the outstanding shares). Dilutive potential equity shares are deemed converted as at the beginning of the year, unless issued at a later date. Dilutive potential equity shares are determined independently for each year presented.

x) Cash dividend and non-cash distribution to equity holders of the Parent

The Group recognises a liability to make cash or non-cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. A corresponding amount is recognised directly in equity.

Non-cash distributions are measured at the carrying value of the assets to be distributed in case of distributions in which all owners of the same class of equity instruments are treated equally or the distributed asset is ultimately controlled by the same party or parties both before and after the distribution, and at fair value of the assets to be distributed in other cases, with such value recognised directly in equity. For this purpose, a group of individuals shall be regarded as controlling an entity when, as a result of contractual arrangements, they collectively have the power to govern its financial and operating policies so as to obtain benefits from its activities, and that ultimate collective power is not transitory. Upon distribution of non-cash assets, any difference between the carrying amount of the liability and the carrying amount of the assets distributed is recognised in the statement of profit and loss.

y) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of SIS Limited have appointed a Group management committee which assesses the financial performance and position of the Group and makes strategic decisions.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated corporate expenses/income".

z) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

aa) Business combination

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as an asset or a liability is measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value, and the resulting gain, if any, is recognised in profit or loss.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

2.5 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

Ind AS 1 – Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

The amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group does not expect this amendment to have any significant impact in its financial statements.

3. Significant accounting judgements, estimates and assumptions

Use of estimates and judgment

The preparation of the financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses and other comprehensive income (OCI) that are reported and disclosed in the financial statements and accompanying notes.

Estimates and underlying assumptions are reviewed on an ongoing basis. They are based on historical experience and other factors including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgements

In the process of applying the Group's accounting policies, management has made various judgements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 8
- Estimated useful life of intangible assets – Note 2.4.d
- Estimation of defined benefit obligation – Note 28
- Estimation of provision for warranty claims – Note 20
- Estimation of fair value of contingent liabilities and liability towards forward contract or call and put options to purchase non-controlling interests in a business combination – Note 34
- Whether forward contract or call and put options to purchase non-controlling interests result in transfer of risks and rewards of ownership by non-controlling interests – Note 34
- Recognition of deferred tax assets for carried forward tax losses – Note 8



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

- Consolidation decisions and classification of joint arrangements – Note 39
- Impairment of trade receivables– Note 11
- Whether assets held for distribution to owners meet the definition of discontinued operations– Note 2.4.k

Impairment

The Group assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. There are no reasonable foreseeable changes in these key estimates which would have caused an impairment of these assets.

Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the stock option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 28.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. [refer note 8]

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. [refer note 28]

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flows model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. [refer note 19]

Intangible asset under development

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. [refer note 5]

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, the importance of the underlying asset to SIS's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. [refer note 16]



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

4. Property, plant and equipment

Year ended March 31, 2022

Description of assets		Gross block						Accumulated depreciation				Net carrying value as at March 31, 2022	
		As at April 1, 2021	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	Sale and adjustments	Translation adjustments		As at March 31, 2022
	Buildings *#	1,510.72	-	247.34	(27.15)	18.98	1,749.89	562.39	292.83	(9.03)	9.06	855.25	894.64
	Leasehold improvement	229.61	-	34.16	-	-	263.77	134.22	31.36	(0.81)	-	164.77	99.00
	Plant and Machinery #	905.63	-	411.75	(47.28)	5.18	1,275.28	452.18	157.82	(31.10)	3.44	582.34	692.94
	Furniture and Fixture	668.50	-	35.72	0.06	4.73	709.01	430.71	66.57	(21.48)	3.29	479.09	229.92
	Vehicles #	1,087.99	15.67	271.92	(105.40)	18.25	1,288.43	495.83	212.51	(59.56)	10.27	659.05	629.38
	Office equipment	440.28	-	48.84	(1.47)	-	487.65	307.78	64.67	(1.10)	-	371.35	116.30
	Computer equipment	295.47	-	66.63	(2.54)	5.21	364.77	190.98	43.02	(2.51)	3.65	235.14	129.63
		5,138.20	15.67	1,116.36	(183.78)	52.35	6,138.80	2,574.09	868.78	(125.59)	29.71	3,346.99	2,791.81
	Capital work-in-progress	50.37	-	58.01	(85.56)	0.40	23.22	-	-	-	-	-	23.22
	Grand total	5,188.57	15.67	1,174.37	(269.34)	52.75	6,162.02	2,574.09	868.78	(125.59)	29.71	3,346.99	2,815.03

Year ended March 31, 2023

Year ended march 31, 2023		Gross block						Accumulated depreciation				Net carrying value as at March 31, 2023
Description of assets	As at April 1, 2022	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	
Buildings *#	1,749.89	101.85	266.54	(53.53)	(25.04)	2,039.71	855.25	334.95	(41.92)	(10.55)	1,137.73	901.98
Leasehold improvement	263.77	30.81	91.71	-	(0.73)	385.56	164.77	57.26	6.65	0.39	229.07	156.49
Plant and Machinery #	1,275.28	38.05	418.35	(4.52)	(10.42)	1,716.74	582.34	297.60	6.04	(8.00)	877.98	838.76
Furniture and Fixture	709.01	1.55	48.02	0.99	(7.08)	752.49	479.09	45.78	2.34	(4.67)	522.54	229.95
Vehicles #	1,288.43	19.79	390.32	(221.85)	(26.24)	1,450.45	659.05	262.62	(188.03)	(15.23)	718.41	732.04
Office equipment	487.65	-	51.05	(6.89)	0.02	531.83	371.35	50.53	(3.57)	0.01	418.32	113.51
Computer equipment	364.77	2.77	69.06	(2.58)	(6.99)	427.03	235.14	65.18	(1.51)	(4.93)	293.88	133.15
	6,138.80	194.82	1,335.05	(288.38)	(76.48)	7,303.81	3,346.99	1,113.92	(220.00)	(42.98)	4,197.93	3,105.88
Capital work-in-progress	23.22	1.23	180.16	(8.37)	(1.31)	194.93	-	-	-	-	-	194.93
Grand total	6,162.02	196.05	1,515.21	(296.75)	(77.79)	7,498.74	3,346.99	1,113.92	(220.00)	(42.98)	4,197.93	3,300.81

* Includes building on leasehold land.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Right-of use assets included above in building, vehicles and plant and machinery is mentioned below:

Particulars	Building	Vehicles	Plant and Machinery	Total
Balance as on March 31, 2021	845.36	17.71	5.67	868.74
Additions during the year	247.34	24.02	0.52	271.88
Derecognised/adjustments during the year	(9.66)	(0.95)	0.44	(10.17)
Depreciation during the year	(287.84)	(12.48)	(5.72)	(306.04)
Translation adjustments	9.92	0.75	(0.06)	10.61
Balance as on March 31, 2022	805.12	29.05	0.85	835.02
Acquired on business acquisition	101.85	-	-	101.85
Additions during the year	257.89	24.81	12.00	294.70
Derecognised/adjustments during the year	(11.63)	(0.01)	-	(11.64)
Depreciation during the year	(330.72)	(11.16)	(4.38)	(346.26)
Translation adjustments	(14.50)	(1.43)	(0.03)	(15.96)
Balance as on March 31, 2023	808.01	41.26	8.44	857.71

Refer note 16 for disclosure of related lease liabilities.

(i) Capital work in progress (CWIP)

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress *	23.22	-	-	-	23.22
Total	23.22	-	-	-	23.22

Year ended March 31, 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress *	181.37	13.56	-	-	194.93
Total	181.37	13.56	-	-	194.93

*Includes plant and machinery pending put to use as per terms of the agreements.

(ii) Property, Plant and Equipment pledged as security

Refer to note 15 for information on property, plant and equipment pledged as security by the Group.

(iii) Contractual obligation

Refer note 34 (a) for disclosure of contractual commitment for the acquisition of property, plant and equipment.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

5. Goodwill and Other Intangible assets Year ended March 31, 2022

Year ended March 31, 2022												
Description of assets	Gross block					Accumulated amortisation / Impairment loss					Net carrying value as at March 31, 2022	
	As at April 1, 2021	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2022	As at April 1, 2021	Charge for the year	Sale and adjustments	Translation adjustments		As at March 31, 2022
Goodwill	14,224.16	51.88	-	-	240.77	14,516.81	2,810.95	-	-	59.23	2,870.18	11,646.63
Other Intangible assets												
Computer software *	331.96	-	134.68	-	19.62	486.26	173.44	66.25	-	10.91	250.60	235.66
License and franchise	38.03	-	-	-	-	38.03	22.19	1.91	-	-	24.10	13.93
Customer Contracts/relationship	1,107.96	51.38	-	1.93	20.44	1,181.71	612.40	139.00	0.15	15.39	766.94	414.77
Brand name	835.77	-	-	-	0.32	836.09	-	-	-	-	-	836.09
Non-competition agreements	241.17	-	-	12.38	-	253.55	125.13	39.57	12.38	-	177.08	76.47
	2,554.89	51.38	134.68	14.31	40.38	2,795.64	933.16	246.73	12.53	26.30	1,218.72	1,576.92
Intangible assets under development												
Computer software	118.05	-	15.07	81.49	(3.22)	211.39	-	-	-	-	-	211.39
Grand total	16,897.10	103.26	149.75	95.80	277.93	17,523.84	3,744.11	246.73	12.53	85.53	4,088.90	13,434.94

Year ended March 31, 2023

Year ended March 31, 2023												
Description of assets	Gross block					Accumulated amortisation / Impairment loss					Net carrying value as at March 31, 2023	
	As at April 1, 2022	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Sale and adjustments	Translation adjustments		As at March 31, 2023
Goodwill	14,516.81	24.74	-	-	(368.05)	14,173.50	2,870.18	-	-	(91.79)	2,778.39	11,395.11
Other intangible assets												
Computer software *	486.26	-	170.60	-	(22.19)	634.67	250.60	88.27	-	(15.32)	323.55	311.12
License and franchise	38.03	-	-	-	-	38.03	24.10	1.88	-	-	25.98	12.05
Customer Contracts/relationship	1,181.71	236.14	7.25	0.64	(24.09)	1,401.65	766.94	103.17	(21.66)	(21.09)	827.36	574.29
Brand name	836.09	-	-	-	(1.20)	834.89	-	-	-	-	-	834.89
Non-competition agreements	253.55	-	-	-	-	253.55	177.08	39.57	-	-	216.65	36.90
	2,795.64	236.14	177.85	0.64	(47.48)	3,162.79	1,218.72	232.89	(21.66)	(36.41)	1,393.54	1,769.25
Intangible assets under development												
Computer software	211.39	-	177.68	(170.59)	(1.02)	217.46	-	-	-	-	-	217.46
Grand total	17,523.84	260.88	355.53	(169.95)	(416.55)	17,553.75	4,088.90	232.89	(21.66)	(128.20)	4,171.93	13,381.82

* Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Ageing of Intangible assets under development:

Year ended March 31, 2022

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	98.10	72.49	26.56	14.24	211.39
Total	98.10	72.49	26.56	14.24	211.39

Year ended March 31, 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	116.43	55.64	24.79	20.60	217.46
Total	116.43	55.64	24.79	20.60	217.46

Intangible assets under development consist of expenditure on the development of an Enterprise Resource Planning (ERP) software.

(i) Refer note 37 for assets acquired under business acquisition.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***(ii) Impairment testing of goodwill and brands with indefinite lives**

A summary of changes in the carrying amount of goodwill is as follows:

Particulars	March 31, 2023	March 31, 2022
Carrying value at the beginning of the year	11,646.63	11,413.21
Goodwill on acquisition of Safety Direct Solutions Pty Limited	11.94	-
Goodwill on acquisition of business assets of Protection Plus Security	12.80	51.09
Goodwill on acquisition of business assets of Protective Services Limited	-	0.79
Translation differences	(276.26)	181.54
Carrying value at the end of the year	11,395.11	11,646.63

The break-up of allocation of goodwill to operating segments is as follows:

Particulars	March 31, 2023	March 31, 2022
Security Services – India	2,174.32	2,174.32
Security Services – International	8,176.04	8,427.56
Facilities Management	1,044.75	1,044.75
	11,395.11	11,646.63

The entire goodwill relating to acquisition of SLV Security Services Private Limited, Uniq Security Solutions Private Limited and SIS Alarm Monitoring and Response Services Private Limited has been allocated to the groups of CGUs which are represented by the Security Services – India segment.

The entire goodwill relating to acquisition of SX Protective Holdings Pty Ltd (Formerly known as Andwills Pty Ltd), SIS Henderson Holdings Pte Ltd, Platform 4 Group Ltd, Triton Security Limited, Safety Direct Solutions Pty Ltd and acquisition of business assets of BAS Securities Limited, Redfrog Security, Conroy Security Limited, Guardforce Security Limited, Protection Plus Security and Protective Services Limited has been allocated to the group of CGUs which are represented by the Security Services – International segment.

The entire goodwill relating to acquisition of Dusters Total Solutions Services Private Limited, Rare Hospitality and Services Private Limited and ADIS Enterprises Private Limited has been allocated to the group of CGUs which are represented by the Facilities Management segment.

A summary of changes in the carrying amounts of brands with indefinite life as follows:

Particulars	March 31, 2023	March 31, 2022
Carrying value at the beginning of the year	836.09	835.77
Change during the year	-	-
Translation differences	(1.20)	0.32
Carrying value at the end of the year	834.89	836.09

The break-up of allocation of brands to operating segments is as follows:

Particulars	March 31, 2023	March 31, 2022
Facilities management	820.99	820.99
International	13.90	15.10

Impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets/plans approved by management covering a period of five years. Cash flows beyond the period of five years are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / group of CGUs over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2023, and March 31, 2022, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

*(This space has been intentionally left blank)*

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)*Key assumptions used for testing impairment of goodwill:
Year ended March 31, 2022

Particulars	Sales (% annual growth rate)	EBITDA (%)	Long term growth rate (%)	Pre-tax discount rate (%)
Dusters Total Solutions Services Private Limited	10.00% - 20.00%	5.60% - 7.10%	5.00%	14.80%
SLV Security Services Private Limited	10.00% - 15.00%	4.60% - 6.40%	5.00%	8.66%
Rare Hospitality and Services Private Limited	12.00% - 15.50%	5.20% - 6.40%	5.00%	12.13%
Uniq Security Solutions Private Limited	10.00% - 15.00%	4.40% - 6.20%	5.00%	15.00%
MSS Security Pty Limited	1.90%	5.53%	2.00%	9.40%
SX Protective Holdings Pty Ltd. (Formerly known as Andwills Pty Ltd.)	2.50%	7.8% - 8.6%	2.00%	9.40%
SIS Henderson Holdings Pte Ltd	13.2% - 24%	8.30%	2.00%	9.60%
Platform 4 Group Ltd	4.80%	6.76% - 8.06%	2.00%	10.70%

Year ended March 31, 2023

Particulars	Sales (% annual growth rate)	EBITDA (%)	Long term growth rate (%)	Pre-tax discount rate (%)
Dusters Total Solutions Services Private Limited	10.00% - 25.00%	4.2% - 5.9%	5.00%	10.75%
SLV Security Services Private Limited	10.00% - 20.00%	4.7% - 5.8%	5.00%	10.75%
Rare Hospitality and Services Private Limited	10.00% - 20.00%	3.3% - 5.9%	5.00%	10.75%
Uniq Security Solutions Private Limited	3.00% - 8.60%	4.20% - 6.10%	5.00%	10.75%
MSS Security Pty Limited	2.30%	4.74% - 4.79%	2.00%	9.29%
SX Protective Holdings Pty Ltd. (Formerly known as Andwills Pty Ltd.)	2.00%	6.29% - 8.24%	2.00%	9.29%
SIS Henderson Holdings Pte Ltd	18.40%	1.75% - 9.03%	2.00%	9.64%
Platform 4 Group Ltd	2.00%	3.84% - 7.80%	2.00%	11.00%

*(This space has been intentionally left blank)*

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

6. Investments

Particulars	March 31, 2023	March 31, 2022
Non-current investments		
Investments in equity Instruments (Unquoted fully paid)		
Investment in joint ventures (at cost unless stated otherwise)		
9,708,696 (March 31, 2022: 9,708,696) equity shares in SIS Cash Services Private Limited of INR 10/- each fully paid up	508.89	407.32
49 (March 31, 2022: 49) equity shares in Habitat Security Pty Ltd of AUD 1/- each fully paid up	4.60	2.92
Total investment in joint ventures (A)	513.49	410.24
Investments in others (at FVTPL)		
30 (March 31, 2022: Nil) equity shares in Staqu Technologies Private Limited of INR 10/- each	0.18	-
5,000 (March 31, 2022: 5,000) equity shares in Saraswat Cooperative Bank Limited of INR 10/- each fully paid up	0.05	0.05
Total investments (B)	0.23	0.05
Total investment in equity instruments {A+B} (C)	513.72	410.29
Investments in preference shares (Unquoted fully paid)		
Investments in others (at FVTPL)		
17,658,153 (March 31, 2022: 17,658,153) compulsory convertible preference shares in SIS Asset Management Limited of INR 10/- each	177.77	177.77
7,773 (March 31, 2022: Nil) Class-2 compulsory convertible cumulative preference shares in Staqu Technologies Private Limited of INR 10/- each	50.01	-
2,169 (March 31, 2022: Nil) compulsory convertible preference shares in Staqu Technologies Private Limited of INR 542/- each	13.26	-
Total investment in preference shares (D)	241.04	177.77
Investments in debentures or bonds (Unquoted fully paid)		
Investments in joint ventures (at amortised cost)		
225 (March 31, 2022: 372) Non-convertible debentures in SIS Cash Services Private Limited of INR 1,000,000/- each fully paid up*	125.00	372.00
Total investments in debentures or bonds (E)	125.00	372.00
Total non-current investments {C+D+E} (F)	879.76	960.06
Current investments		
Investments in Mutual funds (Quoted fully paid)		
Investments in mutual funds (at FVTPL)	3.22	2.93
Total investments in mutual funds (G)	3.22	2.93
Investments in debentures or bonds (Unquoted fully paid)		
Investments in joint ventures (at amortised cost)		
Non-convertible debentures in SIS Cash Services Private Limited of INR 1,000,000/- each fully paid up*	100.00	-
Total investments in debentures or bonds (H)	100.00	-
Total current investments {G+H} (I)	103.22	2.93
Total investments {F+I}	982.98	962.99
Aggregate value of quoted investments and market value thereof	3.22	2.93
Aggregate value of unquoted investments	979.76	960.06
Aggregate amount of impairment in value of investments	-	-

*During the year ended March 31, 2023, current maturity of non-convertible debentures in SIS Cash Services Private Limited amounting to INR 100 million respectively (March 31, 2022: Nil) has been disclosed under current investments.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***7. Other financial assets**

Particulars	March 31, 2023	March 31, 2022
Other non-current financial assets		
Security deposits (unsecured, considered good)	313.92	410.23
Margin money in the form of fixed deposits *	128.28	245.34
Fixed deposit maturing after 12 months	221.20	11.14
Other non-current financial assets	36.10	46.10
Total other non-current financial assets	699.50	712.81
Other current financial assets		
Unbilled revenue ** (refer note 23)	5,990.05	4,867.30
Security deposits (unsecured, considered good)	186.70	134.53
Interest accrued on deposits / investments/ loans	93.35	89.32
Other receivables	137.78	24.67
Total other current financial assets	6,407.88	5,115.82
Total financial assets	7,107.38	5,828.63

* Fixed deposits have been pledged as margin money against bank guarantees.

** All unbilled dues are undisputed and falling under the ageing of less than six months from the date of completion of delivery of goods/services.

No loans or other advances are due from directors or other officers of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 40.

Refer note 41 for the Group's policy regarding impairment allowance on other financial assets and Group's credit risk management processes.

8. Income tax

The major components of income tax expense for the years ended March 31, 2023 and March 31, 2022 are:

Statement of profit and loss:**Profit or loss section:**

Particulars	March 31, 2023	March 31, 2022
Current income tax:		
Current income tax charge	344.35	770.21
Adjustments in respect of current income tax expense / (reversal) of previous years	77.14	(9.05)
Deferred tax:		
Decrease /(increase) in deferred tax assets (net)	(1,037.41)	(581.82)
Income tax expense/(credit) reported in the statement of profit and loss	(615.92)	179.34

OCI section:**Tax related to items recognised in OCI during the year:**

Particulars	March 31, 2023	March 31, 2022
Tax expense/(credit) on re-measurements of defined benefit plans	31.18	(20.89)
Income tax charged/(credited) to OCI	31.18	(20.89)

Amount recognised directly in equity:

Particulars	March 31, 2023	March 31, 2022
Aggregate current and deferred tax arising in the reporting period and not recognized in profit or loss or other comprehensive income, but directly debited/credited to equity	-	3.70
Income tax credited / (charged) to equity	-	3.70

*(This space has been intentionally left blank)*

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2023 and March 31, 2022:**

Particulars	March 31, 2023	March 31, 2022
Accounting profit before tax from continuing operations	2,849.10	3,438.61
Accounting profit before income tax	2,849.10	3,438.61
Income tax expense at statutory rate @ 25.17% (March 31, 2022: 25.17%)	717.06	865.43
Adjustments in respect of income tax of previous years	77.14	(9.05)
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(1,628.19)	(827.74)
Non- Deductible expenses for tax purposes		
Corporate social responsibility expenditure	6.35	9.41
Donation	1.73	0.45
Other non-deductible expenses	124.15	55.16
Income taxed at differential rates		
Dividend from foreign subsidiaries taxed at a different/lower rate	-	(13.66)
Entities taxed at different rates	85.84	99.34
Tax expense reported in the statement of profit and loss	(615.92)	179.34

The effective tax rate applicable to the Parent for the financial year 2023-24 would be 25.17% (including surcharge and cess) based on the law as it exists on the date of these financial statements.

The balance in deferred tax assets (liabilities) comprises temporary differences attributable to:

Particulars	March 31, 2023	March 31, 2022
Property, plant and equipment / Intangible assets	(322.17)	(334.69)
Defined benefit obligations	1,772.30	1,753.36
Deductions in respect of certain benefits under the Income Tax Act, 1961	1,541.53	647.88
Accruals and others	73.25	120.23
Allowance for expected credit loss – trade receivables	225.50	180.81
Unused tax losses	185.91	173.51
Total deferred tax assets/(liabilities)	3,476.32	2,541.10

Reflected in the balance sheet as follows:

Particulars	March 31, 2023	March 31, 2022
Deferred tax assets	3,906.72	2,911.03
Deferred tax liabilities	430.40	369.93
Deferred tax assets / (liabilities), net	3,476.32	2,541.10

*(This Space has been intentionally left blank)*

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Reconciliation of deferred tax assets (liabilities), net:

Particulars	Property, plant and equipment / Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Accruals and others	Allowance for expected credit loss – trade receivables	Unused tax losses	Total
As at April 1, 2021	(486.34)	1,565.46	350.90	186.66	134.28	180.71	1,931.67
Tax income/(expense) during the period recognised in profit or loss	170.89	137.69	296.98	(62.98)	46.43	(7.20)	581.82
Tax income/(expense) during the period recognised in OCI	-	20.89	-	-	-	-	20.89
Addition on business combination	(15.61)	-	-	-	-	-	(15.61)
Exchange translation	(3.63)	29.32	-	(3.45)	0.10	-	22.33
As at March 31, 2022	(334.69)	1,753.36	647.88	120.23	180.81	173.51	2,541.10
Tax income/(expense) during the period recognised in profit or loss	83.82	89.58	893.65	(86.91)	44.87	12.40	1,037.41
Tax income/(expense) during the period recognised in OCI	-	(31.18)	-	-	-	-	(31.18)
Addition on business combination	(78.27)	-	-	31.83	-	-	(46.44)
Exchange translation	6.97	(39.46)	-	8.10	(0.18)	-	(24.57)
As at March 31, 2023	(322.17)	1,772.30	1,541.53	73.25	225.50	185.91	3,476.32

Deferred tax assets and liabilities above have been determined by applying the income tax rates applicable to respective entities in the Group.

Deferred tax assets and liabilities in relation to taxes payable by various entities/ under different tax basis have not been offset in the financial statements.

Unrecognised temporary differences:

Certain subsidiaries of the Group have undistributed earnings which, if paid out as dividends would be subject to tax in the hand of the recipient. An assessable temporary difference exists but no deferred tax liability has been recognised as the Parent is able to control the timing of distribution from the subsidiaries and the earnings are expected to be utilised for their business expansion.

Income tax assets:

Particulars	March 31, 2023	March 31, 2022
Opening balance	2,395.03	1,586.68
Acquisition	-	-
Taxes paid	1,117.40	837.24
Refund received	(1,087.97)	(8.02)
Current tax payable for the year	(27.05)	(20.87)
Income tax assets	2,397.41	2,395.03

Current tax liabilities:

Particulars	March 31, 2023	March 31, 2022
Opening balance	4.33	505.70
Current tax payable for the year	315.08	736.59
Taxes paid	(406.20)	(1,220.50)
Refund received	-	(2.54)
Acquisition	(10.40)	-
Exchange translation	(3.91)	(14.92)
Total tax liabilities/(assets)	(101.10)	4.33

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

9. Other Assets

Particulars	March 31, 2023	March 31, 2022
Other non-current assets		
Capital advances	16.93	29.25
Other advances	-	2.58
Total other non-current assets	16.93	31.83
Other current assets		
Prepaid expenses	653.58	514.54
Cost to obtain/fulfil contract with customers	5.54	17.73
Security deposits	167.32	319.79
Other advances *	502.21	91.59
Total other current assets	1,328.65	943.65
Total other assets	1,345.58	975.48

* Includes balance with revenue authorities.

10. Inventories

Particulars	March 31, 2023	March 31, 2022
Stock-in-trade	23.93	138.62
Uniforms	172.83	164.06
Consumables	117.52	37.57
Total inventories at the lower of cost and net realisable value	314.28	340.25

11. Trade receivables

Particulars	March 31, 2023	March 31, 2022
Trade receivables	17,743.97	14,627.59
Less: Allowance for expected credit loss	966.91	714.63
Total trade receivables	16,777.06	13,912.96

Break-up of security details:

Particulars	March 31, 2023	March 31, 2022
Secured, considered good	-	-
Unsecured, considered good	16,777.06	13,912.96
Total	16,777.06	13,912.96

The amount of loss allowance (lifetime expected credit loss) has been recognised under the simplified approach for trade receivable and hence break-up of trade receivable into 'significant increase in credit risk' and 'credit impaired' has not been disclosed separately.

The ageing schedule for outstanding trade receivables from the due date is given below:

Year ended March 31, 2023

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables	9,160.54	5,996.47	790.04	629.73	486.77	545.34	17,608.89
(ii) Disputed trade receivables	-	0.89	6.48	8.03	10.62	109.06	135.08

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables	7,185.26	5,272.04	613.60	522.80	296.15	564.85	14,454.70
(ii) Disputed trade receivables	0.24	18.88	6.86	34.06	44.57	68.28	172.89



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)*

The movement in allowance for expected credit loss is as follows:

Particulars	March 31, 2023	March 31, 2022
Opening balance	714.63	550.89
Additions	269.31	195.67
Write off (net of recovery)	(16.60)	(20.70)
Exchange differences	(0.43)	(11.23)
Closing balance	966.91	714.63

No trade receivable are due from directors or other officers of the entities of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 40.

Refer Note 41 for the Group's policy regarding impairment allowance on trade receivables and Group's credit risk management processes. For outstanding balances, terms and conditions relating to related party receivables, refer note 40.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

12. Cash and bank balances**Cash and cash equivalents**

Particulars	March 31, 2023	March 31, 2022
Balances with banks:		
– On current accounts	5,223.99	5,521.30
– Bank deposits with original maturity of three months or less*	1,428.14	1,316.40
Cash on hand	4.05	2.45
Total	6,656.18	6,840.15

*Includes amount pledged as security/margin money against guarantees issued by banks on behalf of the Group.

Bank balances lying in various current accounts bear no interest.

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of reporting period and prior periods.

Other bank balances

Particulars	March 31, 2023	March 31, 2022
Unclaimed dividend accounts	1.04	1.05
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	490.60	230.29
Restricted balances	85.87	32.46
Margin money *	275.99	280.14
Total	853.50	543.94

* Pledged as security/margin money against guarantees issued by banks on behalf of the Group

13. Equity Share capital**Authorised share capital**

Particulars	(Nos. in million)	(INR million)
As at April 1, 2021 (Equity shares of INR 5 each)	270.00	1,350.00
Increase / (decrease) during the year	-	-
As at March 31, 2022 (Equity shares of INR 5 each)	270.00	1,350.00
Increase / (decrease) during the year	-	-
As at March 31, 2023 (Equity shares of INR 5 each)	270.00	1,350.00

Issued, subscribed and paid up equity capital

Particulars	(Nos. in million)	(INR million)
As at April 1, 2021 (Equity shares of INR 5 each)	148.30	741.51
Issued on exercise of stock options	0.55	2.74
Buyback of equity shares	(1.82)	(9.09)
As at March 31, 2022 (Equity shares of INR 5 each)	147.03	735.16
Issued on exercise of stock options	0.15	0.76
Buyback of equity shares	(1.45)	(7.27)
As at March 31, 2023 (Equity shares of INR 5 each)	145.73	728.65



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

During the year ended March 31, 2023, pursuant to the approval of the Board of Directors of the Parent, at its meeting held on June 29, 2022, and the shareholders, by way of a special resolution through postal ballot, on August 12, 2022, 1,454,545 equity shares of face value of INR 5 each of the Parent were offered for buyback by the Parent to all eligible shareholders of the Parent, through the tender offer process, for an aggregate amount not exceeding 800 million, being 0.99% of the total paid up equity share capital of the Parent as on March 31, 2022, at INR 550 per equity share, as per the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer process was completed on November 11, 2022. The Parent has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,454,545 equity shares of face value of INR 5 each of the Parent were extinguished by appropriating a sum of INR 792.73 million from the securities premium and an amount of INR 7.27 million, being a sum equal to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

During the year ended March 31, 2022, pursuant to the approval of the Board of Directors of the Parent, at its meeting held on February 15, 2021, and the shareholders, by way of a special resolution through postal ballot, on March 20, 2021, 1,818,181 equity shares of face value of INR 5 each of the Parent were offered for buyback by the Parent to all eligible shareholders of the Parent, through the tender offer process, for an aggregate amount not exceeding 1,000 million, being 1.24% of the total paid up equity share capital of the Parent as on March 31, 2020, at INR 550 per equity share, per the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer process was completed on June 21, 2021. The Parent has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,818,181 equity shares of face value of INR 5 each of the Parent were extinguished by appropriating a sum of INR 990.91 million from the securities premium and an amount of INR 9.09 million, being a sum equal to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

Notes (pre share sub-division effect):

- 2,210,500 and 62,457,240 equity shares were allotted as fully paid Bonus Shares by capitalization of general reserve during the year ended March 31, 2006 and March 31, 2017 respectively.
- Mr. Uday Singh was the holder of 79,000 unpaid shares in SIS International Holdings Ltd., a wholly owned subsidiary. In terms of a letter dated December 1, 2009, Mr. Singh had the option to exchange these shares for shares of the Company in a manner reflecting the fair value of these shares, reduced by the amounts unpaid on them. Subsequently, in lieu of these shares and suitably adjusted for amounts unpaid thereon, Mr. Singh was allotted 40,565 Equity Shares during the year ended March 31, 2017, at a ratio as determined in accordance with a valuation report prepared by a SEBI registered merchant banker.
- During the year ended March 31, 2018, the Parent completed an Initial Public Offering (IPO) of its shares consisting of a fresh offer of 4,444,785 equity shares of INR 10 each at a premium of INR 805 per share and an offer for sale of 5,120,619 equity shares of INR 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO amounted to INR 3,410.47 (million) (net of issue expenses). The equity shares of the Parent were listed on NSE and BSE effective August 10, 2017.

Terms/rights attached to equity shares

The Parent has only one class of equity shares having par value of INR 5 per share. Each holder of equity shares is entitled to one vote per share and to participate in dividends in proportion to the number of and amounts paid on the shares held. The Parent declares and pays dividends in Indian rupees.

In the event of liquidation of the Parent, the holders of equity shares will be entitled to receive the remaining assets of the Parent, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares in the Parent

Name of the shareholder	As at March 31, 2023		As at March 31, 2022	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	57.16	39.23%	57.65	39.21%
Rita Kishore Sinha	23.31	16.00%	23.51	15.99%
Rituraj Kishore Sinha	15.66	10.74%	15.79	10.74%

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

Particulars	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019 *
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	-	-	10,480	10,480	211,960
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	-
Buyback of equity shares	1,454,545	1,818,181	-	-	-

* Number of shares has been restated to give effect of share sub-division

Details of promoter shareholding in the parent Year ended March 31, 2023

S. No.	Name of the Promoter	Equity shares as on April 1, 2022 (in Nos.)	% holding in the class	Equity shares as on March 31, 2023 (in Nos.)	% holding in the class	% Change during the year
1	Ravindra Kishore Sinha	57,648,582	39.21%	57,163,671	39.23%	0.02%
2	Rituraj Kishore Sinha	15,791,311	10.74%	15,658,482	10.74%	0.00%
Total		73,439,893		72,822,153		



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Year ended March 31, 2022

S. No.	Name of the Promoter	Equity shares as on April 1, 2021 (in Nos.)	% holding in the class	Equity shares as on March 31, 2022 (in Nos.)	% holding in the class	% Change during the year
1	Ravindra Kishore Sinha	58,727,312	39.60%	57,648,582	39.21%	-0.39%
2	Rituraj Kishore Sinha	16,420,380	11.07%	15,791,311	10.74%	-0.33%
Total		75,147,692		73,439,893		

Shares reserved for issue under options

Employees stock options

Refer note 28 for details regarding employee stock options issued by the Group.

14. Other equity

Particulars	March 31, 2023	March 31, 2022
Reserves and surplus		
Securities premium	1,946.94	2,736.01
General reserve	563.47	560.94
Retained earnings	19,022.22	15,623.96
Total reserves and surplus (A)	21,532.63	18,920.91
Other reserves		
Stock options outstanding account	334.87	225.41
Debenture redemption reserve	-	-
Capital reserve	181.24	181.24
Capital redemption reserve	16.36	9.09
Total other reserves (B)	532.47	415.74
Foreign currency translation reserve (C)	539.18	640.69
Share application money pending allotment (D)	-	0.02
Total other equity (A+B+C+D)	22,604.28	19,977.36

Securities Premium

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	2,736.01	3,691.46
Exercise of stock options	23.55	55.28
Buyback of equity shares	(800.00)	(1,000.00)
Transaction cost related to buyback of equity shares (net of taxes)	(12.62)	(10.73)
Balance at the end of year	1,946.94	2,736.01

General Reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	560.94	185.94
Transferred from debenture redemption reserve	-	375.00
Transferred from stock options outstanding on account of stock options expired	2.53	-
Balance at the end of year	563.47	560.94

Retained earnings

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	15,623.96	12,663.62
Net Profit / (loss) for the year	3,465.02	3,259.27
Other comprehensive income recognised directly in retained earnings	95.27	(58.21)
Appropriations-		
- Share issue expenses incurred by subsidiary entities	(0.19)	-
- Tax on buyback of equity shares	(184.67)	(230.84)
- Transactions with non-controlling interests	22.83	(9.88)
Balance at the end of year	19,022.22	15,623.96



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Stock Options Outstanding Account

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	225.41	78.21
Stock option compensation expense	135.54	202.48
Transferred to securities premium on exercise of stock options	(23.55)	(55.28)
Transferred to general reserve on stock options expired	(2.53)	-
Balance at the end of year	334.87	225.41

Capital reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	181.24	181.24
Increase/ (decrease) during the year	-	-
Balance at the end of year	181.24	181.24

Capital redemption reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	9.09	-
Created on buyback of equity shares	7.27	9.09
Balance at the end of year	16.36	9.09

Debenture redemption reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	-	375.00
Created from retained earnings	-	-
Transferred to general reserve	-	(375.00)
Balance at the end of year	-	-

Foreign currency translation Reserve

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	640.69	390.36
Translation reserve	(101.51)	250.33
Balance at the end of year	539.18	640.69

Share application money pending allotment

Particulars	March 31, 2023	March 31, 2022
Balance at the beginning of year	0.02	0.29
Share application money received during the year	0.70	2.47
Issued on exercise of stock options	(0.72)	(2.74)
Balance at the end of year	-	0.02

Nature and purpose of Reserves

Securities Premium

Security premium is used to record the premium on issue of shares or other securities such as debentures or bonds. The reserve is utilised in accordance with the Companies Act, 2013.

General Reserve

The general reserve is the result of a Group's transferring a certain amount of profit from the account of retained earnings to the general reserve account. The purpose of setting up a general reserve account is to meet potential future unknown liabilities. In other words, the general reserve is a free reserve which can be utilised for any purpose after fulfilling certain conditions.

Retained earnings

Retained earnings represents the amount of accumulated earnings of the Group and re-measurement differences on defined benefit plans.

Stock Options outstanding Account

The stock options outstanding account is used to recognize the grant date fair value of options issued to employees under the Parent's employee stock option plan. The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer note 28 for further details.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Capital redemption reserve

As per the Companies Act, 2013, Capital redemption reserve is created when a company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. This reserve can be utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

Capital reserve

It pertains to capital reserve created pursuant to the scheme of arrangement under the Act accounted under demerger and excess of purchase consideration over fair value of net assets.

Debenture redemption reserve

Pursuant to the provisions of the Act, the Group is required to create debenture redemption reserve out of the profits which is to be utilised for the purpose of redemption of debentures. On redemption of the debentures, the related amount of this reserve will be transferred to retained earnings.

Foreign currency translation Reserve

Translation differences included in the foreign currency translation reserve arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the balance sheet date, which differs from the rate in effect at the last measurement date of the respective item.

Share application money pending allotment

Share application money pending allotment represents the exercise price received from employees of the Group against stock options on which allotment is not yet made.



(This space has been left blank intentionally)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

15. Borrowings

Particulars	Note	March 31, 2023	March 31, 2022
Non-current borrowings			
Secured			
Bonds/ debentures			
- Non convertible debentures	a	-	1,894.32
Term loans			
From banks			
- HDFC Bank Limited	b	38.08	55.44
- ICICI Bank Limited	c	-	45.55
- National Australia Bank	d	5,582.33	5,498.65
- Yes Bank Limited	e	108.58	92.97
- Small Industries Development Bank of India ('SIDBI')	f	-	21.18
- Kotak Mahindra Bank Limited	g	67.75	157.83
- Standard Chartered Bank	h	254.24	152.36
- Vehicle Loan from various banks	i	534.56	440.15
From other parties			
- Axis Finance Limited	j	940.12	-
- Bajaj Finance Limited	k	940.22	-
- Vehicle Loan from others	l	102.89	36.39
Total secured borrowings		8,568.77	8,394.84
Total non-current borrowings		8,568.77	8,394.84
Current maturity of long term borrowings		(536.93)	(2,326.04)
Non-current borrowings (as per balance sheet)		8,031.84	6,068.80
Current borrowings			
Secured			
Loans repayable on demand			
From banks			
- Kotak Mahindra Bank Limited	m	19.50	-
- RBL Bank Ltd	n	67.66	114.85
- Axis Bank Limited	m	588.94	800.22
- HDFC Bank Limited	m	2,569.56	1,960.39
- ICICI Bank Limited	m	701.03	749.62
- Standard Chartered Bank	m	381.18	173.46
- State Bank of India	o	640.00	420.73
- Yes Bank Limited	p	1,407.36	665.38
- Commonwealth bank of Australia	q	-	3.78
Total secured borrowings		6,375.23	4,888.43
Unsecured			
Loans repayable on demand			
From Banks			
- HDFC Bank Limited		200.00	-
From Others			
- Borrowings from others	r	79.01	-
Total unsecured borrowings		279.01	-
Current maturity of long term borrowings		536.93	2,326.04
Current borrowings (as per balance sheet)		7,191.17	7,214.47
Aggregate secured borrowings		14,944.00	13,283.27
Aggregate unsecured borrowings		279.01	-



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Break up of current Maturities of long-term borrowings:

Particulars	March 31, 2023	March 31, 2022
Secured		
Bonds/ debentures	-	1,894.32
Term loans		
From banks	446.21	413.89
From other parties	90.72	17.83
Total current maturities of long term borrowings	536.93	2,326.04

Notes:

Long Term Borrowings - Secured:

Bonds/debentures:

- a. ICICI Prudential Assets Management Company Limited has subscribed to 1,900 non-convertible debentures (NCDs) of INR 1,000,000/- each on March 30, 2021. The NCDs carried interest @ 7.90% per annum, payable annually. The NCDs were secured against 85.68% shareholding in Dusters total solutions services private limited. The debentures were redeemable after 2 years from the date of issue. i.e., March 30, 2023. During the year ended March 31, 2023, NCDs have been repaid on maturity.

Term loans:

From Banks:

- b. HDFC Bank Limited:

- (i) The Term loans are secured against an exclusive charge over the fixed assets and current assets of the Service Clean Master Private Limited and by a Corporate Guarantee from the Parent. The term loans are repayable in 54 equal monthly instalments from the date of respective draw down, totaling INR 1.70 million per month with repayment commencing from January 2020 and are scheduled to be completely repaid by FY 2024-25.
- (ii) Secured against the fixed assets of Rare Hospitality and Services Private Limited purchased out of various disbursement of the loan proceeds and corporate guarantee from the Parent. The repayments are scheduled in 25-36 equal monthly instalments of INR 0.03 million - 0.18 million each and are scheduled to be completely repaid by FY 2024-25.

- c. ICICI Bank Limited

Secured by way of first charge on the movable fixed assets of SLV Security Services Private Limited, purchased out of the term loan proceeds both present and future (excluding exclusive charge of SIDBI on the movable fixed assets) and corporate guarantee from the Parent. The loan was repayable in 11 quarterly equal instalments and has been repaid during FY 2022-23.

- d. National Australia Bank:

Secured by all assets of SIS Australia Group Pty Ltd and its subsidiaries. The loan is scheduled for repayment on its maturity (i.e., November 28, 2024). The loan carries interest @ 3.75% per annum plus margin based on Leverage ratio (1.75%).

- e. Yes Bank Limited:

Secured by way of first pari-passu charge over the entire movable fixed assets (both present and future) of Service Master Clean Limited and by corporate guarantee from the Parent. The term loans are repayable in 54 equal monthly instalments after a moratorium period of 6 months from the date of first disbursement, totaling INR 2.59 million per month with repayment commencing from April 2022 and is schedule to be repaid by FY 2026-27.

- f. Small Industries Development Bank of India (SIDBI):

Secured by way of first charge on the movable fixed assets of SLV Security Services Private Limited, purchased out of loan proceeds (both present and future). The loan was repayable in monthly equal instalments and has been fully repaid in FY 2022-23.

- g. Kotak Mahindra Bank Limited:

Secured by way of first charge on the movable fixed assets of the Parent purchased out of the term loan proceeds and second pari-passu charge on receivables/ current assets of the Parent both present and future. The loan is repayable in 18 equal quarterly instalments commenced from the end of the 1st quarter of FY 2019-20 after the end of moratorium period of six months and last installment repayment is scheduled in fourth quarter of FY 2023-24.

- h. Standard Chartered Bank:

Secured by way of first charge on the monitoring equipment of Parent, purchased out of the term loan proceeds. The loan is repayable in 12 equal quarterly instalments commenced from the end of the fourth quarter of FY 2021-22 and last installment repayment is scheduled in third quarter of FY 2024-25.

- i. Vehicle loans from banks are secured by hypothecation of vehicles purchased against the loan taken from that Bank. The loans have various repayment schedules and last instalment repayment is scheduled in FY 2028-29.

The term loans mentioned above except vehicle loans and loan from National Australia Bank ('NAB'), carry interest at quarterly/half-yearly/yearly MCLR/MIBOR/Repo plus spread margin ranging from 75 bps to 315 bps (March 31, 2022: 75 bps to 315 bps). The vehicle loans carry interest from 7.10% to 10.50% per annum for India business and 4.00% to 8.00% for international business.

From other parties:

- j. Axis Finance Limited:

Secured by way of first pari-passu charge on current and non-current assets of Dusters Total Solution Services Private Limited & Uniq Security Solutions Private Limited and 13 % pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 5 semi-annual equal instalments commenced from the end of fourth quarter of F.Y 2024-25 after the moratorium of 1.5 years and last payment of repayment is scheduled on fourth quarter of FY 2026-27.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

k. Bajaj Finance Limited:

Secured by way of first pari-passu charge on current and movable fixed assets of Dusters Total Solutions Services Private Limited & UNIQ Security Solutions Private Limited and 13 % pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 8 equal quarterly instalments commenced from the end of first quarter of F.Y 2024-25 after the moratorium of 1 year and last payment of repayment is scheduled on fourth quarter of FY 2025-26.

l. Vehicle Loan from others are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that respective financier(s). The loans carry interest from 7.50% to 10.50% per annum for India business and 5.00% to 8.00% for international business. The loans have various repayment schedules and the last instalment repayment is scheduled in FY 2027-28.

Short Term Borrowings - Secured Loans repayable on demand:

- m. (i) Secured by first pari passu charges over the current assets and immovable fixed assets and second pari passu charge over movable fixed assets of the Parent.
(ii) Secured by first pari passu charges over the movable fixed assets and second pari passu charge over current assets of the Service Master Clean Limited and corporate guarantee from the Parent.
(iii) Secured by first pari passu charges over the current assets and second pari passu charge over movable fixed assets of the SLV Security Services Private Limited and corporate guarantee from the Parent.
(iv) Secured by first pari passu charge on current assets of Dusters Total Solutions Services Private Limited.
(v) Secured against stocks and book debts (both present and future) of Rare Hospitality and Services Private Limited and Corporate Guarantee from Parent.
- n. (i) Cash Credit facility from RBL Bank Limited is secured by an exclusive charge on the entire assets of SIS Alarm Monitoring and Response Services Pvt. Ltd., both present and future; and an unconditional and irrevocable corporate guarantee of the Parent.
(ii) Secured by first pari passu charge on current assets of Dusters Total Solutions Services Private Limited.
(iii) Secured by first exclusive charge on current assets of ADIS enterprises Private Limited both present and future.
- o. Secured by first pari passu charges over the current assets and movable fixed assets (both present and future) of the Company second pari passu charge is with other working capital lenders.
- p. (i) Secured by pari passu charge over the current assets of the Parent both present and future.
(ii) Secured by first charge over all current assets and fixed assets of Service Master Clean Limited and Corporate Guarantee from the Parent.
(iii) Secured by first pari passu charge on current assets of the Dusters Total Solutions Services Pvt. Ltd.
(iv) Secured by an exclusive charge on current assets and movable fixed assets of Tech SIS Limited and corporate guarantee from the Parent.
(v) Secured by the pari passu charge on the entire assets of SIS Alarm Monitoring and Response Services Pvt. Ltd., both present and future; and an unconditional and irrevocable corporate guarantee of the Parent.
(vi) Secured by an exclusive charge on entire current assets and movable fixed assets of Terminix SIS India Private Limited both present and future.

The short-term borrowings charges are excluding assets specifically charged to term lenders, if any.

The loans repayable on demand mentioned above except loan from Commonwealth bank of Australia, carry interest at quarterly/half yearly/yearly MCLR/MIBOR/Repo plus spread margin ranging from 25 bps to 209 bps (March 31, 2022: 25 bps to 60 bps) for cash credit facility and ranging from 6.00% p.a. to 11.40% p.a. for WCDL facilities (March 31, 2022: 4.30% p.a. to 4.60 % p.a.).

- q. The loan from Commonwealth bank of Australia was scheduled for repayment every quarter. The loan interest changes every quarter, last interest rate January 2021 was 0.0619%. The bank debt was secured by a fixed and floating charge over the assets of the international group.
- r. The loan represents an invoice discounting facility with a non-banking lender. This carries Interest at BBSY plus 4% spread plus 1.2% margin.

There has been no default in the payment of interest or repayment of principal in respect of the above loans/borrowings.

16. Lease Liabilities

Particulars	March 31, 2023	March 31, 2022
Non-current lease liabilities	921.26	900.08
Current lease liabilities	330.66	324.78
Total lease liabilities	1,251.92	1,224.86

Movement of lease liabilities during the year

Particulars	March 31, 2023	March 31, 2022
Opening balance	1,224.86	1,167.41
Additions	294.70	271.88
Additions through Business Combinations	101.85	-
Deletions / adjustments during the year	(54.75)	29.04
Finance cost accrued during the year	114.12	105.63
Payment of lease liability	(409.57)	(361.53)
Translation differences	(19.29)	12.43
Closing balance	1,251.92	1,224.86

The Group does not expect potential exposure to variable lease payments, extension / termination options, guaranteed residual value and lease commitments.



(This space has been left blank intentionally)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***17. Trade payables**

Particulars	March 31, 2023	March 31, 2022
Non-current	-	-
Current		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (MSME)	53.23	39.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises	585.85	543.38
Total current trade payables	639.08	582.61
Total trade payables	639.08	582.61

The ageing schedule for outstanding trade payables where due date is given below:

Year ended March 31, 2023

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	32.98	20.25	-	-	-	53.23
(ii)Others	225.15	326.64	21.98	5.40	6.68	585.85

Year ended March 31, 2022

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i)MSME	18.84	20.39	-	-	-	39.23
(ii)Others	220.34	294.40	11.34	15.62	1.68	543.38

There are no disputed dues during the year ended March 31, 2023 and March 31, 2022.

The terms and conditions of the above financial liabilities are as follows:

- Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-60 days which vary by vendor and type of service.
- For outstanding balances, terms and conditions with related parties, refer note 40

18. Other financial liabilities

Particulars	March 31, 2023	March 31, 2022
Non-current		
Contingent consideration (refer note 34)	52.69	-
Total other non-current financial liabilities	52.69	-
Current		
Capital creditors	100.60	7.91
Interest accrued but not due on borrowings	236.14	231.97
Unclaimed/unpaid dividends	1.04	1.05
Employee benefits payable	4,612.04	3,752.62
Contingent consideration (refer note 34)	2.47	-
Other payables and accruals *	3,569.19	3,455.45
Total other current financial liabilities	8,521.48	7,449.00
Total other financial liabilities	8,574.17	7,449.00

*Includes unbilled dues having ageing of less than one year.



(This space has been left blank intentionally)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

19. Financial instruments by category

Particulars	March 31, 2023			March 31, 2022		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments						
-Equity instruments	0.23	-	-	0.05	-	-
-Preference shares	241.04	-	-	177.77	-	-
-Bonds and debentures	-	-	225.00	-	-	372.00
-Mutual funds	3.22	-	-	2.93	-	-
Trade receivables	-	-	16,777.06	-	-	13,912.96
Cash and cash equivalents	-	-	6,656.18	-	-	6,840.15
Other bank balances	-	-	853.50	-	-	543.94
Other financial assets	24.66	-	7,082.72	24.66	-	5,803.97
Total financial assets	269.15	-	31,594.46	205.41	-	27,473.02
Financial liabilities:						
Trade payables	-	-	639.08	-	-	582.61
Borrowings	-	-	15,223.01	-	-	13,283.27
Lease liability	-	-	1,251.92	-	-	1,224.86
Other financial liabilities	55.16	-	8,519.01	-	-	7,449.00
Total financial liabilities	55.16	-	25,633.02	-	-	22,539.74

Fair value hierarchy

The assets and liabilities measured at fair value on a recurring basis and the basis for that measurement is as below:

Particulars	March 31, 2023			March 31, 2022		
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Level 1 inputs	Level 2 inputs	Level 3 inputs
Financial assets:						
Investments carried at FVTPL	3.22	-	241.27	2.93	-	177.82
Other financial assets	-	-	24.66	-	-	24.66
Total financial assets	3.22	-	265.93	2.93	-	202.48
Other financial liabilities	-	-	55.16	-	-	-
Total financial liabilities	-	-	55.16	-	-	-

Valuation methodologies

Investments in equity / preference instruments: The Group's investments consist primarily of investment in equity / preference shares of unquoted companies. Management has considered cost to be approximating to fair value of such investments.

All of the resulting fair value estimates are included in Level 3 as the fair values have been determined based on present values and discount rates used are adjusted for counter party or own credit risk.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

The following table presents the change in Level 3 items for the periods ended March 31, 2023 and March 31, 2022:

Particulars	Unquoted Investments	Indemnification asset	Liability for forward contract for purchase of non-controlling interests	Contingent consideration
As at April 1, 2021	177.82	23.36	510.20	1,731.68
Unwinding of present value discount	-	1.30	-	-
(Gains) / loss on fair value recognized in statement of profit and loss	-	-	-	(239.36)
Discharge of liability	-	-	(510.20)	(1,536.35)
Translation adjustments	-	-	-	44.03
As at March 31, 2022	177.82	24.66	-	-
Additions	63.45	-	-	56.60
Unwinding of present value discount	-	-	-	0.40
(Gains) / loss on fair value recognized in statement of profit and loss	-	-	-	-
Discharge of liability	-	-	-	-
Translation adjustments	-	-	-	(1.84)
As at March 31, 2023	241.27	24.66	-	55.16
Unrealised fair value (gains) / losses recognized in statement of profit and loss related to assets and liabilities held as on reporting date:				
March 31, 2023	-	-	-	-
March 31, 2022	-	-	-	(239.36)



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Fair Values of assets and liabilities carried at amortised costs are as follows:

Particulars	Fair value hierarchy	March 31, 2023		March 31, 2022	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets:					
Investments	Level 2	225.00	232.59	372.00	399.98
Trade receivables		16,777.06	16,777.06	13,912.96	13,912.96
Cash and cash equivalents		6,656.18	6,656.18	6,840.15	6,840.15
Other bank balances		853.50	853.50	543.94	543.94
Other financial assets		7,082.72	7,082.72	5,803.97	5,803.97
Total financial assets		31,594.46	31,602.05	27,473.02	27,501.00
Financial liabilities:					
Trade payables		639.08	639.08	582.61	582.61
Borrowings - floating rate		14,585.56	14,585.56	10,912.41	10,912.41
Borrowings - fixed rate	Level 2	637.45	628.23	2,370.86	2,057.33
Lease liability		1,251.92	1,251.92	1,224.86	1,224.86
Other financial liabilities		8,519.01	8,519.01	7,449.00	7,449.00
Total financial liabilities		25,633.02	25,623.80	22,539.74	22,226.21

The Group assessed that fair value of cash and cash equivalents, trade receivables, other financial assets, trade payables, bank overdrafts, lease liability and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of investments and fixed rate borrowings are calculated based on fixed cash flows discounted using weighted average cost of debt as on balance sheet date and accordingly classified under level 2 fair values in the fair value hierarchy due to the use of significant observable inputs.

Valuation inputs and relationships to fair value

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements.

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2023	March 31, 2022		
Unquoted Investments	241.27	177.82	Cost	Management has considered cost to be approximating to fair value of such investments.
Indemnification asset recognised on business combination	24.66	24.66	Probability of outcome of litigation	Change in estimates by 10% results in increase/decrease in fair value by: March 31, 2023: INR 2.47 million March 31, 2022: INR 2.47 million
Contingent consideration	55.16	-	Probability of achieving financial projections	Change in estimates by 5% results in increase/decrease in fair value by: March 31, 2023: INR 2.76 million March 31, 2022: INR Nil million

Valuation processes

The finance department of the Group includes team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. The team reports directly to the chief financial officer (CFO). Discussions of valuation processes and results are held between the CFO and the valuation team atleast once every 3 months, in line with the Group's quarterly reporting period. External valuer's assistance is also taken for valuation purposes whenever required.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Discounts rate are determined using a capital asset pricing model to calculate a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the asset.
- Risk adjustments specific to the counter parties (including assumptions about credit default rates) are derived from credit risk grading determined by the Group's internal credit risk management group.
- Volatility used for option pricing model is based on historical volatility of comparable companies.
- Contingent consideration – estimated based on expected cash outflows arising from the forecasted sales and the entities; knowledge of the business and how the current economic environment is likely to impact it.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

20. Provisions

Particulars	March 31, 2023		March 31, 2022	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 28)				
Gratuity	1,297.46	361.80	1,205.22	275.64
Compensated absences	432.53	3,504.44	485.85	3,489.32
Other provisions				
IBNR	-	61.87	-	63.97
Others	19.65	30.10	8.54	29.01
Total	1,749.64	3,958.21	1,699.61	3,857.94

IBNR

The IBNR, which is the abbreviated form of incurred but not reported (IBNR), are the reserves for claims that become due with the occurrence of the events covered under the insurance policy but have not been reported yet. The sum of IBNR losses plus reported losses yields an estimate of the total eventual liabilities the insurer will cover, known as ultimate losses.

21. Other liabilities

Particulars	March 31, 2023	March 31, 2022
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	1,953.09	1,722.02
Unearned income (refer note 23)	3.08	11.71
Others	8.69	11.42
Total other current liabilities	1,964.86	1,745.15
Total other liabilities	1,964.86	1,745.15

22. Government grants

Particulars	March 31, 2023	March 31, 2022
As at the beginning of the year	-	-
Received during the year	3.13	23.58
Released to the statement of profit and loss	(3.13)	(23.58)
As at the end of the year	-	-
Current	-	-
Non-current	-	-

During the year ended March 31, 2023, one of the subsidiaries avail the benefit under National Apprenticeship Promotion Scheme (NAPS) launched on August 19, 2016 wherein the Government of India provides the financial support to establishments undertaking the apprenticeship training in the following ways:

1. Reimbursement of 25% of prescribed stipend subject to a maximum of Rs. 1500/- per month per apprentice by the Government of India to all employers who engage apprentices.
2. Reimbursement of cost of basic training (up to a limit of Rs. 7500/- for a maximum of 500 hours= Rs. 15/hour) by the Government of India to Basic Training Providers (BTPs) in respect of apprentices who come directly for apprenticeship training without any formal training

Accordingly, such Government Grant is taken to profit or loss when the conditions are met.

During the year ended March 31, 2022, the Parent and certain subsidiaries are availing of benefits under a government scheme - Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) wherein the Central Government is paying the employer's contribution towards Employee Pension Scheme / Provident Fund in respect of new employees joined till March 31, 2019 meeting specified criteria. The grant is paid by the Government on a monthly basis in the first three years of employment of eligible new employees on fulfilment of certain conditions. Accordingly, such Government Grant is taken to profit or loss when the conditions are met.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***23. Revenue from operations**

Particulars	March 31, 2023	March 31, 2022
Sale of products (traded goods)		
Revenue from sale of electronic security devices	228.78	425.46
Total (A)	228.78	425.46
Rendering of services		
Security services		
From guarding and other security services	92,996.25	85,174.60
Facility management services		
From Housekeeping, Cleaning, Facility operation & management services	18,569.75	13,602.48
From pest control services	322.28	295.95
Other services		
From training fees	122.29	95.48
Total rendering of services (B)	112,010.57	99,168.51
Other operating revenues*	1,218.45	996.79
Total (C)	1,218.45	996.79
Revenue from operations (A+B+C)	113,457.80	100,590.76

*Includes revenue from the sale of uniforms to employees.

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2023.

Particulars	Security Services - India	Security Services - International	Facility Management	Inter-segment eliminations	Total
Revenue by time of recognition					
At a point in time (sale of equipments)	201.74	27.04	-	-	228.78
Over the period of time	46,059.29	48,732.13	18,998.28	(560.68)	113,229.02
Total	46,261.03	48,759.17	18,998.28	(560.68)	113,457.80
Revenue by geographical markets					
India	46,261.03	-	18,998.28	(560.68)	64,698.63
Outside India	-	48,759.17	-	-	48,759.17
Total	46,261.03	48,759.17	18,998.28	(560.68)	113,457.80

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2022.

Particulars	Security Services - India	Security Services - International	Facility Management	Inter-segment eliminations	Total
Revenue by time of recognition					
At a point in time (sale of equipments)	212.60	212.86	-	-	425.46
Over the period of time	38,356.65	48,192.37	13,946.86	(330.58)	100,165.30
Total	38,569.25	48,405.23	13,946.86	(330.58)	100,590.76
Revenue by geographical markets					
India	38,569.25	-	13,946.86	(330.58)	52,185.53
Outside India	-	48,405.23	-	-	48,405.23
Total	38,569.25	48,405.23	13,946.86	(330.58)	100,590.76

*(This space has been intentionally left blank)*

SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***Contract balances:**

The following table provides information about unbilled revenue and unearned income from contract with customers:

Particulars	March 31, 2023		March 31, 2022	
	Unbilled revenue	Unearned income	Unbilled revenue	Unearned income
Opening balance	4,867.30	11.71	4,079.90	19.52
Revenue recognised that was included in unearned income at the beginning of the year	-	(46.57)	-	(106.21)
Increase due to cash received, excluding amounts recognised as revenue during the year	-	37.94	-	98.40
Transfers from unbilled revenue, recognised at the beginning of the year, to receivables	(4,867.30)	-	(4,079.90)	-
Increase due to revenue recognised during the year, excluding amounts billed during the year	5,990.05	-	4,867.30	-
Closing balance	5,990.05	3.08	4,867.30	11.71

Cost to obtain or fulfil a contract with a customer

Particulars	March 31, 2023	March 31, 2022
Opening balance	17.73	14.68
Costs incurred and deferred	29.45	47.56
Less: Cost amortised	(41.64)	(44.51)
Closing balance	5.54	17.73

24. Other income

Particulars	March 31, 2023	March 31, 2022
Interest income *	264.68	282.07
Total	264.68	282.07

*Includes interest income on income tax refund

25. Other gain / (loss)

Particulars	March 31, 2023	March 31, 2022
Net gain / (loss) on sale of property, plant and equipment*	38.64	14.24
Foreign exchange gain/(loss)	23.54	(26.95)
Net gain / (loss) on financial assets/liabilities mandatorily measured at FVTPL	-	257.36
Other items	0.56	0.07
Total	62.74	244.72

* Includes gain/(loss) on derecognition of right of use assets.

26. Cost of materials consumed

Particulars	March 31, 2023	March 31, 2022
Purchases of chemicals, consumables, and others	506.88	330.28
Uniforms and related inventories	76.50	68.22
Total	583.38	398.50

27. Changes in inventory

Particulars	March 31, 2023	March 31, 2022
Inventory at the beginning of the year	340.25	308.93
Inventory transferred to property, plant and equipment	1.26	-
Inventory at the end of the year	314.28	340.25
Changes in inventory - (increase)/decrease	24.71	(31.32)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***28. Employee benefits expense****a) Employee benefits expense include**

Particulars	March 31, 2023	March 31, 2022
Salaries, wages and bonus	82,076.17	69,688.46
Contribution to provident and other funds	7,984.10	6,737.41
Government grants (Note 22)	(3.13)	(23.58)
Employee share-based payment expense	135.54	202.48
Gratuity expense	421.14	317.99
Leave compensation	569.85	436.33
Staff welfare expenses	828.72	753.36
Total	92,012.39	78,112.45

b) Unfunded Scheme – leave obligations

The below leave obligations cover liability for sick and earned leave in certain subsidiaries of the Group located in India.

The provision for leave obligations is presented as current, since the Group does not have an unconditional right to defer settlement of any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave within the next 12 months. The following amount reflects leave that is not expected to be taken within the next 12 months:

Particulars	March 31, 2023	March 31, 2022
Current leave obligation not expected to be settled within next 12 months	72.31	89.24

Unfunded Schemes:

Particulars	March 31, 2023	March 31, 2022
Present value of unfunded obligations	182.32	162.31
Expenses to be recognized in the statement of profit and loss	569.85	436.33
Discount rate (per annum)	7.20%	5.30%
Salary escalation rate (per annum)	8.00%	8.00%

The liability for earned and sick leave is recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, attrition rates and pay increases through promotion and inflation have been taken into account.

c) Defined contribution plans

The entities of the Group have certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the salary (subject to a limit of INR 15,000 salary per month) as per regulations. For entities in India, the contributions are made to the statutory provident fund administered by the government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation in this regard.

Further contributions are made in respect of Employees' State Insurance Scheme, for specified employees, at the rate of 3.25% of the gross pay as per regulations. The contributions are towards medical benefits provided by the Government to the employees. The contributions are made to employees' state insurance authorities administered by the Government. The obligation of the Group is limited to the amount contributed and it has no further contractual or constructive obligation in this regard.

In outside India, the entities of the Group provide post-employment benefits through accumulation fund and central provident fund. The entities of the Group pay a fixed contribution at the rate of 9.5% of the basic salary into employee nominated independent superannuation (annuity) funds in relation to several state plans and insurance for individual employees. The central provident fund is an employment-based savings scheme with employers and employees contributing a mandated amount to the Fund at the rate from 7.5% to 17%. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

Contributions to provident fund/ employees' state insurance/ superannuation funds are recognised as an expense as they become payable which coincides with the period during which relevant employee services are received. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Particulars	March 31, 2023	March 31, 2022
Expense recognised during the period towards defined contribution plans	7,984.10	6,737.41

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the entities of the Group provide for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the entities of the Group subject to completion of five years of service and other conditions. The gratuity plan is a partly funded plan for the Parent and certain subsidiaries in the Group, and those entities make contributions to Group's gratuity policies managed by insurance companies. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no foreign defined benefit plans. Certain entities of the Group have invested the plan assets in the insurer managed funds.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Expenditure to be recognised during the year:

Particulars	March 31, 2023	March 31, 2022
Current service cost	348.84	270.81
Interest cost	72.30	47.18
Total amount recognised in profit or loss	421.14	317.99
Remeasurements		
Return on plan assets, excluding amounts included in interest income	(5.15)	11.62
Loss / (gain) from changes in financial assumptions	(126.93)	(2.43)
Loss / (gain) from changes in demographic assumptions	-	62.60
Experience loss / (gain)	8.20	11.22
Total loss / (gain) recognised in other comprehensive income	(123.88)	83.01

Change in present value of defined benefit obligation is summarised below:

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2023	March 31, 2022
Defined benefit obligation at the beginning of year	1,655.68	1,344.91
Current service cost	348.84	270.81
Interest cost	76.40	52.21
Remeasurements	(118.73)	71.39
Benefits paid	(117.71)	(83.64)
Defined benefit obligation at the end of year	1,844.48	1,655.68

Reconciliation of fair value of plan assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning of the year	174.82	181.15
Interest income	4.10	5.03
Remeasurements	5.15	(11.62)
Contribution by employer	118.86	83.90
Benefits paid	(117.71)	(83.64)
Fair value of plan assets at the closing of the year	185.22	174.82

Reconciliation of fair value of Assets and Obligations:

Reconciliation of fair value of assets and obligations	March 31, 2023	March 31, 2022
Fair value of plan assets	185.22	174.82
Present value of obligation	(1,844.48)	(1,655.68)
Asset / (liability) recognized in balance Sheet	(1,659.26)	(1,480.86)

The present value of defined benefit obligation relates to active employees only.

The Group has no legal obligation to settle the deficit in the funded plans with an immediate contribution or additional one-off contributions. The Group intends to continue to contribute to the defined benefit plans to achieve target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)*

The principal assumptions used in determining gratuity and post-employment benefit obligations for the Group's plans are shown below:

Principal assumptions:

Principal actuarial assumptions	March 31, 2023	March 31, 2022
Discount rate	7.20%	5.30%
Future salary increase		
- Non-billing / indirect employees	8.00%	8.00%
- Billing /direct employees	5.00-7.00%	5.00-7.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	39-52%	39-52%
- 31-40	28-42%	28-42%
- 41-50	28-40%	28-40%
- 51 & above	28-43%	28-43%
Non billing employees		
- Age from 21-30 years	24-27%	24-27%
- 31-40	16-21%	16-21%
- 41-50	12-24%	12-24%
- 51 & above	11-16%	11-16%

A quantitative sensitivity analysis for significant assumption is as shown below:

Assumptions	March 31, 2023	March 31, 2022
Discount rate		
0.5% increase	(1.90%)	(1.88%)
0.5% decrease	1.98%	1.96%
Future salary increases		
0.5% increase	1.92%	1.86%
0.5% decrease	(1.86%)	(1.80%)

The above sensitivity analysis is based on a change in assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected credit unit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

Risk Exposure

Through its defined benefit plans, the Group is exposed to a number of risks, the most significant of which are market volatility, changes in inflation, changes in interest rates, rising longevity, changing economic environment and regulatory changes.

The Parent and certain entities of the Group have selected a suitable insurers to manage the funds in such a manner as to ensure that the investment positions are managed with an asset-liability matching framework that has been developed to achieve investments which are in line with the obligations under the employee benefit plans. Within this framework, the asset-liability matching objective is to match assets to the obligations by investing in securities to match the benefit payments as they fall due.

The insurers, on behalf of the entities of the Group, actively monitor how the duration and the expected yield of the investments are matching the expected cash outflows arising from employee benefit obligations. The entities of the Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that failure of any single investment should not have a material impact on the overall level of assets.

Defined benefit liability and employer contributions

The weighted average duration of the post-employment benefit plan obligations and expected maturity analysis of undiscounted gratuity benefits is as follows:

Particulars	March 31, 2023	March 31, 2022
The weighted average duration of the post-employment benefit plan obligations (in years)	3.38	3.63
Expected contribution to the fund during the next year	271.52	229.96
Maturity profile:	March 31, 2023	March 31, 2022
Less than a year	543.83	430.52
Between 1-2 years	417.31	351.77
Between 2-5 years	800.62	689.26
Over 5 Years	684.01	598.24
Total	2,445.77	2,069.79



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

e) The Code on Wages, 2019 and the Code on Social Security, 2020 have been notified through Gazette of India after assent of Hon'ble President of India which govern, and are likely to impact, the contributions by the Group towards certain employee's benefits. Notification of rules of these codes are pending. The effective date of implementation of these Codes has not yet been notified and the Group will assess the impact of these codes as and when they come into effect and will provide for the appropriate impact in its financial statements in the period in which, the Code becomes effective.

f) Share-based payments

The Parent has two Employee Stock Option plans namely ESOP 2008 and ESOP 2016.

ESOP 2008 (pre share sub-division effect)

- Under ESOP 2008, the Parent has granted 59,000 options, 30,000 Options, 30,500 Options, 3,500 options and 2,096 options in the financial year ended 2008, 2011, 2014, 2015 and 2016, respectively. All such granted options have been either exercised or lapsed in accordance with the terms of the respective plan.
- All options under ESOP 2008 will now be governed by the terms of ESOP 2016 except in respect of vesting and exercise which will still be governed by the terms mentioned in the respective grant letters.
- The Options issued under ESOP 2008 will be adjusted for the bonus issue of ten equity shares for every equity share held as on September 20, 2016, as and when such options are exercised.

ESOP 2016 (post share sub-division effect)

- Under ESOP 2016, the Parent has granted 2,432,000 options, 64,830 options, 21,000 options in the financial year 2016, 2018 and 2019, respectively. All such options granted, have been either exercised or lapsed in accordance with the terms of the respective plan as on March 31, 2023.
- During the year ended March 31, 2022, the Parent issued a further 1,421,973 options to eligible employees which will vest over next four financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025. Out of such options;
 - 116,486 options have been forfeited/lapsed till March 31, 2023
 - 11,199 options have been exercised up till March 31, 2023
 - 258,858 options have been vested and not exercised/exercisable as on March 31, 2023
- During the year ended March 31, 2023, the Parent issued a further 35,700 options to eligible employees which will vest over next three financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025. Out of such options:
 - 1,800 options have been forfeited/lapsed on account of the respective employees no longer in employment.
 - No options have been vested and not exercised/exercisable as on March 31, 2023

Options granted under the aforesaid plans carry no dividend or voting rights.

Movements during the year (post share sub-division effect)

Year ended March 31, 2022

Particulars	ESOP 2016					Total
	ESOPs granted in					
	2016-17	2017-18	2018-19	2021-22	2022-23	
Outstanding stock options as on April 1, 2021	673,864	19,470	3,000	-	-	696,334
Exercise price	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-
Options granted during the year	-	-	-	1,421,973	-	1,421,973
Options exercised during the year*	537,340	5,790	3,000	1,343	-	547,473
Options forfeited/lapsed during the year	5,480	-	-	60,514	-	65,994
Outstanding stock options as at March 31, 2022	131,044	13,680	-	1,360,116	-	1,504,840
Exercisable stock options as at March 31, 2022	131,044	13,680	-	100	-	144,824

Year ended March 31, 2023

Particulars	ESOP 2016					Total
	ESOPs granted in					
	2016-17	2017-18	2018-19	2021-22	2022-23	
Outstanding stock options as on April 1, 2022	131,044	13,680	-	1,360,116	-	1,504,840
Exercise price	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-	INR 5/-
Options granted during the year	-	-	-	-	35,700	35,700
Options exercised during the year*	129,400	13,680	-	9,856	-	152,936
Options forfeited/lapsed during the year	1,644	-	-	55,972	1,800	59,416
Outstanding stock options as at March 31, 2023	-	-	-	1,294,288	33,900	1,328,188
Exercisable stock options as at March 31, 2023	-	-	-	-	-	-

*The weighted average share price at the date of exercise of options during the year ended March 31, 2023 was INR 458.09 (March 31, 2022: INR 422.40)

There were no cancellations or modifications to the awards in March 31, 2023 or March 31, 2022.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Stock options outstanding at the end of the year have the following details (post share sub-division effect):

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (INR) @	Fair value (INR)	Stock options outstanding March 31, 2023	Stock options outstanding March 31, 2022
Plan II (ESOP 2016): Grant I	I	01-Aug-16	01-Aug-17	01-Aug-22	5.00	95.41	-	4,078
Plan II (ESOP 2016): Grant I	II	01-Aug-16	01-Aug-18	01-Aug-22	5.00	95.41	-	8,156
Plan II (ESOP 2016): Grant I	III	01-Aug-16	01-Aug-19	01-Aug-22	5.00	95.41	-	19,356
Plan II (ESOP 2016): Grant I	IV	01-Aug-16	01-Aug-20	01-Aug-22	5.00	95.41	-	99,454
Plan II (ESOP 2016): Grant II	I	03-Jan-18	03-Jan-19	01-Aug-22	5.00	561.09	-	4,104
Plan II (ESOP 2016): Grant II	II	03-Jan-18	03-Jan-20	01-Aug-22	5.00	561.09	-	4,104
Plan II (ESOP 2016): Grant II	III	03-Jan-18	01-Aug-20	01-Aug-22	5.00	561.09	-	5,472
Plan II (ESOP 2016): Grant V	I	20-Apr-21	01-Jun-22	01-Jun-27	5.00	357.19	258,858	272,023
Plan II (ESOP 2016): Grant V	II	20-Apr-21	01-Jun-23	01-Jun-27	5.00	357.19	258,858	272,023
Plan II (ESOP 2016): Grant V	III	20-Apr-21	01-Jun-24	01-Jun-27	5.00	357.19	388,286	408,035
Plan II (ESOP 2016): Grant V	IV	20-Apr-21	01-Jun-25	01-Jun-27	5.00	357.19	388,286	408,035
Plan II (ESOP 2016): Grant V	I	20-Oct-22	21-Oct-23	01-Jun-27	5.00	411.65	11,299	-
Plan II (ESOP 2016): Grant V	II	20-Oct-22	01-Jun-24	01-Jun-27	5.00	411.65	11,299	-
Plan II (ESOP 2016): Grant V	III	20-Oct-22	01-Jun-25	01-Jun-27	5.00	411.65	11,302	-
Total							1,328,188	1,504,840

@ For pre-bonus issue options, additional shares on account of bonus adjustment are issued without cost to the employee.

Fair value of options granted

The fair value at grant date is determined using the Black Scholes Model which takes into account the exercise price, the term of the option, the market price being the latest available closing price prior to the date of the grant and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option as detailed below:

Grant date	Volatility	Market price (INR) *	Average life of the options (in years)	Risk-free interest rate	Dividend yield
01-Aug-16	29.18%	107.96	5.00	7.10%	1.75%
03-Jan-18	30.94%	568.93	2.58	6.91%	0.25%
20-Apr-21	46.02%	360.95	5.12	5.55%	0.00%
20-Oct-22	39.02%	415.60	3.62	7.39%	0.00%

* Post bonus adjustment of ten equity shares for every one equity share held, wherever required.

In respect of options granted by the Parent prior to listing of its shares on stock exchanges, the market value of shares was determined on the basis of valuation carried out by a SEBI registered merchant banker. The valuation was carried out using a combination of Market Approach (by using market multiples of comparable listed companies) and Cost Approach.

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

Particulars	March 31, 2023	March 31, 2022
Employee stock option plan	135.54	202.48
Total employee share-based payment expense	135.54	202.48

29. Finance costs

Particulars	March 31, 2023	March 31, 2022
Interest expenses	1,006.63	832.33
Interest on lease liability	114.12	105.63
Other finance costs *	28.16	45.71
Total	1,148.91	983.67

*Includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges, other ancillary costs incurred in connection with borrowings other than finance costs that do not meet the definition of transaction costs.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

30. Depreciation and amortization expense

Particulars	March 31, 2023	March 31, 2022
Depreciation on property, plant and equipment (Note 4)	1,113.92	868.78
Amortization of intangible assets (Note 5)	232.89	246.73
Total	1,346.81	1,115.51

31. Other expenses

Particulars	March 31, 2023	March 31, 2022
Training expenses	223.84	140.37
Uniform and kit items	190.43	215.40
Selling expenses	150.77	87.62
Administrative expenses:		
Travelling and conveyance	1,012.88	648.01
Postage and telephone	291.18	297.15
Rent*	553.24	378.72
Rates & taxes	82.56	100.90
Insurance	299.13	222.88
Repairs and maintenance:		
- Buildings	17.87	12.27
- Machinery	98.06	64.42
- Others	150.70	77.15
Vehicle hire charges	160.05	125.19
Payments to auditors	46.42	46.01
Legal and professional fees	571.31	517.72
Allowance for expected credit loss	269.31	195.67
Expense towards corporate social responsibility	25.23	20.72
Other direct operating cost	10,699.98	13,042.77
Other administration and general expenses	618.52	504.14
Total	15,461.48	16,697.11

* Rent expenses are pertaining to short-term leases and low value assets.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

32. Earnings per share (EPS)

A reconciliation of profit for the year and equity shares used in the computation of basic and diluted earnings per equity share is set out below:

Particulars	March 31, 2023	March 31, 2022
Profit attributable to equity holders of the Parent :		
Continuing operations	3,463.89	3,250.69
Profit attributable to equity holders of the Parent for basic earnings	3,463.89	3,250.69
Profit attributable to equity holders of the Parent adjusted for the effect of dilution	3,463.89	3,250.69
Weighted average number of equity shares for basic EPS (Numbers)	146,537,510	147,150,940
Effect of dilution:		
Stock options (Numbers)	1,312,489	1,488,450
Weighted average number of Equity shares adjusted for the effect of dilution	147,849,999	148,639,390
Nominal value of equity shares (INR)	5.00	5.00
Earnings per share		
- Basic (INR)	23.64	22.09
- Diluted (INR)	23.43	21.87

33. Distributions made and proposed

Particulars	March 31, 2023	March 31, 2022
Cash dividends on Equity shares declared and paid:		
Final dividend @ INR Nil per share (March 31, 2022: INR Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability (including DDT thereon) as at the reporting date.

34. Commitments and contingencies**a) Capital commitment**

Particulars	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	7.31	20.14

b) Commitment towards forward contract/ put and call option to purchase non-controlling interests

Particulars	March 31, 2023	March 31, 2022
Sentry Security	0.83	-
Fortitude Security	1.65	-
Security One	2.03	-
Safety Direct Solutions Pty Ltd	50.65	-
Total	55.16	-

c) Contingent liabilities

Particulars	March 31, 2023	March 31, 2022
Claims against the Group not acknowledged as debt:		
- Litigation matters with respect to direct taxes	592.33	240.06
- Litigation matters with respect to indirect taxes	152.68	136.97
Other money for which the Group is contingently liable	69.27	67.32
Total	814.28	444.35

The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Group reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Group believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2023.

Disputed claims against the Group, including claims raised by the tax authorities (e.g. Service tax) and which are pending in appeal /court and for which no reliable estimate can be made of the amount of the obligation, are not provided for in the accounts. However, the present obligation, if any, as a result of past events with a possibility of outflow of resources, when reliably estimable, is recognised in the accounts as an expense as and when such obligation crystallises.

35. Events occurring after the Balance Sheet date

There were no significant events that occurred after the Balance Sheet date.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

36. Segment information

The Group is currently focused on three business groups: Security Services (India), Security Services (International) and Facility Management. The Group's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Group Management Committee, which is the Chief Operating Decision Maker ("CODM").

The Group operates primarily in 4 geographies, viz., India, Australia, Singapore and New Zealand. Outside India, the Group's business consists only of Manned Guarding and the risk and returns are similar to the business and geography in which they operate, hence segment results of these geographies are presented as International segment. Given the risks and returns of each business and geography in India and outside India in which they operate are different, the segment results of the Group are presented geographically for each the Group's business across India and International to enable better appreciation of the risks and returns of the Group across its various businesses and geographies in which they operate.

The business groups comprise the following:

- Security Services (India) – Guarding, Electronic security and home alarm monitoring and response services
- Security Services (International) – Guarding, Mobile patrols, Emergency medical response and rescue, Loss prevention and allied services
- Facility Management – Housekeeping, Cleaning, Facility operation & management and Pest control services

Particulars	March 31, 2023			March 31, 2022		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Security services – India	45,876.26	384.77	46,261.03	38,358.08	211.17	38,569.25
Security services – International	48,759.17	-	48,759.17	48,405.23	-	48,405.23
Facility Management	18,822.37	175.91	18,998.28	13,827.45	119.41	13,946.86
	113,457.80	560.68	114,018.48	100,590.76	330.58	100,921.34
Inter.co / inter-segment elimination			(560.68)			(330.58)
			113,457.80			100,590.76
Earning before interest, tax, depreciation and amortisation (EBITDA)*						
Security services – India	1,935.37	183.50	2,118.87	1,574.28	82.22	1,656.50
Security services - International	1,980.09	-	1,980.09	2,691.69	-	2,691.69
Facility Management	1,004.86	(187.04)	817.82	722.32	(86.69)	635.63
	4,920.32	(3.54)	4,916.78	4,988.29	(4.47)	4,983.82
Inter.co / inter-segment elimination			(1.51)			1.17
			4,915.27			4,984.99
Finance costs			(1,148.51)			(983.67)
Depreciation and amortisation			(1,271.37)			(1,007.41)
Other income and gains			327.42			276.67
Share of profit/(loss) from associates/joint ventures			102.13			26.01
Profit before tax reported to CODM			2,924.94			3,296.59
Exceptional items			-			-
Other gains/ (losses) and effect of entries resulting from consolidation and business combination accounting			(75.84)			142.02
Profit before tax			2,849.10			3,438.61
Other information						
Trade receivables			16,777.06			13,912.96
Gross debt			16,474.93			14,508.13
Net debt			8,615.77			6,867.56
Capital expenditure			1,567.67			1,052.24

*Excluding other income and other gain/(loss).



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

The total of non-current assets other than financial instruments and deferred tax assets by geographical location:

Particulars	March 31, 2023	March 31, 2022
India	8,047.95	7,767.33
International	11,663.61	11,319.74
Total	19,711.56	19,087.07

37. Business combinations and acquisition of non-controlling interests

I. Acquisition of Safety Direct Solutions Pty Ltd ('SDS')

On 1 September 2022, SIS Australia Group Pty Limited, a subsidiary of the Group acquired 85% of the voting shares of Safety Direct Solutions Pty Limited (SDS), a non-listed company based in Australia and New Zealand specializing in providing critical risk, medical, training and security services to a diversified portfolio of customers comprising the defence, mining and resource sectors for cash consideration of INR 270.50 million (AUD 4.95 million). The Group acquired SDS because of the continue building along with SMR the largest Paramedic business in Australia, and to increase the SIS Group's overall margin profile. The Group has put/call options to buy the remaining 15% of the shares of SDS on or before 30 June 2024.

Details of the net assets acquired and purchase consideration as follows:

Particulars	SDS
Assets	
Property, plant and equipment	181.53
Cash and cash equivalents	5.99
Trade and other receivables	174.54
Deferred tax assets	31.83
Current Tax assets	12.42
Other assets	96.43
Total Assets (A)	502.74
Liabilities	
Trade and other payables	13.86
Borrowings	76.32
Provisions	46.78
Other Liabilities	204.83
Total liabilities (B)	341.79
Total identifiable net assets at fair value (A-B)	160.95
Goodwill arising on acquisition	11.94
Acquired contracts on acquisition	148.74
Purchase consideration transferred	321.63

Purchase consideration – cash outflow

Purchase Consideration	SDS
Amount settled in cash	270.50
Contingent consideration payable	51.13
Total consideration	321.63

Transaction costs of INR 9.90 million have been expensed and are included in other expenses.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

II. Asset Acquisition of Sentry Security, Fortitude Security, Protection Plus Security and Security One

During the year ended March 31, 2023, the Group acquired the assets of the following entities through its subsidiaries as below:

Particulars (amounts in INR)	Sentry Security	Fortitude Security	Protection Plus Security	Security One
Acquiring entity	Southern Cross Protection	Southern Cross Protection	Southern Cross Protection	Platform 4 Group
Effective date of acquisition	December 20, 2022	February 01, 2023	September 29, 2022	August 15, 2022
Nature of business	Patrols	Patrols	Cash-in transit	Monitoring
Fair value of consideration transferred				
Amount settled in cash	2.50	6.80	10.74	20.57
Deferred consideration	0.84	1.70	-	2.05
Total fair value of consideration	3.34	8.50	10.74	22.62
Identifiable net assets				
Property, plant and equipment	-	-	10.15	-
Employee entitlements	-	-	(4.45)	-
Lease liabilities	-	-	(9.14)	-
Customer contracts	4.77	12.14	1.97	31.38
Deferred Tax liability on above	(1.43)	(3.64)	(0.59)	(8.76)
Identifiable net assets	3.34	8.50	(2.06)	22.62
Goodwill on purchase	-	-	12.80	-

III. Acquisition of Terminix SIS India Private Limited ('Terminix')

During the year ended March 31, 2023, the Parent acquired the entire remaining shareholding of 49.99% in Terminix, a subsidiary of the Parent, for an aggregate consideration of INR 7.77 million which resulted in Terminix becoming a wholly owned subsidiary of the Parent.

IV. Acquisition of Uniq Security Solutions Private Limited ('Uniq')

Effective February 01, 2019, the Parent acquired 51% of the outstanding equity shares of Uniq for an aggregate consideration of INR 515.00 million. In addition, the share purchase agreement provides for acquisition of 100% of the outstanding equity shares, by September 2020, in one or more tranches, and at a price to be determined according to a pre-agreed valuation formula.

During the year ended March 31, 2022, the Parent acquired entire remaining shareholding of 49% in Uniq, subsidiary of the Parent, for an aggregate consideration of INR 510 million which resulted in Uniq becoming a wholly owned subsidiary of the Parent.

V. Acquisition of SIS Henderson Holdings Pte Ltd ('SISHH')

On 28 February 2019, SIS International Group Holdings Pty Limited, a subsidiary of the Group, acquired 60% of the voting shares of Henderson Group, consisting of SIS Henderson Holdings Pte Limited (SISHH) and its 100% owned subsidiaries, a non-listed company based in Singapore and specialising in physical security and mobile patrols, in exchange for a cash consideration of INR 2,205.82 million (AUD 44.9 mn). The Group acquired SISHH because it provides a new market in which to provide security services.

During the year ended March 31, 2022, SIS International Group Holdings Pty Limited, a subsidiary of the Group, acquired entire remaining shareholding of 40% in SIS Henderson Holdings Pte Ltd., Singapore, an indirect subsidiary of the Parent, for an aggregate consideration of INR 1,260.8 mn (AUD 22.25 mn) which resulted in SISHH and its subsidiaries becoming a wholly owned subsidiary of the Parent.

VI. Acquisition of Platform 4 Group Ltd ('P4G')

On 28 February 2019, SIS Australia Group Pty Limited, a subsidiary of the Group, acquired 51% of the voting shares of Platform 4 Group Limited (P4G), a non-listed company based in New Zealand and specialising in physical security and mobile patrols, in exchange for cash consideration of INR 48.00 Mn (AUD 1 mn). In addition to the cash consideration SIS Australia Group Pty Ltd injected INR 16.00 million (AUD 0.35 mn) in working capital by way of subscription for fresh equity shares issued to it. The Group acquired P4G because it provides a new market in which to provide security services.

During the year ended March 31, 2022, SIS Australia Group Pty Limited, a subsidiary of the Group, acquired entire remaining shareholding of 49% in Platform 4 Group Ltd., New Zealand, an indirect subsidiary of the Parent, for an aggregate consideration of INR 275.55 mn (NZD 5.38 mn) which resulted in P4G and its subsidiaries becoming a wholly owned subsidiary of the Parent.

VII. Acquisition of Protection Plus Security and Protective Services Limited

On 1 February 2022, Southern Cross Protection Pty Ltd, a subsidiary of the Group acquired the business assets of Protection Plus Security, which is a leading locally owned and operated security company based in the region with branches in Townsville & Cairns, as well as servicing all of North Queensland region. The company provides mobile patrols, static guards, alarm response, cash collection and banking services, armed guards, ATM first- and second-line response. The acquisition was made to enhance the Group's footprint in the region.

On 14 June 2021, Platform 4 Group Ltd, a subsidiary of the Group acquired the business assets of Protective Services Limited as a going concern. The acquisition was made to enhance the Group's footprint in the lower north island region of New Zealand.

Purchase consideration:

Purchase consideration	PPS	PSL
Cash paid for acquisition of shares	66.02	4.21
Deferred consideration	13.15	-
Total consideration	79.17	4.21



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Net assets acquired:

The fair values of the identifiable assets and assumed liabilities as at the date of acquisition were:

Particulars	PPS	PSL
Assets		
Property, plant and equipment	15.20	0.47
Trade and other receivables	0.39	-
Acquired Contracts	47.29	4.09
Less: Liabilities		
Trade and other payables	20.97	-
Deferred tax liabilities	13.83	1.14
Total identifiable net assets at fair value	28.08	3.42

Calculation of goodwill:

Particulars	PPS	PSL
Total consideration	79.17	4.21
Less: Net identifiable assets acquired	28.08	3.42
Goodwill	51.09	0.79

VIII. Acquisition of additional interest in SLV Security Services Private Limited ('SLV')

Effective September 01, 2018, the Parent acquired 51% of the outstanding equity shares of SLV Security Services Private Limited for an aggregate consideration of INR 505 mn.

On February 10, 2020, the Parent acquired an additional 39.01% out of the outstanding equity shares of SLV, increasing its ownership interest to 90.01%. An interim cash consideration of INR 254.00 million was paid to the non-controlling shareholders in terms of the agreement entered into at the time of initial acquisition of controlling interest in that company.

During the year ended March 31, 2021, the Parent has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV.

Assets and Liabilities classified as held for distribution to shareholders of subsidiary

As per the Shareholders' Agreement between SIS and the existing shareholders of SLV, the Training Center business will be transferred from the SLV to a separate legal entity (owned and controlled by Promoters), by way of slump sale under a business transfer agreement. The assets and liabilities mentioned in below table represent assets and liability in the training center business:

Particulars	March 31, 2023	March 31, 2022
Assets:		
Advance to Suppliers	0.60	0.60
Other	1.62	1.62
Total assets classified as held for distribution to shareholders of subsidiary	2.22	2.22
Liabilities:		
Trade payable	1.15	1.15
Other	1.67	1.67
Total liabilities classified as held for distribution to shareholders of subsidiary	2.82	2.82



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

38. Group information

Information about subsidiaries

The subsidiaries (which along with SIS Limited, the Parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
1	Service Master Clean Limited *	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
2	Tech SIS Limited	India	Trading and installation of electronic security devices and systems	100.00%	100.00%	0.00%	0.00%
3	Terminix SIS India Private Limited	India	Pest Control Management Services	100.00%	50.01%	0.00%	49.99%
4	Dusters Total Solutions Services Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
5	SIS Business Support Services and Solutions Private Limited	India	Rendering business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6	SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited)	India	Rendering security and related services in areas of manned guarding	100.00%	100.00%	0.00%	0.00%
7	SLV Security Services Private Limited	India	Providing manned guarding, facilities management and business process outsourcing	100.00%	\$	0.00%	\$
8	Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
9	Uniq Security Solutions Private Limited	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
10	Uniq Detective and Security Services (AP) Pvt. Ltd. **	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
11	Uniq Detective and Security Services (Tamilnadu) Private Limited **	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
12	Uniq Facility Services Private Limited **	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
13	SIS Alarm Monitoring and Response Services Private Limited	India	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
14	ADIS Enterprises Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
15	ONE SIS Solutions Private Limited	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	100.00%	0.00%	0.00%
16	SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	Singapore ^{ss}	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
17	SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	Singapore ^{ss}	Holding company for international operations	100.00%	100.00%	0.00%	0.00%
18	SIS Australia Holdings Pty Ltd	Australia	Holding company for Australia	100.00%	100.00%	0.00%	0.00%
19	SIS Australia Group Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
20	SIS Group International Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
21	MSS Strategic Medical and Rescue Pty Ltd	Australia	Provision of paramedic and emergency response services	100.00%	100.00%	0.00%	0.00%



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
			March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
22 SIS MSS Security Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
23 MSS Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
24 Australian Security Connections Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
25 MSS AJG Pty Ltd #	Australia	Provision of services relating to all aspects of physical security	0.00%	100.00%	0.00%	0.00%
26 Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
27 Askara Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
28 Charter Security Protective Services Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
29 Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	100.00%	100.00%	0.00%	0.00%
30 Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
31 The Alarm Center Limited #	New Zealand	Alarm Monitoring and Response Services	0.00%	100.00%	0.00%	0.00%
32 SIS Henderson Holdings Pte Ltd	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
33 Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	100.00%	100.00%	0.00%	0.00%
34 Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	100.00%	100.00%	0.00%	0.00%
35 Safety Direct Solutions Pty Ltd	Australia	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	0.00%	15.00%	0.00%
36 Safety Direct Solutions Pty Ltd NZ	New Zealand	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	0.00%	15.00%	0.00%

* 41% ownership interest is held through SIS Group International Holdings Pty Ltd, Australia, a step-down subsidiary of the Parent.

**Wholly owned subsidiaries of Uniq Security Solutions Private Limited.

*** Wholly owned subsidiaries of Southern Cross Protection Pty Limited.

Companies were deregistered during the financial year ended March 31, 2023.

\$ During the year ended March 31, 2021, the Parent has fulfilled its obligations of making the payment of all tranches through the escrow mechanism for acquisition of 100% of the share capital of SLV. \$S the place of business for SIS Security International Holdings Pty Ltd. (formerly known as SIS International Holdings Limited) and SIS Security Asia Pacific Holdings Pty Limited (formerly known as SIS Asia Pacific Holdings Limited) has been changed from British Virgin Islands (BVI) and Malta, respectively during the year ended March 31, 2022.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Joint ventures in which the Group is a joint venturer

The joint ventures considered in the preparation of these Consolidated financial statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2023	March 31, 2022
1	SIS Cash Services Private Limited	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
2	SIS Prosegur Holdings Private Limited *	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
3	SIS Prosegur Cash Logistics Private Limited **	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
4	Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

* Wholly owned subsidiary of SIS Cash Services Private Limited

** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Additional information under General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

Name	Net assets i.e. total assets minus total liabilities		Share in profit/(loss) for the year ('PAT')		Share in other comprehensive income/(loss) for the year ('OCI')		Share in total comprehensive income/(loss) for the year ('TCI')	
	As a % of consolidated net assets	Amount (INR million)	As a % of consolidated PAT	Amount (INR million)	As a % of consolidated OCI	Amount (INR million)	As a % of TCI	Amount (INR million)
Parent								
1 SIS Limited	40.6%	9,466.52	54.9%	1,901.30	(1054.3%)	65.79	56.9%	1,967.09
Subsidiaries - Indian								
2 Service Master Clean Limited	7.7%	1,793.94	9.5%	330.21	(47.3%)	2.95	9.6%	333.16
3 Tech SIS Limited	0.0%	7.99	(0.6%)	(19.69)	(5.9%)	0.37	(0.6%)	(19.32)
4 Terminix SIS India Private Limited	0.3%	66.78	0.2%	5.28	(4.5%)	0.28	0.2%	5.56
5 Dusters Total Solutions Services Private Limited	11.5%	2,680.34	15.9%	550.89	(43.6%)	2.72	16.0%	553.61
6 SIS Business Support Services and Solutions Private Limited	0.0%	1.07	0.0%	0.96	0.0%	-	0.0%	0.96
7 SIS Synergistic Adjacencies Ventures Private Limited (formerly known as SISCO Security Services Private Limited)	0.0%	0.15	0.0%	0.01	0.0%	-	0.0%	0.01
8 SLV Security Services Private Limited	0.5%	121.58	4.4%	154.18	(196.8%)	12.28	4.8%	166.46
9 Rare Hospitality and Services Private Limited	0.6%	145.54	0.9%	29.90	(59.5%)	3.71	1.0%	33.61
10 Uniq Security Solutions Private Limited	3.4%	790.27	3.5%	121.55	(47.9%)	2.99	3.6%	124.54
11 Uniq Detective and Security Services (AP) Pvt. Ltd.	0.0%	6.33	0.1%	3.08	(8.8%)	0.55	0.1%	3.63
12 Uniq Detective and Security Services (Tamilnadu) Private Limited	(0.0%)	(2.11)	(0.0%)	(0.74)	(3.2%)	0.20	(0.0%)	(0.54)
13 Uniq Facility Services Private Limited	0.1%	13.94	0.2%	7.93	13.8%	(0.86)	0.2%	7.07
14 SIS Alarm Monitoring and Response Services Private Limited	(0.0%)	(1.87)	(0.6%)	(19.25)	(10.4%)	0.65	(0.5%)	(18.60)
15 Adis Enterprises Private Limited	0.0%	11.40	0.0%	1.64	(17.5%)	1.09	0.1%	2.73
16 One SIS Solutions Private Limited	0.0%	4.17	(0.2%)	(5.72)	0.0%	-	(0.2%)	(5.72)

(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Name	Net assets i.e. total assets minus total liabilities		Share in profit/(loss) for the year ('PAT')		Share in other comprehensive income/(loss) for the year ('OCI')		Share in total comprehensive income/(loss) for the year ('TCI')	
	As a % of consolidated net assets	Amount (INR million)	As a % of consolidated PAT	Amount (INR million)	As a % of consolidated OCI	Amount (INR million)	As a % of TCI	Amount (INR million)
Subsidiaries - Foreign								
17 SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	0.9%	220.18	15.1%	522.52	0.0%	-	15.1%	522.52
18 SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	0.9%	220.24	15.1%	522.52	0.0%	-	15.1%	522.52
19 SIS Australia Holdings Pty Ltd	1.4%	320.01	15.8%	548.29	0.0%	-	15.9%	548.29
20 SIS Australia Group Pty Ltd	8.5%	1,987.05	23.1%	801.58	0.0%	-	23.2%	801.58
21 SIS Group International Holdings Pty Ltd	(4.1%)	(954.54)	4.0%	137.53	0.0%	-	4.0%	137.53
22 MSS Strategic Medical and Rescue Pty Ltd	0.8%	191.63	0.2%	6.40	0.0%	-	0.2%	6.40
23 SIS MSS Security Holdings Pty Ltd	6.3%	1,464.27	25.6%	886.57	0.0%	-	25.6%	886.57
24 MSS Security Pty Ltd	34.5%	8,040.84	26.2%	906.56	0.0%	-	26.2%	906.56
25 Australian Security Connections Pty Ltd	0.0%	0.55	0.0%	-	0.0%	-	0.0%	-
26 MSS AJG Pty Ltd	0.0%	-	0.0%	-	0.0%	-	0.0%	-
27 Southern Cross Protection Pty. Ltd.	7.3%	1,706.39	7.3%	252.17	0.0%	-	7.3%	252.17
28 Askara Pty Ltd	(0.1%)	(21.87)	(0.6%)	(20.64)	0.0%	-	(0.6%)	(20.64)
29 Charter Security Protective Services Pty Ltd	0.9%	203.21	(0.5%)	(15.84)	0.0%	-	(0.5%)	(15.84)
30 Platform 4 Group Limited	0.4%	97.13	(0.7%)	(25.78)	0.0%	-	(0.7%)	(25.78)
31 Triton Security Services Limited	0.8%	185.36	0.8%	28.81	0.0%	-	0.8%	28.81
32 The Alarm Center Limited	0.0%	-	0.0%	-	0.0%	-	0.0%	-
33 SIS Henderson Holdings Pte Ltd	11.8%	2,752.06	0.3%	12.06	0.0%	-	0.3%	12.06
34 Henderson Security Services Pte Ltd	1.1%	249.26	(4.1%)	(142.50)	0.0%	-	(4.1%)	(142.50)
35 Henderson Technologies Pte Ltd	0.2%	52.19	0.3%	9.93	0.0%	-	0.3%	9.93
36 Safety Direct Solutions Pty Ltd	0.7%	163.76	(0.2%)	(7.71)	0.0%	-	(0.2%)	(7.71)
37 Safety Direct Solutions Pty Ltd NZ	0.0%	10.37	0.2%	6.84	0.0%	-	0.2%	6.84



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Name	Net assets i.e. total assets minus total		Share in profit/(loss) for the year ('PAT')		Share in other comprehensive income/(loss)		Share in total comprehensive income/(loss)	
	As a % of consolidated net assets	Amount (INR million)	As a % of consolidated PAT	Amount (INR million)	As a % of consolidated OCI	Amount (INR million)	As a % of TCI	Amount (INR million)
Joint ventures - Indian								
1 SIS Cash Services Private Limited	3.5%	815.20	2.3%	79.75	(12.1%)	0.75	2.3%	80.51
2 SIS Prosecur Holdings Private Limited	2.6%	613.36	0.3%	11.18	(24.4%)	1.52	0.4%	12.71
3 SIS Prosecur Cash Logistics Private Limited	1.3%	292.20	0.2%	8.07	(4.7%)	0.29	0.2%	8.37
Joint ventures - Foreign								
4 Habitat Security Pty Ltd	0.0%	4.83	0.1%	3.13	0.0%	-	0.1%	3.13
Others								
Adjustments arising out of consolidation/translation adjustments		(10,386.79)		(4,129.08)		(101.53)		(4,230.62)
Non-controlling interests		-		1.13		-		1.13
Total		23,332.93		3,465.02		(6.24)		3,458.78



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

39. Interests in other entities**a) Non-controlling interests (NCI)**

Particulars	March 31, 2023	March 31, 2022
Share capital / investment	-	112.48
Other equity	-	(81.87)
Total non-controlling interests	-	30.61

Refer note 37.

b) Interest in joint ventures**Joint ventures**

The Group holds 49% interest in SIS Cash Services Pvt. Ltd., SIS Prosegur Cash Logistics Pvt. Ltd., SIS Prosegur Holdings Pvt. Ltd and Habitat Security Pty Ltd. SIS Prosegur Cash Logistics Pvt. Ltd. and SIS Prosegur Holdings Pvt. Ltd. are subsidiaries of SIS Cash Services Pvt. Ltd. The Group's interest in these entities are accounted for using the equity method in the consolidated financial statements.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2023	March 31, 2022
SIS Cash Services Private Limited	India	49.00%	Joint venture	Equity method	508.89	407.32
Habitat Security Pty Ltd.	Australia	49.00%	Joint venture	Equity method	4.60	2.92
Total equity accounted investments					513.49	410.24

The share of profits from joint ventures recognised by the Group is given below:

Aggregate amount of share of joint ventures	Joint ventures	
	March 31, 2023	March 31, 2022
(a) Profit or loss from continuing operations	102.13	26.01
(b) Other comprehensive income	2.57	3.91
(c) Total comprehensive income	104.70	29.92

(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

40. Related party transactions

Note 38 above provides the information about the Group's structure.

Names of related parties

Key Management Personnel and their relatives	Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group
<ul style="list-style-type: none"> - Mr. Ravindra Kishore Sinha (Chairman) - Mr. Rituraj Kishore Sinha (Managing Director) - Mr. Uday Singh (Appointed as Independent director and ceased to be non executive director w.e.f 26th July 2022) - Mr. Arvind Kumar Prasad (Director - Finance) - Mrs. Rita Kishore Sinha – Non-Executive Director - Mr. Amrendra Prasad Verma – Independent Director (retired w.e.f. 24th September 2022) - Mr. T C A Ranganathan – Independent Director - Mr. Devdas Apte – Independent Director (retired w.e.f. 24th September 2022) - Mr. Rajan Krishnanath Medhekar – Independent Director (retired w.e.f. 24th September 2022) - Ms. Renu Mattoo – Independent Director (retired w.e.f. 28th January 2023) - Mr. Rajan Verma - Independent Director (appointed w.e.f. July 28, 2021) - Mr. Upendra Kumar Sinha - Independent Director (appointed w.e.f. June 29, 2022) - Ms. Rivoli Sinha - Non-Executive Director (appointed w.e.f. 2 November 2022) - Mr. Sunil Srivastav - Independent director - Mr. Brajesh Kumar (Chief Financial Officer – India) - Mr. Devesh Desai (Chief Financial Officer) - Ms. Pushpalatha Katkuri (Company Secretary) 	<ul style="list-style-type: none"> - SIS Cash Services Private Limited - SIS Prosecur Holdings Private Limited - SIS Prosecur Cash Logistics Private Limited - Habitat Security Pty Ltd. 	<ul style="list-style-type: none"> - Saksham Bharat Skills Limited - Security Skills Council India Limited - SIS Group Enterprises Limited - Sunrays Overseas Private Limited - Vardan Overseas Private Limited - SIS Asset Management Limited - Lotus Learning Private Limited - The Indian Public School Educational Foundation Society - International Institute of Security & Safety Management - Annapurna S.P, Sinha Welfare Activities & Social Awareness Reforms Charitable Trust - RSYA Dhanbad Auto Private Limited

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

Particulars	Joint venture		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Purchase of property, plant and equipment	-	-	-	-	3.27	-	3.27	-
Purchase of goods / receiving of services / expenses reimbursed to related parties	2.72	1.99	-	-	8.03	-	10.75	1.99
Sale of goods / rendering of services / expenses reimbursed by related parties	151.64	119.91	-	-	130.02	85.38	281.66	205.29
Redemption of investment in bonds/debentures	147.00	-	-	-	-	-	147.00	-
Interest income on bonds or debentures or loans	39.57	40.92	-	-	1.70	2.42	41.27	43.34
Salary & remuneration paid **	-	-	86.80	71.25	-	-	86.80	71.25
Rent paid	-	-	17.16	16.56	79.06	73.10	96.22	89.66
Contribution to CSR expenditure	-	-	-	-	16.07	-	16.07	-

* Post-employment benefits/other long term employee benefits are actuarially determined for the Company as a whole and hence not separately provided. Compensation towards share based payments are being disclosed in the year of exercise of options.

Includes sitting fees and commission paid.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Balances outstanding at end of the year

Particulars	Joint venture		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
Trade payables / Other payables	0.31	0.14	-	-	1.46	19.73	1.77	19.87
Trade receivables / Other receivables	91.70	169.45	-	-	83.81	84.69	175.51	254.14
Loans to related party	-	-	-	-	17.00	17.00	17.00	17.00
Investment in bonds / debentures	225.00	372.00	-	-	-	-	225.00	372.00

Terms and conditions of transactions with related parties

Transactions relating to dividends paid, subscription for new equity shares were on the same terms and conditions that applied to other shareholders.

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to market rate, where specified, in terms of the transactions and settlement occurs in cash. For the year ended March 31, 2023, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2022: INR Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

Information regarding significant transactions

S No	Particulars	Relationship	March 31, 2023	March 31, 2022
a)	Sale of goods / rendering of services / expenses reimbursed by related parties			
	SIS Cash Services Private Limited	Joint Venture	19.35	16.01
	Habitat Security Pty Ltd.	Joint Venture	129.10	97.67
	Security Skills Council India Limited	Others*	115.27	78.67
b)	Redemption of investment in bonds/debentures			
	SIS Cash Services Private Limited	Joint Venture	147.00	-
c)	Interest income on bonds / debentures / loans given			
	SIS Cash Services Private Limited	Joint Venture	39.57	40.92
d)	Salary & remuneration			
	Ravindra Kishore Sinha	KMP **	22.71	22.82
	Devesh Desai	KMP **	14.94	12.31
	Rituraj Kishore Sinha	KMP **	9.69	9.69
	Arvind Kumar Prasad	KMP **	5.68	5.44
	Brajesh Kumar [#]	KMP **	11.52	7.39
	Pushpalatha Katkuri	KMP **	4.45	3.76
	Director sitting fees	KMP **	12.00	9.84
e)	Rent paid			
	SIS Asset Management Limited	Others*	58.38	53.36

[#] Includes an amount of INR 2.86 million towards share based payments for the options exercised during the year.

*Others represent Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group.

** Key management personnel and their relatives.

41. Financial risk management

The Group's principal financial liabilities, comprise loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support the financing of the operations of its subsidiaries, joint ventures and associates. The Group's principal financial assets include trade and other receivables, and cash and cash equivalents that derive directly from its operations and loans, security and other deposits.



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

The Group's operations expose it to market risk, credit risk and liquidity risk. The Group's focus is to reduce volatility in financial statements while maintaining balance between providing predictability in the Group's business plan along with reasonable participation in market movement. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk mainly comprises currency risk and interest rate risk. Financial instruments affected by market risk include loans and borrowings, loans and deposits given, FVTOCI investments and derivative financial instruments.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates which arises from assets and liabilities denominated in currencies other than the functional currency of the respective entities and foreign currency revenue and cash flows. The Group's exposure to the risk of changes in foreign currency exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) and the Group's net investments in foreign subsidiaries. The Group has limited foreign currency transactions and has limited exposure to foreign currency assets and liabilities resulting in the foreign currency risk being low.

The exchange rate between the Indian Rupee and foreign currencies has fluctuated in recent years and may continue to do so in the future. Consequently, the results of the Group's operations may be affected as the Indian Rupee appreciates/depreciates against these currencies.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows:

Particulars	Financial liabilities	
	March 31, 2023	March 31, 2022
Foreign currency risk in INR		
USD	5.36	15.67
EURO	0.06	3.54
Net exposure to foreign currency risk	5.42	19.21

Sensitivity

The sensitivity of profit or loss to change in the exchange rates arises mainly from foreign exchange denominated financial instruments are as follows:

Particulars	Impact on profit after tax	
	March 31, 2023	March 31, 2022
Sensitivity		
Increase by 5%	0.27	0.96
Decrease by 5%	(0.27)	(0.96)

Interest rate risk

Interest rate risk primarily arises from floating rate borrowing, including various revolving and other lines of credit. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	March 31, 2023	March 31, 2022
Variable rate borrowings:		
- Loan repayable on demand	6,654.24	4,888.43
- Loans	7,931.32	6,023.98
Fixed rate borrowings		
- Bonds/ Debentures	-	1,894.32
- Vehicle loan	637.45	476.54
Total	15,223.01	13,283.27

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind-AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

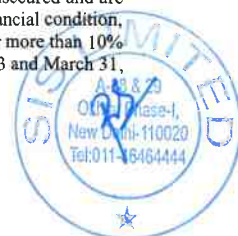
Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	March 31, 2023	March 31, 2022
Interest rates - increase by 25 basis points *	36.46	27.28
Interest rates - decrease by 25 basis points *	(36.46)	(27.28)

*Holding all other variables constant

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue (refer note 11 & 7 respectively). These are unsecured and are managed by the Group through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. No single customer accounted for more than 10% of the accounts receivable as of March 31, 2023 and March 31, 2022, respectively and revenues for the year ended March 31, 2023 and March 31,



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

2022, respectively. There is no significant concentration of credit risk. The Group uses the expected credit loss ("ECL") method to assess the loss allowance for Trade receivables and Unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The Group does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures, if any.

The credit risk for financial assets other than bank balances and trade receivables are considered low.

Significant estimates and judgements

Impairment of financial assets

The impairment provision for financial assets disclosed above are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions. The Group estimates loss arising on trade receivables as a percentage of sales based on past trends and such loss is directly debited to revenue instead of creating a provision for impairment of receivables.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Surplus funds are invested in bank fixed deposits or used to temporarily reduce the balance of cash credit accounts to optimize interest costs.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its obligations associated with financial liabilities. The Group consistently generates sufficient cash flows from operations and has access to multiple sources of funding to meet its financial obligations and maintain adequate liquidity for use.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, shareholder equity, and finance leases.

The below table summarises the Group's long-term debt that will mature in less than one year based on the carrying value of borrowings reflected in the financial statements.

Particulars	March 31, 2023	March 31, 2022
Group's long-term debt	8,568.77	8,394.84
Group's long-term debt that will mature in less than one year from reporting period	536.93	2,326.04
	6.27%	27.71%

The Group has assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and significant portion of short-term debt maturing within 12 months can be rolled over with existing lenders. The Group believes that it has sufficient working capital and cash accruals to meet its business requirements and other obligations.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments.

Year ended March 31, 2023

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	6,654.24	231.48	709.70	8,296.72	3.25	15,895.39
Lease liabilities	-	104.61	310.05	1,072.17	91.93	1,578.76
Other financial liabilities	-	8,120.72	162.15	-	-	8,282.87
Trade payables	-	639.08	-	-	-	639.08
Contingent consideration	-	-	2.47	52.69	-	55.16

Year ended March 31, 2022

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	4,888.43	107.97	2,222.50	6,036.92	3.11	13,258.93
Lease liabilities	-	98.06	292.14	987.65	123.34	1,501.19
Other financial liabilities	-	7,217.03	-	-	-	7,217.03
Trade payables	-	582.61	-	-	-	582.61
Contingent consideration	-	-	-	-	-	-

As a matter of policy, the Group does not carry out any hedging activities.

There has been no default in servicing borrowings and/ or breaches in loan covenants.

The Group has the following financial assets which are subject to the impairment requirements of Ind AS 109. On assessment of the future cash flows arising from these assets, the Group believes that there is no provision required to be made for impairment losses on these assets.

Particulars	March 31, 2023	March 31, 2022
Financial Assets:		
Investments	225.00	372.00
Other financial assets	7,082.72	5,803.97
Total	7,307.72	6,175.97



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')

(All figures in INR million unless stated otherwise)

Reconciliation of liabilities whose cash flow movements are disclosed as part of financing activities in the statement of cash flows:

Year ended March 31, 2023

Balance sheet caption	As at April 1, 2022	Cash flow	Finance/ Transaction cost/others	Exchange translation	As at March 31, 2023
Borrowings*	8,394.84	190.83	81.14	(98.04)	8,568.77
Interest accrued	231.97	(1,065.73)	1,075.27	(5.37)	236.14

Year ended March 31, 2022

Balance sheet caption	As at April 1, 2021	Cash flow	Finance/ Transaction cost/others	Exchange translation	As at March 31, 2022
Borrowings*	9,337.80	(971.60)	(2.32)	30.96	8,394.84
Interest accrued	280.38	(932.62)	880.36	3.85	231.97

*Excluding borrowings considered as cash and cash equivalents for the purpose of statement of cash flows.

42. Additional capital disclosures

For the purpose of the Group's capital management, capital includes issued equity capital, share premium, all other equity reserves attributable to the equity holders of the Group. The primary objective of the Group's capital management is to maximise shareholder value and support its strategies and operating requirements. The key objective of the Group's capital management is to ensure that it maintains a stable capital structure with a focus on total equity to uphold investor, creditor, and customer confidence and to ensure future development of its business. The Group determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements for the Group's operations are generally met through operating cash flows generated and supplemented by long-term and working capital borrowings from banks.

The Group's objectives when managing capital are to:

- safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to optimise the cost of capital.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants to which it is subject. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a ratio, which is Net Debt divided by EBITDA. The Group defines Net Debt as borrowings and lease liabilities less cash and cash equivalents including bank balances and deposits irrespective of their duration / maturity.

Particulars	March 31, 2023	March 31, 2022
Borrowings (Note 15)	15,223.01	13,283.27
Lease liabilities (Note 16)	1,251.92	1,224.86
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(7,859.16)	(7,640.57)
Net Debt	8,615.77	6,867.56
EBITDA	4,915.27	4,984.99
Net debt to EBITDA ratio	1.75	1.38

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it simultaneously meets financial covenants attached to its borrowings. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any borrowing in the current period.

Dividends

The Parent declares and pays dividends in Indian Rupees. According to the Companies Act, 2013 any dividend should be declared only out of accumulated distributable profits. A company may, before the declaration of any dividend, transfer a percentage of its profits for that financial year, as it may consider appropriate, to the reserves.

The Parent's Board, at its meeting dated May 03, 2023, has not proposed final dividend for the year ended March 31, 2023 (March 31, 2022: INR Nil per share).

The Board of Directors, at their meeting held on September 21, 2016 had approved the issue of bonus shares in the proportion of 10:1, i.e. 10 (ten) equity shares of INR 10 each for every 1 (one) fully paid-up equity share held as on September 15, 2016 pursuant to resolution passed by the shareholders on July 27, 2016. The Parent has not issued any bonus shares out of capitalisation of its revaluation reserves or unrealised profits.



(This space has been intentionally left blank)



SIS Limited (Formerly known as 'SECURITY AND INTELLIGENCE SERVICES (INDIA) LIMITED')*(All figures in INR million unless stated otherwise)***43. Additional regulatory disclosures****a) Relationship with Struck off Companies:**

Relationship with struck off companies	Nature of transactions	Name of Struck off Companies	March 31, 2023	March 31, 2022
Companies with outstanding balance				
Customers	Receivables	Bateshwarnath Construction and Developers (Opc) Private Limited; Brij Packaging; Knorr-Bremse India Private Limited; MGF Developers Private Limited; Orient Micro Abrasive Limited; K M Memorial Hospital and Research Centre Private Limited	1.44	-
Companies with Nil outstanding balance				
Customers	Receivables	Nirmal Industries Ltd.	-	-

b) The disclosures required under Division II of Schedule III have been given to the extent applicable to the Group.

As per our report of even date

For S S Kothari Mehta & Company

Chartered Accountants

Firm Reg. no. – 000756N

Naveen Aggarwal
Partner

Membership No. – 094380

Place: New Delhi

Date: May 03, 2023

For and on behalf of the Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Devesh Desai
Chief Financial Officer

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Brakesh Kumar
Chief Financial Officer
(India)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Pushpalatha Katkuri
Company Secretary

