VISION 2020
BIGGER & BETTER

Security and Intelligence Services (India) Limited
A Market Leader in Security

Date: July 29, 2020

National Stock Exchange of India Limited
Exchange Plaza
C-1, Block G, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

NSE Symbol: SIS

BSE Code: 540673

Dear Sir/Madam,

Sub: Outcome of the Board meeting held on July 29, 2020

This is to inform you that the Board of Directors at its meeting held today, July 29, 2020, considered and approved, *inter-alia*, the un-audited standalone and consolidated financial results for the quarter ended June 30, 2020.

Pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI Listing Regulations"), we have enclosed the un-audited standalone and consolidated financial results for the quarter ended June 30, 2020 along with the limited review report issued by the Statutory Auditors.

A copy of Press Release being issued in respect of the aforesaid financial results and Earnings Update for Q1 FY21 are enclosed.

The meeting commenced at 03:00 p.m. and ended at 05:17 p.m.

Thanking you.

Yours Faithfully,
For **Security and Intelligence Services (India) Limited**

Pushpalatha K
Company Secretary

Security & Intelligence Services (India) Limited

A Market Leader in Security, Cash Logistics & Facility Management

Group Enterprises

SIS reports a strong Q1 with revenue growth of 7.9%, despite Covid and National lockdown impact

- **Consolidated Revenue for Q1FY21 at Rs. 2,167 Crs; 7.9% YoY growth**
- **Consolidated EBITDA for Q1FY21 at Rs. 121 Crs, -3% YoY growth post higher provisioning to the tune of Rs54 cr for uncertainty in the environment**
- **Sound Return Ratios - RONW at 22.8% ,**
- **OCF/ EBITDA at 81%**

New Delhi, July 29, 2020, Security and Intelligence Services (India) Ltd. (SIS) (NSE: SIS, BSE: 540673), announced its Unaudited Financial Results for the quarter ended June 30th, 2020.

Key Consolidated Financials at a Glance:

Rs. In crs	*Q1 FY21*	*Q1 FY20*	*Y-o-Y*
Revenue from operations	**2,166.7**	**2,008.4**	*7.9%*
EBITDA	**120.9**	**124.7**	*-3.1%*
EBITDA %	*5.6%*	*6.2%*	
Profit after taxes	**57.9**	**74.9**	*-22.7%*
Profit after taxes %	*2.7%*	*3.7%*	

- **Segmental Revenues are as follows:**
  - **Security Solutions India**: Rs. 858 Crs in Q1FY21 vs Rs 808 Crs in Q1 FY20
  - **Security Solutions International**: Rs. 1020 Crs in Q1FY21 vs Rs 913 Crs in Q1 FY20
  - **Facilities Management:** Rs. 293 Crs in Q1FY21 vs Rs 290 Crs in Q1 FY20
- **Return Ratios:** RONW (based on proforma trailing 12 months PAT) is 22.8%

- **Cash Conversion** - The company demonstrated very strong cash conversion with OCF/ EBITDA at 81% in Q1FY21.

Business Updates:

- **India Security Solutions Business:** SIS role as an essential services provider was reinforced during the toughest quarter ever faced, as we ended Q1FY21 at YoY growth of 6.1%. All our branch offices continued to be operational during the lockdown period and we ensured business continuity for all our customers with minimal disruption. Similarly, despite aggressive and cautionary provisions, our EBITDA margin was stable at 5.4%. We continue to be cautiously optimistic for the rest of the year - market share gains will be the focus for the year on the back of cross sales initiatives and launch of new solutions.
- **International Security Solutions Business:** The International business has been the standout vertical this quarter with revenues of Rs 1020 Cr which is a YoY increase of 11.7%. The growth in the international markets was aided by strong, proactive economic and medical response to Covid resulting in minimal disruption to the business climate. The EBITDA margin for the international business was 5.9%, despite conservative provisioning and deferring recognition of certain government grants.
- **Facility Management:** The Facility Management segment was impacted to some extent due to the extended lockdowns in big urban cities in India. The revenues for the segment saw a 1% increase YoY. Going forward, the FM segment is likely to see increased operating expenditure, higher quality standards and more intensive cleaning requirements. We believe that this is going to lead to significant changes in industry dynamics and greater formalisation. We have launched new solutions in the areas of disinfection, deep cleaning, sanitisation and production support which will help us greatly in increasing wallet share with customers.
- **Cash Logistics:** The Cash Logistics segment continues on its steady path of portfolio rationalisation and margin improvement. Despite the ATM pricing reset getting delayed due to the pressures on the banking sector, our other segments of retail cash management and cash in transit continued to show strong operating metrics. The

segment delivered a 68.4% YoY growth in EBITDA in Q1FY21, despite a 9.8% YoY decline in revenues (on account of closure of unprofitable routes and contracts). We believe that our focussed operations will continue to stand us in good stead in the coming quarters.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, *"The Covid pandemic and lockdowns have reinforced the essential need for our services, which are a business continuity imperative for a safe workplace and society. The Q1 results establish that our industry is less impacted and will recover quicker than many other sectors. Covid will also accelerate market share consolidation as customer focus is shifting towards expertise, reliability and market leaders. Given near term uncertainties, we continue to remain cautiously optimistic and will undertake prudent provisioning policies to factor for unforeseen surprises."*

About Security and Intelligence Services (India) Ltd. (SIS):

SIS is a market leader in all the 3 business segments of Security, Facility management & Cash Logistics services. SIS is the largest Security Solutions company in India, the largest Security Solutions company in Australia. It is also the 2nd largest Facility Management company in India. SIS is the 2nd largest Cash Logistics provider in India.

Safe harbor statement:

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

For further details please contact:

Company:
Security and Intelligence Services (India) Ltd. CIN: U75230BR1985PLC002083
Mr. Vamshidhar Guthikonda **Email**: investorrelations@sisindia.com

Saxena & Saxena
Chartered Accountants

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New Delhi-110 001
Phone : 011- 43044999
E-mail : dksaxena@saxenaandsaxena.com
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Independent Auditor's Review Report on the Consolidated Quarterly Financial Results of Security and Intelligence Services (India) Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Security and Intelligence Services (India) Limited

We have reviewed the accompanying statement of unaudited consolidated financial results ("Statement") of **Security and Intelligence Services (India) Limited** ("the Parent"), its subsidiaries (collectively referred to as "the Group"), its associates and joint ventures as listed in annexure to this report, for the quarter ended June 30, 2020 attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's management and has been approved by the Board of Directors, has been compiled from the related interim consolidated financial statements, which has been prepared in accordance with Indian Accounting Standard 34, "Interim Financial Reporting" prescribed under Section 133 of Companies Act, 2013 (the Act), read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free from material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

Based on our review conducted and procedures performed as stated in paragraph above and based on the consideration of the review reports of the other auditors referred to in paragraph below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We did not review the financial results and financial information, in respect of 41 subsidiaries whose financial results include total revenue from operations of INR 13,314.52 Mn, total net profit after tax of INR 486.16 Mn and total comprehensive income of INR 365.58 Mn for the quarter ended June 30, 2020 respectively. The consolidated financial results also include the Group's share of net loss of INR 2.87 Mn for the quarter ended June 30, 2020, in respect of 4 associates/jointly controlled entities, whose financial results and financial information have not been reviewed by us.

The financial results and financial information of 39 subsidiaries, 4 associates/jointly controlled entities have been reviewed by other auditors whose reports have been furnished to us by the Parent's management. The financial results and financial information of 2 subsidiaries included in the Statement, have been prepared by the subsidiary's management and furnished to us by the management. Our conclusion, in so far as it relates to the affairs of such subsidiaries and associates/jointly controlled entities is based solely on reports of other auditors, management information and the procedures performed by us as stated in paragraph above. Our report is not qualified in respect of this matter.

Certain of these subsidiaries and associates/ 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 reviewed by other auditors under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of such subsidiaries and associates/ jointly controlled entities from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries and associates/ jointly controlled entities is based on the report of other auditors, the conversion adjustments prepared by the Parent's management and the procedures performed by us as stated in paragraph above.

For **Saxena & Saxena**
Chartered Accountants
(Firm Regn. No.006103N)

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

SAXENA & SAXENA CHARTERED ACCOUNTANTS NEW DELHI

UDIN: 20082118AAAAEY4007
Place: - New Delhi
Date: - July 29, 2020

Saxena & Saxena
Chartered Accountants

603-604, New Delhi House
27, Barakhamba Road
New Delhi-110 001
Phone : 011- 43044999
E-mail : dksaxena@saxenaandsaxena.com
Website: www.saxenaandsaxena.com

Annexure to Auditor's Review Report

List of Subsidiaries:

1. Service Master Clean Limited
2. Tech SIS Limited
3. Terminix SIS India Private Limited
4. SIS Business Support Services Private Limited
5. Dusters Total Solutions Services Private Limited
6. SISCO Security Services Private Limited
7. SLV Security Services Private Limited
8. Rare Hospitality and Services Private Limited
9. Uniq Security Solutions Private Limited
10. Uniq Detective and Security Services (Tamilnadu) Private Limited
11. Uniq Detective and Security Services (AP) Private Limited
12. Uniq Facility Services Private Limited
13. SIS Alarm Monitoring and Response Services Private Limited (formerly known as SIS Prosegur Alarm Monitoring and Response Services Private Limited)
14. ADIS Enterprises Private Limited
15. ONE SIS Solutions Private Limited
16. SIS International Holdings Limited
17. SIS Asia Pacific Holdings Limited
18. SIS Australia Holdings Pty Ltd
19. SIS Australia Group Pty Ltd
20. SIS Group International Holdings Pty Ltd
21. MSS Strategic Medical and Rescue Pty Ltd
22. SIS MSS Security Holdings Pty Ltd
23. MSS Security Pty Ltd
24. Australian Security Connections Pty Ltd
25. SX Protective Holdings Pty Ltd (formerly known as Andwills Pty. Limited)
26. SX Protective Services Pty Ltd
27. Southern Cross Protection Pty Ltd
28. Southern Cross FLM Pty Ltd
29. Southern Cross Loss Prevention Pty Ltd
30. Cage Security Alarms Pty Limited
31. Cage Security Guard Services Pty Ltd
32. Eymet Security Consultants Pty Ltd
33. Askara Pty Ltd
34. Charter Customer Services Pty Ltd
35. Charter Security Protective Services Pty Ltd
36. Charter Security (NZ) Pty Limited
37. MSS AJG Pty Ltd
38. Platform 4 Group Ltd
39. SIS Henderson Holdings Pte Ltd
40. Henderson Security Services Pte Ltd
41. Henderson Technologies Pte Ltd
42. Triton Security Services Ltd
43. The Alarm Centre Limited

List of associates/Jointly controlled entities

1. SIS Cash Services Private Limited
2. SIS Prosegur Holdings Private Limited
3. SIS Prosegur Cash Logistics Private Limited
4. Habitat Security Pty Ltd.

SAXENA & SAXENA CHARTERED ACCOUNTANTS NEW DELHI

Security and Intelligence Services (India) Limited Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010 CIN: L75230BR1985PLC002083 **Statement of consolidated financial results for the quarter ended June 30, 2020**					
Sl No.	**Particulars**	(Rupees in million except per share data)			
		Quarter ended			**Year ended**
		June 30, 2020	**March 31, 2020**	**June 30, 2019**	**March 31, 2020**
		(Unaudited)	**(Audited)**	**(Unaudited)**	**(Audited)**
1	**Income**				
	a) Revenue from operations	21,667.34	22,097.46	20,083.95	84,851.66
	b) Other income	97.58	43.42	35.94	156.11
	c) Other gain/loss	133.22	460.48	-34.17	375.34
	Total Income (a + b + c)	**21,898.14**	**22,601.36**	**20,085.72**	**85,383.11**
2	**Expenses**				
	a) Cost of materials consumed	62.16	14.15	77.25	256.18
	b) Purchases of stock-in-trade	110.56	265.30	17.37	618.21
	c) Changes in inventories of finished goods	-18.90	-57.53	86.84	-42.07
	d) Employee benefits expense	16,886.21	17,788.42	16,422.25	68,963.02
	e) Finance costs	372.71	386.28	370.89	1,517.23
	f) Depreciation and amortization expenses	285.35	330.52	294.29	1,283.41
	g) Other expenses	3,418.47	2,702.43	2,232.85	9,852.39
	Total expenses (a + b + c + d + e + f + g)	**21,116.56**	**21,429.57**	**19,501.74**	**82,448.37**
3	**Profit before tax and exceptional items (1-2)**	**781.58**	**1,171.79**	**583.98**	**2,934.74**
4	Share of profit/(loss) of associates	-2.87	-24.81	-23.24	-44.03
5	**Profit before exceptional items and tax (3+4)**	**778.71**	**1,146.98**	**560.74**	**2,890.71**
6	Exceptional items	-	-	-	-
7	**Profit before tax (5-6)**	**778.71**	**1,146.98**	**560.74**	**2,890.71**
8	**Tax expense**				
	Current tax	238.42	263.44	229.48	809.71
	Deferred tax	-38.43	922.64	-417.88	-173.53
	Total tax expense	**199.99**	**1,186.08**	**-188.40**	**636.18**
9	**Profit for the period (7-8)**	**578.72**	**-39.10**	**749.14**	**2,254.53**
10	**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	452.89	-185.23	-33.45	-180.99
	b) Income tax relating to these items	-	-	-	-
	Items that will not be reclassified to profit or loss:				
	a) Remeasurement of defined benefits plan	4.87	73.06	18.99	-4.69
	b) Income tax relating to these items	-1.22	-27.16	-6.80	0.70
	Other comprehensive income for the period (net of taxes)	**456.54**	**-139.33**	**-21.26**	**-184.98**
11	**Total comprehensive income for the period (9+10)**	**1,035.26**	**-178.43**	**727.88**	**2,069.55**
12	Non-controlling interests	7.69	1.39	-1.04	-0.17
13	**Total comprehensive income attributable to owners (11-12)**	**1,027.57**	**-179.82**	**728.92**	**2,069.72**
14	Paid-up equity share capital (face value of Rs. 5 per share)	733.25	733.19	733.18	733.19
15	Reserves i.e. Other equity	14,184.82	13,151.00	12,402.41	13,151.00
16	Earnings Per Share (EPS) (of Rs.5/- each)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
	(a) Basic (Rs.)	3.89	-0.28	5.12*	15.38
	(b) Diluted (Rs.)	3.83	-0.28	5.04*	15.13

** Restated to reflect the effect of share sub-division*

Please see the accompanying notes to the financial results

Notes to the consolidated financial results:

1. The Statement of unaudited consolidated financial results ("the Statement") of the Group, its associates and its jointly controlled entities for the quarter ended June 30, 2020 have been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on July 29, 2020.

2. The consolidated results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as prescribed in Section 133 of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized accounting practices and policies.

3. Effective May 04, 2020, Parent acquired an additional shareholding of 5% in SLV Security Services Private Limited ("SLV"), a subsidiary of the Parent, for an aggregate consideration of INR 56.05 million. With this acquisition, the Parent held 95.01% of the outstanding equity shares in SLV as at June 30, 2020.

4. The Group has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. The Group has assessed the carrying amounts based on subsequent events and the state of the business operations during the period of the pandemic and related information including economic forecasts. As a result of this assessment, and based on current estimates, the Group expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Group's financial statements may differ from that estimated as at date of approval of these financial results and the Group will continue to closely monitor any material changes to future economic conditions.

5. During the quarter ended June 30, 2020, upon exercise of vested stock options by the eligible employees, the Parent has allotted 11,528 equity shares of INR 5 each. Consequent to the said allotment, the paid-up equity share capital of the Parent stands increased from INR 733,189,870 divided into 146,637,974 equity shares of INR 5 each to INR 733,247,510 divided into 146,649,502 equity shares of INR 5 each.

For and on behalf of the Board of Directors of
Security and Intelligence Services (India) Limited

RSinha

Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: July 29, 2020

Security & Intelligence Services (India) Limited

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083
Consolidated segment-wise Revenue, Results, Assets and Liabilities for the quarter ended June 30, 2020

(Rupees in millions)

Particulars	Quarter ended			Year ended
	June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Segment revenue				
Security services - India	8,580.58	9,218.86	8,083.66	35,150.52
Security services – International	10,199.12	9,490.42	9,133.95	37,055.67
Facilities management	2,927.50	3,419.56	2,897.44	12,781.72
Less: Inter- segment elimination	-39.86	-31.38	-31.10	-136.25
Total revenue from operations	**21,667.34**	**22,097.46**	**20,083.95**	**84,851.66**
Segment EBITDA				
Security services – India	461.68	495.15	530.48	2,113.06
Security services – International	599.91	640.74	536.51	2,211.67
Facilities management	150.16	248.81	180.91	879.20
Less: Inter- segment elimination	-2.91	-0.01	-0.52	-
Total EBITDA	**1,208.84**	**1,384.69**	**1,247.38**	**5,203.93**
Share of net profit / (loss) from associates	-2.87	-24.81	-23.24	-44.03
Other income and gains	-6.16	115.00	35.46	232.92
Other gains / (losses) and effect of entries resulting from consolidation and business combination accounting	118.95	256.95	-209.34	-309.92
Finance costs	-303.89	-307.03	-252.86	-1,134.57
Depreciation	-236.16	-277.84	-236.66	-1,057.64
Unallocated corporate expenses	-	0.02	-	0.02
Exceptional items	-	-	-	-
Total profit before tax	**778.71**	**1,146.98**	**560.74**	**2,890.71**

Particulars	As at June 30, 2020	As at March 31, 2020	As at June 30, 2019	As at March 31, 2020
Segment assets	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Security services – India	20,527.19	20,008.62	19,902.42	20,008.62
Security services – International	23,890.47	20,548.10	19,757.60	20,548.10
Facilities management	5,652.48	5,964.20	5,924.21	5,964.20
Unallocated	0.00	0.31	1.65	0.31
Total	**50,070.14**	**46,521.23**	**45,585.88**	**46,521.23**
Segment liabilities				
Security services – India	12,580.04	12,210.61	12,282.44	12,210.61
Security services – International	19,345.82	16,864.34	16,329.92	16,864.34
Facilities management	3,215.51	3,559.02	3,834.33	3,559.02
Unallocated	0.00	0.05	1.48	0.05
Total	**35,141.37**	**32,634.02**	**32,448.17**	**32,634.02**

The Group is currently focused on three business groups, viz., 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.

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
- Facilities Management – Housekeeping, Cleaning, Facility operation & management and Pest control services

For and on behalf of the Board of Directors of
Security and Intelligence Services (India) Limited

RSinha

Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: July 29, 2020

Security & Intelligence Services (India) Limited *

Saxena & Saxena
Chartered Accountants

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Website : www.saxenaandsaxena.com

Independent Auditor's Review Report on the Standalone Quarterly Financial Results of Security and Intelligence Services (India) Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Security and Intelligence Services (India) Limited

We have reviewed the accompanying unaudited Standalone financial results ("Results") of **Security and Intelligence Services (India) Limited** ("the Company"), for the quarter ended June 30, 2020 included in the accompanying Statements of Standalone Financial Results ("the Statements"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular number CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Company's management and approved by the Board of Directors, has been compiled from the related interim standalone financial statements, which have been prepared in accordance with the Indian Accounting Standards 34, "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 (the Act), read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance about whether the financial results are free from material misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 ("Ind-AS") read with relevant rules issued thereunder and other recognized accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **Saxena & Saxena**
Chartered Accountants
(Firm Regn. No.006103N)

SAXENA & SAXENA CHARTERED ACCOUNTANTS NEW DELHI

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

UDIN: 20082118AAAAEX4532
Place: New Delhi
Date: July 29, 2020

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083
Statement of unaudited standalone financial results for the quarter ended June 30, 2020

Sl. No.	Particulars	(Rupees in million except per share data)			
		Quarter ended			Year ended
		June 30, 2020	March 31, 2020	June 30, 2019	March 31, 2020
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
1	**Income**				
	a) Revenue from operations	7,434.70	7,858.77	6,884.86	29,958.81
	b) Other income	89.63	224.45	26.56	440.32
	c) Other gain/loss	-0.88	5.47	2.08	8.83
	Total Income (a + b + c)	**7,523.45**	**8,088.69**	**6,913.50**	**30,407.96**
2	**Expenses**				
	a) Purchases	64.78	105.70	9.93	394.11
	b) Change in inventory of stock-in-trade	-13.18	-7.15	65.41	-6.71
	c) Employee benefits expense	6,576.38	6,879.55	6,006.80	26,110.92
	d) Finance costs	211.85	208.73	161.48	756.36
	e) Depreciation and amortization expense	102.41	138.04	119.26	534.79
	f) Other expenses	372.88	414.85	323.86	1,548.80
	Total expenses (a + b + c + d + e + f)	**7,315.12**	**7,739.72**	**6,686.74**	**29,338.27**
3	**Profit before tax and exceptional items (1-2)**	**208.33**	**348.97**	**226.76**	**1,069.69**
4	Exceptional items	-	-	-	-
5	**Profit before tax (3-4)**	**208.33**	**348.97**	**226.76**	**1,069.69**
6	**Tax expense**				
	Current tax	1.13	-62.90	56.21	62.23
	Deferred tax	60.41	948.09	-307.58	144.18
	Total tax expense	**61.54**	**885.19**	**-251.37**	**206.41**
7	**Profit for the period (5-6)**	**146.79**	**-536.22**	**478.13**	**863.28**
8	**Other comprehensive income**				
	Items that will not be reclassified to profit or loss				
	a) Remeasurement of defined benefits plan	5.05	88.30	24.58	16.52
	b) Income tax relating to these items	-1.27	-29.24	-8.59	-4.16
	Other comprehensive income for the period (net of taxes)	**3.78**	**59.06**	**15.99**	**12.36**
9	**Total comprehensive income for the period (7+8)**	**150.57**	**-477.16**	**494.12**	**875.64**
10	Paid-up equity share capital (face value of Rs. 5 per share)	733.25	733.19	733.18	733.19
11	Reserves i.e. Other equity	7,004.40	6,846.52	7,040.96	6,846.52
12	Earnings Per Share (EPS) (of Rs. 5/- each)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
	(a) Basic (Rs.)	1.00	-3.66	3.26*	5.89
	(b) Diluted (Rs.)	0.99	-3.66	3.21*	5.79

** Restated to reflect the effect of share sub-division*
Please see the accompanying notes to the financial results

Notes to the standalone financial results:

1. The Statement of unaudited standalone financial results ("the Statement") of the Company for the quarter ended June 30, 2020 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on July 29, 2020.

2. The standalone results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as prescribed in Section 133 of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized accounting practices and policies.

3. Effective May 04, 2020, the Company acquired an additional shareholding of 5% in SLV Security Services Private Limited ("SLV"), a subsidiary of the Company, for an aggregate consideration of INR 56.05 million. With this acquisition, the Company held 95.01% of the outstanding equity shares in SLV as at June 30, 2020.

4. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. The Company has assessed the carrying amounts based on subsequent events and the state of the business operations during the period of the pandemic and related information including economic forecasts. As a result of this assessment, and based on current estimates, the Company expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.

5. During the quarter ended June 30, 2020, upon exercise of vested stock options by the eligible employees, the Company has allotted 11,528 equity shares of INR 5 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from INR 733,189,870 divided into 146,637,974 equity shares of INR 5 each to INR 733,247,510 divided into 146,649,502 equity shares of INR 5 each.

6. In accordance with Ind-AS 108, Operating segments, segment information has been provided in the unaudited consolidated financial results of the Company and, therefore, no separate disclosure on segment information is given in these standalone unaudited financial results.

For and on behalf of the Board of Directors of
Security and Intelligence Services (India) Limited

Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: July 29, 2020

Security & Intelligence Services (India) Limited

Group Enterprises

A Market Leader in Security, Cash Logistics & Facility Management

Earnings Update Q1-FY21

July 29, 2020

Earnings Highlights

Rs2,167 Cr	Rs121 Cr	Rs58 Cr	22.8%
REVENUES	EBITDA	PAT	ROE*

*based on pro-forma PAT

Rituraj Sinha
Group Managing Director

"The Covid pandemic and lockdowns have reinforced the essential need for our services, which are a business continuity imperative for a safe workplace and society. The Q1 results establish that our industry is less impacted and will recover quicker than many other sectors. Covid will also accelerate market share consolidation as customer focus is shifting towards expertise, reliability and market leaders. Given near term uncertainties, we continue to remain cautiously optimistic and will undertake prudent provisioning policies to factor for unforeseen surprises."

Notes from the Group Managing Director

National lockdown was the toughest test of demand and supply resilience

During the national lockdown we continued to operate all 330 offices and 17,000 sites across India and Overseas, and our Q1 revenue is a testimony to the predictability and sustainability of our business model. Our consolidated revenues for the quarter was Rs2,167 Crs which is a 7.9% increase YoY and a 1.9% decline QoQ. The marginal quarterly decline in revenues was on account of temporary volume reduction in segments like retail/ entertainment/ hospitality which account for less than 5% of our group revenues.

Supply chain was largely unaffected and the value of jobs with social security is up manifold. Our recruitment, training and collections were carried on digitally. Cash flows were much better than our initial estimates reconfirming customer's payment priority during crisis.

During COVID, Security has pivoted to access control for safe workplace acting as the first line of defence. COVID has also resulted in enhanced hygiene/ infection control consciousness - triggering significant demand for sanitation, disinfection and anti microbial treatments.

EBITDA impact temporary, on account of prudential provisioning of Rs54 Crs. Gross Margin intact across SBUs

Our gross margins continued to be stable across all our businesses reflecting increased pricing power and client focus on quality vis-à-vis pricing and a willingness to spend more for health and safety assurance.

We increased the provisioning this quarter, as a matter of abundant caution, to the tune of Rs54 Crs. This reflects higher provisioning for credit notes and doubtful debts. Additionally, we have deferred recognition for Rs34 Crs of government grants that we have received in our Australia, Singapore and New Zealand, as we try to work through the eligibility norms for that.

While we believe that a large part of above mentioned provisions may not be required, we have decided to be prudent in light of the broader macroeconomic uncertainty.

International Operations - counterbalancing India market volatility

The International business has stood out as the best performing segment in Q1. The international markets grew on the back of strong new order wins in Q1, supported by good margins and stronger than usual collections.

The Q1 growth has been aided by relatively stable macro conditions in Australia, Singapore and New Zealand on the back of a strong medical and economic response to the crisis. The governments in these markets have been proactive in support to businesses and workers through wage subsidies, credit guarantees, cash transfers etc.

While we continue to be cautiously optimistic like the rest of the business, our Q1 performance demonstrates the importance of having a diversified geographical profile.

Balance Sheet ready for uncertainty & growth with lower Net Debt and strong Cash Conversion

Despite the stress seen by our clients during the last few months, we have had strong cash flows and have ended the quarter with a decline in Net Debt over the previous quarter to the tune of Rs28 cr. Our interest coverage ratio of 4.0X gives us significant comfort on our balance sheet strength. Our Net Debt/ EBITDA stands at 1.31X, lower than Q4FY20.

Our cash flow generation this quarter is matter of great pride – we generated close to Rs98 cr in operating cash which translates to a 81% cash flow conversion from EBITDA. This has been the result of great discipline coupled with supportive clients.

With a strong balance sheet, we are well placed to capture the growth that is imminent for market leaders– both from an organic and inorganic standpoint.

COVID Impact - Immediate Pain but Medium & Long Term Gain

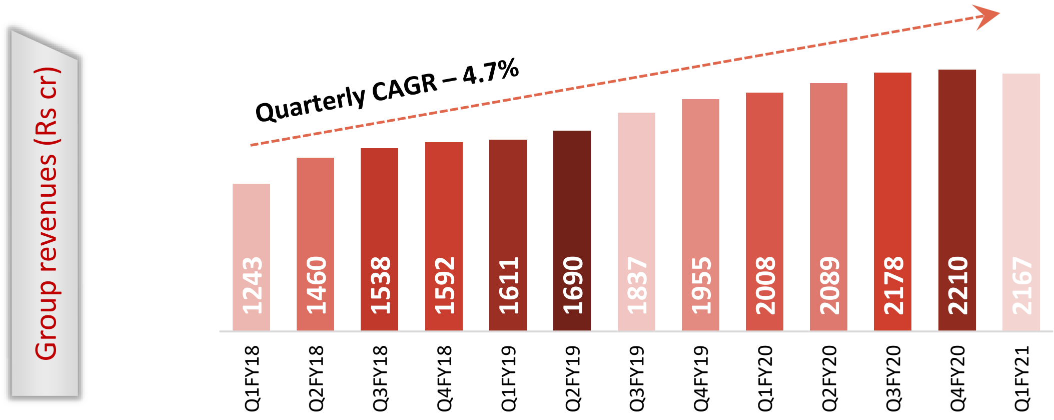
Customers - SIS has always prided itself on being a microcosm of the broader economy trends as we work with practically every business segment in the country, including 289 out of the NSE500 companies. Our diverse customer exposure and presence across the Tier A/B/ C centres has given us a valuable risk diversification. However, we are cognisant of the uncertainty, depressed investment and consumer demand. Volume recovery will depend on the underlying macroeconomic revival and short term growth will be focussed on market share gains.

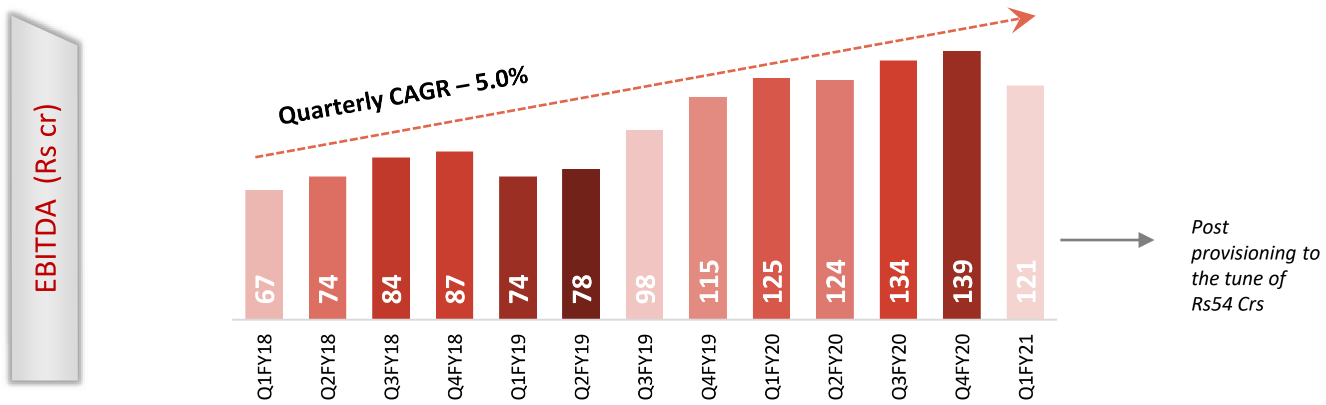
Employees – we have not seen issues arising out of labour migration, our attrition has been lower than normal. People are opting for job security over other factors. Job security is defined by two elements – job continuity (essential services) and social security cover. We will continue to prioritise EHS and invest in PPE, awareness training and preventive actions etc.

Competition – we believe that the coming 24 months will present many opportunities for inorganic growth with many mid-tier players stressed due to growth and cash flow issues which will be exacerbated by clients preferring higher quality top tier vendors. Our balance sheet and managerial bandwidth makes us uniquely positioned to capitalise on the opportunities this may present. For the next few quarters, however, we continue to be focussed on navigating through the current crisis and slowly building a deal pipeline.

Regulatory – governments are looking at labour reforms to create more flexibility in the labour markets while also tightening the implementation of the policies which we believe will create significant momentum towards formalisation and market share consolidation, improving quality standards and also spur the move towards tech enabled solutions.

All of these macro trends augur well with the SIS Group strategic objective of consolidating its market leading position in all our verticals, towards a more dominant market share over the next 3-5 years.





Consolidated Financial Results

Particulars	Q1 FY21	Q1 FY20	%age	Q4 FY20	%age
Revenue	**2,166.7**	**2,008.4**	*7.9%*	**2,209.7**	*-1.9%*
EBITDA - *see section titled "Special items"*	**120.9**	**124.7**	*-3.1%*	**138.5**	*-12.7%*
%age	*5.6%*	*6.2%*		*6.3%*	
Depreciation	23.6	23.7	*-0.2%*	27.8	*-15.0%*
Finance Costs	30.4	25.3	*20.2%*	30.7	*-1.0%*
Other income & share of profit/(loss) in associates	22.8	-2.1		47.9	*-52.4%*
Earnings Before Taxes (Operating & Normalized) – *see section titled "Special items"*	**89.7**	**73.6**	*21.8%*	**127.9**	*-29.9%*
- Depreciation & Amortization	4.9	5.8	-14.6%	5.3	-6.6%
- Finance costs	6.9	11.8	-41.7%	7.9	-13.2%
Earnings Before Taxes (Reported)	**77.9**	**56.1**	*38.9%*	**114.7**	*-32.1%*
%age	*3.6%*	*2.8%*		*5.2%*	
Tax Expenses	20.0	-12.0		7.3	
Profit After Taxes (Pro Forma)	**57.9**	**68.0**	*-14.9%*	**107.4**	*-46.1%*
%age	*2.7%*	*3.4%*		*4.9%*	
Add / (Less): One-off adjustments*	-	-6.9		111.3	
Profit After Taxes (Reported)	**57.9**	**74.9**	*-22.7%*	**-3.9**	*1579.8%*
PAT %age	*2.7%*	*3.7%*		*-0.2%*	
EPS	**3.9**	**5.1**	***-23.9%***	**-0.3**	***1510.2%***
OCF	97.9			113.1	
OCF to EBITDA	*80.9%*			*81.7%*	
Net Debt (with lease liabilities)	675.3	691.3		702.5	
Net Debt to EBITDA (LTM EBITDA)	*1.31*	*1.66*		*1.35*	
Net Debt (without lease liabilities)	558.1	585.0		591.5	

adjustments relate to reflect the impact of new tax rates
For an explanation of special items affecting the EBITDA and EBIT, please refer the section titled "Special items"

Revenue, EBITDA and PAT Growth Development by Business Segment

Business Segments	**Revenue Growth**		**EBITDA Growth**		**PAT Growth (proforma)**	
Total Growth - %age	**Q1 FY21 v/s Q1 FY20**	**Q1 FY21 v/s Q4 FY20**	**Q1 FY21 v/s Q1 FY20**	**Q1 FY21 v/s Q4 FY20**	**Q1 FY21 v/s Q1 FY20**	**Q1 FY21 v/s Q4 FY20**
Security Services - India	6.1%	-7.2%	-13.0%	-6.8%	-68.1%	-66.0%
Security Services – International (on a constant currency basis)	9.8%	3.5%	13.8%	-6.7%	118.8%	295.3%
Facilities Management	1.0%	-14.6%	-17.0%	-35.6%	-52.0%	-68.0%
Total of SIS Group	**7.9%**	**-1.9%**	**-3.1%**	**-12.7%**	**-14.9%**	**-46.1%**

Q1 FY21: Financial Commentary

Revenue Development

Consolidated revenue for Q1 FY21 was Rs 2,166.7 Crs; grew by 7.9% over Q1 FY20. Consolidated revenue for Q1 FY21 had a QoQ change of -1.9%

Business segment wise revenue growth for Q1 FY21 are as follows:

- Security Services – India grew by 6.1% over Q1 FY20 and had a QoQ change of -7.2%
- Security Services – International grew by 11.7% over Q1 FY20 and had a QoQ increase of 7.5% (9.8% and 3.5% respectively on a constant currency basis); and
- Facility Management grew by 1.0% over Q1 FY20 and had a QoQ change of -14.6%

The revenue for the quarter is net of special items amounting to Rs 38.4 Crs ***(see section titled "Special Items").***

Earnings Before Interest, Tax, Depreciation & Amortization

Consolidated EBITDA for Q1 FY21 was Rs 120.9 Crs representing a change of -3.1% over Q1 FY20 and a -12.7% change over Q4FY20. The EBITDA margin for the quarter was 5.6%, as against 6.2% in Q1FY20.

Business segment wise EBITDA change for Q1 FY21 on y-o-y basis are as follows:
- Security Services – India, had a change of -13.0%.
- Security Services – International, had growth of 11.8% (13.8% on a constant currency basis); and
- Facility Management – India, had a change of -17.0%

The Group continued to benefit from operating leverage and the relentless focus on profit improvement initiatives. The Group also implemented and achieved cost management measures which yielded a saving of Rs19.2 Cr. However, the EBITDA for the group for the quarter was impacted by the conservative accounting approach adopted by the Group by accounting for additional provisions amounting to Rs54.1 Crs and a deferment of revenue recognition to the tune of Rs33.8 Cr.

A detailed explanation is available in the section titled "Special Items"

Earnings Before Taxes

The Earnings Before Taxes for the Group were at Rs 77.9 Crs for Q1 FY21, compared to Rs 56.1 Crs for Q1 FY20, thus showing an increase of 38.9%.

Other income & share of profit/(loss) in associates is largely comprised of:

a. the effects of unrealied currency translation amounting to Rs 27.1 Crs for the future tranche liabilities for Henderson and Platform 4 Group in Singapore and New Zealand respectively which was offset by a negative unrealised currency translation amounting to Rs 8.8 cr in respect of the RDBs issued by the parent to its Australian subsidiary.

b. Interest income from bank deposits

c. The Group's share of the profit profit/(loss) in its associates amounting to Rs -0.3 Crs compared to Rs -2.3 Crs in Q1FY20 , driven by a significant improvement in the results of its joint venture for the Cash Logistics business and the conversion of the VProtect business into a wholly owned subsidiary of the Company

The Group's consolidated Depreciation & Amortization amounted to Rs 28.5 Crs for Q1 FY21 which was lower by Rs 0.9 Crs vs Q1FY20 . Finance costs for the Group amounted to Rs 37.3 Crs, representing an increase of 0.5% than Q1FY20. This is mainly due to the following:

a. Reduction in the true up of finance costs relating to future pay-out of the acquired entities consequent to the completed settlements for DTSS and SLV

b. Increase due to borrowings to facilitate subsequent tranche pay-outs to the entities acquired during FY 20, for DTSS and to fund acquisitions in New Zealand – these events took place in Q2FY20

c. Increase in working capital borrowings during FY20 due to general revenue growth across all businesses.

Q1 FY21: Financial Commentary (Cont'd.)

Special items

The EBITDA and EBT for the group for the quarter was impacted by conservative accounting approach adopted by the Group by accounting for additional provisions amounting to Rs 54.1 Crs and a deferment of revenue recognition to the tune of Rs 33.8 Crs. These were mitigated to some extent by savings on SG&A from cost management measures amounting to Rs 19.2 Crs

1) Conservative accounting for possible Credit notes, provision for doubtful debts and additional expenditure on PPE – Rs 54.1 Crs

While there was continued improvement on account of operating leverage and the savings from profit improvement initiatives, EBITDA was impacted due to the tune of Rs 54.1 Crs due to precautionary provisions for possible credit note, provisions for doubtful debts and significant expenditure incurred by the Group on personal hygiene and protective materials for our frontline employees.

a) In view of the prevailing uncertainties in the business and economic environment, the Group, as a matter of caution, has created provisions for possible issue of credit notes amounting to Rs 38.4 Crs to allow for possible cases where customers may seek to obtain discounts from us for a portion of the lockdown period.
b) Though we managed to maintain revenues at more or less the same level as the previous quarter, we have adopted a cautionary approach due to the prevailing business uncertainties and have created provisions for doubtful debts to the tune of Rs 14.7 Crs which represents delayed collection of certain invoices raised in Q4FY20 and Q1FY21.
c) The Group, proactively during the quarter, continued to issue and supply personal protection equipment and hygiene materials to its frontline employees and to all offices. These items cost the Group an additional Rs1.0 cr during the quarter.

2) Cost management measures implemented – Rs 19.2 Crs

In order to prepare ourselves for the drastically altered business environment and to mitigate the downsides, the Group implemented and achieved cost management measures on SG&A which yielded a saving of Rs 15.1 Crs compared to Q4 FY20 and Rs 19.2 Crs compared to Q1 FY20. These cost savings, helped to mitigate some of the impact of the EBITDA reduction.

3) Deferment of Revenue Recognition: Rs 33.8 Crs

Certain businesses in our Security Services – International business , have received, grants from their respective governments on the basis of the business meeting certain criteria as preliminarily assessed by the respective governments. Since the grant qualification criteria are complex, we are engaged in assessing and quantifying the true eligibility to receive those grants and may also need to engage with the government for the same. Pending the outcome of that assessment and finalisation of discussions with the respective governments, we have, as a matter of abundant caution, not recognised such grants as revenue and continue to carry them in the Balance Sheet. As and when we reach certainty on those grants, we will release them into the Profit & Loss Account. The amount of such grants received but not recognised as income is Rs 33.8 Crs

Taxes, Net Income and Earnings per Share

The Group has, during the financial year ended March 31, 2020, decided to adopt the option (Section 115BAA of Income Tax Act) of the lower effective corporate tax rate of 25.17% (including surcharge and cess) for those entities in the group which have been incorporated in India. However, the group continues to receive 80JJAA tax benefits even on adoption of the reduced effective tax rate.

<u>Accounting for the benefits under Section 80JJAA of the Income Tax Act, 1961</u>
During Q1 FY21, the number of employees has not increased, which is a key qualifying criteria for availing the tax benefits under section 80JJAA. As of the result of the prevailing uncertain business situation arising out of COVID, it is difficult to estimate with any degree of certainty the increase in the number of employees which the Group can expect to achieve during the whole of FY21.

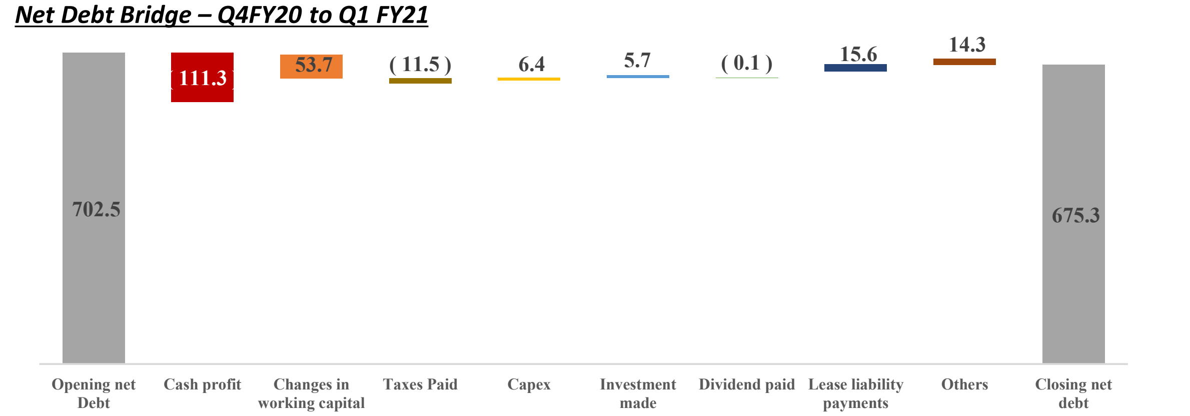
While we believe that incremental headcount addition will happen from H2FY21 onwards, assuming that such a growth does not materialise, the Group has, therefore, adopted a cautionary approach and has not accounted for any benefit under section 80JJAA for the costs related to the number of eligible employees expected to increase during FY21. However, the Group will continue to receive and account, in FY21, for the tax benefits amounting to Rs 56 cr which have accrued to the Group for the number of eligible employees increased during FY20 and FY19.

Leverage and Financing

In Rs Crs.	June 2020			March 2020		
	India	Intl	Total	India	Intl	Total
Gross Debt						
Long-term borrowings	49	32	81	197	433	630
Short-term borrowings	547	458	1,004	537	5	542
Current Portion of LT Liability	181	14	195	28	14	42
Gross Debt	**777**	**503**	**1,280**	**763**	**452**	**1,214**
Less: Cash and Cash Equivalents	202	520	722	197	426	623
Net Debt (pre-lease liabilities)	**575**	**(17)**	**558**	**565**	**26**	**592**
Add: Lease liabilities	60	58	117	60	51	111
Net Debt (with lease liabilities)	**635**	**41**	**675**	**625**	**77**	**703**

Note: The reduction of long term borrowings, and the increase in short term borrowings, is caused by the classification of our borrowings from NCDs in India and NAB in Australia as short term, under the accounting standards, as both are due for repayment in April 2021 which is less than 12 months from now. We will engage with the lenders at the appropriate time to rollover these facilities.

Net Debt Bridge – Q4FY20 to Q1 FY21



Debt – largely working capital

A large part of our debt is working capital debt which tends to increase with the rapid business growth that we are seeing for the past few years. When the business growth moderates, the cash generation improves resulting in lower Net Debt. Our international business is case in point where we consistently generate strong cash flows.
SIS is uniquely positioned as 47% of our revenue are in International markets generating robust FCF which helps balance aggressive growth capital requirements in India.

Leverage comfortable

Despite the prevailing uncertain business environment we were successful in bringing down our Net Debt by around Rs28 cr across the group.

Our interest coverage ratio (ICR calculated as EBITDA/ Interest expense) was 4.0 at the end of Q1'FY21 which continues to be higher than the ICR of companies in BSE500 (excluding banks, financials, and oil and gas companies).

Similarly, our Net Debt/ EBITDA as on June 2020 was 1.31, is also lower than 1.35 in March 2020. Our focus on achieving optimum financing strategies and cash flows keeps our leverage comfortable and places us in a strong position to achieve further growth with the headroom that we have.

Cash flows and collections

We generated Operating Cash Flows of Rs98 Cr in Q1 which resulted in an OCF/ EBITDA of 81% which is significantly higher than our long term average cash flow generation. This is due to the single minded collection efforts by our teams and also supportive clients who view our services as indispensable during these tough times. Despite the significant stress faced by clients, they have been very supportive keeping in view the crucial nature of our services and our DSOs were only 6 days more than our March ending average of 59. With the economy slowly unlocking, we are confident of a pull back in our DSOs to historical levels.

Access to Attractive Financing

SIS has the unique advantage of being able to tap international sources of funds because of its Australia balance sheet. Our blended cost of borrowing across India and International is around 7.1% which has also seen a decline over the past couple of years.

Recently, the Group has arranged additional lines from its bankers to cover any short term or temporary liquidity constraints it may face. While the Group's relentless focus on ensuring a steady operating cash flow ensured that we have not had to resort to utilising those additional lines, it is noteworthy that all these additional lines were secured at all-in costs lower than existing lines in the range of 25-50 bps.

Security Solutions – India

The India Security Solutions business comprises five entities - our flagship SIS security business, SLV, Uniq, Tech SIS and Vprotect. All the group companies showed remarkable fortitude in the toughest quarter for the Group since inception.

The business currently operates across 170 branches and has 141,469 employees.

Essential services leading to revenue stability

The March 24th MHA order classified Private Security as Essential services recognising our role and need in the crucial phase – alongside sectors like banks, healthcare, pharma, ecommerce etc. This enabled us to operated uninterrupted pan India, across customer segments. Coupled with our vast presence in non-metro cities, where impact was lower than urban areas, helped demand stability.

The segmental revenues for Q1 were Rs 858 Cr which is a 6.1% growth YoY while being a 7.2% decline over Q4FY20.

The revenues have seen a marginal drop in Q1 on account of volume variation. There has been a steep decline in client attrition over the average of FY20 – clients are hesitant to change vendors during this crucial phase with a marked preference for larger, financially stable market leaders.

Gross margins intact - Robust collections

Our gross margins have held up despite a bleak macro economic climate. Our clients have stood by us and they are prioritising payments to essential service vendors.
The segmental EBITDA for India security was Rs 46.2 Cr which is a YoY decline of 13.0% and a QoQ decline of 6.8%. The EBITDA impact is on account of increased provisioning for credit notes and doubtful debtors as explained earlier

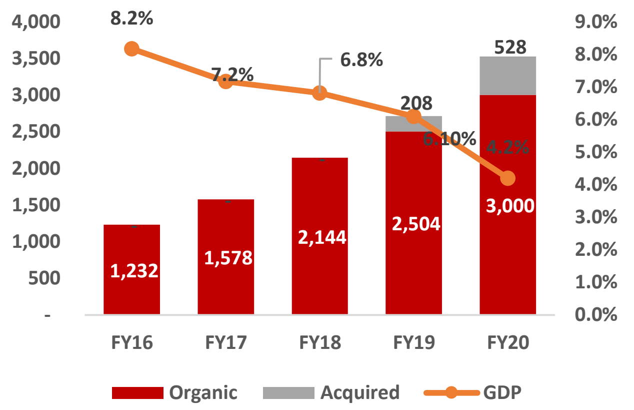
Mantech Solutions Edge

Security is the first line of defence against Covid. SIS has launched two new solutions for ensuring that employers are able to offer a safe and secure workplace to their employees - Safe and Secure Access and Virtual Covid Marshall (detailed below). Both of these solutions have seen strong traction with customers are we secured 220 recurring orders since April 2020

COVID – major trigger for Consolidation

The next 12-24 months are going to present many opportunities for organic consolidation as customers prefer branded & reliable vendors, and government labour reforms spur formalisation. Our balance sheet gives us the comfort to launch new solutions, build M&A pipeline and hire best talent to capture the eventual demand recovery.

in Rs Crs	Q1 FY21	Q1FY20	Change YoY	Q4FY20	Change QoQ
Revenues	858.1	808.4	6.1%	924.3	-7.2%
EBITD	46.2	53.0	-13.0%	49.5	-6.8%
EBITDA%	5.4%	6.6%		5.4%	
Share of group Revenues	39.6%	40.2%		41.8%	
Share of group EBITDA	38.2%	42.5%		35.8%	



AI/ ML based CCTV video analytics for compliance checking for masks, social distancing, hygiene, disinfection, thermal scanning, and Arogya Setu

SAAS model, with Go-live in 24 hours using existing camera infra, no addl capex

Contactless employee and visitor entry.
Disinfection of bags and vehicles
Isolation rooms and signages
Safe & organized PPE Distribution

Security and Intelligence Services (India) Limited
A Market Leader in Security
An SIS Group Enterprise

Security Solutions – International

The International security business comprises four entities - MSS and SXP in Australia, Henderson in Singapore and Platform4Group in New Zealand. We are the market leader in Australia and a top 3 player in Singapore and New Zealand. The International security business currently has over 9,000 employees.

Stellar performance in troubled times

The International business has been the standout vertical this quarter with revenues of Rs 1020 Crs which is a QoQ increase of 7.5% and a YoY increase of 11.7%.

The international business has been relatively less disrupted due to the Covid pandemic with Australia not having any national lockdown. New Zealand has declared itself as Covid free. These countries have been also seen strong incentives by the governments to support workers and businesses aiding a steady recovery.

Despite reduced activity in the Aviation segment and certain segments like retail and tourism linked segments, provision of special ad-hoc security, strategic medical & emergency response services helped offset the revenue reduction from affected segments.

Robust Margin performance continues

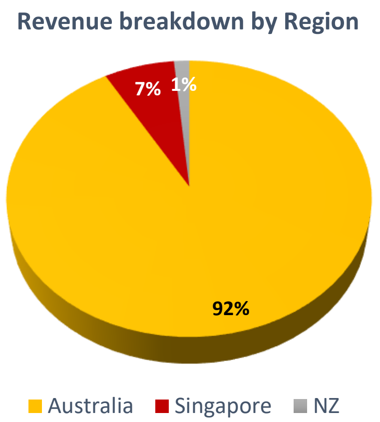
The segment generated EBITDA of Rs 60 crs which was a 6.4% decline QoQ but a 11.8% increase YoY. The margins are similar to Q1FY20. Margins in Q4 are usually higher due to significant event based revenues in Australia.

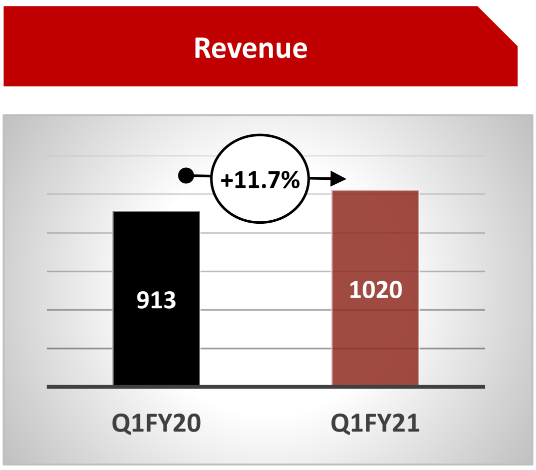
Demonstrating a stable EBITDA margin, despite higher provisioning, indicates the continued operational excellence of our international business units.

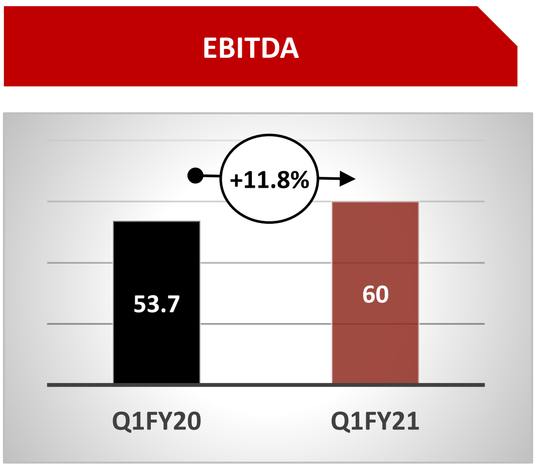
International operations continue to generate robust cashflows

The International segment continued its excellent DSO track record which was at 47 days at the end of June 2020. Though there is a minor increase in DSOs in Q1 usually, the strong collections in Q1 this year re-iterate the “essential” nature of our services and recognition by the clients of the crucial services rendered by us.

in Rs Crs	Q1 FY21	Q1FY20	Change YoY	Q4FY20	Change QoQ
Revenues	**1019.9**	**913.4**	**11.7%**	**949.0**	**7.5%**
EBITDA	**60.0**	**53.7**	**11.8%**	**64.1**	**-6.4%**
EBITDA%	**5.9%**	**5.9%**		**6.8%**	
Share of group Revenues	47.1%	45.5%		42.9%	
Share of group EBITDA	49.6%	43.0%		46.3%	







Facility Management Solutions

The facility management business comprises DTSS, SMC, RARE Hospitality and TerminixSIS. We are the second largest and fastest growing FM business in the country. The FM business continued its strong growth as the fastest growing vertical in the group. The FM business currently operates across 92 branches and has close to 54,000 employees.

Covid turning point for FM industry

Covid is likely to be an inflection point for the facility management sector with cleanliness/ hygiene/ disinfection becoming a business continuity imperative for senior management as they look to make their factories, offices and establishments safer for the employees and customers.

Greater frequency of cleaning schedules, better quality equipment and materials and more professional vendors, are trends that are likely to spur formalisation and market consolidation in a sector that is beset with unorganised, poor quality suppliers.

The revenues for the FM vertical were Rs292.7 Cr which is a YoY increase of 1.0% and a QoQ decline of 14.6% primarily on account of offices and railways being shut. With volume recovery visible, we believe that the FM sector will revive quite quickly in Q2. Based on market trends, we estimate that monthly operating expenditure on hygiene management will witness a sharp uptick across customer segments.

Gross margins stable

Gross margins are intact while EBITDA margin for the segment was 5.1% against 6.2% in Q1FY20 due to higher provisions and credit notes assumed for added caution as described earlier. With Q2 seeing a lot of businesses unlocking, we expect to see a sharp recovery.

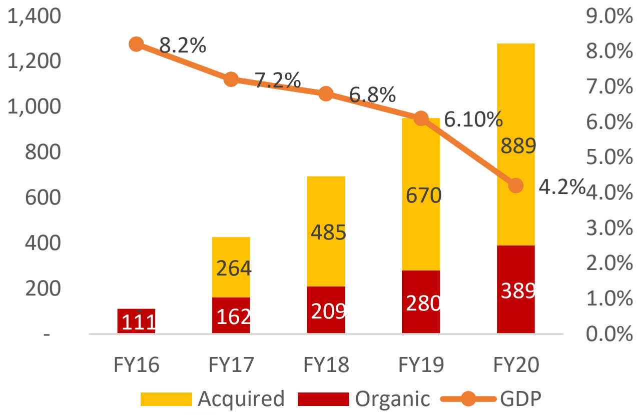
From FM to Hygiene and Safety Assurance

To capture the potential increase in client spends on hygiene and cleaning, we have launched new solutions to pivot to smart surface disinfection and anti-microbial treatments. Similarly, we have also initiated production support services to assist companies in their operations and maintenance. With the largest sales force in the country across the group, we are confident of gaining in market share with our new offerings and sales drive.

Healthcare priority for India

Our focus on healthcare and pharma is bearing fruit, especially in the post Covid environment. We service over 300 hospitals across the group currently. Hygiene and sanitisation have acquired priority post-Covid. Coupled with healthcare infrastructure being rapidly scaled up to meet the infra gaps in the country, we are confident that our healthcare focus will aid in further market share gains.

in Rs Crs.	Q1 FY21	Q1FY20	Change YoY	Q4FY20	Change QoQ
Revenues	**292.7**	**289.7**	**1.0%**	**342.6**	**-14.6%**
EBITDA	**15.0**	**18.1**	**-17.0%**	**23.3**	**-35.6%**
EBITDA%	**5.1%**	**6.2%**		**6.8%**	
Share of group Revenues	13.5%	14.4%		15.5%	
Share of group EBITDA	12.4%	14.5%		16.8%	



Intensive Sanitisation of all areas
Smart surface disinfection program
Infection prevention and control
Safe disposal of waste
Disinfection Assurance & Reporting

Compliant (Regulatory, EHS) manpower solutions to support companies in enhancing production efficiencies through provision of technical staff, F&B, waste and energy management services etc.

Cash Logistics Solutions

The cash logistics business is a JV with Prosegur of Spain, a world leader in cash solutions. We have a 49% holding in the JV which is the second largest cash logistics business in India. We operate over 2300 cash vans and 54 vaults covering over 300 cities across India.

Portfolio rationalization and revenue mix helped

Though there was a slight dip due to lockdown in the month of April, revenues bounced back subsequently and June 2020 revenue was close to January 2020 levels. In crises, cash becomes the preferred medium for most homes.

Our revenue diversification helped with only 27% of our revenues coming from the ATM segment. We also won some strong orders delivering valuable cargo and Door Step banking added valued clientele including Trichy Toll Plaza.

Amongst the various players, we had least disruption in operations which helped us maintain business continuity for all our clients.

Margin increase – stable collections

Costs were controlled through better route optimisation and SG&A overheads savings. The segment generated EBITDA of Rs5.8 cr at 8.1% margin in Q1FY21 as against 4.3% margin in Q1FY20. The continued focus on costs and portfolio rationalisation has borne fruit with the margins steadily inching up. The Cash Logistics vertical, across the world, has the highest margin profile with operating margins between 15-20% and our margin trajectory in SIS Cash gives us momentum in that direction.

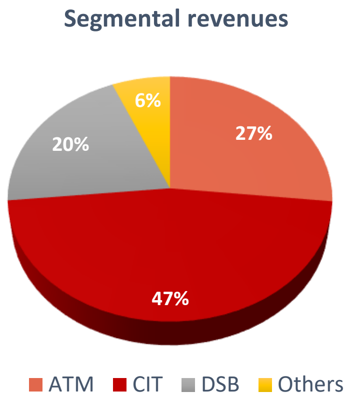
Despite stress on cash and operations, SIS Cash managed to be self sustaining from a cash flow point of view with no support needed from the JV Partners.

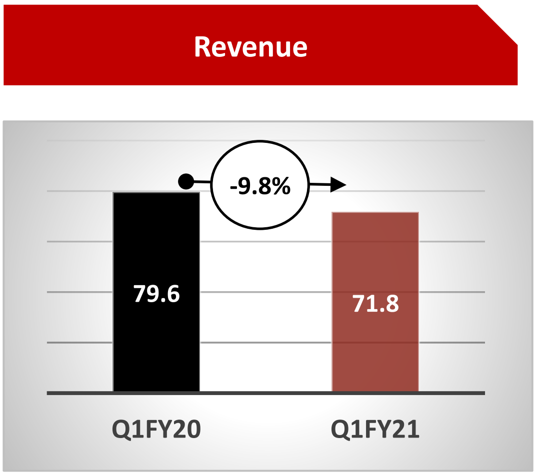
Price escalation delayed – Consolidation likely

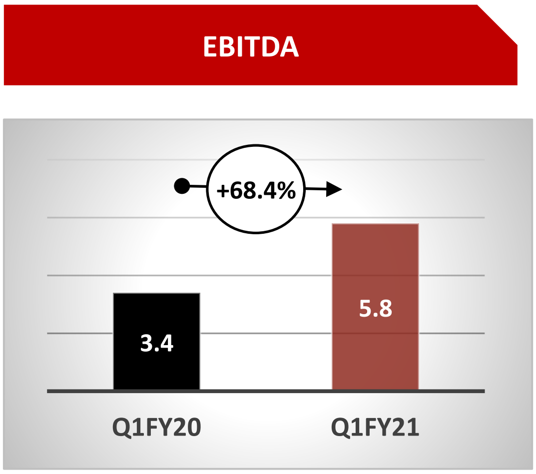
With the Banking sector coming under pressure, the price negotiations for the ATM segment have been put on the backburner by the banks for another 2-3 quarters. While we continue to be hopeful of an early resolution on the price discussions, we have reduced our dependence on the ATM business.

Organic market share consolidation is likely with delayed reset of ATM pricing putting weaker players under stress.

in Rs Crs	Q1 FY21	Q1FY20	Change YoY	Q4FY20	Change QoQ
Revenues	**71.8**	**79.6**	**-9.8%**	**82.2**	**-12.7%**
EBITDA	**5.8**	**3.4**	**68.4%**	**5.2**	**11.5%**
EBITDA%	**8.1%**	**4.3%**		**6.3%**	







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