



Date: October 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 October 29, 2020

We wish to inform you that the Board of Directors, at their meeting held today on October 29, 2020, have:

1. Approved the un-audited financial results (standalone and consolidated) for the quarter and half-year ended September 30, 2020.
2. Approved the proposal for changing the name of the Company from “Security and Intelligence Services (India) Limited” to “SIS Limited”, and consequent amendments to the Memorandum and Articles of Association of the Company, subject to approvals of the Shareholders, and the relevant Statutory and Regulatory Authorities.
3. Approved the alteration of Objects Clause and Liability Clause of the Memorandum of Association of the Company, subject to the approval of the Shareholders. Brief particulars of the amendments in MOA are as follows:
 - a. Alteration of Objects clause - The Company’s business is to, *inter alia*, provide security solutions. It is, therefore, proposed to amend the Objects Clause of the Memorandum of Association of the Company to explicitly include, and to make abundantly clear that the same shall include, the provision of electronic and all forms of security by whatever means and to be performed directly and/or through sub-contracting arrangements.
 - b. Alteration of Liability clause - To align with the provisions of Section 4 of the Companies Act, 2013 and to clarify that the liability of members is limited to the amount unpaid, if any, on the shares held by them.



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

A copy of the Press Release being issued in respect of the aforesaid financial results and the Earnings Note for the quarter and half-year ended September 30, 2020 are enclosed.

The meeting commenced at 03:15 p.m. and ended at 06:10 p.m.

Thanking you.

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


Pushpalatha K
Company Secretary



SIS reports 41.9% growth in Q2 PAT – Net Debt down by Rs213 cr versus Q1 FY21

- Consolidated Revenue for H1FY21 at Rs. 4,325 Crs; 5.6% YoY growth; Consolidated Revenues for Q2FY21 at Rs. 2158 Crs; 3.3% growth
- Consolidated EBITDA for H1FY21 at Rs. 250.6 Crs, 0.9% YoY growth; Consolidated EBITDA for Q2FY21 at Rs. 129.7 Crs; 4.9% growth
- OCF/ EBITDA for Q2 FY21 at 188% with Net Debt Reduction of Rs. 213 Crs
- Sound Return Ratios - RONW at 23.1%

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

Key Consolidated Financials at a Glance:

<i>Rs. In crs</i>	Q2 FY21	Q2 FY20	%age	H1 FY21	H1 FY20	%age
<i>Revenue from operations</i>	2,157.9	2,088.8	3.3%	4,324.6	4,097.1	5.6%
<i>EBITDA</i>	129.7	123.6	4.9%	250.6	248.3	0.9%
<i>EBITDA %</i>	6.0%	5.9%		5.8%	6.1%	
<i>Profit after taxes</i>	108.1	76.2	41.9%	166.0	151.1	9.8%
<i>Profit after taxes %</i>	5.0%	3.6%		3.8%	3.7%	

- **Segmental Revenues are as follows:**
 - **Security Solutions India:** Rs 1697 Crs in H1FY21 vs Rs 1691 Crs in H1FY20; Rs 839 Crs in Q2FY21 vs Rs 879 Crs in Q2 FY20;

- **Security Solutions International:** Rs 2088 Crs in H1FY21 vs Rs 1817 Crs in H1FY20; Rs 1068 Crs in Q2FY21 vs Rs 903 Crs in Q2 FY20
- **Facilities Management:** Rs 548 Crs in H1FY21 vs Rs 604 Crs in H1FY20; Rs 256 Crs in Q2FY21 vs Rs 314 Crs in Q2 FY20
- **Return Ratios:** RONW (based on proforma trailing 12 months PAT) is 23.1%
- **Cash Conversion** - The company demonstrated very strong cash conversion with OCF/ EBITDA at 188% in Q2FY21. This is the highest ever in the history of the company – this has been on the back of strong collections, lower working capital needs and stable business.
- **Net Debt/ EBITDA** – Strong cash flows have resulted in net debt/ EBITDA has decreased from 1.3 in Q1FY21 to 0.9 in Q2FY21 with the Net Debt reducing by Rs213 Crs over the previous quarter.

Business Updates:

- **India Security Solutions Business:** The India security business started showing steady growth during the quarter ending the quarter with revenues at 94% of the March 2020 revenues. For H1FY21 the revenues at Rs1697 cr were flat over H1FY20, thus re-inforcing the resilience of our services even during the massive Covid crisis. The sheer diversity of customer segments – especailly the strong presence in the manufacturing, banking, healthcare verticals ensured that revenues were stable. Despite continued expenditure on PPE kits, Covid related training and welfare spends, our EBITDA margin increased from 5.4% in Q1 to 5.8% in the current quarter. While a quick rebound will depend on the economy recovering quickly, 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 continues to be the standout vertical this quarter with revenues of Rs 1067 Cr which is a YoY increase of 18.2%. For H1 as a whole, SIS International had a revenue growth of 14.9% over H1FY20

and an EBITDA growth of 30.5%. 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 government business and other ad-hoc contracts continue to be strong during the quarter. The EBITDA margin for H1FY21 for the international business was 6.5% with stable gross margins and operating leverage impact.

- **Facility Management:** The Facility Management segment was impacted to some extent due to impact of segments like railways, retail and entertainment, airports etc. Railways contributed to nearly 50% of the decline in revenues, which are down 9.3% from H1FY20 to H1FY21. With some of these segments steadily unlocking amidst the festive season and steady increase in orders for the past 2 months, we are hopeful of regaining March 20 level by Q4FY21. 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 to track very positively with revenues at 98% of March 2020 levels. After the change in business profile towards non-ATM business over the past two years, the segment has been transformed and has been generating strong margins. 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 4.4% EBITDA growth in H1 despite a 11.7% YoY decline in revenues (on account of closure of unprofitable routes and contracts). We will continue to prioritise viable routes and contracts to ensure margin sustenance.

Commenting on the performance, Mr. Rituraj Kishore Sinha, Group Managing Director said, *“Our H1 results are a testimony that Essential services like ours have been least impacted during the Covid crisis and are amongst the first to recover. Our H1 revenues of Rs,4,325 cr is a 5.6% increase YoY. With September revenues at Rs739 cr compared to March 2020 revenues of Rs720 cr, we are already well into recovery phase. Historically high Operating Cash Flows have led to a Net debt reduction of over Rs210 cr and Net Debt/ EBITDA declined to less than 1, which has been re-*

affirmed by our credit rating upgrade from A+ to AA-. Basis macro-economic factors proving favourable, we continue our cautiously optimistic outlook for the rest of the year”

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

SIS is a USD 1.2 Bn Indian multinational and market leader in Security, Facility management & Cash Logistics solutions. SIS is the largest Security Solutions company in India, the largest Security Solutions company in Australia and among the top three companies in Singapore and New Zealand. It is also the 2nd largest Facility Management company in India. SIS is the 2nd largest Cash Logistics provider in India. We are among the top 5 private sector employers in India. SIS services over 7000 clients across 18500+ sites spread across 630 districts 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



Earnings Update

H1 – FY20-21

October 29, 2020



Earnings Highlights

H1 REVENUES

Rs4,325 Cr

↑ 5.6%
YoY

H1 EBITDA

Rs251 Cr

↑ 0.9%
YoY

H1 PAT*

Rs166 Cr

↑ 43.5%
YoY

ROE*

23.1%

↑ 50 bps
YoY

*based on pro-forma PAT



Rituraj Sinha
Group Managing
Director

“Our H1 results are a testimony that ‘Essential services’ like ours are least impacted and amongst first to recover.

Our H1 revenues of Rs4,325 Crs is a 5.6% increase YoY. With September revenues at Rs739 Crs compared to March 2020 revenues of Rs720 Crs, we are already well into recovery phase.

Historically high Operating Cash Flows have led to a Net debt reduction of over Rs210 Crs and Net Debt/ EBITDA declined to less than 1, which has been re-affirmed by our credit rating upgrade from A+ to AA-”

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Notes from the Group Managing Director

Amongst least impacted and on track for V shaped recovery

Despite India seeing the sharpest ever GDP contraction in recent decades, SIS continues to hold firm with very little disruption in operations and group revenues.

The H1 results reinforce the continued requirement for our services by clients despite their truncated operations for extended periods. These six months of COVID crisis have reaffirmed that security, facility management and cash logistics services are business continuity imperatives - needed in good times but more in crises.

Our consolidated revenues for the quarter were Rs2,158 Crs which is a 3.3 % increase YoY and flat QoQ. For H1 FY21, the consolidated revenues were Rs4,325 Crs which is a 5.6% increase over H1 FY20.

India security revenues in September 2020 were 94% of March revenue levels while International Security was at 121%. Facility Management (FM) segment was operating at 70% of March 2020 levels. Covid impact on FM was steeper due to Railways being non operational apart from key clients in the hotels and retail sector having lean operations which have resulted in a temporary pull back in service volumes. With segments like multiplexes and malls opening up shortly and the festive season, we expect normalisation of service volumes over next 3-4 months. The FM segment contributes only 12% of the Group revenues and is therefore unlikely to delay the V shaped recovery outlook for H2.

International operations continue to outperform, counter balancing volatility in India

All three countries in SIS International (Aus, SG and NZ) were less impacted and handled crisis well. Adhoc Covid related contracts helped compensate impact on sectors like aviation, retail & entertainment.

Furthermore by augmenting gaps in government machinery, we have demonstrated the enhanced potential for private security as market matures. New tender activity is picking up in Q2 and new wins will adequately help override any loss of adhoc business.

Aus, NZ, Singapore government financial assistance package has been recognised and will reflect in Q3 and Q4 results.

We have bought the balance 49% promoter stake in SXP. The settlement demonstrates benefit of earn out acquisition structure, as we have settled at Rs42 crs lower than the initial payout estimate factored in the Balance Sheet.

Our H1 international markets performance clearly demonstrates the value of having a strong developed market presence which brings immense stability and cash flows to the Group.

Gross Margins and EBITDA margins reflect pricing power and operating leverage capability in adverse market conditions

Our Gross margins are intact which indicates our ability to hold prices even as customers have been on aggressive cost cut mode. We have cut non-salary costs in India by 43% from Rs11 Crs per month in March to Rs 6.53 Crs per month in September. The crisis has given us sharp insights into running our business in a leaner way and significant share of these savings are going to continue in future too.

We decided not to cut employee costs as employees are the backbone of a people intensive business like SIS and our growth fulcrum. We have instead given increments and variable pay to the branch, regional and corporate staff as in the normal course, once we got greater visibility into the underlying recovery.

We have imposed a freeze on all non-IT capex for FY21. We believe that technology adoption and 'solutioning' capability are going to be key to capture the quality and efficiency focus that is going to be top of mind for clients post Covid. Hence, we shall continue to invest in Tech to drive scalability. We are planning to rollout several attendance and back office related transformation projects in 2021- which will drive up productivity over time and get SIS ready, ahead of competition, for labour reforms compliance effective April, 2021.

Rating Upgrade to AA- amidst crisis – historically high OCF generation - reflects balance sheet strength

We are pleased to report that our credit rating has been upgraded from A+ to AA- which is a solid endorsement of our resilience and strong balance sheet. The rating upgrade takes comfort from our strong cash flows and sound leverage ratios.

Being a service company, we pay our employees wages and statutory obligations irrespective of collections. This results in higher working capital usage. The higher the growth, the larger is the working capital usage and conversely, a slow growth year like FY21 will see lower working capital needs and consequently better cash flow generation as is evident from our historically high OCF/ EBITDA in Q2FY21 of 188%.

Our Net Debt declined by over Rs240 Crs from Rs703 Crs at the end of March 2020 to Rs462 Crs in Q2. At the end of September, our Interest Coverage was 4.8 and Net Debt/ EBITDA was 0.9 which is a steep decline from 1.3 at the end of June 2020.

In 5 out of 6 months in H1, we have seen more collections than monthly invoice value. Customers payment priority in the crisis reflects the value associated with our services.

This also reflects the great effort of our finance and operations teams who have brought a laser sharp focus during these troubled times to ensure that balance sheet is strengthened.

Credit control and risk management protocols have been enhanced in view of the overarching credit and liquidity risks. Basis H1 trends, actual negative impact in FY21 could be lesser than provision taken in Q1, picture to be clearer over next 2 quarters.

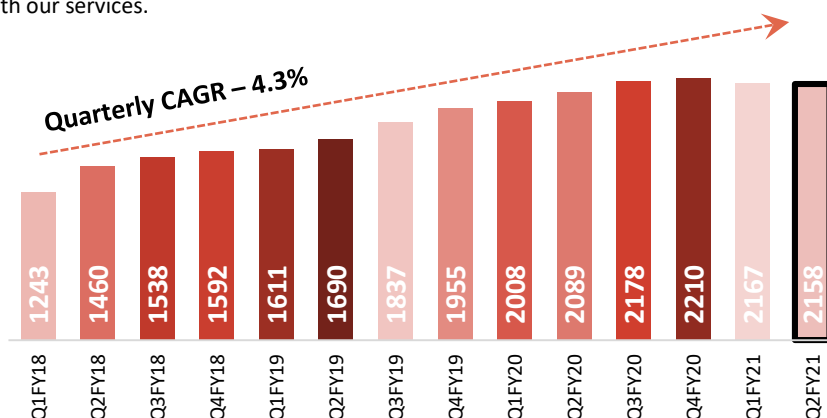
Preparing for Market Share Thrust to capitalise on post-COVID economic recovery and Labour Reforms driven consolidation

The Labour Reforms recently cleared in Parliament are amongst the biggest legislative reforms for labour intensive service businesses like ours. A more regulated labour market has always preceded market share consolidation in our industry globally. The COVID impact coupled with the Labour Reforms are going to impact customer behaviour and especially, smaller competitors. Developed markets like US, UK and Australia have been down this path and the industry leaders have market shares in the 15-20% range.

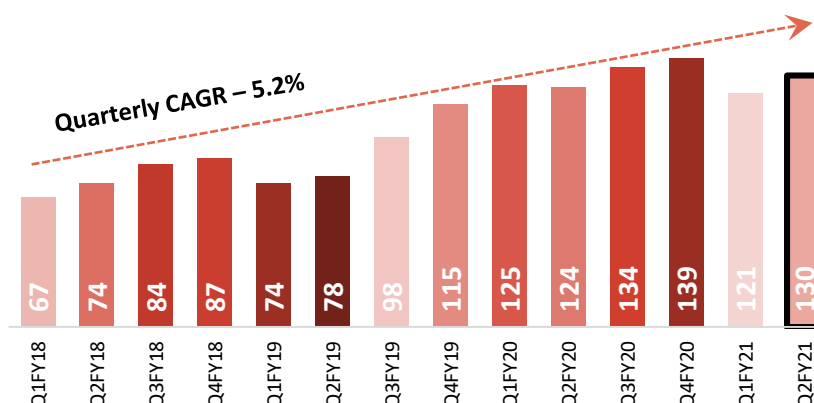
The Labour Reforms will nudge the industry towards a higher wage structure and social security base, minimise compliance evasion and shift compliance omission liability onto principal employers (users of services). We believe that these Labour Reforms are going to be hugely impactful for the process of formalisation.

A Detailed note on this has been circulated on this topic - dated October 20th.

Group revenues (Rs Crs)



EBITDA (Rs cr)



Consolidated Financial Results

Q2/ H1 - FY21 Results

Amt. in Rs Crs.	Q2 FY21	Q2 FY20	%age	H1 FY21	H1 FY20	%age
Revenue	2,157.9	2,088.8	3.3%	4,324.6	4,097.1	5.6%
EBITDA	129.7	123.6	4.9%	250.6	248.3	0.9%
%	6.0%	5.9%		5.8%	6.1%	
Depreciation	25.3	26.5	-4.5%	49.0	50.2	-2.5%
Finance Costs	26.8	28.4	-5.8%	57.2	53.7	6.4%
Other income & share of profit/(loss) in associates –see section titled “Special items”	66.8	-1.9	3,640.9%	89.6	-4.0	2,321.4%
Earnings Before Taxes (Operating)	144.3	66.7	116.3%	234.0	140.4	66.7%
Less: Business combination related accounting charge						
- Depreciation & Amortization	3.0	6.0	-50.6%	7.9	11.8	-33.0%
- Finance costs	6.5	9.4	-31.3%	13.4	21.2	-37.1%
Earnings Before Taxes (Reported)	134.9	51.3	163.1%	212.7	107.3	98.2%
EBT (Reported) %	6.3%	2.5%		4.9%	2.6%	
Tax Expenses	26.8	-1.7		46.8	-8.3	
Profit After Taxes (Pro Forma)	108.1	52.9	104.2%	166.0	115.6	43.5%
PAT (Proforma) %	5.0%	2.5%		3.8%	2.8%	
Add / (Less): One-off adjustments*	-	-23.2		-	-35.4	
Profit After Taxes (Reported)	108.1	76.2	41.9%	166.0	151.1	9.8%
PAT (Reported) %	5.0%	3.6%		3.8%	3.7%	
EPS	7.3	5.2	41.1%	11.2	10.3	8.8%
OCF	244.2	92.7	163.4%	342.0	-15.1	2376.1%
OCF to EBITDA	188.3%	75.0%		136.5%	-6.1%	
Net Debt (with lease liabilities)	461.8	764.9		461.8	764.9	
Net Debt to EBITDA (LTM EBITDA)	0.88	1.66		0.88	1.66	
Net Debt (without lease liabilities)	345.4	657.6		345.4	657.6	

*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	Q2 FY21 v/s Q2 FY20	H1 FY21 v/s H1 FY20	Q2 FY21 v/s Q2 FY20	H1 FY21 v/s H1 FY20	Q2 FY21 v/s Q2 FY20	H1 FY21 v/s H1 FY20
Security Services - India	-4.5%	0.4%	-8.6%	-10.8%	-56.3%	-58.2%
Security Services – International (on a constant currency basis)	6.0%	7.9%	36.7%	24.8%	314.9%	216.8%
Facilities Management	-18.6%	-9.3%	-68.7%	-44.7%	-108.0%	-83.6%
Total of SIS Group	3.3%	5.6%	4.9%	0.9%	104.2%	43.5%

Revenue Development

Consolidated revenue for Q2 FY21 was Rs 2,157.9 Crs; grew by 3.3% over Q2 FY20. Consolidated revenue for Q2 FY21 had a q-o-q change of (0.4%)

Business segment wise revenue growth for Q2 FY21 are as follows:

- Security Services – India decreased by (4.5%) over Q2 FY20 and a QoQ decline of (2.2%)
- Security Services – International grew by 18.2% over Q2 FY20 and had a q-o-q change of 4.7% (6.0% and -2.6% respectively on a constant currency basis); and
- Facility Management decreased by (18.6%) over Q2 FY20 and had a q-o-q decline of (12.7%)

Earnings Before Interest, Tax, Depreciation & Amortization

Consolidated EBITDA for Q2 FY21 was Rs 129.7 Crs and the EBITDA margin was 6.0%, thus representing a change of 4.9% over Q2 FY20.

Business segment wise EBITDA change for Q2 FY21 on y-o-y basis are as follows:

- Security Services – India declined by (8.6%)
- Security Services – International, had a growth of 50.6% (36.7% on a constant currency basis); and
- Facility Management – India, had a decline of (68.7%)

During the first quarter of the current financial year, in order to prepare ourselves for a subdued macro environment and to mitigate the downsides of the prevailing business environment, the Group implemented a series of cost management measures. The Group's cost management measures yielded savings to the tune of Rs 11.1 Crs during the quarter Q2 FY21, in addition to the Rs19.2 Crs of savings in Q1 FY21 for a cumulative saving of Rs30.3 Crs compared to H1FY20. Some of these cost savings are expected to continue into H2 and also into FY22 as we look to leverage the productivity and efficiency tools that we have learnt over the past 6 months.

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

Earnings Before Taxes

The Earnings Before Taxes for the Group were at Rs134.9 Crs for Q2 FY21, compared to Rs 51.3 Crs for Q2 FY20, thus showing an increase of 163.1%.

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

- a. The effects of unrealised currency translation amounting to Rs16.6 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 Rs0.9 Crs in respect of the RDBs issued by the parent to its Australian subsidiary.
- b. A gain of Rs42.4 Crs as a result of a write down of the liability created for the acquisition of the balance 49% shares of Southern Cross Protection Pty Ltd as the final price paid for those shares was less than the estimated liability created for those shares in 2017 (**see section titled "Special items"**)
- c. Interest income from bank deposits
- d. 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 the same quarter last year) driven by a significant improvement in the results of its joint venture for the Cash Logistics business

The Group's consolidated Depreciation & Amortization amounted to Rs28.3 Crs for Q2 FY21 which was lower than the Rs32.6 Crs for the same quarter last year driven by:

- a. Winding down of amortisation of the intangibles in connection with acquisitions over a period of time
- b. Freeze on discretionary capital expenditure during FY21

Finance costs for the Group amounted to INR 33.3 Crs, representing a decrease of (12.1%) over the same quarter in the year FY20. 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. Lower average utilisation of working capital debt facility aided by strong debtors management; and offset by
- c. 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

Special items

During the quarter, the Group's subsidiary in Australia completed the acquisition of the balance 49% shares in Southern Cross Protection Pty Ltd (SXP) pursuant to share purchase and option agreements entered into in 2017 when it increased its shareholding in SXP to 51%. At that time, in 2017, under the relevant accounting policies and standards, the Group also estimated and accounted for a liability to reflect the price which it expected to pay for the remaining 49% shares held by the erstwhile shareholders.

Q2 and H1FY21: Financial Commentary (Cont'd.) Q2/ H1 - FY21 Results

Under the terms of these agreements, and based on the formula contained therein, a purchase price for these 49% shares was computed and final agreements were signed with the shareholders on September 30, 2020. As a result of this computation, which has been confirmed and agreed by the shareholders, the final price payable for those shares is less than the estimated liability created for those shares in 2017. Therefore, a gain of Rs42.4 Crs has been recorded and accounted under "Other gains/losses" as a result of a write down of the liability created for the acquisition of the balance 49% shares of SXP

Taxes, Net Income and Earnings per Share

The key qualifying criterion for availing the tax benefits under section 80JJAA are an increase in the number of employees during the year and eligible employees completing a period of employment of at least 240 days in the year, either in the year of recruitment or in the immediately succeeding financial year.

Under IndAS, where there are transactions during the reporting period that affect taxable profits of future periods, then a deferred tax asset needs to be created for those future tax benefits. So, on account of 80JJAA, since we get a benefit for three years for an expenditure incurred in Year 1, we record the entire tax benefit available, across the three years, in Year 1 itself by creating a deferred tax asset in the books of accounts to the extent of the amount of tax benefit available in the subsequent two financial years. Hence, the accounting entry is passed for crediting the Current Tax line in the PL for the Year 1 benefits and creation of a deferred tax asset in Year 1, through the PL, on the tax benefits accrued for the 2nd and 3rd years.

In each of the 2nd and 3rd years, this deferred tax asset is brought into the PL and a corresponding amount is credited to the Current Tax line in the PL which results in a neutralizing benefit in the PL on account of prior years' benefits on account of 80JJAA. However, the prevailing uncertain business situation arising out of COVID has made it difficult to predict or estimate with a high degree of certainty the increase in the number of employees which the Group is expected to achieve during the whole of FY21 as compared to the number of employees at the end of FY20.

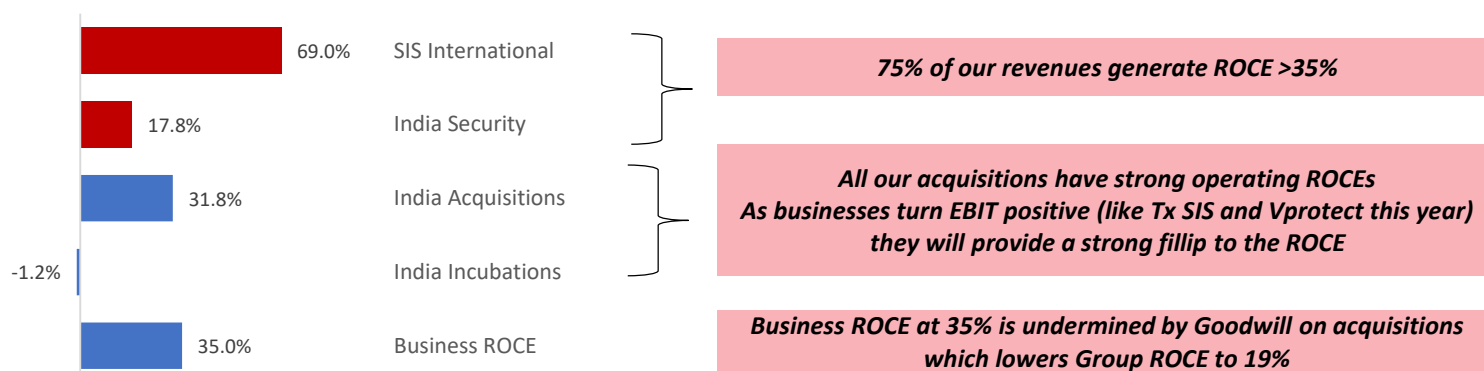
The revenue decline for SIS Group in Q1 and the early part of Q2 has largely been reversed and revenues are already showing an upward trajectory in the later part of Q2. The SIS Group, while optimistic on a rapid demand and revenue recovery, has decided to continue its conservative approach and has not accounted for any additional benefit under section 80JJAA pertaining to FY21 during the quarter and half year. However, the Group continues to receive, and account for, the tax benefits under section 80JJAA which have accrued to the Group during FY20 and FY19 and which the eligible entities of the Group will claim in FY21 and FY22.

On a standalone basis, the Company's current tax rate continues to be NIL as a result of the benefits accruing under Section 80JJAA of the Income Tax Act, 1961. The current tax rate reflects the amount of tax the Company is expected to pay when preparing and filing its tax returns. The real effective tax rate reflects the current tax plus the deferred tax effect on timing differences. The current tax rate and real effective tax rate, is computed below:

In Rs Crs	Q1FY21	Q2FY21	H1FY21
PBT	20.8	24.4	45.3
Current tax	0.1	(0.0)	0.1
Deferred tax effect on timing differences	(1.0)	(2.0)	(3.0)
Total tax items	(0.9)	(2.0)	(2.9)
Current tax rate	0.5%	-0.1%	0.2%
Real Effective tax rate	-4.4%	-8.3%	-6.5%

Business ROCE

SIS' asset light business model is reflected in the strong ROCE at the business level which tends to be reduced by the goodwill on acquisitions. The Business ROCE is the right indicator of the operating strength of a business. The following chart depicts the business ROCE across segments:



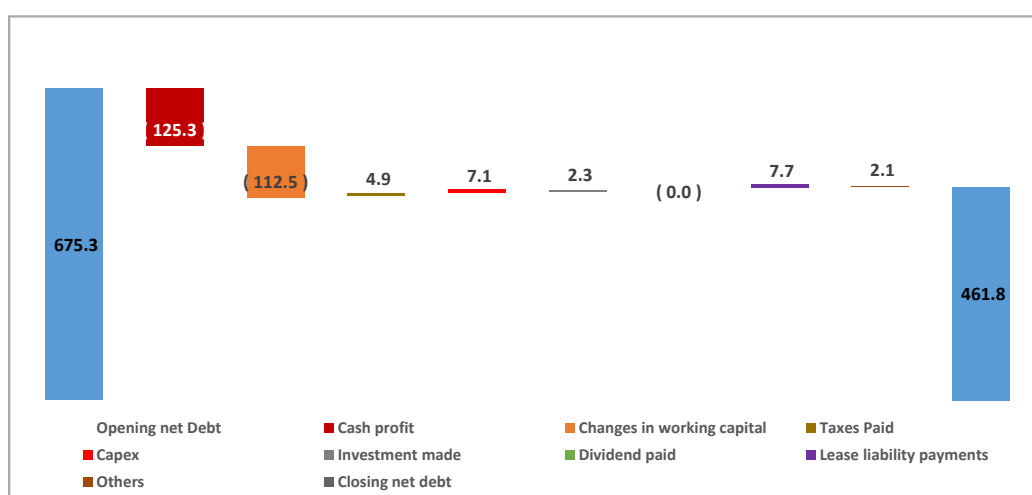
*India Acquisitions include – DTSS, SLV, Uniq and Rare; India Incubations include Tech SIS/ vProtect/SMC/ Tx SIS

**Individual acquired entity wise ROCEs are presented on page 12

SIS Group has significant goodwill on its books of around Rs1355 Crs (arising out of acquisitions) which compresses Group ROCE. As all our businesses are performing in line with expectations, we have not been required to do any impairment. SIS Group is an ideal blend of High ROCE segments + High growth emerging segments.

In Rs Crs.	September 2020			June 2020			March 2020		
	India	Intl	Total	India	Intl	Total	India	Intl	Total
Gross Debt									
LT Borrowings	44	30	74	49	32	81	197	433	630
ST Borrowings	500	5	504	547	458	1,004	537	5	542
Current Portion of LT Liability	178	472	650	181	14	195	28	14	42
Lease liabilities	59	57	116	59	58	117	60	51	111
Gross Debt	781	564	1345	836	560	1397	822	503	1,325
Less: Cash/Cash Equivalents	338	546	884	202	520	722	197	426	623
Net Debt	443	19	462	635	41	675	625	77	703

Net Debt Bridge (In Rs Crs.)



The Group's continued and relentless focus on working capital management is reflected in all round improvement of key metrics of leverage, interest coverage, OCF/EBITDA.

OCF/EBITDA on a consolidated basis was **188%**. This is the highest ever OCF %age in the history of the company and is a re-iteration of the business model and hypothesis that slower growth leads to high cash accumulation. The strong collections despite the stress in the macro-economy is a direct result of the relentless focus on aggressive management of receivables and strong credit controls put in place to assess, review and monitor collections. The OCF/EBITDA performance has been led by the India businesses which can be seen in the cash accumulation in the India business. The International business was always a

strong cash flow generation engine and it repeated its performance in H1 too.

Interest coverage ratio improved to 4.8 times at the end of Q2'FY21 which continues to be higher than the ICR of companies in BSE500. (excluding banks, financials, and oil and gas companies). (*ICR calculated as EBITDA/ Real Interest expense*)

Net Debt/ EBITDA reduced and was 0.9 as on September 2020, which is a steep improvement from the 1.3 at the end of June 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.

Gross Debt and Net Debt showed a decline in the quarter by Rs 51 Crs and Rs213 Crs respectively demonstrating the Group's ability to manage debt and working capital cycles even during a downturn.

During Q1 FY21, the Group had arranged additional lines from its bankers to cover any short term or temporary liquidity constraints it may face. However, because of the strong cash flow generation and steady business that remained largely stable over the past two quarters, we have not had to resort to utilising those additional lines even in Q2.

Security Solutions – India

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

The business currently operates across 170 branches and has 146, 617 employees.

Essential services leading to revenue stability

The segmental revenues for H1 were Rs 1697 Crs which is a 0.4% increase over H1FY20. The revenues have stabilised in Q2 with many cities and states opening up steadily. At end of September the revenues for the segment at Rs285 Crs were 94% of the revenues in March 2020 at Rs304 Crs.

The security vertical has had strong exposure to segments like manufacturing, banking, healthcare etc which have been largely unaffected by the crisis and even in some

other segments that saw lean operations, security services were still operational at close to full capacity because of the vital nature of our services. Our diversified presence across Tier 1/2/3 cities also helped us avoid severity of impact.

Gross margins intact – EBITDA inching up

Gross margins continue to be stable and EBITDA has inched up from 5.4% in Q1 to 5.8% in Q2, despite announcement of annual bonuses and increments this year. We continue to spend significant amounts on Covid EHS aspects especially around PPE, welfare spend and training.

As volumes pick up in festive season, it will drive back EBITDA margins quickly to earlier levels on the back of operating leverage.

COVID and Labour Reforms – major trigger for Consolidation

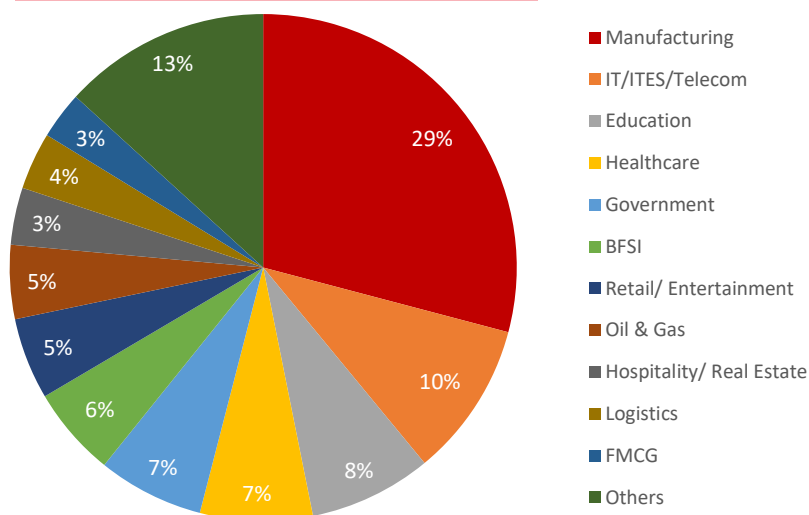
The next 12-24 months are going to present many opportunities for organic consolidation

as customers prefer market leader brands & reliable service partners. Government labour reforms shall 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.

The inherent in-elastic nature of the essential services demand has come forth during these past few months. With the strong balance sheet and opportunities presented by the labour reforms and Covid impact on smaller firms, we remain optimistic of reaching our earlier levels of growth in the near term.

in Rs. Crs	Q2 FY21	Q2 FY20	Change YoY	Q1 FY21	Change QoQ	H1FY21	H1FY20	Growth
Revenues	839.2	878.9	-4.5%	858.1	-2.2%	1697.2	1691.2	0.4%
EBITDA	49.1	53.7	-8.6%	46.2	6.3%	95.2	106.8	-10.8%
EBITDA%	5.8%	6.1%		5.4%		5.6%	6.3%	
Share of group revenues	38.9%	39.6%		42.1%		39.2%	41.3%	
Share of group EBITDA	37.8%	38.2%		43.5%		38.0%	43.0%	

Revenue breakdown by customer segment



Retail & Entertainment, Hospitality are the primary contributors to the service reductions. They contribute only 8% of the segment revenues.

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 8,800 employees.

Robust performance across all the markets

The International business has continued its robust performance during H1 with revenues of Rs 2,088 Crs which is an increase of 14.9% over H1FY20.

Australia has seen strong ad-hoc contracts for securing quarantine facilities that continued into Q2. These have offset some decrease in businesses like aviation/ retail etc. Singapore showed a 3% QoQ increase in revenues while NZ business saw a great uptick due to events business picking up.

The strong performance in these markets is a result of underlying health situation coupled with progressive incentives announced by the governments to support

businesses and workers.

The overall economy has seen less disruption due to Covid in these markets.

Government business bulwark against volatility

In most developed markets, govt. is a large customer for outsourced security to augment their security needs - public transport and other utilities, immigration and even non-core roles at police stations. In Australia too, the government is a large customer for us and accounts for 46% of the revenues (including defence). While this number has increased in H1 on account of Covid related ad-hoc demand, the strong government demand has historically been a strong support in headwind conditions.

Historically high EBITDA margins

Maintained pricing and gross margins despite tough environment and customer pressures. That coupled with good margins on the ad-hoc business aided in the overall margin being at 7% across the region.

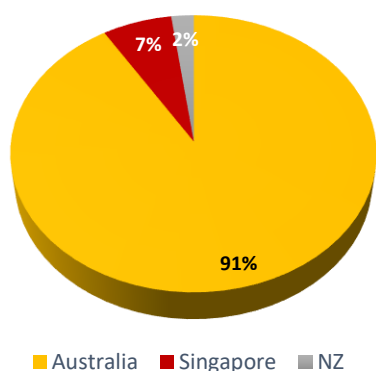
International operations continue to generate robust cashflows

The International segment continued its excellent DSO track record which remains at 47 days which in comparison was 53 days in Q2FY20. The strong collections show the continued efforts of our operating teams ably supported by the customers who recognise the vital nature of our services in this juncture.

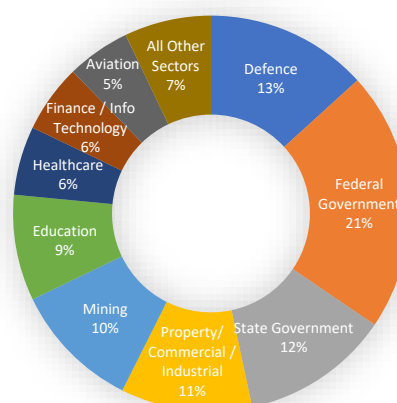
H1FY21 demonstrates the integral and crucial role that the international business plays in the SIS Group. Even in an otherwise demand in-elastic industry, it adds in a further amount of stability due to the strong underlying macro situation in these economies. The division has always been high on cash flows and return ratios, which has been aided this year by strong revenue growth too.

in Rs. Crs	Q2 FY21	Q2 FY20	Change YoY	Q1 FY21	Change QoQ	H1FY21	H1FY20	Growth
Revenues	1067.7	903.4	18.2%	1019.9	4.7%	2087.6	1816.8	14.9%
EBITDA	74.7	49.6	50.6%	60.0	24.5%	134.7	103.2	30.5%
EBITDA%	7.0%	5.5%		5.9%		6.5%	5.7%	
Share of group revenues	49.5%	43.2%		47.1%		48.3%	44.3%	
Share of group EBITDA	57.6%	40.1%		49.6%		53.8%	41.6%	

Revenue breakdown by region



Revenue breakdown by customer segment



Govt business strong source of support

Facility Management Solutions

The facility management business comprises DTSS, SMC, RARE Hospitality and TerminixSIS. We are the second largest FM business in the country. The FM business currently operates across 92 branches and has close to 50,700 employees.

Revenue decline on a few high impact segments

The revenues for the FM vertical for H1 were Rs548 Crs which is a Rs56 Crs decline over H1 of last year (9.3%). Out of this Railways accounted for close to 50% of the decline – accounting for only Rs33 Crs revenues in H1FY21 while it was over Rs60 Crs in H1FY20. Railways used to contribute close to 10% of our revenues and was shut for a large part of Q1 and Q2. The other big segments that have been impacted are hotels, retail and airports. Many of these segments will see greater unlocking in Q3 leading to substantial service volume uptick.

Order flows provide clear roadmap towards recovery

With most major customer segments

steadily recovering, there is a steady revival of service volumes. DTSS and SMC are inching back to normality with new orders of over Rs2.5 Crs per month which would help us reach March 2020 levels in Q4.

Rare Hospitality, our specialty healthcare FM company has been showing strong YoY growth on the back of continued wins in the healthcare segment.

Terminix SIS is also showing a robust YoY growth on the back of strong wins in the area of disinfection and sanitization. We are attempting to convert one time disinfection orders into recurring revenues. At 28% EBITDA margins, the business is poised to have its best year ever.

EBITDA hit on account of operating leverage impact

While gross margins have been intact, EBITDA was impacted on account of the operative leverage, thus declining from 5.1% in Q1 to 2.6% in Q2FY21. As sales start recovering, the operating leverage should

provide an equally strong upturn to EBITDA margins, back to historical trends.

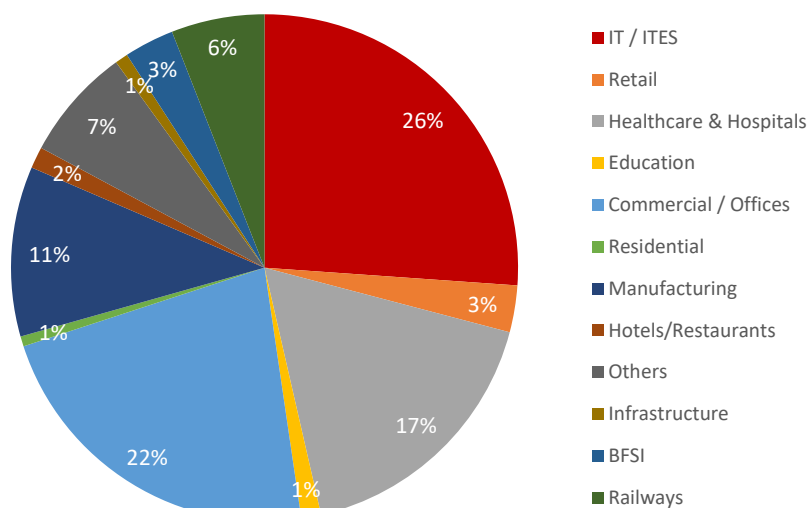
From FM to Hygiene and Safety Assurance

We estimate that monthly operating expenditure on hygiene management will witness a sharp uptick across customer segments as a fallout of the Covid crisis. 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. The newly passed labour reforms provide further impetus to the outsourcing of production support service and the SIS' group penetration in the manufacturing sector will help us exploit this opportunity.

in Rs. Crs	Q2 FY21	Q2 FY20	Change YoY	Q1 FY21	Change QoQ	H1FY21	H1FY20	Growth
Revenues	255.7	314.3	-18.6%	292.7	-12.7%	548.4	604.4	-9.3%
EBITDA	6.5	20.9	-68.7%	15.0	-56.5%	21.5	39.0	-44.7%
EBITDA%	2.6%	6.6%		5.1%		3.9%	6.4%	
Share of group revenues	11.8%	15.0%		13.5%		12.7%	14.8%	
Share of group EBITDA	5.0%	16.9%		12.4%		8.6%	15.7%	

Revenue breakdown by customer segment



Segments that have seen the largest service volume reduction compared to March 2020 are – Railways, Hotels and Restaurants, Retail & Entertainment. Segments like Banking, Commercial, Manufacturing have held up well.

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 2,300 cash vans and 54 vaults covering over 300 cities across India.

Cash in circulation increasing steeply

Despite the crisis hindering overall business activity and the steep hit to the GDP, the Cash in circulation in the economy has seen a steep increase – growing at 13% from March 2020 to September 2020. The growth over the last 12 months is 23%. The cash in circulation/ GDP has reached a high 14% currently.

During the time of crisis, people have been resorting to keeping more cash with them as a matter of caution to be used in times of emergency. Direct benefits transfer (DBT) in rural areas has driven cash use further.

Revenues stable across segments

Revenues increased 7% over the previous quarter with ATM and Cash in Transit business being quite stable. The business is now operating at 98% of March 2020 levels.

We won cash processing business (a new business line) from SBI for managing currency chests. The segment also entered the valuable cargo business. Entering new business segments will provide a diversified revenue stream that will help us move beyond the traditional cash logistics businesses.

Margin increase – streamlining routes

The segment continued its strong EBITDA margin trend with margins at 8.6%, up from 8.1% in the previous quarter.

Despite increase in fuel prices by 18%, gross margins improved by 4% through dynamic

management of on-ground routes, proactive cost control and productivity improvement measures.

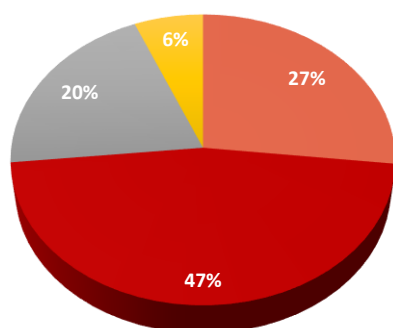
Operating leverage has further positively impacted overall EBITDA margins.

Organic consolidation

Historically the industry has been beset with players who were operating sub-optimally and created pricing stress. The delayed reset of ATM pricing coupled with Covid related working capital issues have put weaker players under stress. We see some of these players slowly losing business and organic consolidation helping stronger players.

in Rs. Crs	Q2 FY21	Q2 FY20	Change YoY	Q1 FY21	Change QoQ	H1FY21	H1FY20	Growth
Revenues	77.0	88.8	-13.3%	71.8	7.2%	148.7	168.4	-11.7%
EBITDA	6.6	8.4	-21.7%	5.8	13.9%	12.4	11.9	4.4%
EBITDA%	8.6%	9.5%		8.1%		8.3%	7.1%	

Revenue breakdown by solution



■ ATM ■ CIT ■ DSB ■ Others

Our ATM revenue dependence has declined from 53% in Q1FY18 to 27% in Q2FY21, thus transforming the financial performance of the segment

Note on M&A Structure and Payouts

While organic growth lies at the core of SIS strategy, bolt-on acquisitions have helped us over the years in a) consolidating market share in key growth territories b) augmenting service portfolio gaps and c) build market share and credentials in promising customer segments. Our M&A track record has been built around three key levers that have ensured continued success on all our transactions:

- Strong internal discipline in evaluating deals based on decades of business experience and operational knowhow
- Valuing and structuring deals to ensure that our financial returns are optimised in both upside and downside scenarios
- A sound integration plan that is built around seamlessly bringing together systems, processes and cultures

All our acquired entities are performing in accordance with the initial plan.

Strategy

Market share consolidating in lucrative geographies

The Security and Facility Management industry has many regionally strong players with a strong client profile, compliance record and good brand recognition, but have become fatigued and stagnant in their evolution that we term Tired Market Leaders. SIS' strategy has been to acquire these regionally strong players to increase

market share and leadership in key geographical verticals, especially the regions with strong economic and industrial activity. Our acquisitions of SLV and Uniq in FY19 were a step in this direction, as we increased our market share in Delhi-NCR and Bangalore respectively.

Augmenting service portfolio and penetrating key customer segments

Customers are looking at specialised skill sets from their service providers. We are keen to acquire niche skills that boost our expertise in a few select areas. These segments, like healthcare for instance, offer immense scale potential and high margins. A case in point was our acquisition of Rare Hospitality in FY19 which offered strong capabilities in the healthcare field. These skill sets have now acquired greater significance as we look to provide more solutions to the healthcare field, post-Covid.

Earn-out based Staggered acquisition structure

Our structure for all our deals is strongly focussed on alignment of interests between SIS and the Sellers. We aim to build partnerships with the sellers so that any transition to SIS is seamless while also ensuring continued participation of the sellers in the economic upside.

Our acquisition of DTSS is a perfect demonstration of this. We completed the last tranche buyout from the sellers in July

2019. Similarly we got 16.35% additional equity in SLV as an adjustment of the initial tranche payment. Both deals, outperforming and underperforming, resulted in over 30% IRR, (with no multiple arbitrage).

Integration

A well-thought out integration plan is important to the success of any acquisition and at SIS, we have institutionalised a integration plan that enables a smooth transition of people/ processes/ culture and systems. Our integration plan combines the following key elements

- Systems and Processes
- Target Orientation
- Earnings Optimisation
- Policies and best practices

A detailed 100 days and six month plan, with appropriate prioritisation, is prepared involving various functional leaders with the aim of bringing the acquired company into the SIS way as early as possible.

After having successfully acquired and integrated many companies over the past few years, we believe that we have a strong and scalable home-grown recipe for cultural, operational and financial integration.

Performance of material acquisitions over the years

Acquired company	Date	Country	Remarks	Business ROCE
MSS Security	Aug-08	Australia	Entry into the Australian market. Largest security services provider	60%
Dusters Total Solutions Services	Aug-16	India	Leapfrogged from top 10 to top 4 players in the FM segment	27%
Southern Cross Protection	Jul-17	Australia	Added solutions business of mobile patrolling to the traditional business	38%
SLV Security	Sep-18	India	Consolidate market share in the key Delhi - NCR market	23%
Rare Hospitality	Nov-18	India	Increase presence in promising healthcare segment	111%
Henderson Security Services	Feb-19	Singapore	Entry into Singapore market (3rd largest player)	113%
Uniq Detective & Security Service	Feb-19	India	Consolidate market share in the prime Bangalore region	79%

*Business ROCE is the operating ROCE of the entity, not considering the amount that was paid for the acquisition

** Based on Normalised EBIT calculations

Note on M&A Structure and Payouts

Accounting for future liability and goodwill

Our earnout structure results in future liabilities being recorded in the books as per Ind-As PPA guidelines. As at the end of March 2020 the liability on the book towards these acquired assets was recorded at Rs676 Crs

However this is based on conservative assumptions providing for maximum possible payout scenarios. The final payout is likely to be significantly lower than the liability on the books. This would result in a write back to the P&L (under the head "other gains") and also a considerable reduction in the goodwill on the balance sheet.

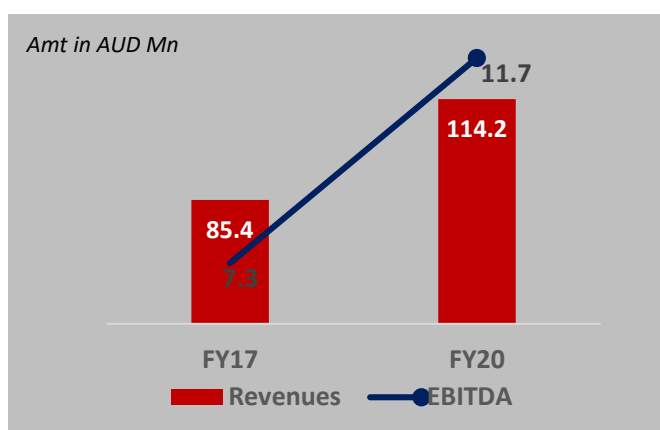
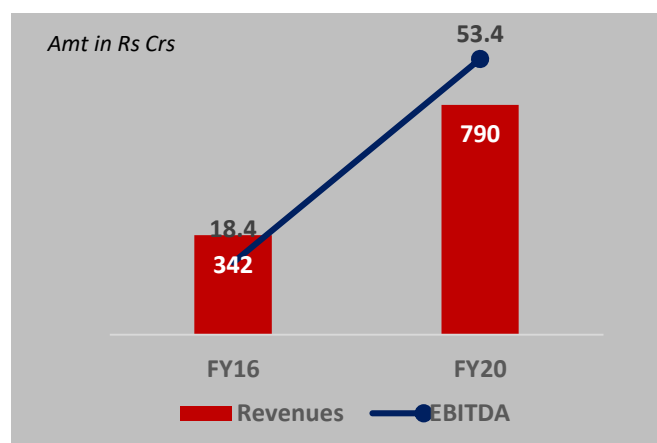
This can also be seen in the significantly lower payouts in the case of SLV and SXP as against the recorded liabilities in the "Non-current financial liabilities" in the Balance Sheet. The implication of the earn-out structure and more realistic goodwill estimates need to be factored in appropriately while computing the return ratios for SIS.

in Rs Crs	Liability recorded in the Balance Sheet	Actual payout	Goodwill reduction
SLV	81.6	36.6	50
SXP	202.8	161	42

DTSS

We acquired 78.72% in DTSS in August 2016 for a purchase price of Rs117 Crs and balance in July 2019 with total purchase price of Rs193 Crs. The founders of the company and key employees were incentivised through an earnout mechanism linked to EBITDA growth for the final tranche.

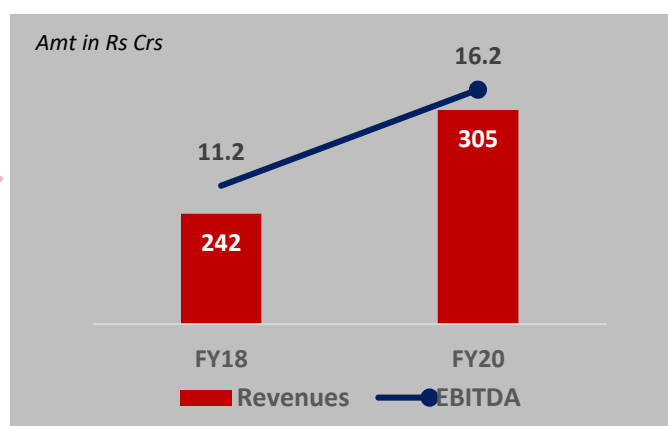
The post-acquisition period of DTSS has seen a significant growth in revenues and margins. This has been directly a result of the inculcation of many best practices of SIS into DTSS.



SXP

Initial investment of AUD 1.7 Mn made in 2012 for 10% stake in SXP. Additional stake of 41% acquired in 2017, taking stake to 51%. 49% continued to be held by the seller under an earnout structure. Total payout for SXP across all tranches amounted to AUD 56.3 Mn. SXP is the largest mobile patrolling company in Australia added a new solution mix to our portfolio.

The company has shown a steady increase in revenues (CAGR of 10%) and EBITDA (CAGR of 17%).



SLV

We acquired 51% in September 2018 and acquired 100% April and June 2020. The company was stagnant in revenue and EBITDA prior to acquisition for the preceding three years.

Since acquisition the company has shown strong financial performance with revenues growing at CAGR of 12% over the past 2 years.

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

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

We have reviewed the accompanying 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 and six months ended September 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 the Companies Act, 2013 (the Act), read with relevant rules issued thereunder ("Ind AS") and other accounting principles generally accepted in India. Our responsibility is to issue a report on these financial results based on our review.

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

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 reflects total assets of INR 32,483.28 Mn as at September 30, 2020, total revenue from operations of INR 13,691.12 Mn and INR 27,005.66 Mn, total net profit after tax of INR 988.20 Mn and INR 1,474.36 Mn and total comprehensive income of INR 965.85 Mn and INR 1,331.41 Mn for the quarter and six months ended September 30, 2020 respectively and net cash inflows of INR 2,973.83 Mn for the six months ended September 30, 2020, as considered in the consolidated financial results. The consolidated financial results also include the Group's share of net profit of INR 3.30 Mn and INR 0.43 Mn for the quarter and six months ended September 30, 2020, in respect of 4 associates and 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 and 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, associates and 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, associates 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 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, associates and 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, associates and 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

UDIN: 20082118AAAAAMN5559
Place: - New Delhi
Date: - October 29, 2020



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 (formerly known as Uniq Detective and Security Services 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 and 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.



[Handwritten signature in green ink]

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 and six months ended September 30, 2020							
SI No	Particulars	(Rupees in million except per share data)					
		Quarter ended			Six months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	21,578.59	21,667.34	20,888.58	43,245.93	40,972.53	84,851.66
	b) Other income	86.19	97.58	41.94	183.77	77.88	156.11
	c) Other gains / (losses)	578.52	133.22	-63.30	711.74	-97.47	375.34
	Total Income (a + b + c)	22,243.30	21,898.14	20,867.22	44,141.44	40,952.94	85,383.11
2	Expenses						
	a) Cost of materials consumed	70.08	62.16	80.88	132.24	158.13	256.18
	b) Purchases of stock-in-trade	162.83	110.56	52.55	273.39	69.92	618.21
	c) Changes in inventories of finished goods	55.96	-18.90	67.99	37.06	154.83	-42.07
	d) Employee benefits expense	16,713.22	16,886.21	17,091.92	33,599.43	33,514.17	68,963.02
	e) Finance costs	332.75	372.71	377.64	705.46	748.53	1,517.23
	f) Depreciation and amortization expenses	283.19	285.35	325.57	568.54	619.86	1,283.41
	g) Other expenses	3,279.82	3,418.47	2,358.43	6,698.29	4,591.28	9,852.39
	Total expenses (a + b + c + d + e + f + g)	20,897.85	21,116.56	20,354.98	42,014.41	39,856.72	82,448.37
3	Profit before tax and exceptional items (1-2)	1,345.45	781.58	512.24	2,127.03	1,096.22	2,934.74
4	Share of profit/(loss) of associates and joint ventures	3.30	-2.87	0.40	0.43	-22.84	-44.03
5	Profit before exceptional items and tax (3+4)	1,348.75	778.71	512.64	2,127.46	1,073.38	2,890.71
6	Exceptional items	-	-	-	-	-	-
7	Profit before tax (5-6)	1,348.75	778.71	512.64	2,127.46	1,073.38	2,890.71
8	Tax expense						
	Current tax	316.51	238.42	154.77	554.93	384.25	809.71
	Deferred tax	-48.59	-38.43	-403.80	-87.02	-821.68	-173.53
	Total tax expense	267.92	199.99	-249.03	467.91	-437.43	636.18
9	Profit for the period (7-8)	1,080.83	578.72	761.67	1,659.55	1,510.81	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	21.93	452.89	-110.63	474.82	-144.08	-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	5.91	4.87	-79.39	10.78	-60.40	-4.69
	b) Income tax relating to these items	-1.49	-1.22	28.09	-2.71	21.29	0.70
	Other comprehensive income for the period (net of taxes)	26.35	456.54	-161.93	482.89	-183.19	-184.98
11	Total comprehensive income for the period (9+10)	1,107.18	1,035.26	599.74	2,142.44	1,327.62	2,069.55
12	Non-controlling interests	5.74	7.69	-0.23	13.43	-1.27	-0.17
13	Total comprehensive income attributable to owners (11-12)	1,101.44	1,027.57	599.97	2,129.01	1,328.89	2,069.72
14	Paid-up equity share capital (face value of Rs. 5 per share)	733.87	733.25	733.18	733.87	733.18	733.19
15	Reserves i.e. Other equity	15,248.52	14,184.82	12,835.49	15,248.52	12,835.49	13,151.00
16	Earnings per share (EPS) (of Rs.5/- each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(annualised)
	(a) Basic (Rs)	7.33	3.89	5.20*	11.22	10.31*	15.38
	(b) Diluted (Rs)	7.21	3.83	5.12*	11.05	10.15*	15.13

*Restated to reflect the effect of share sub-division

Please see the accompanying notes to the financial results

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083

Statement of consolidated assets and liabilities as at September 30, 2020

Particulars		(Rupees in million)	
		September 30, 2020 (Unaudited)	March 31, 2020 (Audited)
A	ASSETS		
	Non – current assets		
	Property, plant and equipment	2,529.31	2,662.12
	Capital work-in-progress	29.07	16.59
	Goodwill	13,549.65	12,322.66
	Other intangible assets	1,704.35	1,610.12
	Intangible assets under development	79.40	111.82
	Investments in associates and joint ventures	379.80	380.03
	Financial assets		
	(i) Investments	549.82	549.82
	(ii) Other non-current financial assets	611.60	560.35
	Deferred tax assets (net)	2,575.80	2,450.27
	Income tax assets	1,336.65	1,923.98
	Other non – current assets	3.61	14.70
	Total non – current assets	23,349.06	22,602.46
	Current assets		
	Inventories	339.45	338.59
	Financial assets		
	(i) Investments	1.51	1.18
	(ii) Trade receivables	11,969.28	11,749.68
	(iii) Cash and cash equivalents	8,039.21	4,171.26
	(iv) Bank balances other than in (iii) above	691.50	1,965.99
	(v) Other current financial assets	4,890.97	4,633.85
	Other current assets	1,391.29	1,056.00
	Assets classified as held for distribution to shareholders of subsidiaries	2.22	2.22
	Total current assets	27,325.43	23,918.77
	Total assets	50,674.49	46,521.23
B	EQUITY AND LIABILITIES		
	Equity		
	Equity share capital	733.87	733.19
	Other equity	15,248.52	13,151.00
	Equity attributable to owners	15,982.39	13,884.19
	Non-controlling interests	58.27	3.02
	Total equity	16,040.66	13,887.21
	Liabilities		
	Non – current liabilities		
	Financial liabilities		
	(i) Borrowings	744.73	6,298.66
	(ii) Other non- current financial liabilities	5,196.71	5,502.84
	Provisions	1,333.90	1,176.09
	Deferred tax liabilities (net)	508.71	518.61
	Total non- current liabilities	7,784.05	13,496.20
	Current liabilities		
	Financial liabilities		
	(i) Borrowings	5,043.19	5,422.90
	(ii) Trade payables		
	a) Total outstanding dues of micro enterprises and small enterprises	34.88	15.63
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises	747.65	522.42
	(iii) Other current financial liabilities	16,153.75	8,667.18
	Other current liabilities	1,222.00	1,622.18
	Income tax liabilities	395.64	306.95
	Provisions	3,249.85	2,577.74
	Liabilities classified as held for distribution to shareholders of subsidiaries	2.82	2.82
	Total current liabilities	26,849.78	19,137.82
	Total liabilities	34,633.83	32,634.02
	Total equity and liabilities	50,674.49	46,521.23

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083

Consolidated statement of cash flows for the six months ended September 30, 2020

Particulars		(Rupees in million)	
		September 30, 2020 (Unaudited)	September 30, 2019 (Unaudited)
A	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	2,127.46	1,073.38
	Adjusted for:		
	Depreciation and amortization expenses	568.54	619.86
	Unrealised Foreign exchange (gain) / loss	-305.42	107.14
	Net (gain) /loss on sale of property, plant and equipment	-16.06	-9.20
	Finance costs	705.46	748.53
	Interest income classified as investing cash flows	-574.03	-78.92
	Provision for doubtful debts	251.08	61.40
	Employee stock option compensation expense	7.96	21.22
	Other non-cash items	-0.43	75.49
	Operating profit/(loss) before changes in working capital	2,764.56	2,618.90
	Changes in working capital:		
	Decrease / (increase) in trade receivables	85.40	-900.38
	Decrease / (increase) in inventories	63.30	4.36
	Decrease / (increase) in other current assets	-303.85	-292.10
	Decrease / (increase) in other current financial assets	-129.76	-1,188.49
	(Decrease) / increase in trade payables	125.26	-243.10
	(Decrease) / increase in provisions	459.96	263.41
	(Decrease) / increase in other current liabilities	-371.33	-22.06
	(Decrease) / increase in other current financial liabilities	778.56	222.40
		3,472.10	462.94
	Decrease / (increase) in other non-current assets	8.68	9.77
	Decrease / (increase) in other non-current financial assets	-3.52	15.27
	(Decrease) / increase in other non-current financial liabilities	-122.62	-19.34
	Cash (used in) /generated from operations	3,354.64	468.64
	Direct (tax paid), net of refunds	65.67	-619.30
	Net cash inflow / (outflow) from operating activities	3,420.31	-150.66
B	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of property plant and equipment and changes in capital work-in-progress	-246.71	-419.42
	Proceeds from sale/disposal of property, plant and equipment	111.76	16.10
	Proceeds from sale of investments	-	44.26
	Investments made	-80.48	-1,139.00
	(Investment) in / matured fixed deposits (net)	-192.55	130.24
	Decrease / (increase) in restricted balances	1,675.89	-462.98
	Interest received	158.00	48.63
	Net cash inflow / (outflow) from investing activities	1,425.91	-1,782.17
C	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	0.63	0.01
	Foreign exchange gain / (loss) realized	-1.98	-1.84
	Proceeds from term loans	175.32	608.52
	Repayment of term loans	-266.99	-171.20
	Interest paid	-556.25	-539.53
	Dividends paid to Parent's shareholders	-	-256.85
	Changes in lease liability	-179.19	-140.52
	Net cash inflow / (outflow) from financing activities	-828.46	-501.41
D	Net increase / (decrease) in cash and cash equivalents (A+B+C)	4,017.76	-2,434.24
E	Cash and cash equivalents at the beginning of the year	-1,251.64	841.34
F	Translation adjustments	229.90	72.98
G	Cash balances added on acquisition	-	41.16
	Cash and cash equivalents at the end of the period (D+E+F+G)	2,996.02	-1,478.76

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

Cash and cash equivalents at the end of the period	8,039.21	3,223.96
Cash credit at the end of the period	-5,043.19	-4,702.72
Balances as per statement of cash flows	2,996.02	-1,478.76

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 and six months ended September 30, 2020 have been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on October 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. During the quarter ended September 30, 2020, a subsidiary of the Group executed final agreements with the shareholders of SX Protective Holdings Pty Ltd (SXP) on September 30, 2020 to complete the acquisition of the remaining 49% shares and voting rights in SXP pursuant to share purchase and option agreements entered into in 2017.
4. 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 September 30, 2020.
5. 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 the 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.
6. During the quarter ended September 30, 2020, upon exercise of vested stock options by the eligible employees, the Parent has allotted 124,560 equity shares of INR 5 each. Consequent to the said allotment, the paid-up equity share capital of the Parent stands increased from INR 733,247,510 divided into 146,649,502 equity shares of INR 5 each to INR 733,870,310 divided into 146,774,062 equity shares of INR 5 each.

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



Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: October 29, 2020



Security and Intelligence Services (India) Limited Registered office : Annapurna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010 CIN: L75230BR1985PLC002083 Consolidated segment-wise revenue, results, assets and liabilities for the quarter and six months ended September 30, 2020						
Particulars	(Rupees in million)					
	Quarter ended			Six months ended		Year ended
	September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment revenue						
Security services - India	8,391.69	8,580.58	8,759.17	16,972.27	16,842.83	35,150.52
Security services – International	10,677.29	10,199.12	9,033.84	20,876.41	18,167.79	37,055.67
Facilities management	2,556.75	2,927.50	3,138.54	5,484.25	6,035.98	12,781.72
Less: Inter- segment elimination	-47.14	-39.86	-42.97	-87.00	-74.07	-136.25
Total revenue from operations	21,578.59	21,667.34	20,888.58	43,245.93	40,972.53	84,851.66
Segment EBITDA						
Security services – India	487.88	461.68	537.95	949.56	1,068.43	2,113.06
Security services – International	746.94	599.91	489.94	1,346.85	1,026.45	2,211.67
Facilities management	61.85	150.16	209.13	212.01	390.04	879.20
Less: Inter- segment elimination	0.01	-2.91	-0.20	-2.90	-0.72	-
Total EBITDA	1,296.68	1,208.84	1,236.82	2,505.52	2,484.20	5,203.93
Share of net profit / (loss) from associates and joint ventures	3.30	-2.87	0.40	0.43	-22.84	-44.03
Other income and gains	76.90	-6.16	30.19	70.74	65.65	232.92
Other gains / (losses) and effect of entries resulting from consolidation and business combination accounting	493.24	118.95	-204.62	612.19	-413.96	-309.92
Finance costs	-267.97	-303.89	-282.01	-571.86	-534.87	-1,134.57
Depreciation	-253.40	-236.16	-268.14	-489.56	-504.80	-1,057.64
Unallocated corporate expenses	-	-	-	-	-	0.02
Exceptional items	-	-	-	-	-	-
Total profit before tax	1,348.75	778.71	512.64	2,127.46	1,073.38	2,890.71
Particulars	As at September 30, 2020	As at June 30, 2020	As at September 30, 2019	As at September 30, 2020	As at September 30, 2019	As at March 31, 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Segment assets						
Security services - India	20,303.36	20,527.19	20,012.26	20,303.36	20,012.26	20,008.62
Security services – International	24,944.08	23,890.47	20,193.28	24,944.08	20,193.28	20,548.10
Facilities management	5,427.05	5,652.48	5,613.36	5,427.05	5,613.36	5,964.20
Unallocated	-	-	0.35	-	0.35	0.31
Total	50,674.49	50,070.14	45,819.25	50,674.49	45,819.25	46,521.23
Segment liabilities						
Security services – India	12,177.51	12,580.04	12,224.31	12,177.51	12,224.31	12,210.61
Security services – International	19,405.89	19,345.82	16,721.85	19,405.89	16,721.85	16,864.34
Facilities management	3,050.43	3,215.51	3,302.47	3,050.43	3,302.47	3,559.02
Unallocated	-	-	0.04	-	0.04	0.05
Total	34,633.83	35,141.37	32,248.67	34,633.83	32,248.67	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


Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: October 29, 2020



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

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


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

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

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

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

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



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

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



Security and Intelligence Services (India) Limited Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010 CIN: L75230BR1985PLC002083 Statement of standalone financial results for the quarter and six months ended September 30, 2020							
Sl. No.	Particulars	(Rupees in million except per share data)					
		Quarter ended			Six months ended		Year ended
		September 30, 2020	June 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019	March 31, 2020
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	a) Revenue from operations	7,165.18	7,434.70	7,471.55	14,599.88	14,356.41	29,958.81
	b) Other income	80.54	89.63	157.50	170.17	184.06	440.32
	c) Other gains / (losses)	-0.42	-0.88	3.70	-1.30	5.78	8.83
	Total income (a + b + c)	7,245.30	7,523.45	7,632.75	14,768.75	14,546.25	30,407.96
2	Expenses						
	a) Purchases	159.25	64.78	13.19	224.03	23.12	394.11
	b) Change in inventory of stock-in-trade	-7.92	-13.18	86.79	-21.10	152.20	-6.71
	c) Employee benefits expense	6,277.55	6,576.38	6,471.73	12,853.93	12,478.53	26,110.92
	d) Finance costs	179.09	211.85	192.95	390.94	354.43	756.36
	e) Depreciation and amortization expense	104.65	102.41	138.26	207.06	257.52	534.79
	f) Other expenses	288.40	372.88	425.57	661.28	749.43	1,548.80
	Total expenses (a + b + c + d + e + f)	7,001.02	7,315.12	7,328.49	14,316.14	14,015.23	29,338.27
3	Profit before tax and exceptional items (1-2)	244.28	208.33	304.26	452.61	531.02	1,069.69
4	Exceptional items	-	-	-	-	-	-
5	Profit before tax (3-4)	244.28	208.33	304.26	452.61	531.02	1,069.69
6	Tax expense						
	Current tax	-0.65	1.13	35.98	0.48	92.19	62.23
	Deferred tax	88.06	60.41	-286.46	148.47	-594.04	144.18
	Total tax expense	87.41	61.54	-250.48	148.95	-501.85	206.41
7	Profit for the period (5-6)	156.87	146.79	554.74	303.66	1,032.87	863.28
8	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	a) Re-measurement of defined benefits plan	5.06	5.05	-72.40	10.11	-47.82	16.52
	b) Income tax relating to these items	-1.27	-1.27	25.30	-2.54	16.71	-4.16
	Other comprehensive income for the period (net of taxes)	3.79	3.78	-47.10	7.57	-31.11	12.36
9	Total comprehensive income for the period (7+8)	160.66	150.57	507.64	311.23	1,001.76	875.64
10	Paid-up equity share capital (face value of Rs. 5 per share)	733.87	733.25	733.18	733.87	733.18	733.19
11	Reserves i.e. Other equity	7,167.29	7,004.40	7,302.54	7,167.29	7,302.54	6,846.52
12	Earnings per share (EPS) (of Rs. 5/- each)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(not annualised)	(Annualised)
	(a) Basic (Rs)	1.07	1.00	3.79*	2.07	7.05*	5.89
	(b) Diluted (Rs)	1.05	0.99	3.73*	2.04	6.93*	5.79

*Restated to reflect the effect of share sub-division

Please see the accompanying notes to the financial results

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna – 800010
CIN: L75230BR1985PLC002083

Statement of standalone assets and liabilities as at September 30, 2020

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

Security and Intelligence Services (India) Limited
Registered office : Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna - 800010
CIN: L75230BR1985PLC002083

Standalone statement of cash flows for the six months ended September 30, 2020

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

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

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

Notes to the standalone financial results:

1. The Statement of unaudited standalone financial results ("the Statement") of the Company for the quarter and six months ended September 30, 2020 has been reviewed by the Audit Committee and, thereafter, approved by the Board of Directors at its meeting held on October 29, 2020.
2. The standalone results have been prepared in accordance with the principles and procedures of Indian Accounting Standards ("Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 as prescribed in Section 133 of the Companies Act, 2013 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 and other recognized accounting practices and policies.
3. Effective May 04, 2020, the Company acquired an additional shareholding of 5% in SLV Security Services Private Limited ("SLV"), a subsidiary of the Company, for an aggregate consideration of INR 56.05 million. With this acquisition, the Company held 95.01% of the outstanding equity shares in SLV as at September 30, 2020.
4. The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of financial and non-financial assets. The Company has assessed the carrying amounts based on subsequent events and the state of the business operations during the period of the pandemic and related information including economic forecasts. As a result of this assessment, and based on the current estimates, the Company expects that the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at date of approval of these financial results and the Company will continue to closely monitor any material changes to future economic conditions.
5. During the quarter ended September 30, 2020, upon exercise of vested stock options by the eligible employees, the Company has allotted 124,560 equity shares of INR 5 each. Consequent to the said allotment, the paid-up equity share capital of the Company stands increased from INR 733,247,510 divided into 146,649,502 equity shares of INR 5 each to INR 733,870,310 divided into 146,774,062 equity shares of INR 5 each.
6. Disclosure under Regulation 52(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period ended September 30, 2020:

Particulars	Details
a) Credit rating in respect of above mentioned NCD by ICRA.	A+. We confirm there is no change in the credit rating as of date.
b) asset cover available	2.86 times. The Debentures are secured by way of security created over the Company's entire shareholding in one of its subsidiary companies.
c) debt-equity ratio*	0.83 times
d) previous due date for the payment of interest / repayment of principal of non-convertible debt securities and whether the same has been paid or not; and,	Interest of INR 141.72 Mn paid on April 13, 2020
e) next due date for the payment of interest/ principal along with the amount of interest payable and the redemption amount	April 13, 2021 is the next due date for interest payment of INR 142.50 Mn and April 13, 2021 is the due date for redemption of the debentures
f) debt service coverage ratio ** (Annualised)	0.55 times #
g) interest service coverage ratio*** (Annualised)	1.82 times
h) Debenture redemption reserve	INR 312.50 Mn
i) net worth	INR 7,901.16 Mn
j) net profit after tax	INR 303.66 Mn
k) earnings per share (Basic)	INR 2.07 per share

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

* Total debt / Equity

** Profit before Interest and taxes / total debt service (interest and principal amounts due within next 12 months)

*** Profit before interest and exceptional items / Interest expense

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

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


Rituraj Kishore Sinha
Managing Director

Place: New Delhi
Date: October 29, 2020

