Group Enterprises

A Market Leader in Security, Cash Logistics & Facility Management

Delivering Profitable Growth. Driving Innovative Solutions.

SIS Limited

Integrated Annual Report 2023-24

What's Inside

Check our website **www.sisindia.com** to get to know us better

SIS at a Glance

SIS is a US$ 1.5 Billion Indian multinational and business services company, with a market leading position in Security, Facility Management and Cash Logistics business in India. It is the fastest growing security and facility management solutions brand with an extensive footprint across the country.

Key Financial Highlights

₹ 12,261 Crore
Revenue

₹ 585 Crore
EBITDA

4.8%
EBITDA Margin

₹ 190 Crore
PAT

12.9%
ROCE (Return on Capital Employed)

Key Operational Highlights

#1
In Security & Facility Management Solutions in India

#1
Security solutions provider in Australia

#2
In Cash Management Solutions in India

Top 3
Security solutions providers in New Zealand

Top 5
Security solutions providers in Singapore respectively

2,84,776
Employees

22,000+
Customer base

62,000+
Customer sites

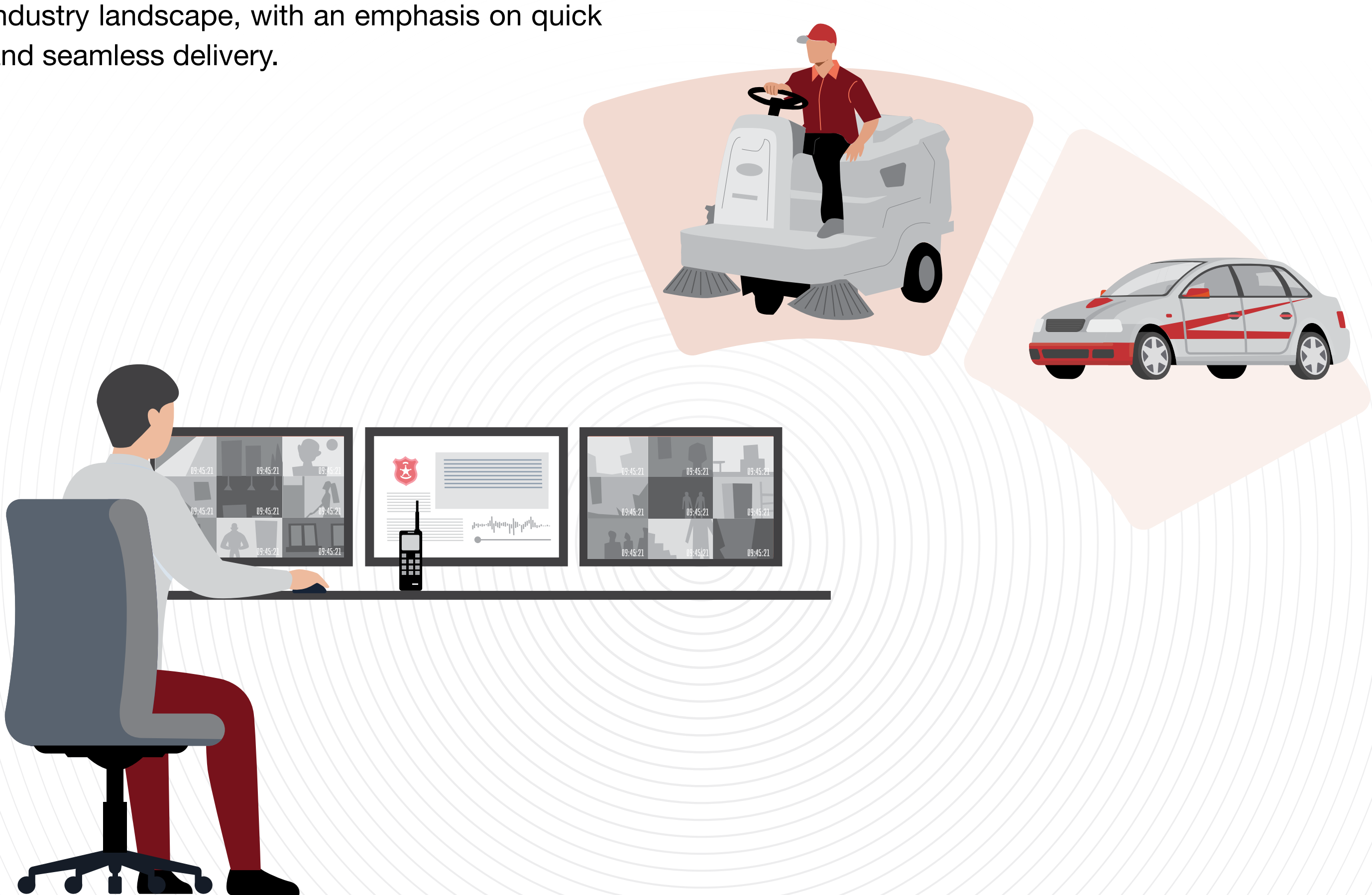
293
Branches in India across 36 states/UTs

Delivering Profitable Growth. Driving Innovative Solutions.

As an industry and market leader, SIS Group stands out as a service provider par excellence, backed by a strong legacy of expertise and experience. We remain consistently focussed on driving superior performance across our business segments. We are steered by an overarching ambition to create path-breaking solutions, designed to empower our clients and their end-customers.

At SIS, innovation is the key mantra of our unwavering focus on delivering client satisfaction through enhanced experience. We continue to invest in game-changing initiatives, crafted to augment our technological and digital edge, thus enabling us to create new-age solutions to meet the evolving needs and expectations of our clients. We are consistently building on our core strengths through expansion of our capacities and capabilities to align with the transforming industry landscape, with an emphasis on quick and seamless delivery.

Led by our strong customer-centric ethos, it is our endeavour to deliver positive performance, backed by increasing profitability and value creation, even as we enable sustainable growth for our stakeholders. We remain committed to innovating solutions aligned to their needs of tomorrow, through targeted strategic interventions and initiatives today.



Insights from the Chairman

We are now in the last leg of the Vision 2025 plan, with the goal of transforming our market leadership position into a meaningful market share and transitioning towards achieving a higher proportion of solutions revenue. We are making great progress towards our Vision goals.

> All our markets – India, Australia, Singapore, and New Zealand – witnessed economic expansion, but India's resilient economic growth has played a key role in our business growth this year.

In FY24, SIS Group has further strengthened its position as a leading business services provider in the Asia-Pacific (APAC) region. We closed FY24 on a positive note, with inflation stabilising, despite a challenging global economic environment amid the ongoing geopolitical tension in Ukraine and the conflict in Israel, feeble global trade growth, and financial sector turmoil in key developed economies among other economic headwinds.

All our markets – India, Australia, Singapore, and New Zealand – witnessed economic expansion, but India's resilient economic growth has played a key role in our business growth this year. In the last decade, from being the world's 10th largest economy, India is now on a path to becoming the 3rd largest economy globally, with GDP growth ahead of most of the world's major economies. India has set itself targets of becoming a developed nation by 2047. Robust economic growth has socially uplifted over 400 million people from poverty over the last 10 years and extreme poverty reached a low of 1%.

FY24 has been a record milestone year for our business on many fronts – SIS Group's consolidated revenue grew by 8.1%, from ₹ 11,356 Crore in FY23 to ₹ 12,261 Crore in FY24 (~US$ 1.5 Billion). We continue to consolidate our leadership position in Security Solutions in both India and Australia and are also the #1 in Facility Management in India.

'VProtect', which offers an AI-enabled e-surveillance solution powered with a physical response, had a 64% increase in the number of connections this year and is on the way to becoming India's largest e-surveillance company.

We are now in the last leg of the Vision 2025 plan, with the goal of transforming our market leadership position into a meaningful market share and transitioning towards achieving a higher proportion of solutions revenue. We are making great progress towards our Vision goals. At the same time, we have been investing in best-in-class systems, for running our operations and delivering tech-based customer services and solutions, more efficiently and productively. FY24 witnessed the implementation of various internal ERP and productivity software across our domestic and international operations.

On behalf of the Board of Directors and the entire Group Management Committee, I thank all our stakeholders for their support to SIS. Your continued belief and confidence will help us drive growth. I am positive that the SIS family will continue to ascend even higher and strive for greatness.

Warm Regards,

Ravindra Kishore Sinha
Chairman

Managing Director's Review

Security, Facility Management and Cash Logistics are high growth sectors growing ahead of India's GDP growth. From FY17 to FY24 - our revenues have grown from ₹ 4,387 Crore to ₹ 12,261 Crore at a CAGR of 15.8%. Similarly, the EBITDA has grown from ₹ 312 Crore to ₹ 585 Crore at a CAGR growth of 15%. We are the country's #1 Security and FM solutions provider and #2 Cash Management solutions provider.

> We have successfully implemented our internal operations platform CORE in our flagship entity SIS Limited and are now driving the implementation across our other Security and FM entities as well.

Could you briefly review the year's financial results for us? What are the key milestones achieved in FY24?

FY24 has been an exciting year for us. SIS achieved a milestone revenue and EBITDA of ₹ 12,261 Crore and ₹ 585 Crore respectively, in FY24, as a result of the robust performance of the Security Solutions – India segment, with consolidated EBITDA growth of 18.9% ahead of revenue growth of 8.1% for SIS. Our OCF/EBITDA for FY24 is at 67.5%, among the highest for SIS.

Security Solutions – India achieved a revenue of ₹ 5,159 Crore, a growth of 11.5% y-o-y for FY24. The segment reported an EBITDA of ₹ 292 Crore, a growth of 37.7% y-o-y with an EBITDA Margin of 5.7% for FY24 up from 4.6% in FY23.

We have successfully implemented our internal operations platform, CORE, in our flagship entity SIS Limited and are now driving the implementation across our other Security and FM entities as well. This will enable us to derive better operational insights across the Group and offer better inputs to clients as well.

VProtect, with over 23,000+ connections, is now on the path to becoming the country's largest alarm monitoring and response company. We continue to focus on both B2B and B2C customers.

Security Solutions – International also reported the highest-ever revenue at ₹ 5,069 Crore for FY24. The segment reported an EBITDA of ₹ 206 Crore for FY24, a growth of 4.1% y-o-y at an EBITDA Margin of 4.1%. Our Singapore business, Henderson achieved a break-even and operational profitability for FY24. For Henderson, we recognised an impairment of ₹ 66 Crore this quarter.

The Cash Logistics Solutions segment reported its highest-ever ever annual revenue of ₹ 634 Crore and EBITDA of ₹ 106 Crore for FY24.

We made two investments through SIS Ventures (1) Entitled, a tech-enabled platform focussed on assisting low-income workers in accessing financial, health services, and get support on statutory and government schemes, and (2) Agarsha Senior Care (Emoha and Epoch), an integrated Elder Care platform. Entitled is helping our blue-collar workforce access micro-loans easily whereas Agarsha will help us drive synergies for our FM business.

How are you focussing on enhancing market share for the company?

To enhance cohesiveness among the group entities and leverage synergies, we initiated the "City Coordinator" initiative across 15 select cities pan-India. Senior group leaders hold bimonthly meetings in each city. Enhancing market share, generating cross-sales / business leads, pitching/showcasing innovative solutions, and assessing client feedback are some of the key objectives of this initiative. This has helped increase the team's interaction and achieve the internal cross-sales targets.

This would translate into higher cross-sales and deeper penetration with the client, thus increasing our share in the client's wallet.

How has the performance of technology-based solutions been? How do you see technology evolving with integration of technology on the business side and its adoption on the customer side?

Our solution offerings across Security and Facility Management are on a high growth path given the increasing demand for a combination of guards / FM personnel along with technology solutions as an enabler to assist them. Solutions now contribute ~4.9% of the Security Solutions - India segment revenue, ~7.2% of the Security Solutions - International segment revenue and ~30.5% of the FM segment revenue. At an overall level, solutions now contribute ~10.0% of our FY24 revenue.

For technology-based solutions, we work with a mix of startups and service providers which we have evaluated through the SIS Ventures program and other technology partnerships, respectively. StaqU is one such example. We evaluated it as part of the Ventures program and invested into the company. Recently, for the security arrangements at The Ram Temple in Ayodhya, we partnered with StaqU and offered a comprehensive solution, with a mix of manned guarding as well as smart CCTV cameras with pre-installed software for detection of miscreants within the temple premises. We also work directly with other partners/vendors for developing tech solutions for clients.

Additionally, we also offer our VProtect Alarm Monitoring solution with our own quick response teams to customers across the country. VProtect is one of the largest e-surveillance providers to banks and financial institutions in India. VProtect offers intrusion and event detection solutions, fire panels, and CCTV solutions among others to protect against threats including burglary and fire. We also offer AI solutions to enable banks adhere to regulatory SOPs and guidelines.

In FM, we offer various mechanised cleaning and other digital solutions to suit client requirements. For example, we have a strong presence in the health care and hospital segment. SMC, our IFM solutions entity, has a presence across 40+ leading hospital groups pan-India. We offer technology solutions such as iPorter (Intelligent portering system to automate service requests), Smart Surface Disinfection Program (SSDP improves efficiency and offers cost benefits), among others while adhering to international standards and protocols for patient care.

Additionally, through FY24, we have been focussed on the implementation of technology solutions internally across our finance and operations functions.

> "For technology-based solutions, we work with a mix of startups and service providers which we have evaluated through the SIS Ventures program and other technology partnerships, respectively."

Please throw some light on how you are driving profitable growth at SIS?

Throughout FY24, we focussed on profitable growth. As a result, the consolidated EBITDA margins have improved from 4.3% last year to 4.8% in FY24. We have implemented and consistently follow the 3T policy across business segments. This ensured that there has been a hawk-eye like focus on both gradually weeding out any existing contracts and not accepting any new contracts with (a) fixed service charge, (b) low margins, and (c) no coverage of statutory margins. We have now enhanced our focus on rigorously tracking contract and site-wise margins through our in-house technology capabilities and solutions. Contract volume and price together drive topline growth. The growth for FY24 was largely driven by volume growth. There was minimal growth in minimum wages this year and minimal price escalations. For achieving higher growth in FY25, we need both volume and robust price growth.

Please share your thoughts on living wages and how will the increase in wages impact the profitability of your company?

There is an expectation that the long-pending labour codes are likely to be implemented soon. This would also shift the focus on a move toward 'living wages' from 'minimum wages' and ensure social security for unorganised workers. Higher wages will be good for the industry and could be a significant trigger for growth for SIS. Better wages enable the workforce to aspire for a higher standard of living. This leads to higher stickiness and aids in reduction of employee turnover while enhancing long-term employee retention and productivity.

From a financial perspective, since SIS payment terms are structured as a percentage of minimum wage, growth in wages will boost our revenue and will flow through to absolute EBITDA.

Could you shed some light on the inorganic growth plans for SIS?

Historically, SIS has grown via the organic and inorganic route. From FY17 to FY24, we have completed 9 acquisitions and have successfully integrated their operations to drive growth and achieve synergies across our operations. Due to the uncertainty associated with the pandemic, our M&A engine was halted and now with business growth we wish to re-start pursuing acquisitions, across our segments to drive growth. We continue to evaluate multiple domestic targets. Through acquisitions we wish to achieve the ambitious growth and profitability targets set out for the next five years. While SIS remains focussed on organic growth, inorganic growth will provide a boost to that, driving the Group to achieve even more.

What are the recent developments on SIS Ventures?

On the ventures front, our focus remains on ensuring that we stay ahead of the market. Through SIS Ventures, we study the latest trends in our evolving ecosystem by analysing innovative ventures addressing unique employee/customer use cases. As part of SIS Ventures, we have invested in both the employee and customer innovation categories. For benefiting our employees, enhancing retention and helping with talent acquisition, earlier this year we invested in Entitled Solutions. Entitled Solutions helps low-income workers access financial and health services as well as get support with statutory and government schemes. On the customer innovation front, we invested in Agarsha Senior Care, an integrated Elder Care platform, with 2 businesses: Emoha and Epoch. Emoha is a technology platform that offers a range of comprehensive services to help elders live comfortably at home. Epoch offers specially-designed community homes for dementia care, assisted living and other special needs, providing feel and comfort of own home.

With the Ventures program, we hope to continue to scout for innovative opportunities for our customers and employees.

Best Regards,

Rituraj Sinha
Group Managing Director

> Through SIS Ventures, we study the latest trends in our evolving ecosystem by analysing innovative ventures addressing unique customer use cases. As part of SIS Ventures, we have invested in both the employee and customer innovation categories.

Corporate Overview

About the Company

Innovating Impactful Solutions to Drive Positive Performance

SIS stands as a beacon of Indian entrepreneurial success, expanding its reach beyond national borders to serve a diverse clientele throughout the Asia-Pacific region. SIS is the market leader in all the segments it operates – Security Solutions, Facility Management Solutions, and Cash Logistics Solutions. SIS has become the go-to partner for organisations seeking reliability and excellence. Our journey, spanning nearly four decades, is marked by continuous innovation and growth, transforming from a modest duo to an industry titan. At the heart of our operations lies a commitment to fuelling economic progress, as we deliver a spectrum of trailblasing services to an esteemed roster of clients, including those listed among the Fortune 200. SIS is more than a company; it's a testament to the power of vision and dedication in shaping a prosperous future.

01

We are driven by our deep understanding of emerging market trends and evolving consumer needs.

02

We cater to the diverse and dynamic demands of the market we serve across the segments we operate.

03

We are led by a strong customer-centric approach, and are focussed on delivering to their expectations and aspirations through our revolutionary offerings.

04

We leverage the power of technology, digitisation and automation to continually scale up operational efficiency and enhance customer experience.

05

We are setting the standard for excellence in the e-surveillance industry with a state-of-the-art facility exemplifying our commitment to innovation and leadership in the industry and rapidly ascending to a position of dominance.

Our Philosophy

"Take care of your people, they will take care of your business."

– Mr. R. K. Sinha, Founder & Group Chairman

Our business culture is built based on our Founder's people-centric belief and mindset. We are dedicated to the long-term growth and progression of our employees. We are led by the various institutionalised and forward-looking employee welfare policies of the Group. We follow the SIS Way, which is centred around keeping the interests of people at heart across the organisation, to maintain our market leading position within and outside India. We deploy advanced technologies and global best practices to recruit and retain the best industry talent.

Vision 2025

- Transforming our market leadership into market share dominance
- Transitioning from a Services Company to a Solutions Company

Our Business Lines

Our focus on customer trust, people welfare and service spirit has, over the years, led to our emergence as market leaders in all the segments we operate.

Security Solutions

Our Facility Management Solutions offers both soft and hard services ranging from house keeping, horticulture, waste management, concierge services, HVAC, M&E services, plant operations & maintenance, energy management etc.

We combine the best-in-class technology with a highly trained workforce to offer the most efficient Security Solutions.

Offerings include security personnel for specialised guarding, tech-powered security solutions, e-surveillance, system integration, alarm monitoring and response services.

Facility Management Solutions

Our Facility Management Solutions offers both soft and hard services ranging from house keeping, horticulture, waste management, concierge services, HVAC, M&E services, plant operations & maintenance, energy management etc.

We are the largest FM business in the country serving clients across healthcare, hospitality, IT/ITeS, industrial establishments, retail and residential.

Our offerings are led by best-in-class technology solutions, strict SOP guidelines and compliance, world-class products, energy-efficient machines and robust processes.

Cash Logistics Solutions

Our Cash Logistics Solutions business is a JV between SIS and Prosegur of Spain, a world leader in cash solutions, is the second-largest cash logistics solutions provider in India and the fastest growing, with enhanced focus on Bank Outsourcing Solutions.

Our capabilities include both traditional offerings like cash-in-transit, ATM replenishment, doorstep banking and innovative solutions like cash processing outsourcing, vaulting, bullion management, PEGE & cash today.

We serve a wide range of diverse industries, including BFSI, FMCG, Gems & Jewellery, Alcoholic Beverages, Healthcare, Education, Retail.

Competitive Edge

Delivering Innovative Solutions across Geographies

SIS has a well-entrenched presence, with a strong leadership position, in the Asia-Pacific region. Led by over four decades of experience, and exceptional quality and delivery network, we have been successfully serving the security needs of a growing clientele in India, Australia, New Zealand and Singapore. Our comprehensive and dynamic portfolio of distinctive offerings makes us the preferred partner for customers seeking innovative solutions in the segments of Security, Facility Management and Cash Logistics.

Leadership Position in APAC region in Security Solutions

AUSTRALIA

#1

Security Solutions Provider

New Zealand

Top 3

Security Solutions Provider

Singapore

Top 5

Security Solutions Provider

As market and industry leaders in our niche business segments, we deliver superior solutions to our customers across India. We have progressively expanded our presence in the country with a strong network of branches, offices and training academies, which we continue to strengthen through strategic investments.

Leading the Security Solutions, Facility Management and Cash Logistics industry, we are the fastest-growing brand in India with extensive nationwide coverage. As the top-ranked player, we solidify our position as a trusted and dominant force, delivering unmatched protection and peace of mind to our valued customers.

Leadership Position Across Business Segments in India

#1

Security Solutions Provider

#1

Facility Management Solutions Provider

#2

Cash Logistics Solutions Provider

293

Branch offices covering 36 States/UTs

50

Regional offices

29

Training academies

NO ONE COVERS INDIA LIKE US

Map not to scale. For illustrative purposes only

- Corporate Office
- Regional Offices
- Training Academies
- SIS Branches
- SMC Branches
- Cash Logistics Branches (SIS - Prosegur & SISCO)
- Terminix SIS Branches
- Duster Branches

Competitive Edge

Driving Performance Excellence through Tech Innovation

The SIS value proposition is powered by its strong focus on adoption of cutting-edge technology and innovation. This focus is driving our ongoing business process transformation with the aim of enhancing our performance excellence and scaling our business. As part of this focus, we are continually investing in augmenting the capabilities of our team to make it future-ready. We have, at the same time, initiated several projects to build on our distinctive technology edge as a tool to ensure increased productivity and innovative customer solutions. We remain committed to enhancing the experience of our customers through advanced systems, processes, service delivery, automation and digitalisation, and increasing operational efficiencies.

Our Innovation-led Technology Strategy

We have crafted a very precise strategy, centred around innovation, to accelerate our technology adoption journey. This strategy is focussed on five key elements of change, and seeks to lead the organisation towards enhanced performance and stakeholder value creation.

Build, roll out and leverage central business transaction management system	Be the first in industry to enable automated customer solutions	Enhance and roll out daily operations management for all entities	Leveraging technology in automation and workflows	Infrastructure management and cyber security
• Business transactions ERP-SiSCORE • Finance transactions ERP-Oracle Fusion • Business Analytics	• Compliance Management System – CMS • Customer service delivery solutions	• Sales operations • Site operations • Site attendance • Training – Billable employee	• Robotic Process Automation (RPA) • Self-service and workflows management	• IT organisation structure • IT service management • IT infrastructure and security management

The focus of our technology strategy is on:

- Digitalising the entire business value chain, from customer acquisition to operational management, and ensuring quality and compliance assurance for our customers
- Embedding a digital culture across the organisation by innovating, incubating and scaling initiatives
- Alignment with business priorities, enabling us to excel in meeting the evolving customer needs with innovative customer-centric solutions
- Fostering effective communication within the organisation

Future-Proofing the Organisation

It is our continuous endeavour to future-proof the organisation, to ensure our preparedness to adapt with agility to the new and emerging technologies. We are committed to keeping pace with the technological and digital advancements taking place in the industry. We are continuously harnessing the power of technology and Information Technology (IT) to streamline our processes and align them with the transformations in the business landscape. Our initiatives and innovations are designed to empower the organisation for harnessing future opportunities by enhance its operational efficiencies.

Here's how we scaled our technological edge during FY 2023-24 to boost productivity and enhance the experience of our stakeholders, including customers and employees.

Support Services Centre (SSC)

We have set-up the SSC for all our Indian businesses and are in the process of setting up the same for our International business. SSC will transform the voluminous and complex transaction management in an industrialised manner by automation & digitalisation and add value through quicker, regular and meaningful business and management support that will enable business to focus on their core deliverables. SSC will support various functions like finance, supplier chain management, commercial, HR, Tax & compliance and Reporting/Analytics by providing required support to the front office (both business and finance); well-developed tools & automation to provide periodic information; meaningful and timely analytical information reports to enable quicker business decisions and actions; and continuous improvement in efficiency and effectiveness.

Currently, SSC is supporting finance and supply chain management functions. As part of the evolving mandate, the SSC will also lead and manage the rollout of new tools like RPA, Workflows, Supplier portal, management dashboards, analytics, AI as part of its portfolio. SSC is intended to be the driver and facilitator of continuous change.

MySIS: Facial recognition-based attendance mobile app

Designed to augment employee experience, MySIS is an app that has revolutionised the process of logging attendance payroll processing by streamlining them. It has enabled our employees to access various benefits in a secure, safe, efficient and user-friendly manner.

KPIs

First in the industry

1.4 Lakh+
average daily attendance reports generated

2.10 Lakh+
active employees have downloaded the app

iOPS: Service quality assurance and operations productivity platform

This integrated platform has led to efficient management of our operations and enhanced customer support through visibility and compliance assurance. The upgradation of the platform from iOPS 1.0 to iOPS 2.0 also added quality assurance capabilities through the Area Officer (AO) App, National Quality Cell (NQC) Dashboards, and real-time information for the operations team. Mobile apps empower the team to ensure quality at customer sites. We successfully extended iOPS platform to our Australia business as well during the year.

KPIs

18,200+
sites covered on an average in a month

71,500+
quality checks done on these sites on an average

SalesMaxx: Tablet-based sales CRM tool

This innovative tool has given our sales team quick and seamless access to customer data, order histories, and product catalogs. It has helped simplify the sales process by allowing sales representatives to manage leads and track their progress from anywhere. This has led to increased productivity and business growth.

KPIs

900+
quotations generated per month

M-Trainer: Digital Training Platform

It is designed to offer personalised learning experiences for all our employees through interactive modules, quizzes, and assessments. This engaging and effective tool is helping our employees acquire new skills and knowledge at their own pace, anytime, and anywhere.

KPIs

13,600+
trainings/month (avg.) imparted

SiSCORE

We successfully implemented the new core business management system, SiSCORE in our flagship entity SIS Limited, and are in the process of extending the same to other group entities. SiSCORE will drive and manage customer and site information, contracts, and operations, while also incorporating invoicing and payroll functionalities. The introduction of contract management enhances our team's capabilities to handle a threefold increase in volume, providing self-driven digital control and business analytics for key decision-making. With accurate customer site and service data captured through contract management, we can significantly improve service delivery and ensure timely and accurate customer invoicing. SiSCORE is closely integrated with our financial ERP system and other operations management applications like MySIS, iOPS, and M-Trainer, as well as SalesMaxx. This integration ensures quality assurance and compliance in accordance with customer contracts.

Oracle Fusion

The implementation of Oracle Fusion as our Groupwide Finance ERP system has resulted in automation of several key tasks in the organisation. These include entries through Robotic Process Automation, integrated workflows and a supplier portal for improved supply chain management efficiency. This helps in quick on-boarding of customers into the system and also timely invoicing, collection management and reconciliation of receipts which resulted in enhanced end-to-end operational efficiency at SIS. Our Finance & Accounts ERP is also supported by a business intelligence platform that provides real-time analytics for management reporting and decision-making. This enables automatic generation of various business and compliance reports providing assurance to our customers, ensures compliance and employee welfare and enables business teams to focus on their core activities.

Collaboration Platforms

In addition to the above-mentioned pioneering initiatives, we have also developed a host of other tech innovations to create an enabling environment for organisational growth. Platforms like MS Teams, Intranet portal with workflows, CISCO Webex, and Zoom are being used to:

- Facilitate real-time messaging and video calling for better collaboration and streamlined communication within the organisation
- Help in conducting initial kick-off meetings and discussions with new and potential customers in both Indian and international markets
- Enable us to virtually engage with our existing customers, providing insight into local operations and frontline staff efforts

Automated Recruitment Kiosk (ARK)

This innovative solution is crafted to streamline the recruitment process at SIS Group.

KPIs

5,300+

security professionals recruited per month on average

Customer Solutions

Quality and Compliance Overview Dashboard

This customer-accessible platform provides a comprehensive overview of training, compliance documents, and operational reports. Its easy-to-use interface has helped simplify the monitoring and management of quality and compliance, enabling the Company to stay ahead of the curve.

ScreenSure

An application tailored for the aviation industry in our Australia business, ScreenSure aids workflow management and provides predictive analytics, a secured document repository, patrol management, and offers enhanced reporting capabilities. It also eliminates the need for paperwork through an application platform.

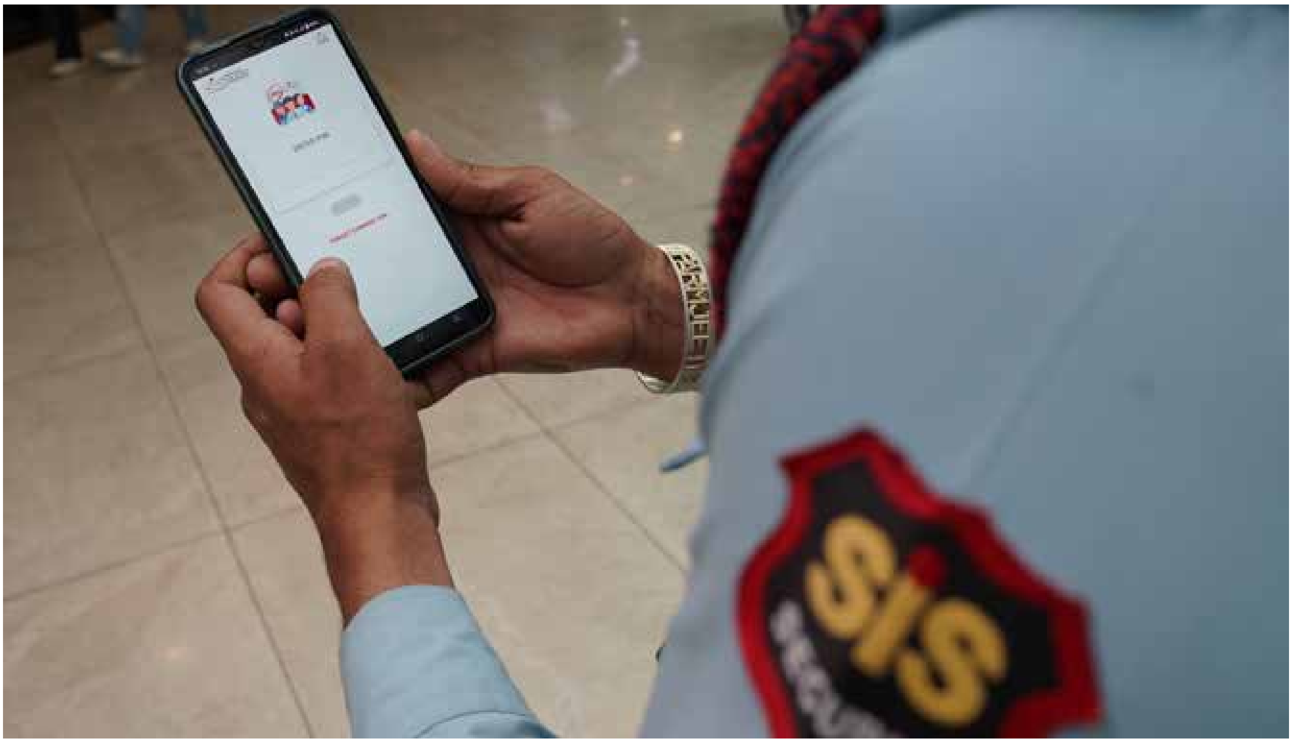
Drones

Our Australia business has introduced the MSS AI Defender Drone solution to provide comprehensive coverage of expansive outdoor spaces, dynamic industrial complexes, or remote areas. This aerial solution is cost-effective that adapts seamlessly to site changes and terrain challenges. With the integration of AI technology, it provides an additional layer of security against emerging threats.

Opportunity Landscape

Being Responsive to Emerging Trends

The global industry landscape is transforming continuously, catalysing new demands and aspirations from clients across businesses. Like other sectors, the Security, Facility Management and Cash Logistics industries are also influenced and impacted by the changes taking place in the operating landscape. At SIS, as a market leader, we keep a close watch on the emerging trends in the industry, and leverage our business understanding and experience to drive the changes and capitalise on the opportunities across our business segments. Led by our strong innovation focus, we respond with alacrity and agility to the eco-system transformations and harness our core strengths to maximise the market growth potential. We continue to make regular investments to keep pace with the dynamic business services industry.



Key enablers of industry growth

Strong economic development

India, Australia, New Zealand and Singapore, are on a path of positive growth. India's economy has shown remarkable growth, with the GDP surging by 8.4% in the third quarter, marking a substantial increase from the previous year's 4.3%. The construction sector, in particular, has witnessed double-digit growth, bolstered by strong demand in residential projects. The manufacturing and service sectors have also expanded positively. The IMF projects India's economy to grow at 6.3% in both 2024 and 2025.

And, Australia's economy has demonstrated resilience amidst global economic challenges, with growth driven by its natural resources and services sector. This growth momentum is expected to further boost the demand for security and facility management services, going forward.

Increased outsourcing demand

Given the increasing complexities and diversities of their operations, more organisations are opting to outsource their business services needs. Customers seek to get specialised security and facility management services, which gives them access to enhanced expertise and also frees up their internal resources.

E-surveillance market surge

Globally, there is an increasing adoption of e-security solutions on account of rapid urbanisation, smart city projects, and large infrastructure development. This has led to a surge in the electronic security market. With businesses and governments increasingly prioritising the safety and security of their assets, people, and data, e-surveillance growth trend is expected to continue.

Seising the growth opportunity

SIS is ideally positioned to seize the burgeoning opportunity for growth across business segments. Our core strengths, coupled with our experience in managing security services, gives us a strong competitive edge, which will help us make the most of the industry growth potential.

Our core strengths

- Deep understanding of the crucial role that safety and security, hygiene and cleanliness, and effective cash management services play in today's world
- Innovative solutions and streamlined processes give us the confidence to penetrate new markets
- Large team of highly skilled professionals, both domestically and internationally
- Quick and agile adoption of the latest technological tools and solutions to enhance our offerings

Way forward

As an industry leader, we remain focussed on expanding our operations to further consolidate our leadership position across markets. We continue to move proactively towards the realisation of our Vision 2025 goals, to capitalise on the emerging trends and deliver accretive shareholder value. We shall further augment our competitive advantage by making the right investments in our people, technology, inorganic growth, and new business solutions, in our journey towards enhanced positive performance.

Strategic Overview

Strategic Priorities

Strategising Innovatively to Drive Performance

At SIS, we strive to drive positive performance through long-term strategic planning, backed by our robust innovation capabilities. We regularly launch five-year Vision plans, laying out our growth strategies and priorities in alignment with the market trends, internal capabilities and resources, and regulatory changes. We have, over the years, successfully established new business lines, raised funds from private equity and public markets, enhanced our geographic presence, and significantly ramped up technology spending through targeted initiatives aimed at the realisation of our Vision plans.

Powering Ahead towards Vision 2025

Rolled out in FY21, after a year's delay triggered by the COVID-19 disruptions, our Vision 2025 is a four-year plan aimed at:

- Capitalising on our leadership position and enhancing our market share, operational efficiency, and productivity
- Becoming a better and a bigger SIS – one that is better for the employees, customers, investors, the community, and all our stakeholders

Our presence in Asia-Pacific (APAC) has led to an enhanced focus on quality excellence, customisation, and service delivery. We have steadily strengthened our value proposition for customers, many of whom prefer a single vendor to service their operations across multiple locations, within India, Singapore, Australia, and New Zealand.

Embracing market dynamics...	...by offering inclusive services
As the Security Services industry looks for protective solutions, predictive security and risk analysis…	…we offer advanced technology services such as Alarm Monitoring and Response Solutions, as well as professional patrolling services.
As the facility management industry searches for vertical specialisation, complex engagement and specialised skills...	…we offer SLA-based Integrated Facility Management and OneSIS.
As the cash logistics industry seeks retail opportunities and cash management solutions, like currency chests/ vaults…	…we provide comprehensive Outsourced Currency Management solutions for ATMs, along with a range of other services including PEGE, Cash Today, CACP, and Value Cargo.

Built on our current position	Vision 2025
Best provider of Security, Facility Management and Cash Logistics solutions	Transforming into a Solutions Company
Market leader across the segments in Asia-Pacific Region	Accelerating towards meaningful Market Share

How we progressed on our Vision 2025 during FY24

As an important business enabler and a proxy for the economy, SIS has been at the forefront of delivering strong and predictable returns for its stakeholders by servicing every business segment through an asset-light model.

FY24 saw SIS cross notable milestones of success as it surged ahead towards the accomplishment of its Vision 2025 goals.

Security Solutions - India

- Business scaled to more than ₹ 5,000 Crore annual revenue
- VProtect, a pioneer in the alarm monitoring and response solutions in India, is now the largest e-surveillance player in the country

We are proud to be successfully preventing, on average, over 550 incidents annually with this unique solution.

Facility Management Solutions

- Revenue contribution from M&E (Maintenance and Engineering) services grew to double digits. We aspire to be among the Top 3 M&E companies soon
- OneSIS - our Integrated Facility Management (IFM) business, achieved break-even profitability on a monthly basis, within 20 months of operations. It has operational capability across 29 Indian states/UTs, including J&K and Andaman

We became #1 in pure FM services, and are amongst the top 3 in B2B Pest Control.

Security Solutions - International

- Business stands at above ₹ 5,000 Crore (~ AUD 900 million+) annual revenue now
- In New Zealand, P4G business has grown 8x in the last 5 years and in Singapore, our Henderson business continues to make a strong transition to outcome-based contracts

SIS has 20%+ market share through MSS and SXP.

Cash Logistics Solutions

- Business has evolved into a Bank Outsourcing Support Solutions (BOSS) provider
- Business continues to report the highest Revenue and EBITDA growth amongst Group companies

Currently, over 70% of our contracts are directly with the Banks, with no dependence on any intermediaries.

Corporate Overview
Statutory Reports
Financial Statements

Other strategic developments

Inorganic growth : With business growth returning, after the pause in inorganic activity due to the pandemic-related uncertainties, our focus is now on resuming acquisitions across segments to drive further expansion. While organic growth remains a priority, inorganic growth, through acquisitions and partnerships, is a strategy to enhance overall performance and achieve ambitious milestones. Multiple domestic targets are under evaluation as part of this pursuit.

Customer & employee innovation : Our SIS Ventures program aims to scout for tech-enabled start-ups, with solution for our customers or our employee base. The focus remains on staying ahead of market trends by analysing innovative ventures addressing unique customer needs.

Technology & automation : We believe that the adoption of best-in-class technology has a profound impact on our service delivery standards and internal business processes. We are stepping up our investments in leading-edge systems and applications, to make our operations more efficient, agile and nimble. We look at technology and automation as key enablers and differentiators in our journey towards creating enhanced value.

- We continue to leverage the transformative power of best-in-class technology and automation to drive service delivery and internal operations
- Our increasing investments in cutting-edge systems and applications aim to enhance efficiency, agility, and real-time responsiveness
- Our investments, in SiSCORE, MySIS, Oracle Fusion, iOPS, M-Trainer, SalesMaxx, ARK, and the QACA dashboard, are pivotal to our IT strategy to deliver enhanced value to customers and the market

Next-generation leadership : We remain committed to succession planning, and investing in identifying and grooming the next generation of leaders across our businesses. Our management has participated in leadership programmes from esteemed international and Indian Business Schools and consulting firms, like Wharton, IIMs, and BCG. Additionally, LinkedIn Learning courses are scheduled for key roles and functions across the Group to enhance skills and capabilities.

Investment Case

What makes SIS the investor's choice

The SIS investment proposition is driven by a balanced mix of diversified strengths, each of which is focussed on powering the Company's growth trajectory. Our specialised business model with highest level of quality assurance and compliance assurance to our customers has emerged as a key strength, steering our journey of sustained performance positivity. Our diversified business portfolio, having a wide range of offerings and growth opportunities, is another key pillar of our value accretive business model.

Optimal geographical distribution, backed by a well-entrenched network, positions us well in attractive growth markets, while our strong focus on innovation and technology steers our performance excellence on a consistent basis. Further aiding our investment strength is our demonstrated ability to build businesses, grow organically, and pursue and integrate acquisitions.

As we consistently transition towards high-value solutions, with a strong focus on financial and capital allocation prudence, we strive to deliver robust value to our investors and other stakeholders. The favourable economic and fundamental trends also augur well for the growth of our offerings, further strengthening our credentials as a value-driven organisation rooted in investor trust.

Another key element of our investment proposition is our strong and visionary management, supported by a professionally managed workforce, where each business is operated by leadership with domain knowledge. Our expert manpower, equipped with all the essential tools for efficient service delivery, coupled with our strong financial performance, gives us a sharp competitive edge in the industry.

Geographical Presence

- Leader in the APAC region with strong presence in the Indian market, a high growth region. Offering a good blend of growth and stability
- Wide coverage across India with 334 branch offices covering 36 states and union territories

Innovation and Technology

- SIS is not only the market leader in all the geographies it operates in but also the pioneer in launching innovative and technological solutions both for improved customer service delivery and for efficient internal operations
- Apart from using in-house developed technologies, SIS also partners with various new-age technology start-ups to create value for its employees and customers

Training Focus and Compliance Assurance

- SIS has strong training capability to produce quality manpower with 29 training academies in the country and an M-trainer program for on-the-job training to keep the workforce relevant and up to date
- SIS has the first in industry automated compliance management system to provide compliance assurance to customers

Robust Leadership

- SIS Group is managed by a Group Management Committee comprising seasoned professionals with deep understanding of the industry
- Each business is led by leadership with strong domain knowledge

Market Leadership

- SIS is a market leader in all the businesses and geographies it operates
- #1 in Security Solutions in India; #1 in Facility Management Solutions in India; #1 in Security Solutions in Australia and #2 in Cash Logistics Solutions in India

Value-Creation Model

How we create value for stakeholders

Our competitive position (Inputs)

Industry Leadership
A US$ 1.5 Billion listed (NSE: SIS) Indian MNC, and market leader in the essential services segment

Growing Reach
Operating in the Asia-Pacific (APAC) region, covering India, Australia, New Zealand, and Singapore

Digital Transformation Thrust
Focussed on innovating and adopting advanced technologies to enhance the delivery of excellent services to our customers

Trained Professionals
Largest training infrastructure and manpower supply chain in the industry in India

Customer Focus
Harnessing customer trust and belonging to foster robust, long-term relationship

Focussing on Comprehensive Solutions

Delivering Comprehensive & Customised Solutions...

As providers of essential services, we prioritise the needs of our customers and believe in exceeding their expectations.

Vision 2025
Transforming our market leadership into meaningful market share

Security Services
From security personnel for specialised guarding to technology-enabled security solutions, e-surveillance, system integration, alarm monitoring and response services

Our stakeholder value creation (Outcomes)

Cash Logistics
From safely managing and securing cash to delivering and transporting cash

Transitioning from a services company to a solutions company

VISION 2025
BETTER & BIGGER

Facility Management
From maintaining cleanliness and hygiene to skilfully managing utility services

Society
We have an unwavering commitment to delivering a wide range of social and economic benefits to the communities where we operate.

Customers
82% of our customers choose to continue with our services at the end of the contract. We are serving a wide range of customers in India, Australia, New Zealand and Singapore.

Shareholders
From FY17 to FY24, we posted a revenue CAGR of 15.8%. Since listing, returned over ₹ 350 Crore to shareholders in the form of dividends and buyback.

Employees
We are currently employing 2,84,776 people and keep their interest above profitability of the company.

Partners
We maintain continual communication and collaboration with third-party suppliers, thus strengthening our long-term partnerships.

Stakeholder Engagement

Driving profitable growth for our stakeholders

We are committed to sustained and profitable growth for our stakeholders. Our strategic approach is aligned to this commitment, and we are continually striving to deliver accretive value to all our stakeholder groups, including customers, shareholders, employees, business partners, influencers, and community members. We remain engaged with the stakeholders on an ongoing basis, in order to understand their expectations and concerns.

Guiding Principle

- People, Culture and Values
- Growth
- Profitability
- Financial Discipline
- ESG Approach

Read more *PG 70-82*

COMMUNITY

Goal

Empower lives and contribute to societal well-being through strategic initiatives in the regions where we operate

How we engaged with our stakeholders during FY24

- Operate in a manner that promotes secure and stable communities
- CSR materiality review with key stakeholders
- Community engagement program
- Substantial tax and economic contributions
- Government relationships and Parliament engagement
- Participate in industry forums

How we created stakeholder value during FY24

7

Mega Projects for Community

CUSTOMERS

Goal

Be the preferred service provider by offering a diverse range of solutions tailored to the needs of our clients.

How we engaged with our stakeholders during FY24

- Maintain a leading edge in operational innovation
- Strive for operational excellence to ensure best-in-class service delivery
- Establish close connects with customers, proactively address their concerns, and maintain a responsive approach
- Augment sales force productivity by deploying advanced CRM tools
- Prioritise frontline and customer perspectives to enable continuous improvement
- Leverage OneSIS to optimise customer mining and lead generation activities

How we created stakeholder value during FY24

22,000+

Customer base

SHAREHOLDERS AND INVESTORS

Goal

Deliver optimal returns, with the highest standards of corporate governance

How we engaged with our stakeholders during FY24

- Achieve market-leading growth in revenue and profitability
- Harness technology to enhance collection efficiency and improve working capital management
- Mitigate risk through standardised contracts and refined delivery requirements
- Effectively manage operating cash flow to ensure liquidity and financial stability
- Ensure sustained high returns on capital employed and net worth
- Reduce portfolio risk by diversifying across regions, customers, and business units

How we created stakeholder value during FY24

₹12,261 Crore

Revenue

8.1% Y-o-Y

EMPLOYEES

Goal

Be an employer who cares for its people and rewards them with benefits

How we engaged with our stakeholders during FY24

- Prioritise employee welfare and incentivise team performance
- Conduct organisation-wide training programmes to promote growth and development
- Attract & retain skilled talent by promoting career development opportunities
- Continue with ongoing feedback mechanisms and objective appraisal processes to improve performance
- Foster a culture of ownership and accountability throughout the organisation
- Provide job enrichment opportunities through exposure to emerging challenges in new regions and business units
- Ensure equal opportunity for all employees and a commitment to diversity and inclusion

How we created stakeholder value during FY24

2,84,776

Total number of employees

3 Lakh+

Employees trained every year

TOP 10

Health and Wellness 2023 category by Great Place to Work (GPTW)

13

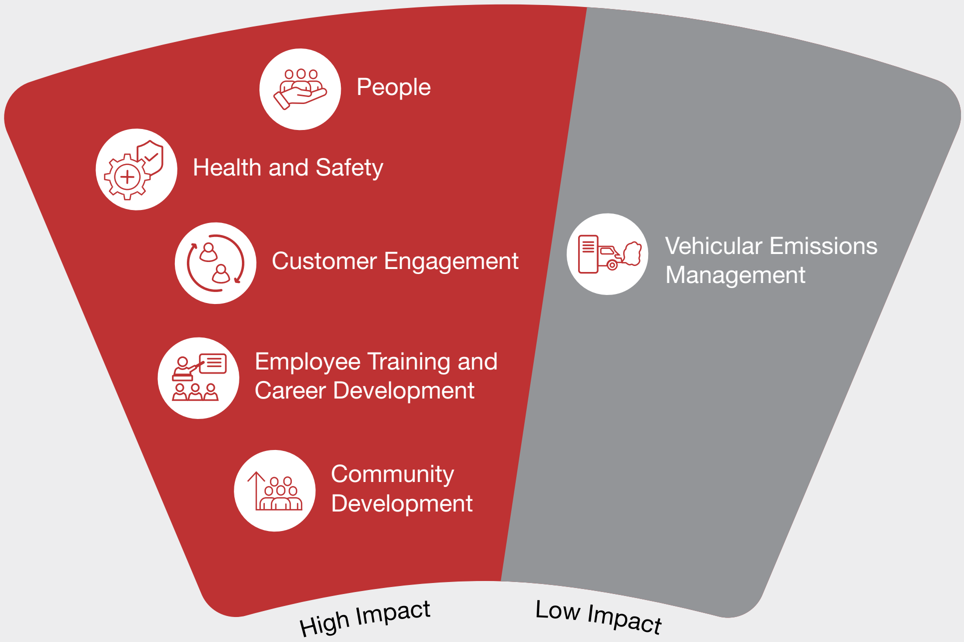
Collaborations for healthcare services to over 2.84 Lakh employees

Material Topics

Prioritising material issues to steer ESG performance

Our continuous engagement with our internal and external stakeholders aids us in identifying the issues material to our value creation ability. Through a materiality assessment, we have identified the Environmental, Social, and Governance (ESG) areas that are most relevant to our business and stakeholders. Based on this assessment, we have prioritised our material issues, and aligned our business strategy with ESG considerations to steer our performance and value creation journey.

Material Topics



Our approach to materiality is guided by the principles of:

- Equity
- Fairness
- Integrity
- Transparency
- Accountability
- Commitment to Values


USHA RANI
SIS SECURITY

Outlook

Maximising future opportunities

We believe that sustained performance excellence requires a future-looking approach, backed by the ability to harness the opportunities waiting to unfold. We keep a close watch on the global and domestic economic and industry developments, and align our strategic approach to the same with the aim of maximising the future opportunities.

The prospects for growth across our business segments are robust, given the sustained growth momentum of the Indian economy, which continues to perform well despite the global slowdown. Robust domestic consumption has led to the Indian economy continuing with its strong growth trajectory in recent years.

Robust public and private investments and a strong services sector are likely to boost India's GDP. The demand is expected to be driven by higher capital expenditure on infrastructure development, by both the central and state governments, along with increasing private corporate investment, strong services sector performance, and enhanced end consumer confidence.

According to International Monetary Fund (IMF), India's gross domestic product (GDP) growth forecast is 6.3% in 2024 and 2025.

Private corporate investment is expected to get a boost with stable interest rates. With inflation moderating to 4.5% in FY25, monetary policy may become less restrictive, which will facilitate rapid offtake of bank credit.

Demand for financial, real estate and professional services is likely to grow, even as muted input cost pressures will facilitate the manufacturing sector's growth to boost industry sentiment. Persistent geopolitical tensions and weather-related shocks will, however, continue to pose a risk to India's economic outlook.

Industry prospects

Demand for Security, Facility Management ("FM"), and Cash logistics services is directly impacted by the country's economic growth. These sectors are well positioned for sustained, long-term growth, in the light of the GDP growth projections of 6.3% in 2024 and 2025 for the Indian economy.

Security Services

SIS will continue to benefit from the nation's economic growth, which will further boost the demand for security services. Formalisation of the security services industry is aiding the growth in market share for organised players like SIS. Coupled with growth in infra (rapid urbanisation, smart city projects) and manufacturing sectors, this will scale up the demand for security solutions and allied services, underlining the solid, long-term growth potential for this sector.

Facility management solutions

The FM vertical is also poised for enhanced performance on the back of consistent growth in the real estate sector, driven by a growing preference towards a safe, clean and secure environment. The India Facility Management market size is estimated at ₹ 2,328 Billion in 2024, and is expected to reach US$ 212 Billion by 2029, growing at a CAGR of 7.4% during the forecast period (2024-2029). E-commerce platforms are further aiding growth in this segment, with growth in online shopping pushing the need for infrastructure and organised spaces, boom in urban infrastructure projects across the country is leading to a scale-up in the demand for FM services to maintain safety, health and productivity.

"Indian economy is on a strong growth trajectory due to robust domestic consumption"

Security Solutions

The evolution in the security solutions industry is marked by increase in the human resource costs in India at the back of the hike in minimum wage twice a year. Rapid urbanisation, smart city projects and large infrastructure developments are bolstering demand for e-security solutions, leading to growth in the electronic security market. SIS is ideally positioned to harness this growth opportunity through its integrated man-tech security and alarm monitoring and response solutions.

Way ahead

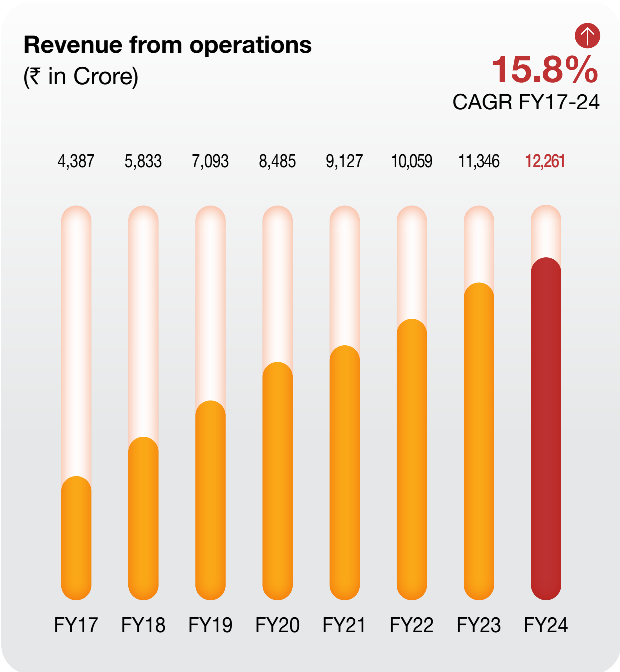
We are focussed on driving both organic and inorganic growth in our quest to maximise the prospects across our business verticals. We are also exploring acquisition opportunities with niche capabilities / customer segments to further enhance our service offerings or presence in specific service segments in the India businesses. To drive greater profitability and economies of scale, we shall continue to make strategic investments in technology, digitalisation and automation, to improve our systems and processes, and facilitate growth across our businesses.

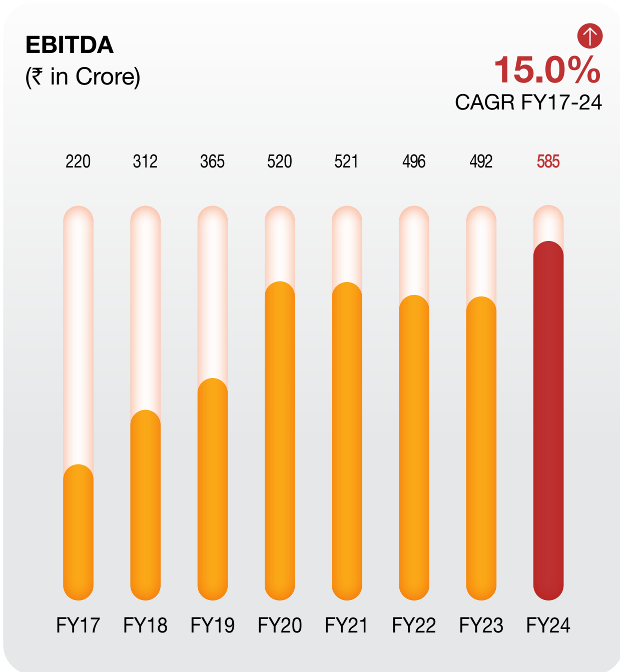

SMART
GUARD
Welcome !

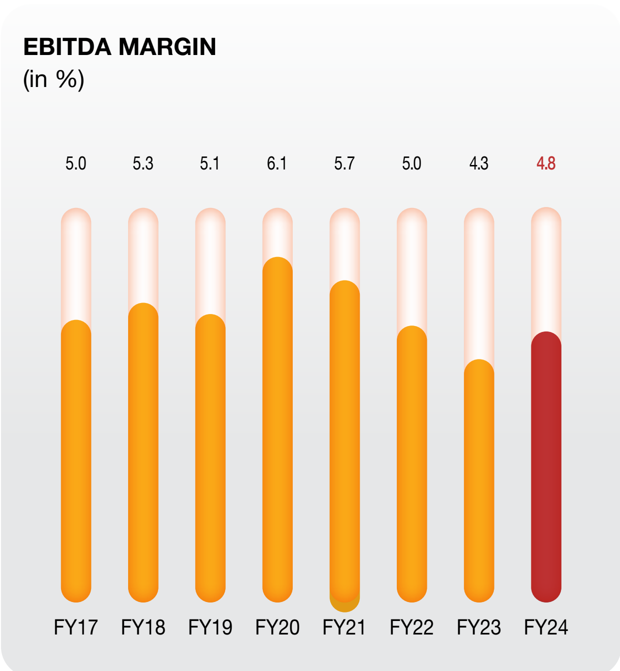
Performance Overview

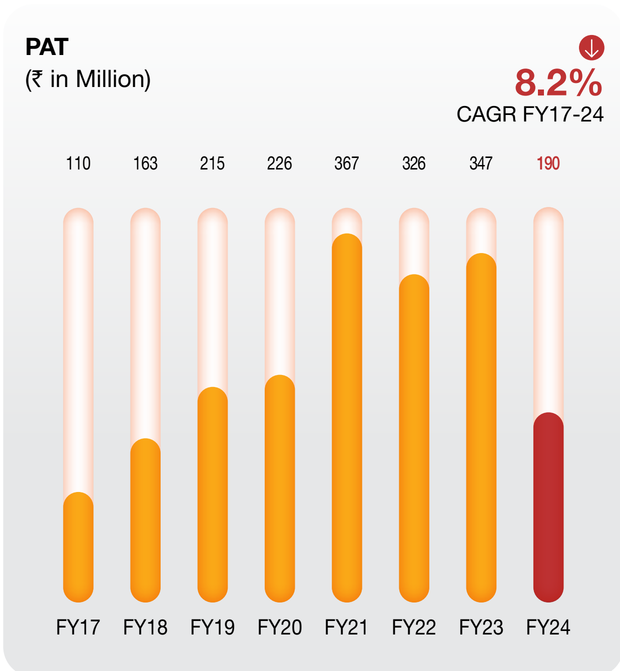
Key Performance Indicators

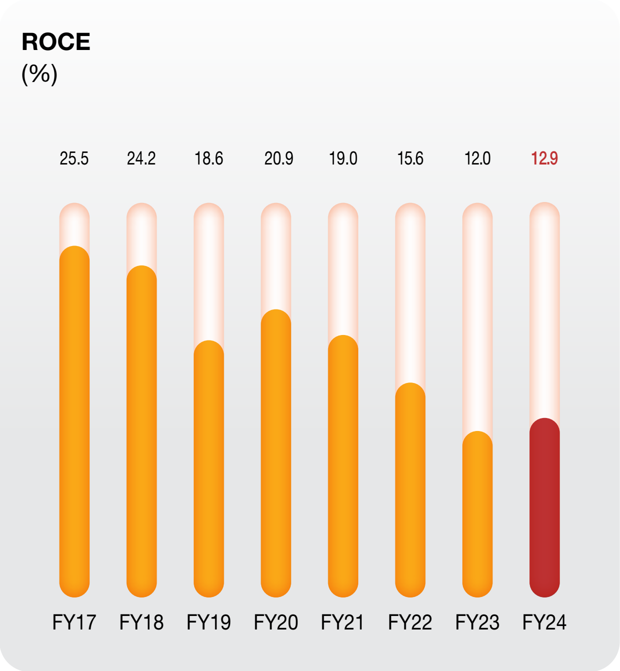
Metrics that shape our Leadership Position

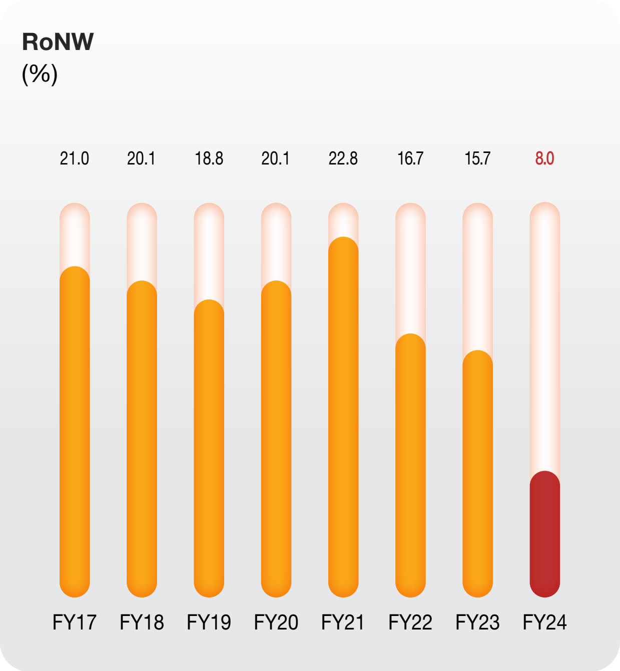


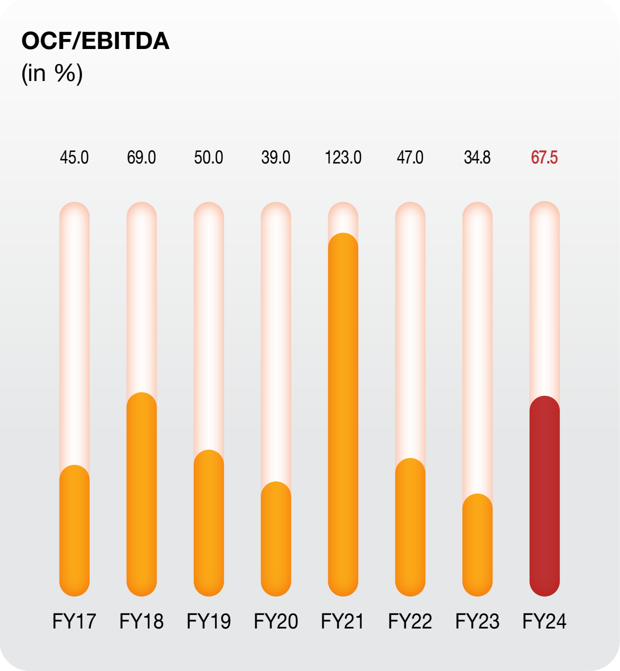


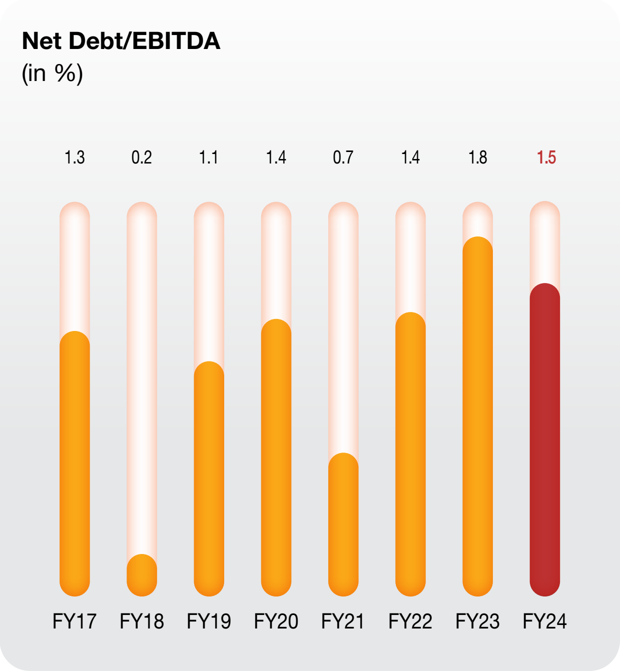





ROCE
(%)
25.5 24.2 18.6 20.9 19.0 15.6 12.0 12.9
FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24


RoNW
(%)
21.0 20.1 18.8 20.1 22.8 16.7 15.7 8.0
FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24


OCF/EBITDA
(in %)
45.0 69.0 50.0 39.0 123.0 47.0 34.8 67.5
FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24


Net Debt/EBITDA
(in %)
1.3 0.2 1.1 1.4 0.7 1.4 1.8 1.5
FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24

Business Segment Review

Security Solutions – India

1 #1 Security Solutions Provider in the Industry

With unparalleled reach across India, our Security Solutions – India segment provides a range of comprehensive solutions tailored to the unique needs of our clients across the public and private sectors. Our innovative solutions in this segment encompass Physical Security Solutions and Technology & Electronic Solutions, ranging from traditional and specialised guarding, to reliable alarm monitoring and response, as well as turnkey electronic security and surveillance solutions.


iOPS
Live Map
Area Officer
Posts
Sites
Adhoc Requests
DELL

Industry Overview

India is on the path to becoming one of the fastest growing markets in the world. The Indian security services market is expected to be valued at ₹ 1,574 Billion in 2024. The market growth is led by a multitude of factors, including increasing crime rates, political instability, and the need for asset and individual protection. The industry growth is further propelled by fast-paced technological advancements, particularly in areas such as AI, biometrics and drones. The demand for advanced technology-based security solutions is showing unparalleled increase, with rising labour costs, shortage of skilled resources and the changing realities of the post-COVID era. The market for technology-based security solutions in India is estimated to cross ₹ US$ 7 Billion by 2029, outpacing the growth of traditional guarding services.

Our Offerings

Our innovative solutions in this segment encompass Physical Security Solutions and Technology Solutions.

Key Numbers*

1,85,072
Employees

9,406
Customers

42,000+
Customer sites

184
Branches

Physical Security Solutions

- Static Guarding
- Armed Guards & Gunmen
- Escorting & Patrol Services
- Fire Safety Services
- Bouncers
- Front Office Management
- Event Management
- Quick Response Team
- Dog Handler

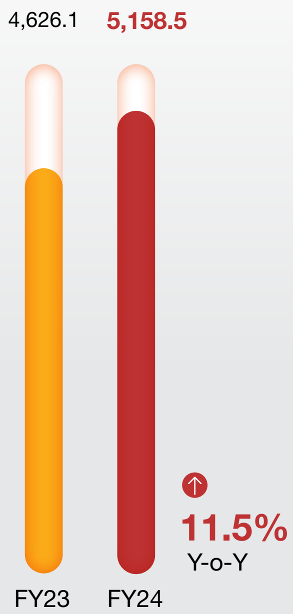
Technology and Electronic Solutions

- Access Control / Entry Automation
- AI-enabled Video Surveillance
- Fire Safety, Detection and Suppression
- SaaS-based Software Solutions
- Vehicle Tracking Solution
- Intrusion Alarm Monitoring & Response
- Scanning & Frisking Solutions
- Integrated Command Centre Solution
- Drone-based Surveillance Solutions

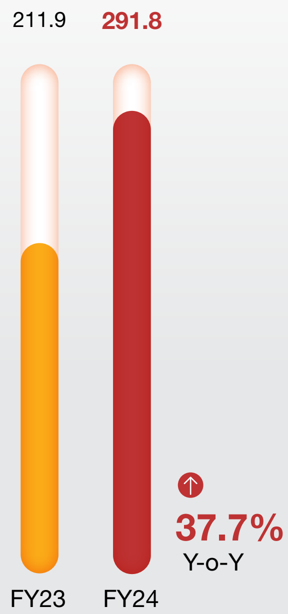
(As on March 31, 2024)

Performance Highlights – FY24

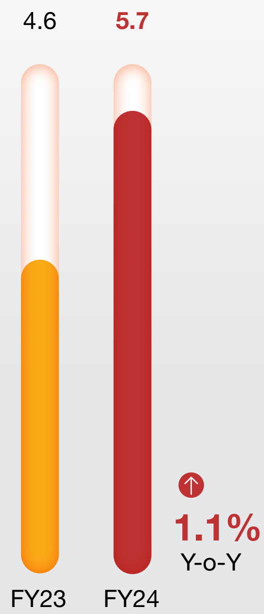
Revenue from operations
(₹ in Crore)



EBITDA
(₹ in Crore)



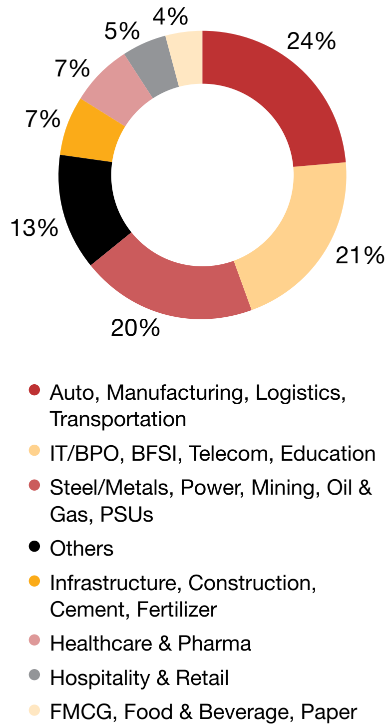
EBITDA margin
(%)



Revenue share in overall business
(%)

EBITDA share in overall business
(%)

Sector-wise sales mix
(%)



Business Review - FY24

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

India's leading security service provider, SIS Security has adopted an innovative "ManTech Solutions" approach to deliver a wide range of security solutions designed to meet the unique needs of clients across industries.

Our diverse portfolio of services in this business segment includes:

- Manned guarding
- Specialised security staff
- Technology-oriented integrated security solutions

A seamless blend of highly trained personnel and cutting-edge technology enables us to deliver exceptional results. We remain committed to adopting the latest technologies with agility, and creating robust security solutions for our clients. We strive to evolve continuously to exceed expectations and empower our customers for long-term success.

Performance Highlights

- Secured major client wins across sectors, including the largest single order of ₹ 20 Crore, during the year.
- Established ourselves as the leaders in Oil & Gas sector, with all major companies as clients across this segment.
- Demonstrated growth in terms of profitability, aided by revenue diversification across four geographical zones within India.
- 15-20% improvement in manpower efficiency with ManTech solutions.
- Launch of a new ManTech solution, Guard Tour System for beat patrol, to track the activities of patrolling guards.
- Growth in Mantech solutions revenue
- Scaled up Core ERP and MySIS – fully implemented in SIS Limited.

Outlook

The shift towards organised players for best-in-class security solutions gives us plenty of headroom for growth. Our focus, going forward, will be on maximising synergies with the Group companies, strengthening brand visibility, and expanding our presence in ManTech solutions. Increased automations and sustained focus on ManTech will further improve visual AI-based solutions as an offering. We shall also prioritise consolidation of our position in key regions of the Indian market, thus further reinforcing our market leadership.

An SIS Group Enterprise

UNIQ Security Solutions has been offering premier security and consulting services since 1996. It joined SIS Group in 2018, and has since further strengthened its position in the industry. It has a stronghold in the southern states of Karnataka, Tamil Nadu, AP and Telangana.

UNIQ offers security solutions to both greenfield and brownfield projects, besides system integration services. Other key offerings include providing saas solutions to make use of existing cameras with customised AI and video analytics, executive protection to delegates, and investigations. UNIQ continues to expand its portfolio and establish new relationships across a wider geography.

Performance Highlights

- Launched a state-of-the-art Training Centre in compliance with PSARA and induction of M-Trainer for on-the-job training.
- Major client wins: DLF-Chennai, Wistron, Hidelberg Cements, SONY India.
- Won contracts for significant national events, such as ISL, PKL and executive protection for international delegates.
- Established UNIQ Tech Solutions: Bagged a contract from Makino for setting up a command centre and offering AI solutions.

Outlook

UNIQ will continue to consolidate its leadership position in the industry by increasing its market share. UNIQ will strategically explore new geographies in southern India for prospective clients, while emphasising tech solutions for both new and existing clients. They will sharpen their focus towards integration of technology in operations to provide transparent, tangible and KPI-based solutions.

VProtect, a pioneering venture launched by SIS Group in 2017, offers a robust alarm, monitoring and quick response solution for B2B and B2C customers. Its unique approach enables high levels of security for customers through seamless integration of an AI-enabled monitoring platform with a human interface. It is aligned with the Company's focus on eliminating common threats, providing 24/7 security with trained response officers and offering an advanced technology platform.

The VProtect Advantage

24-hour monitoring: Our monitoring centre diligently tracks events and quickly sends real-time alerts.

Prevention of crime in the immediate vicinity: Installation of our security system results in the reduction of crime rate in the locality, even for those who do not have a system but live in the vicinity.

Providing remote access: Individuals using VProtect can remotely monitor their property from anywhere, as it gives them control over various aspects, such as adjusting locks, lights, and more.

Cost-effective solution: Round-the-clock physical security services can be expensive for residences and SMBs, and this makes VProtect an ideal cost-effective solution.

Emergency response: In case of a fire or medical emergency, our monitoring centre ensures swift response from the necessary civic authorities, guaranteeing immediate assistance.

Performance Highlights

- 10,000+ sites added across the banking sector during the year.
- Major banking client wins: SBI, Canara Bank, Central Bank, Indian Bank, Yes Bank, IndusInd Bank, RBL Bank, South Indian Bank, among others.
- Built a sustainable partner network across regions for effective service management.
- Automated the MIS & Reporting function for all our clients.
- Achieved 64% growth in the number of connections.
- Maintained 100% response SLA for customers.
- Initiated implementation of a service automation tool for greater efficiency and effectiveness in our service management.
- Started the process of building customised fire, medical and intrusion solutions.

Outlook

With a major focus on the B2C segment, it will be our endeavour to increase our live sites multi-fold. We aim to increase our reach to 10 cities through direct marketing, partnerships, and online sales through various service aggregators.

An SIS Group Enterprise

SLV Security Services is a leading Gurugram-based security solutions provider, with a strong presence in North India. Its bouquet of services includes manned guarding, electronic surveillance, event security, among others.

Besides having a major foothold in the Gurugram-NCR market, it has expanded to cities like Chandigarh, Chennai, Hyderabad, Mumbai, and Sambalpur. SLV, which became part of the SIS Group after its acquisition its 2018, has a strategically located branch and region network to serve its clientele. It is focussed on delivering exceptional security personnel and innovative technological solutions.

Performance Highlights

- Secured partnerships with multinational and national brands such as H&M, Bajaj Allianz, Manappuram Finance, Hindalco Industries, Aditya Birla Group, among others.
- Increased wallet share with clients like Big Basket, Sterlite, Thermax and Bata.
- Added 15+ high end condominiums in Gurugram as clients.
- Successfully implemented ARK and Sales Maxx for improving operational and sales efficiencies.

Outlook

The focus at SLV will be on offering comprehensive ManTech solutions. To steer enhanced business growth, we shall strategically fix geographic areas for targeted development.

Tech SIS is the electronic security division of our Group, focussed on providing integrated solutions to private and government customers. Our portfolio encompasses a wide range of offerings, including AI, IoT, drones, access control, fire alarms, RFID, and 24/7 monitoring.

Our strategic edge is powered by our team of experienced engineers and technicians, capable of delivering tailored security systems to our customers. At the heart of our growth strategy is our customer-centric approach, and innovative solutions that have been recognised with the prestigious Frost & Sullivan Award and NASSCOM Innovation in Security Award.

Performance Highlights

- Major client wins such as IOCL & Nayara Energy, establishing Tech SIS as a leader in the Oil & Gas sector.
- Developed a highly robust pipeline and order book.
- Major breakthroughs in airports & data centre segments, and foray in the power segment.
- Developed & delivered an integrated ManTech Security Solution for the mining & industrial segment, using technologies like AI & tethered drones.
- Developed a first-in-the-industry mobile app - Guard Tour System for patrolling, live reporting, report observations and incidences.
- Developed & deployed smart integrated parking and gate management solutions.
- Deployed a fibre optics-based perimeter intrusion detection System for security breach detection.

Outlook

At Tech SIS, our efforts are aimed at enhancing the productivity and efficiency of our operations. We strive to boost the RoI of our customers by breaking the silos between physical security and technology solutions with integrated solutions. We are fully geared to scale growth exponentially with our ability to deliver tailored solutions to our growing customer base.

Business Segment Review

Security Solutions – International

Leading security solutions provider in Australia, New Zealand and Singapore

The Security Solutions - International segment services a growing clientele in the Asia-Pacific region with its pioneering solutions. The Security Solutions - International segment offers manned security and safety services such as patrols and emergency response, alarm/ CCTV monitoring, aviation security, emergency medical and rescue, event security, and critical risk management.


CAMPUS SECURITY
MSS security
CAMPUS SECURITY
MSS Security
MSS Security

Industry Overview

The global security solutions market is in the midst of significant growth. Valued at US$ 86 Billion in 2017, it is expected to reach US$ 184 Billion by 2025 – a CAGR of 10.1%. This growth is propelled by a host of drivers, including the need for advanced security measures across various industries, and the rising threat of cybercrime and terrorism. Other factors such as technological advancements, adoption of cloud-based security solutions, and strict regulatory requirements are further fuelling market growth. In this backdrop, the major industry players are focussed on crafting and delivering innovative solutions with the aim of maximising the growing market opportunity.

Our Offerings

As a leading player in this business, the Security Solutions - International segment offers an extensive range of innovative solutions in the field of security and safety services, including patrols and emergency response, alarm/CCTV monitoring, aviation security, emergency medical & rescue, etc.

Key Numbers*

9,668
Employees

10,332
Customers

21 %
Market share in Australia

Manned Security Solutions

- Static Guards/ Officers
- Event Security
- Aviation Security
- Patrols & Emergency Response
- Intrusion Detection
- Paramedic and Allied Health
- Alarm / CCTV Monitoring
- Fire Detection and Fire Suppression
- Maritime Security

(As on March 31, 2024)

Performance Highlights – FY24

Revenue from operations
(₹ in Crore)

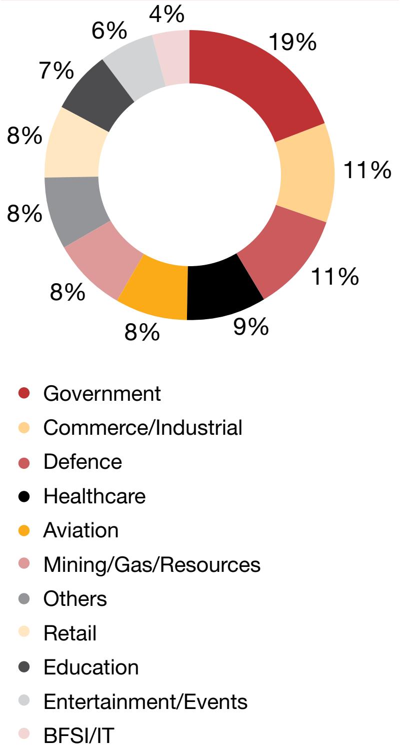
EBITDA
(₹ in Crore)

EBITDA margin
(%)

Revenue share in overall business
(%)

EBITDA share in overall business
(%)

Sector-wise sales mix
(%)



Business Review - FY24

Australia's largest and most trusted security company, MSS Security specialises in customised security and emergency response solutions across diverse market segments. Our extensive coverage across Australia gives us a strategic advantage in delivering best-in-class solutions, tailored to the unique needs of customers across segments such as arts and events, aviation, education, defence and government. Our technological expertise and trained workforce contribute to making us the security partner of choice for leading Australian organisations seeking innovative client safety and security solutions.

Performance Highlights

- Successfully implemented Workday, a leading global people management system, for enhancing the team's efficiency and meeting customer compliance requirements.
- Secured AU$ 38 million in new orders across all segments, with key customer acquisitions including ACT Health, Australian National University and BHP.
- Successfully commenced the rollout of products such as IOps, Screensure, Secure Eye (state-of-the-art video analytics solution), AI Defender (Drones solution) for our client base.
- Successfully transformed our recruitment team and screening process to strengthen the candidate pipeline.

Outlook

We shall continue to strengthen our market leading staff recruitment and retention capability through our internal Training Academy and Scholarship Program. The implementation of Workforce to aid with rostering and employee communication.

southern cross protection

SXP operates Australia's largest national security patrol network, delivering on its promise to offer innovative security solutions. The company, established in Melbourne after World War 1, boasts of a fully equipped fleet of vehicles, coupled with highly trained, expert security patrol officers. It offers ideal solutions for customer sites like shops, restaurants, and independent residents who are looking for a cost-effective security solution.

Performance Highlights

- Secured a new 5-year deal with MCEC, taking the partnership to 20 years at the end of this contract term.
- Re-signed City FM until July 2026.
- Re-signed Amazon distribution centre.
- Several back-end systems went live after intense testing.
- Key customer wins: Salesforce, Korda Mentha, Centrelink WA and Titanium.

Outlook

SXP has strategically built security capabilities to serve the needs of specific industries. Customer stickiness will remain our priority, and we shall seek opportunities to productise and deliver complementary services. Besides improving customer retention, this will help enhance margins. We plan to continue with our investments in customer-facing and back-end tech systems that will enable operational and back-office efficiencies and deliver a comprehensive solution to clients. Increased scale, along with renewed focus on recruitment and retention, will further boost our margin profile through economies of cost.

As Aotearoa's (New Zealand in local Maori language) leading security service provider, P4G offers highly skilled personnel to meet the security requirements of our customers. The services are focussed on safeguarding people, events and property in the most astute and respectful manner. Our security personnel are trained experts in their field, personable and professional. The guiding principles of P4G are centred around offering a reliable, accountable and cost-effective security service across New Zealand.

Performance Highlights

- Major client wins: Eden Park Stadium, Spark Arena, NZ Cricket, FIFA Women's World Cup and Forsyth Bar Stadium.
- Introduced DoneSafe as a software for safety and incident reporting.
- Launched NetSuite for customer billing.
- Initiated Workforce Suite implementation for staff rostering.

Outlook

Our focus, going forward, will be on completion of the Workforce Suite implementation for staff rostering. We plan to expand the coverage of the DonSafe safety management system. Our efforts will also be directed towards ensuring reasonable labour costs to prioritise competitive compensation, employee safety, and job satisfaction as part of our strategic planning. We continue to focus on improving recruitment of direct staff and upgrading systems and technologies, thus creating greater efficiencies.

We will continue to leverage our position as a recognised national player with a wide range of comprehensive services. We intend to capitalise on this advantageous positioning by actively cross-selling services and expanding client relationships with other SIS entities. We shall strive to foster collaboration and synergies to unlock new opportunities, enhance client satisfaction, and drive profitable growth.

HENDERSON
You Entrust... We Enforce
An SIS Group Enterprise

Henderson Security has been providing trusted security services across residential, commercial and government sectors since 2005. The establishment of Henderson Technologies in 2013 led to the expansion of our offerings to encompass technical services and security technology expertise.

Our comprehensive security solutions are driven by our dedicated team of highly trained personnel, backed by cutting-edge technologies. Our commitment to reliability, efficiency and cost-effectiveness ensures peace of mind for customers with total protection of their assets.

Performance Highlights

- New client wins: Singapore Management University, National Parks Board, Animal & Veterinary Service and Global Switch.
- Won large contracts in the residential segment along with repackaging of solutions and offerings specific to the residential market.
- Won contract renewals with better margins.
- Implemented technology solutions, such as licence plate recognition systems and AI-enabled video analytics, to mitigate rising costs of labour.

Outlook

Henderson's evolution as a market leader, in terms of moving into the outcome based contracting (OBC) model with almost 40% of business being OBC, has resulted in sustainable operations. It has empowered Henderson to surge consistently ahead even amidst a tight labour market and increasing wages. With investment in technology and bundled solutions, along with active participation in outcome-based tenders, we believe Henderson is headed for robust growth in FY25. For its efforts in FY24, Henderson received several awards from Workforce Singapore and the Union of Security Employees for Job redesign and tech-based solutions for security operations on site. This has placed the company in a strong position to take on larger opportunities in the market and mitigate rising costs for customers, by providing outcome-based security services which would encompass a combination of guarding, monitoring, patrol and response.

Business Segment Review

Facility Management Solutions

1 #1 Facility Management Solutions Provider

As a market leader in India's facility management landscape, SIS offers innovative tech-enabled solutions to customers across the country, for driving profitable growth for the Company and accretive value to all stakeholders.

Our services and solutions in this segment are powered by best-in-class technologies, state-of-the-art systems, and sustainable processes. They are designed to serve marquee clients across diverse industries.

Industry Overview

The Indian facility management market has been on the upswing, propelled by a host of favourable factors, including growing outsourcing trends, government investments in infrastructure, stricter environmental compliances, and a shift towards Integrated Facility Management (IFM) solutions. Led by economic recovery in the post-Covid scenario, the India Facility Management market size is estimated at ₹ 2,328 Billion in 2024.

Given the current fragmentation in the market, there are significant opportunities for consolidation, offering a promising outlook for organised players. The massive technological changes taking place in the industry are boosting efficiencies and enhancing the prospects for customer value creation. This has catalysed new demands, particularly from the large customers seeking outcome-focussed strategic partnerships. There is an increase in the demand for cleaning and management services at the workplace as they are increasingly driving employee wellness and engagement. As a result, solution providers are now seen as essential partners by businesses.

Our Offerings

We offer a whole gamut of solutions in the two key areas of Property Maintenance Services and Pest Control Solutions. Pest control solutions are delivered through TerminixSIS (TxSIS), while the other verticals are focussed on property maintenance.

Key Numbers*

78,970
Employees

2,606
Customers

7,766
Customer sites

109
Branches

(As on March 31, 2024)

Property Maintenance Services

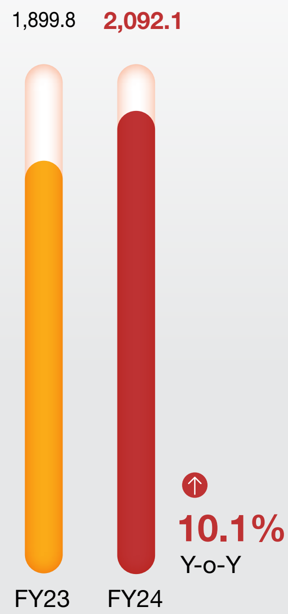
- Cleaning and Housekeeping Solutions
- Integrated Facility Management
- Janitorial Support
- HVAC Maintenance

Pest Control Solutions

- Termite control
- Rodent control
- Mosquito control
- Bird control
- Insect control
- Flea control
- Bed bug control
- Other services including inspection, training and consulting

Performance Highlights – FY24

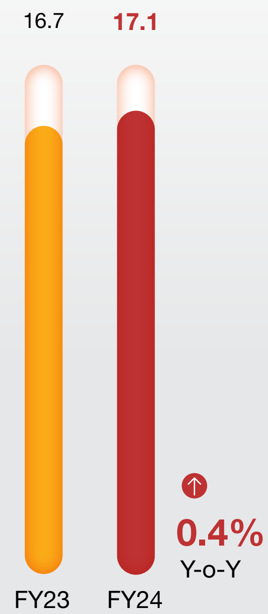
Revenue from operations
(₹ in Crore)



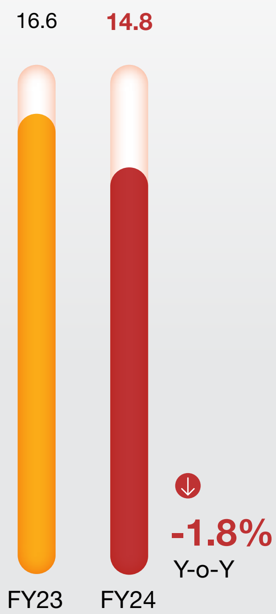
EBITDA
(₹ in Crore)

EBITDA margin
(%)

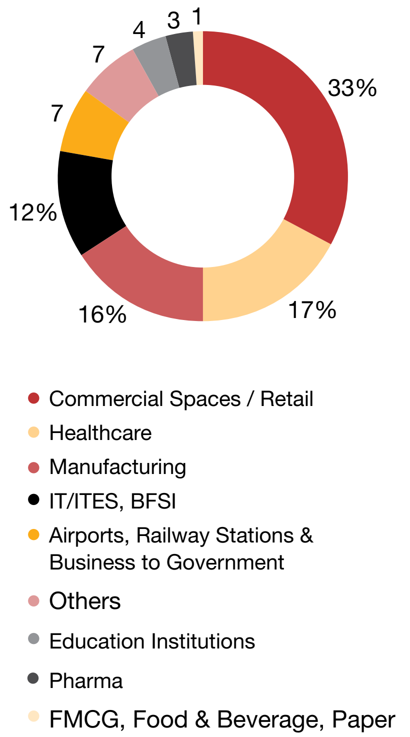
Revenue share in overall business
(%)



EBITDA share in overall business
(%)



Sector-wise sales mix
(%)



Business Review - FY24

An SIS Group Enterprise

DTSS became a part of SIS Group in 2016, and has evolved into one of India's premier and most trusted facility management service providers. Backed by its extensive experience and legacy of trust, it has developed an extensive pan India presence, in terms of reach, customer profile, area under maintenance, and employee strength.

Strengthened by its capabilities in delivering tailored solutions, DTSS is today proudly serving 800+ customers across 3,200 locations in over 50 cities and towns of India. Our de-risked client portfolio, spread across industries and coupled with our diversified product and channel mix, lends us a strong competitive edge in the business. We service clients across sectors including Commercial / Offices, Manufacturing, Warehouse, Healthcare & Pharmaceuticals, IT/ ITES, among others.

Our team of 45,000+ employees are constantly driven by our values of team spirit, accountability, professionalism, integrity & customer focus, creating an enviable value proposition for the company.

Performance Highlights

- Implemented Oracle Fusion to aid procurement of housekeeping materials and uniforms.
- ESG approach designed and rolled out; ESG certification program conducted.
- Our digital platform, Onboard 2.0 was launched. 3,000 candidates were onboarded per month with 99% accuracy with zero No Code achieved.
- In terms of channel mix, 63.4% of the services were provided through direct channel.
- Rolled out additional employee welfare and benefit policies.

Outlook

India is witnessing increased adoption of hard facility management services and cleaning services on account of growth in commercial and residential construction. Moving ahead, there will be enhancement in digital capabilities, such as scaling up of iOPS (Intelligent Operation Control System) platform to streamline the operations and improve customer experience as these services proactively harness the opportunity. This would also lead to augmentation of customer relationships through initiatives such as OYC and C-Sat, besides expansion into new geographies.

DIGITISE | AUTOMATE | MECHANISE
Integrated Facility Management Solutions
An SIS Group Enterprise

SMC Integrated Facility Management Solutions is a comprehensive facility management solutions provider, focussed on delivering sustainable solutions in this niche domain. A 100% subsidiary of SIS Group, it was rebranded during the year from Service Master Clean to Smart Maintenance Company, having reshaped its offerings through specialisation.

SMC boasts of a rich legacy, going back to 2008 when it was formed through an international master licence agreement between ServiceMASTER®, the USA and SIS India Ltd.® Its innovation-led strategy is driven by extensive digitisation, mechanisation and automation, which it continues to adopt and build as a strong advantage for its profitable growth.

We manage over 200 million sq. feet area through 30,000 service professionals, with more than 100 management teams drawn from hotel management and engineering backgrounds with specialised skills. Our clientele is diversified across industries, including Healthcare, BFSI, Education, Entertainment, Food, Hospitality, Logistics, Malls, Manufacturing and Residential, among others.

Performance Highlights

- Strong presence established in healthcare, heavy industries/manufacturing sectors.
- Certified to ISO 45001 standard (Occupational Health and Safety (OHSAS) standards).
- Initiated Environmental, Social, and Governance (ESG) complaint management programme, aligning with our commitment to sustainable practices.
- Improved operational efficiency, leading to streamlined processes and increased output through digitisation, automation and product innovation.
- Extended AI-based iPorter technology to healthcare, improving productivity, reducing labour wastage through data analytics, minimising wait time for patients and clinical teams, and automating the entire task (uberising the entire hospital).
- Enhanced service quality through real-time site inspection and audit programmes, along with digitised customer feedback systems.
- Reduced resolution times and boosted overall customer satisfaction with automated and self-escalation complaint management systems, and integrated OHSAS standards for workplace health and safety.

Our offerings

- Core IoT-based Maintenance Management Solutions
- Energy Management Solutions
- Smart Surface Disinfection Programme HK 2.0
- Antimicrobial Surface Treatment
- Airborne Infection Prevention
- Control Solutions

Outlook

Going forward, we will strengthen our strategic focus on expanding innovative solutions within the ESG framework. We shall, in particular, target the large industrial and manufacturing segments while consolidating solution-based offerings in healthcare. We will prioritise technology-affiliated FM solutions aimed at improving production efficiency, reducing customer costs, and enhancing our margins. As we continue to digitise, mechanise and automate our operations, we remain committed to fostering innovation and leveraging cutting-edge technologies for sustainable growth and operational excellence.

RARE HOSPITALITY
An SIS Group Enterprise

As an over 3-decade-old knowledge leader in the comprehensive Facility Management space, RARE provides tech-enabled premium FM solutions to clients in Healthcare, Corporate Complexes, 5 Star Hotels, Ultra HNI Residences, Guest Houses, etc. Leveraging the reach of SIS, it has emerged as an established and trusted player across India, having progressively expanded its presence beyond its traditional stronghold of the country's Western region.

Our premium service proposition is led by our strong service quality and innovation edge, enabling us to deliver unique and impactful solutions for our growing marquee clientele.

Performance Highlights

- Dominance maintained in Healthcare FM solutions, with strong client wins in this segment.
- Biggest private sector hospitals in Ranchi, Patna, Srinagar & Kanpur now under RARE management.
- Continued to be the preferred partner for those looking for premium FM solutions across sectors, demonstrated by 15 major wins during FY24.
- Launched mechanised house keeping reducing dependency on manpower.
- Introduced Digital C-Sat: QR code-based customer satisfaction process, to reduce time & effort and increase reporting efficiency & effectiveness.
- Launched M-Trainer: Virtual staff training tool to scale up the employee proposition.

Outlook

RARE aims to maintain its dominance in the Healthcare FM solutions space by adding more SLA based businesses through its SSDP programme. We will focus on increasing our market share, especially in Western India, with our strategic approach centred around enhancing our presence in existing markets rather than spreading thin across geographies. The thrust will be on focussing on premium business across sectors.

Our efforts will continue to be driven towards sustaining bottom line growth by pitching only for high value (premium) business with high margins. We will work towards increasing our market share in the premium hospitality segment.

A subsidiary of the SIS Group, TerminixSIS India is a leading provider of pest control solutions. It offers comprehensive and effective pest management solutions to diverse sectors, including hospitality, food processing, manufacturing & warehousing, healthcare, property management & educational institutions.

Our pan India presence and strong innovation edge are propelling our sustained growth, while our reputation for unwavering quality and reliability make us a trusted player in pest control.

Performance Highlights

- Enabled customers to clear the most stringent audits relevant to their industry though a proactive and partnership approach.
- Major client wins: SATS Food Solutions, Hyatt Hotels, Taj Hotels, ITC.
- Developed AUDIT X app to help sales team undertake quicker, more professional & more relevant site surveys.
- Recognised by CBRE for Outstanding Service Delivery, Support & Partnership.
- Enhanced relationshiped with several pan India accounts for incremental wins, established presence in the North East.

Outlook

Given the fast-paced expansion in India's pest control services market, we shall remain focussed on profitable revenue growth in the coming year. The market expansion is driven primarily by the growing demand for hygienic work, leisure, travel and home spaces. We are well positioned to leverage this demand with our innovative pest management approach of offering solutions to a variety of sectors. Our focus will be on further sharpening and strengthening this strategy.

To drive growth, productivity and profitability, we plan to roll out specific technologies in FY25 for further boosting operational efficiency and controls, and enhancing customer experience. We shall continue to leverage our pan India presence, our growing reach in the North East, stable and visionary management, stringent self-compliance and robust technical expertise to expand business profitably. This will be supported by digital leads to help drive higher sales productivity. We will also continue to explore new product innovations to complement our service offerings.

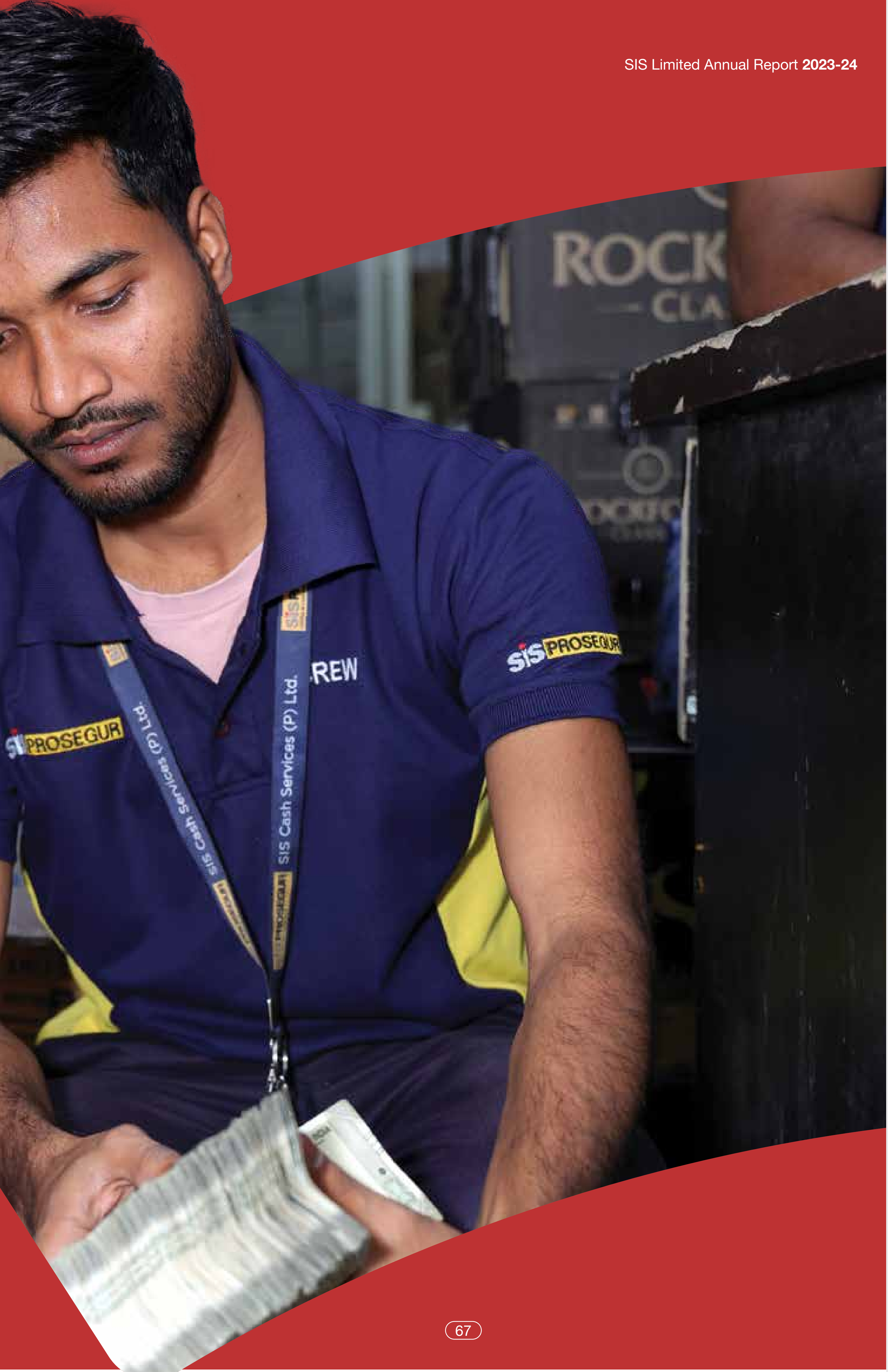
Business Segment Review

Cash Logistics Solutions

2

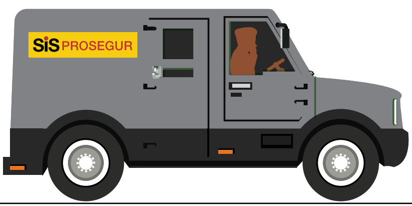
#2 Cash Logistics Solutions Provider

We provide cash logistics services in India, through a 49% JV partnership with Prosegur, a global leader in cash management solutions. We have emerged as a leading provider of BOSS in the country. Our diverse offerings are designed to cater to different client segments, and we continue to expand our service offerings and offer technology-led innovations. We offer bullion management and other value-added services where we see significant growth potential. We are well equipped to maximise the wave of emerging opportunities in the industry, driven by strong demand growth.


SIS Cash Services (P) Ltd.
PROSEGUR
SIS PROSEGUR
REW
ROCK
CLA

Industry Overview

The global cash logistics market is witnessing fast-paced growth and is estimated to reach a market size of US$ 41 Billion in 2032, growing at a CAGR of 6.8% from US$ 23 Billion in 2023. As the most populous country and the fifth-largest economy in the world, India's currency circulation is witnessing a marked growth. The cash logistics market is expected to see notable growth, going forward, on account of increasing demand for secure and efficient cash management solutions.



Our Offerings

Keeping pace with the increasing demand for cash management solutions, we have a large suite of diversified offerings to meet the evolving needs and expectations of our growing clientele.

Key Numbers*

#2
Cash Logistics Company in India

11,066
Employees

3,200+
Cash Vans

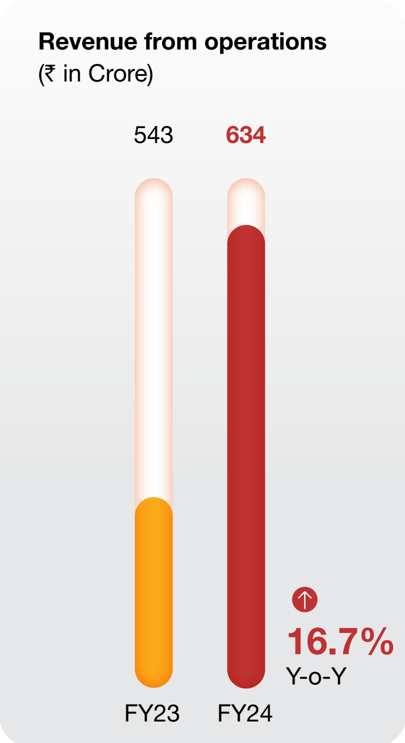
60+
Vaults

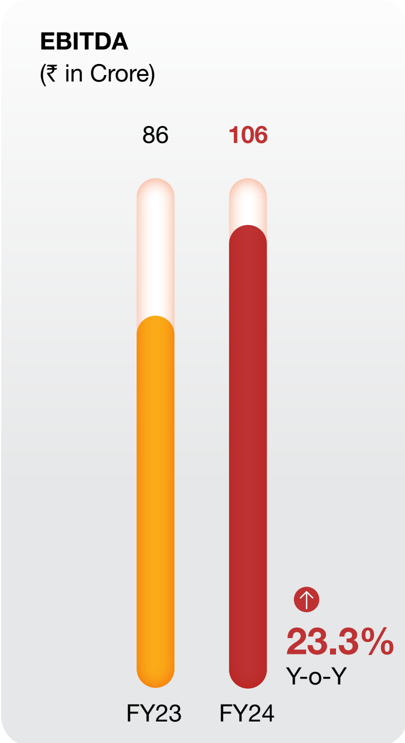
(As on March 31, 2024)

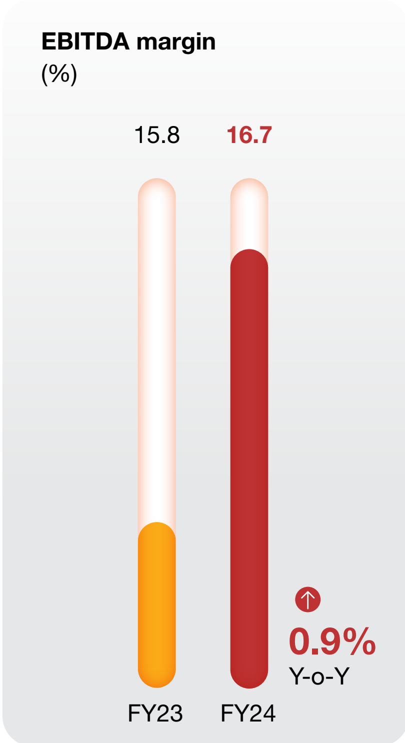
Cash Logistics Solutions

- Cash in Transit
- Cash Processing Outsourcing
- ATM Replenishment
- Cash Assistant – Cash Processor
- Vaulting
- Bullion Management
- Value Cargo
- PEGE
- Cash Today

Performance Highlights – FY24







Business Review - FY24

Performance Highlights

- Commenced "Banking on wheels" with a leading bank.
- Continued to drive operational efficiency and productivity with sustained technological advancements.
- Oracle Fusion was implemented throughout the organisation.
- Implemented an attendance system across banking customer locations for monitoring and rewarding performance.
- Implemented a fleet dashboard for better tracking and performance management.
- Deeper engagement with banks to drive penetration in various segments, especially CIT and DSB.

Outlook

Given the expansion of the cash logistics segment in India, we are well positioned to scale up our business in the coming year. We will intensify our focus on the retail/B2C segment to ensure we have a diversified customer base and for risk mitigation. With this aim, we plan to launch solutions to enhance the availability and access to cash for individual customers.

We are looking at AI-based solutions for customers to drive business. We plan to test and implement automatic billing during the year. Our target is to increase the contribution of innovative solutions to revenue to over 10%. We aim to undertake an operational efficiency and productivity drive to optimise asset utilisation and deploy additional technology tools to monitor progress.

It is our endeavour to replicate the CPO model at banks, and to develop and expand BOSS to drive deeper penetration among customers. Focussed training and competitive remuneration will be used to attract and retain talent in the organisation to help steer our long-term goals and further grow the business.

ESG OVERVIEW

Environmental

Innovating to ensure ecological sustainability

Sustainable development has emerged as an imperative for profitable organisational growth and performance excellence in the continuously transforming business landscape, with enhanced focus on eco-friendly practices.

At SIS India, we have embraced the new reality to prioritise sustainability across our business value chain. We have embedded environmental responsibility into our systems and processes to align them with the stringent environmental norms of our industry. We are focussed on innovations and initiatives driven by climate actions, and centred around:

- Reduction in emissions
- Effective waste management
- Elimination of the use of toxic chemicals
- Optimal use of natural resources, including land and water

These initiatives are aimed at reducing the environmental footprint of our operations and creating a positive sustainable impact on the planet.

Key Initiatives

During FY24, we continued to invest in various strategic initiatives to promote environmental sustainability.

- We monitored the chemical usage in our Facility Management Solutions and Pest Control businesses on a regular basis, while continuing to promote the use of biofriendly chemicals to minimise the environmental impact
- To keep a check on the vehicular emissions, we ensured that our vehicles conform to the latest BS-VI Standards
- We continued with the environmental audit that was initiated by us in the previous fiscal to identify improvement areas for energy and water consumption

As part of our sustainable development strategy, we will further enhance our ESG interventions and efforts to drive profitable growth with focus on innovation. Our efforts will be directed towards creating long-term value for our stakeholders.

Being Sustainable in our Cash Logistics Solutions Business

We have adopted several impactful measures to propel sustainability in our Cash Logistics Solutions business which involves the use of Cash Vans (CVs) for our daily operations. While ensuring strict compliance with the statutory and legal norms of this high-risk business, we have been pursuing initiatives designed to reduce its carbon footprint.

At SIS Prosegur:

- We continued inducting CNG-based CVs for our Cash Logistics Solutions business operations
- Our efforts are geared towards deployment of Electric Cash Vehicles (ECVs) as and when the regulations permit
- We conduct regular driver training to maintain the fuel efficiency of the CV and keep the emissions under control
- We have been fixing a Kilometre Per Litre (KPL) fuel target for each CV depending on its age, condition, and terrain where it is deployed. The parameters are regularly reviewed through an in-house app, and the review forms the basis for incentives and penalties
- We regularly organise certified pollution checks and servicing for our CVs
- We procure spare parts for the CVs only from authorised sources. Further, all the old CVs are properly dismantled and disposed of through government authorised scrappers

3,200+

Cash Vans deployed

Social - People

Investing in our Human Capital

Cognizant of the importance of our people to our business growth and success, we continue to make investments in their development, well-being and progress. Our investments are aimed at keeping our employees engaged and motivated, and aligned to the realisation of our business goals. We believe this is essential to boosting our business productivity by enhancing the ability of our people to deliver value to the organisation and to all our stakeholders.

Fostering diversity & inclusion

As an equal opportunity employer, it is our continuous endeavour to foster diversity across all levels. To improve gender diversity, we work towards employing more women in the workforce across the hierarchy. We also drive initiatives and programmes to support women employees. Our diversity focus also extends to people with disabilities, and we endeavour to place them at locations where desk jobs are available, and frequent travel / relocation or extensive training is not required. Our initiatives to promote diversity include women-friendly amenities and ergonomic workplace design to ensure ease of access for disabled persons to offices, facilities, and other desired systems.

37,717
No. of women employed in FY24

19,114
No. of women employed in FY18

285+
No. of persons with disability employed in FY24

72
No. of persons with disability employed in FY18

Supporting Training & Development

We realise the importance of upskilling our employees on a regular basis, to keep them abreast of the changes taking in place in the evolving external eco-system. We support them with continuous learning and development opportunities. We have the largest training infrastructure in India with 39 training centres across India to aid with recruitment and training/skill development of fresh recruits from some of the most remote regions of India. This also helps with employment generation amongst the most underprivileged section of society by providing them an entry into the formal job market.

Our recruitment and training programmes:

- Enable us to maintain a pool of trained staff to steer business growth
- Are structured to provide a seamless learning experience through our training champs network with the help of tools like M-Trainer and LinkedIn Learning to provide various options including classroom training, in-person cohorts and self-learning

We extend learning interventions at all levels of the employee lifecycle. We provide employees with developmental and transformational paths to build a robust learning-driven organisation. These initiatives are aimed at propelling our journey towards our Vision 2025.

39

No. of Training Centres

Self-Development and Career Progression Programmes Conducted in FY24

Mr SIS

- Aimed at creating cultural readiness to achieve Vision 2025
- Reinforces our core values with a focus on result orientation
- Core target group: Branch heads (who are mini-CEOs of their businesses) and other junior employees

3

Batches conducted

63

Employees covered

LEAP

- Annual role-transition program for advancement to the role of branch head within the P&L leadership
- Curated program with a competitive selection and graduation process

23

Participants in 1 batch

LEAP Plus

- Competency training program for branch heads to evolve within their roles

Tech Udaan

- Development program for technical supervisors to upgrade their skills, in line with the latest domain developments

Emerge

- To steer early career transition to the role of an operations manager

65

Operations managers underwent training in FY24

Management Development Programmes

- Customised interventions for specific members of senior management team
- Aimed at creating a talent pipeline with diverse programmes including instructor-led cohorts paced self-learning
- Third-party training partners include KPMG, Stephen R Covey, Ken Blanchard International, and LinkedIn Learning

2,207

Total number of people undergoing/graduated from the training and development programmes

Sessions conducted during FY24

Institute courses

- Advance Strategy & Leadership Program: Wharton Learning
- Understanding Self for Leadership excellence: IIM Lucknow
- Executive Development Program in Driving Growth: XLRI
- Artificial Intelligence & Machine Learning for Industry: IIT Delhi

Consulting firms' courses

- Leadership Program: BCG

Other professional courses

- Project Management Fundamentals: SCM workshop
- ESG Certification Program
- OMEGA: Manager Excellence Program
- Professional Development Program
- Junior Management Trainee Program

Self-Learning

- Designed for our employees in critical roles within the organisation
- LinkedIn licenses rolled out as part of self-learning completion

600
LinkedIn licenses procured for employees

877
Hours viewed (233 average monthly views of content)

766
Learning courses completed

15,574
Learning videos completed

Professional Development Programmes

- Series of open competency training programmes for non-billing team members
- Based on the competence gaps identified through the PMP process
- Include training on key competencies like email etiquette, communication, decision-making, time management, etc.

280
Total sessions conducted

717
Participants attended multiple training sessions

POSH Training

- Aimed at ensuring awareness and compliance
- Sessions conducted every month by internal and external committee members

12
Sessions conducted

8,383
No. of employees participated

SMART Supervisor

- Smart supervisor is a competency building programme for supervisors. The objective is to scale up and transform the supervisory role to bring in operational excellence

55+
Supervisors certified

Sashakt

- Online initiative empowering non-billing employees with advanced IFM solutions and healthcare, and financial sector expertise

496
Non-billing employees participated

Business Continuity Management Systems (BCMS) Internal Auditor Training Program

- The objective of the program is to equip employees with the knowledge and skills required to perform audits of BCMS against ISO 22301:2019 in accordance with ISO 19011 and ISO 17021, as applicable

20
Participants

SkillUp 1.0 Training Program

- Conducted for monitoring executives

SkillUp "Learn to Lead" Training Program

- Leadership training for sales teams

310
Sales team leaders participated

Graduate Training Officer (GTO)

- Annual one-month residential training program (cadre course)
- For development of supervisors/inspectors to the Assistant Security Officer (ASO) rank (Unit Commander rank)
- Held at SIS Garhwal training centre

52

Batch size

Graduate Training Supervisor (GTS)

- Annual one-week residential training program
- Aims to develop frontline staff to supervisory levels
- Conducted at the SIS Lucknow training centre

150+

Participants in 1 batch

Udaan

- Annual one-week on-the-job training programme
- For development of billing employees to non-billing operations roles

Arise

- Annual two-month, on-the-job training program
- Helps develop billing employees high potential guards/ janitors to supervisor roles

Induction Training

- 7-day hand-holding program
- Includes mix of classroom and on-the-job training
- For familiarising recruits with the organisation and their roles among other parameters

Functional Training

- Online and offline functional training programmes
- Includes ManTech training for sales and P&L heads, labour reforms training for the accounts team, Circle of Safety online training sessions for sales team, HRMS and compliance training for the HR team, among others
- Broadly covers all the non-billing employees based on requirements

Ensuring Safety & Well-being

As a responsible people-centric organisation, we are committed to ensuring the safety and well-being of our employees. We have adopted various measures to keep our people secure and safe in the work environment.

Safe Environment

- Focus on providing secure and best-in-class workspace for our employees

Safety Protocols

- Ensure access to all welfare facilities for our employees, as prescribed by the Central Government
- Provide training and counselling sessions for their emotional well-being

Safety Committee

- Organisational safety committee in place to ensure strict implementation of safety protocols at the workplace
- Regular audits to overcome operational gaps, if any

Safety Training

- Regular safety training sessions for employees to avoid hazardous incidents
- Investment in expanding the reach of our training programmes for our employees through mobile training vans
- Safety course is available on a mobile training application with its completion being mandatory for all employees


PROTECT
RAPID
Hero

Social - Community

Giving Back to the Society

Societal development and empowerment is a key priority of the social agenda at SIS. We have identified key social interventions and initiatives to drive our efforts to give back to the society as a responsible corporate. We continue to make significant investments in the areas of Education, Skill Development, Sanitation and Drinking Water and Healthcare, among others, and also motivate our employees to partner with us in these efforts.

₹ 5.4 Crore

Total CSR Spend

Education

Our interventions in this field are multifold, encompassing structured programmes for general education and women's/girls' education. They include:

- Providing children with avenues for education from primary to secondary and university level
- Facilitating 100% sponsorship to bright and underprivileged students to enable their upliftment and enhancement in the quality of their lives
- Focussing on women's and girls' education through sponsorships and self-employment training

Skill Development

As part of our skill focus, we:

- Conduct vocational training courses in the areas of security, cleaning, gardening, plumbing, and electricals, among others, and build schools and facilities for the same
- Organise local community camps for skill development in various specialties
- Provide computer literacy training and also steer government programmes in the skill development sector

Sanitation and Drinking Water

We are engaged in:

- Various water conservation and sanitation programs along with drinking water projects for local communities
- Constructing bathrooms and sanitation facilities for rural and urban households as well as in community areas
- Projects for facilitating women's sanitation

Healthcare

To promote healthcare, we:

- Conduct local community health check-ups, blood donation and other disease-related camps
- Build hospitals, clinics, diagnostic centres, and associated infrastructure
- Promote health and nutrition through targeted programmes

Other Activities

In addition to our interventions in our core focus areas, we also:

- Promote and protect our national heritage, local arts & craftspersons, and traditional arts
- Promote sports like athletics, swimming, archery, shooting, etc.
- Conduct programmes for the benefit of armed forces veterans and their dependents
- Plant trees and protect indigenous flora and fauna

Governance

Being Responsible, Ethical & Transparent

Responsible governance is an integral part of our organisational fabric at SIS. We believe strong corporate governance principles are an imperative for sustainable and inclusive growth and value creation.

We remain committed to transparent and ethical conduct, the highest standards of corporate governance, and complete accountability in our actions. To drive good governance across the organisation and its operations, we have in place a robust governance framework. The framework is crafted to create and deliver sustained, long-term value to our stakeholders.

Effective Board Functionality

To uphold transparency, awareness and equity in our operations, we have Independent Directors on our Board and various Board Committees. We appoint Independent Directors and form committees to ensure proper corporate governance across levels and functions. This is in compliance with the applicable provisions of the Listing Regulations, to which we are subject to, as a listed company. Our Board of Directors functions either as a full Board or through various committees mandated to monitor specific operational areas.

We are focussed on continually designing and improving the flow of activities across the organisation in an effective manner. This is aimed at ensuring economic prosperity and long-term value creation for the Company and its various stakeholders.

6

Independent Directors on the Board

100%

Average attendance in Board

44 months

Average tenure of Independent Directors

Board of Directors

RAVINDRA KISHORE SINHA
Chairman and Director
C

RITURAJ KISHORE SINHA
Group Managing Director
M

UPENDRA KUMAR SINHA
Independent Director
C C C

RITA KISHORE SINHA
Non-executive Director

UDAY SINGH
Independent Director
M

TIRUMALAI CUNNAVAKAUM ANANDANPILLAI RANGANATHAN
Independent Director
C M

RAJAN VERMA
Independent Director
M M

SUNIL SRIVASTAV
Independent Director
M M M M

VRINDA SARUP
Independent Director

ARVIND KUMAR PRASAD
Director–Finance
M

RIVOLI SINHA
Non-executive Director

C Chairman M Member

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Corporate Social Responsibility Committee
- Risk Management Committee

Leadership Team

RITURAJ KISHORE SINHA
Group Managing Director

ARVIND PRASAD
Director-Finance, SIS India

DHIRAJ SINGH
CEO, SIS India

DEVESH DESAI
CFO, SIS Group

BRAJESH KUMAR
CFO, SIS India

TAPASH CHAUDHURI
CEO, Security Solutions

R S MURALI KRISHNA
President, SIS International

VINEET TOSHNIWAL
President, M&A and IR

GEOFF ALCOCK
Managing Director, MSS

SHAMSHER PURI
CEO, Facility Management

Corporate Information

BOARD OF DIRECTORS

Ravindra Kishore Sinha
Chairman

Rituraj Kishore Sinha
Group Managing Director

Arvind Kumar Prasad
Director-Finance

Uday Singh
Independent Director

Rita Kishore Sinha
Non-Executive Director

T C A Ranganathan
Independent Director

Sunil Srivastav
Independent Director

Rajan Verma
Independent Director

Upendra Kumar Sinha
Independent Director

Vrinda Sarup
Independent Director

Rivoli Sinha
Non-Executive Director

COMPANY SECRETARY

Ms. Pushpalatha Katkuri

BANKERS

State Bank of India
Axis Bank Limited
DBS Bank India Limited
Standard Chartered Bank
HDFC Bank Limited
Yes Bank Limited
ICICI Bank Limited
CTBC Bank Co. Limited

GROUP MANAGEMENT

Rituraj Kishore Sinha
Group Managing Director

Arvind Prasad
Director Finance, SIS India

Dhiraj Singh
CEO, SIS India

Devesh Desai
CFO, SIS Group

Brajesh Kumar
CFO, SIS India

Tapash Chaudhuri
CEO, Security Solutions

R S Murali Krishna
President, SIS International

Vineet Toshniwal
President, M&A and IR

Geoff Alcock
Managing Director, MSS

Shamsher Puri
CEO, Facility Management

AUDITORS

SS Kothari Mehta & Co. LLP
Chartered Accountants

REGISTERED OFFICE

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

CORPORATE OFFICE

A-28 & 29, Okhla Industrial Area,
Phase-1,
New Delhi – 110 020

CORPORATE IDENTITY NUMBER

L75230BR1985PLC002083

WEBSITE

www.sisindia.com

Board's Report

Dear Members,

Your directors are pleased to present the 40th Annual Report on the business and operations of SIS Limited ("**the Company**") together with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2024.

Financial Highlights

The financial performance of the Company for the year ended March 31, 2024 is summarized below:

Amounts in ₹ million except share data

	Standalone		Consolidated	
	2023-24 "FY24"	2022-23 "FY23"	2023-24 "FY24"	2022-23 "FY23"
Net Revenue	45,413	39,849	1,22,614	1,13,458
Revenue Growth %	14.0	20.1	8.1	12.8
Earnings before financial charges, depreciation and amortization, and taxes (EBITDA)	2,670	1,870	5,845	4,916
Depreciation and Amortization	737	543	1,664	1,347
Financial charges	877	670	1,482	1,149
Others (Other income and effect of business combination)	840	692	427	327
Share of Profit / (Loss from Associates)	-	-	249	102
Reported Earnings/Profit Before Tax (PBT)	1,896	1,349	3,375	2,849
Tax Expenses	25	(552)	819	(616)
Operating PAT	1,871	1,901	2,556	3,465
Add / (Less): Exceptional Items*	-	-	656	-
Reported Net Earnings/PAT	1,871	1,901	1,900	3,465

On a standalone basis, the Company's revenues, at ₹ 45,413 Million during the year under review, increased by 14%, EBITDA at ₹ 2,670 Million increased by 43% and, profit after tax at ₹ 1,871 Million decreased by 2%, as compared to the previous year.

On a consolidated basis, during the year under review, the Group's revenues at ₹ 1,22,614 Million increased by 8%, EBITDA at ₹ 5,845 Million increased by 19%, and, profit after tax at ₹ 1,900 Million decreased by 45%, as compared to the previous year.

**During the year, an impairment charge of ₹ 656 Million is recognized for our investment in Singapore security business, Henderson.*

During the year, there has been no change in the nature of the business of your Company.

Significant Developments

Buyback of Equity Shares

The Company successfully completed its buyback, amounting to ₹ 900 million comprising of 16,36,363 equity shares of face value of ₹ 5/- each, at a price of ₹ 550 per share through the tender offer route. The buyback offer size represented 1.12% of the total paid-up equity share capital of the Company as of November 24, 2023. The total outflow of funds including taxes was ₹ 1,120.9 million.

The Buyback was undertaken to optimise returns to shareholders and enhance overall shareholders' value.

During the buyback acceptance period, the eligible shareholders submitted valid bids, resulting in a subscription of 7.17 times the maximum number of shares proposed to be bought back. The settlement of bids and the payment of the buyback consideration was made on January 1, 2024, and the shares were extinguished on January 5, 2024.

Operations and Business Performance

The standalone business, which includes manned guarding and electronic security solutions, achieved a healthy growth of 14.0% in revenue in FY24 despite multiple economic variations. The business reported an EBITDA ₹ 2,670 Million at a Margin of 5.9% for FY24 up from ₹ 1,870 Million at 4.7% EBITDA Margins % for FY23, an improvement of 1.2% in EBITDA Margin %.

Despite a challenging business environment, FY24 has been a landmark year as the annual revenue crossed ₹ 122,600 Million. All the business segments have reported healthy revenue growth of 8.1% during the year with an EBITDA margin of 4.8%. The Security Solutions – India segment was ahead of the pack with 11.5% revenue growth. Facility Management Solutions achieved a revenue growth of 10.1% followed by Security Solutions - International (4.0%) and Cash Logistics Solutions (16.7%).

Security Solutions – India

The Group provides security solutions in India through parent company and its subsidiaries, SLV Security Services Pvt Ltd., Uniq Security Solutions Pvt Ltd, Tech SIS Ltd and SIS Alarm Monitoring and Response Services Pvt Ltd.

SIS continues to be the largest security service company in India. The superior service provided to its clients has reinforced this leadership position.

The Security Solutions – India segment recorded its highest ever annual revenue at ₹ 51,585 Million, a growth of 11.5% over FY23 revenue primarily due to several significant wins in segments viz., financial, manufacturing, transportation, education, energy, retail, healthcare, real estate, and IT.

There were significant minimum wage revisions in some states like Goa (~27.0% increase), Madhya Pradesh (~26.0% increase), Delhi (~18.0% increase) and there were revisions in central minimum wages as well. New order wins and minimum wage revisions had a positive impact on both our revenue & EBITDA and improved employee retention and manpower availability. As a result, FY24 EBITDA margins for the segment increased from 4.6% at ₹ 2,119 Million in FY23 to 5.7% at ₹ 2,918 Million in FY24.

FY24 saw an overall improvement in Security Solutions - India margins as business growth normalized with the economy bouncing back post pandemic. The results illustrate the predictability and robustness of our business model, as an essential service business, which continues to grow at a healthy rate. We continue to invest in inhouse technology and derive significant operational improvements by leveraging technology-based solutions leading to an improvement in productivity which also contributed to improvement in operating margins for FY24.

In FY24 we witnessed reasonable organic growth in the Security Solutions – India business indicating the strength of the SIS sales engine which continues to leverage and capitalize on the growth of the economy in India.

The number of employees employed by the business segment in India as on March 31, 2024 was 1,85,072.

We continue to focus and invest in our capabilities in electronic security services in which we operate two businesses.

1. **ManTech -** Our electronic security business recorded a revenue of ₹ 500 Million for FY24. We continue to sell and provide technology-based security solutions to our customers to complement manpower deployment and providing customized solutions.

   Our electronic security business segment won significant orders from leading PSUs and private banks leading to an increase in our solution sales revenue. In the evolving security landscape, customers have been demanding ManTech solutions wherein security guards are coupled with and supported by technological solutions to provide a superior and more efficient outcome for the clients.

   Some of the noticeable solutions this year includes, developing mobile based app – Guard Tour System (a first in the industry) for patrolling, live reporting, report observations and incidences. Also, we are developing Integrated ManTech Security Solutions for the Mining & Industrial segments with multiple technologies including AI & tethered drones.

2. **Alarm Monitoring and Response**: We provide advanced level of security by seamlessly integrating an AI-enabled monitoring platform with trained response officers to individual homes, small business establishment, retail chains, bank branches, ATMs, Offices, and commercial establishments and operate this business under the VProtect brand. During FY24, we continued to aggressively expand our presence in the B2B space and won contracts in the BFSI segment and also built a sustainable partner network across regions for service management.

   We have clearly established our capability of providing monitoring and response services to customer locations and sites pan-India and the number of sites secured by us, reached over 23,000 connections as of March 2024. We are confident of strengthening our presence further in this space with the BFSI and Logistics sector constantly looking at innovative solutions to help their security needs.

Security Solutions – International

The Group provides security services internationally through its subsidiaries in Australia, Singapore, and New Zealand. In Australia, we operate through MSS Security Pty Ltd and Southern Cross Protection Pty Ltd, in New Zealand through Platform4Group Limited ("P4G") and in Singapore through Henderson Group. The Security Solutions – International segment business has recorded its highest ever annual revenue at INR 50,690 Million.

Our Security Solutions – International business continued to demonstrate strong growth and maintained its No. 1 position in the Australian market. Labour shortages across international geographies continued to have an impact on the costs. We continue to hold a leadership position in pure play security & safety services in the APAC region focusing on regulated markets and generating consistent profitable growth.

The segment continues to demonstrate strong growth. For FY24 the Security Solutions – International segment recorded a significant number of new order wins. We acquired key contracts in the segments viz., retail, logistics, real estate, technology, hospitality, and education.

On a consolidated basis, the Security Solutions – International segment, recorded revenues of AUD 932 Million during FY24 against AUD 886 Million in FY23.

We continue to be No.1 in Australia with over 20% market share. Segments which were most impacted by the pandemic viz., Aviation, Universities & Special events (such as NZ Cricket, FIFA Women's World Cup among others) started ramping up and rapidly returning to pre covid levels.

In New Zealand, P4G continued to build on its market position and client base and enhanced its market share and service portfolio.

The FY24 EBITDA for the segment was AUD 38 Million (4.1% of revenues) against AUD 36 Million (4.1% of revenues) for FY23. Inspite of the winding down of special COVID related contracts and labour shortages, the business managed to improve its operating margins and at the same time also successfully passed on record wage increases in its pricing with customers.

Facility Management Solutions

The Group's Facility Management Solutions business comprises:

i. SMC Integrated Facility Management Solutions Limited ("SMC"), Dusters Total Solutions Services Private Limited and Rare Hospitality & Services Private Limited in the business of housekeeping and cleaning services.

ii. Terminix SIS India Private Limited ("Terminix SIS"), in the pest control business; and

iii. Adis Enterprises Private Limited, specializing in Operations & Maintenance in the Pharmaceutical vertical.

The Facility Management Solutions business continues to be a high growth vertical in the group's portfolio and is currently the No. 1 facility management provider in India. The business recorded its highest ever annual revenues at ₹ 20,921 Million in FY24, up from 18,998 Million in FY23, a robust growth of 10.1%.

The revenue growth is largely driven by key business segments like Healthcare, Manufacturing, Warehousing and Property Management & Educational institutions.

The One SIS programme, which aims to provide integrated solutions comprising security services, facility management, pest control and other allied services to the clients, under a common contractual arrangement is spearheaded primarily by the FM business. One SIS operates in 29 states / UTs across the country including J&K and Andaman. During FY24, we achieved a revenue of ₹ 342 Million from One SIS program, a revenue growth of 109%, and broke-even on a monthly basis within 20 months of operations. One SIS operates at 119 client sites with 55 billing staff. ~65% of its revenue is from the Western and Southern regions. One SIS services corporate, co-working, BFSI and residential clients among others.

SMC is focused on tech-enabled integrated FM solutions. It achieved revenue of INR 6,621 Million, y-o-y growth of 8%, and an EBITDA of INR 321 Million at 4.8% EBITDA Margin. SMC operates through 30 branches, at ~1,600 customer sites, with a workforce of ~27,000. SMC services clients across healthcare, commercial spaces, government, manufacturing, retail, BFSI and education sectors. Some of its prestigious clients include, Manipal Hospital, Apollo Hospitals, Indira IVF, Tata Motors, Jindal Steel, among others. SMC offers various technology solutions including iPorter (Uberizing hospital operations), I-QMS (Intelligent Quality Management System) and CMMS (Computerized Maintenance Management System).

Our Pest control business Terminix SIS continues to secure large contracts including units of SATS Food Solutions, Hyatt Hotels, Taj Hotels, ITC.

We see an increasing trend of large customers looking to consolidate their service providers to achieve cost savings and be more compliant, which is favorable for organized players like SIS and our integrated business service solutions offering One SIS. The use of technology in service delivery is increasing with increasing interest from customers in more mechanized and advanced facility management solutions.

The consolidated EBITDA of the Facility Management Solutions segment grew by 5.8% from ₹ 818 Million in FY23 to ₹ 865 Million in FY24.

Cash Logistics (a joint venture with Prosegur)

The Cash Logistics Solutions business is a joint venture with Prosegur, a global leader in cash solutions. Services offered by the Company under this segment are Safe keeping and vault-related solutions, ATM related solutions, Cash-in-transit, Doorstep banking, Cash pick-up and delivery, bullion management and customized cash processing and deposit solutions. The business has been focused on bank outsourcing solutions.

FY24 has been a record year with robust growth for the Cash Logistics Solutions business. India's high GDP growth rate and cash in circulation, at an all-time high (growing at a 2016-2024 CAGR of 20.8%) are the key drivers for growth of the cash logistics industry.

The business has transformed into a Bank Outsourcing and Support Solutions provider and not merely a provider of Cash Logistics Solutions. Moving beyond the ATM business to focus on services like currency chest management, cash processing etc. will enable the business to become a formidable industry participant. These lines of services also offer higher margins.

While quarterly revenue run rate has almost doubled in the last three years, EBITDA has quadrupled, with Q4 FY24 EBITDA at ₹ 296 Million, a 21.9% growth over the previous year and 9.7% increase over the previous quarter, illustrating the quality of revenue growth and execution excellence with international best practices. FY24 revenue was at ₹ 6,338 Million, a growth of 16.7% over FY23 and FY24 EBITDA was ₹ 1,057 Million, a growth of 23.3% over FY23.

The business achieved superior profitability in FY24 with a PAT of ₹ 503 Million, a growth of ~149% over FY23.

We are at the forefront of industry innovation, with only about 20% of our business stemming from the traditional ATM business. The QR code based DSB pick-up along with Green DSB solution is being rolled out to more banks. Other innovative solutions such as bullion management, man behind the counter (PEGE), value cargo, Cash today, and Cash Process Outsourcing (CPO) are continuously growing. The focus on bank outsourcing solutions continues with innovative solutions accounting for 5.5% of FY24 revenue.

We continue to focus on the non-ATM business, which includes retail banking and cash-in-transit business and increased our focus on new value-added services and products. We now operate over 3,000 cash vans, service ~9,000 ATMs and provide doorstep banking services across 22,000+ pickup points and operate 60+ vaults and strong rooms across the country. The business focused on solution selling and sales in new segments which now contribute ~6% of overall revenue with ~26% of currency chests outsourcing to us.

By the end of FY24, almost 60%+ of ATMs serviced by us were functional on Cassette swap operations.

The global cash logistics market is expected to reach $41 Bn. in 2032 at a CAGR of 6.8% from $22.5 Bn in 2023 on the back of growing demand for secure cash management services, rapid technological advancements, widespread shift of retail and banking sectors and a strategic shift towards outsourcing non-core activities.

Outlook

Despite the global slowdown, India's economic growth rate is the highest globally and reflects relatively robust domestic consumption and lesser dependence on global demand.

Robust public and private investments and a strong services sector are likely to boost India's GDP in FY25. Higher capital expenditure on infrastructure development, by both the central and state governments, the rise in private corporate investment, strong services sector performance, and improved consumer confidence will spur demand. According to IMF, the Indian economy is projected to grow at 6.3% in both 2024 and 2025 driven by robust public and private investment and strong services sector.

Private corporate investment is expected to get a boost with stable interest rates. With inflation moderating to 4.6% in FY24 and easing further to 4.5% in FY25, monetary policy may become less restrictive, which will facilitate rapid off take of bank credit. Demand for financial, real estate and professional services will grow while manufacturing will benefit from muted input cost pressures that will boost industry sentiment. However, geopolitical tensions and weather-related shocks are key risks to India's economic outlook.

Overall economic growth of the country directly fuels demand for Security, Facility Management ("FM"), and Cash logistics Solutions.

Economic growth boosts demand for security services leading to volume growth for SIS. The security services industry's formalization augments market share for organized players like SIS. This combined with the growth in Infra (rapid urbanization, smart city projects) and manufacturing sectors to enhance demand for security solutions and allied services indicates a long-term robust growth potential for the sector.

Similarly, in the FM vertical, significant growth in the real estate sector on account of shifting preferences towards a safe, clean, and secure environment represents one of the primary factors bolstering the market growth in India. The India Facility Management market size is estimated at ₹ 2,328 Billion in 2024.

In the domestic cash management industry, growth in currency in circulation (CIC) is driving the growth of Retail Cash Management (RCM) and Cash-in-transit (CIT). CIC has increased from ~₹ 13 Tn in FY17 to ~₹ 35 Tn in FY24, an ~3x growth. As a result, the RCM market size is projected to increase from INR 600 cr. in FY21 to over INR 2,000 cr. in FY27, at a CAGR of 23%, and the CIT market size is projected to increase from INR 670 cr. in FY21 to over INR 1,400 cr. in FY27, at a CAGR of 13%. The cash management industry in India is undergoing a major shift, with companies looking beyond the ATM business to focus on bank outsourcing services such as currency chest management. The total addressable market (TAM) for cash management (ATM cash management, RCM, DCV) stood at INR 28.7 Bn. in FY21 and is estimated to reach a size of INR 78.9 Bn. in FY27 growing at a CAGR of 19%.

With the growing popularity of e-commerce platforms, the overall need for infrastructure and organized spaces is increasing, which is also influencing the FM services market positively. Furthermore, India is creating world

Board's Report (Contd.)

class facilities with a boom in urban infrastructure projects across the country which are anticipated to augment the demand for FM services to maintain safety, health, and productivity.

The security solutions industry is evolving. Given that minimum wage increases twice a year, human resource costs are increasing Pan-India. This coupled with rapid urbanization, smart city projects and large infrastructure developments are increasingly adopting e-security solutions driving the growth of the electronic security market. This positions the Company in a favorable position to be able to cater to customer requirements with integrated man-tech security solutions.

The Company continues to focus on delivering robust organic growth and it is expected that inorganic growth will provide additional growth enhancement. We continue to evaluate acquisition opportunities with niche capabilities / customer segments which can further augment our service offerings or presence in specific service segments especially in the India businesses. Continued investments in technology for improving internal processes and systems, increasing efficiency and productivity and driving synergies across business divisions / entities will enable us to achieve cost savings and superior profitability.

Material changes & commitments, if any, affecting the financial position of the Company from the end of the financial year till the date of the report.

No material changes or commitments that could affect the financial position of the Company have occurred between the end of the financial year and the date of this report.

Other significant matters since the end of the financial year

No significant transactions have taken place after the closure of the financial year and until the date of this report.

Dividend and Dividend Distribution Policy

The Board of the Company does not recommend any dividend for the financial year ended March 31, 2024 on the Equity Shares of the Company.

As per the provisions of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**"), your Company has formulated a Dividend Distribution Policy. This Policy is available on the Company's website at https://sisindia.com/policies-and-code-of-conduct/.

Transfer of unclaimed dividend to Investor Education and Protection Fund (IEPF)

In compliance with the provisions of the Companies Act, 2013 ("the Act") and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), during the year, the Company has transferred the unclaimed dividend of ₹ 78,921 to Investor Education and Protection Fund ("IEPF"). Further, 5,074 corresponding shares on which dividends were unclaimed for seven consecutive years were transferred to IEPF as per IEPF Rules.

Transfer to reserves

The Company does not propose to transfer any amount to the general reserve for the year ended March 31, 2024.

Credit Rating

There were no outstanding debentures during the year.

Share Capital

As of March 31, 2024, the authorised capital of the Company stands at ₹ 1,350.00 million divided into 27,00,00,000 equity shares of ₹ 5 each. The paid-up equity share capital of the Company is ₹ 720.50 million, consisting of 14,41,00,390 equity shares of ₹ 5 each.

In January 2024, the Company extinguished 16,36,363 equity shares of ₹ 5 each following a buyback from all eligible shareholders. Additionally, during the year under review, the Company issued and allotted 7,312 equity shares of ₹ 5 each pursuant to the exercise of stock options under the Employee Stock Option Plan.

Your Company has not issued equity shares with differential rights as to dividend, voting or otherwise, nor have any sweat equity shares been issued during the year under review.

Particulars of Loans, Guarantees and Investments

Pursuant to the provisions of Section 186 of the Act read with the Companies (Meetings of Board and its Powers) Rules, 2014, disclosures relating to Loans, Guarantees and Investments as of March 31, 2024, are provided in the Notes to the standalone financial statements.

Deposits

During the year under review, your Company has not accepted or renewed any deposits within the meaning of Section 73 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014. Consequently, no amount of principal or interest was outstanding as of the date of the Balance Sheet.

Corporate Governance

The Company's business and operations are managed by a professional team of managers led by the Managing Director, under the supervision and control of the Board of Directors. The Company maintain and adhere to the highest standards of Corporate Governance as stipulated by the Securities and Exchange Board of India (SEBI) and the Act.

A comprehensive report on Corporate Governance, as required under Regulation 34 of the SEBI Listing Regulations, forms part of this Annual Report. A certificate issued by Mr. Sudhir V Hulyalkar, Practicing Company Secretary, on compliance with the conditions of Corporate Governance is annexed to the Corporate Governance Report.

Corporate Social Responsibility

In accordance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility) Rules, 2014, the Company has a Corporate Social Responsibility ('CSR') Committee, chaired by Mr. Ravindra Kishore Sinha. Other members of the Committee include Mr. Arvind Kumar Prasad and Mr. Uday Singh. The CSR Policy is available on the Company's website at https://sisindia.com/policies-and-code-of-conduct/.

The SIS Group, comprising SIS Limited and its subsidiaries, associates, and joint ventures ("SIS Group"), has been at the forefront of bringing social change in the lives of thousands of people in India. It employs more than 2,84,776 people, the majority of whom come from less privileged sections of society with limited means for education, development, and livelihood. The SIS Group has played a vital role in improving the lives of these people through training, development and employment opportunities.

Our Board of Directors, Management and Employees are committed to the philosophy of compassionate care. We firmly believe that businesses must give back to society, the environment and the communities in which they operate. CSR has been an integral part of the way the SIS Group conducts its business since its inception. The SIS Group established the SEWA trust for the betterment of the lives of the employees and has engaged in various community activities that have positively impacted thousands of people over the years. The Company has actively participated in and encouraged skills-based training for individuals from underprivileged and less developed communities across the country.

The CSR Policy is based on the vision and principles of the SIS Group. The main objective of this CSR Policy is to lay down guidelines to make CSR a key business process for sustainable and beneficial engagement with society and the environment in which the Group operates. It aims to enhance welfare measures for society based on the immediate and long term social and environmental consequences of the SIS Group's activities. This Policy specifies the projects and programmes that can be undertaken, directly or indirectly, the execution modalities and the monitoring thereof. The scope of the Policy has been kept as wide as possible, to allow the SIS Group to respond to changing and immediate societal needs while focusing on specific activities that bring long term benefit to society.

One of the internal objectives of the CSR Policy is to encourage active participation from employees at all the locations. Employees are encouraged to volunteer their time and effort in respect of SIS Group sponsored programmes or on their own initiatives. The Company recognises and appreciates the contributions of the employees to CSR activities. A widespread awareness of the CSR initiatives of the SIS Group will be conducted and the SIS Group seeks active and wide participation from employees and encourages any suggestions and project ideas from them.

A detailed disclosure on CSR initiatives undertaken by the Company during the year is annexed herewith as **Annexure I**.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

The Company is committed to promoting a work environment that ensures every employee is treated with dignity, respect and provided equitable treatment regardless of gender, race, social class, disability, or economic status. We priortise providing a safe and conducive work environment for our employees and associates. In compliance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder, the Company adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace. During the year under review, 7 complaints were received and resolved. Your Company constituted an Internal Complaints Committee to enquire into complaints received, and to recommend appropriate action, as per the requirements of the said Act.

Nomination and Remuneration policy

Directors and their Appointment

In compliance with the provisions of the Act and SEBI Listing Regulations, the Nomination and Remuneration Committee of the Board approved the criteria for determining the qualifications, positive attributes, and independence of Directors, including Independent Directors. This policy, *inter alia*, requires that Non-Executive Directors, including Independent Directors, be drawn from amongst eminent professionals with expertise in business, finance, governance, law, public administration, sustainability and risk management. It endeavors to create a broad basing in the composition of the Board to make available the right balance of skills, experience, and diversity of perspectives appropriate to the Company.

The Articles of Association of the Company provide that the strength of the Board shall not be fewer than three nor more than fifteen. Directors are generally appointed or re-appointed for a period of three to five years or a shorter duration, as determined by the Board, with the approval of the members.

The Policy relating to remuneration of Directors, Key Managerial Personnel, Senior Management, and other employees is available on the Company's website at https://sisindia.com/policies-and-code-of-conduct/.

Business Responsibility & Sustainability Report

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, a separate section on Business Responsibility & Sustainability Report, describing the initiatives taken by the Company from environmental, social and governance perspective, forms an integral part of this Report.

Sustainability for your Company is about being responsible to the multiple stakeholders and creating shared value for each of them in a way that reinforces and amplifies our commitment. Our approach aligns with the ESG framework, which emphasizes creating economic value in an ecologically sustainable, socially responsible and governance-driven manner. We extend our considerations beyond economic and financial aspects and address our broader role in society and the communities we engage with. Consistent efforts have been made to minimise environmental footprint, reduce emissions and pollution, and optimise land and water usage.

Related party transactions

During the year under review, all contracts/arrangements entered into by your Company with related parties were conducted on an arm's length basis and in the ordinary course of business. No material Related Party Transactions entered by the Company during the year that required shareholders' approval under Regulation 23 of the SEBI Listing Regulations.

As per the requirements of the Act and SEBI Listing Regulations, all related party transactions have been approved by the Audit Committee, which reviewed them on a quarterly basis. Your Company formulated a Policy on Related Party Transactions, which is available on the Company's website at https://sisindia.com/policies-and-code-of-conduct/.

Since all the contracts/arrangements/transactions with related parties, during the year under review, were at arm's length and not material, disclosure in Form AOC-2 under Section 134(3)(h) of the Act, read with the Companies (Accounts of Companies) Rules, 2014, is not applicable to the Company for the financial year 2023-24 and hence does not form part of this Report. The details of contracts and arrangements with related parties for the financial year ended March 31, 2024, are provided in the Notes to the Standalone Financial Statements, which form part of this Annual Report.

Risk Management

The Board of Directors has approved the risk management policy and the main objectives of the policy are (a) identifying, assessing, quantifying, mitigating, minimizing and managing key risks; (b) Establishing a framework for the Company's risk management process and ensuring its implementation; (c) Developing risk policies and strategies for timely evaluation, reporting and monitoring of key business risks; and (d) Ensuring business growth with financial stability.

The Board of Directors has formed a Risk Management Committee to oversee the risk management plan.

As on March 31, 2024, the Committee comprises of the following directors:

1. Mr. Upendra Kumar Sinha, Independent Director,
2. Mr. Sunil Srivastav, Independent Director, and
3. Mr. Rajan Verma, Independent Director.

Mr. Upendra Kumar Sinha is the Chairman of the Committee. The Committee is responsible for monitoring and reviewing the strategic risk management plans to ensure their effectiveness.

The Company has a comprehensive risk management framework that is periodically reviewed by the Committee. Risk evaluation and management are an ongoing process within the organisation. The Committee periodically reviews identified risks and their mitigation plans. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

In the opinion of the Board, there are no risks that pose a threat to the existence of the Company.

Management Discussion and Analysis

Management Discussion and Analysis Report for the year under review, as stipulated under the SEBI Listing Regulations, is presented in a separate section and forms an integral part of this Report.

Internal Financial Controls

Our rapid growth, while a matter of great satisfaction, continues to put pressure on our internal systems and processes. It is crucial that we work to ensure that these systems continue to keep up with our business growth and that our policies remain relevant in the ever-changing business landscape. Information systems are being continuously evaluated and revamped to provide timely and relevant information to various stakeholders equipping them with the necessary tools to compete in a challenging market and environment. We recognise the critical role of IT and information systems in today's world, and we have several dedicated groups of people constantly working to enhance and improve these systems to stay ahead of the rapidly changing environment.

The Company's system of continuous internal audits ensures that laid-down processes and practices are followed and complied with and that quality processes are strictly adhered to. Financial discipline is emphasized at all levels of the business and adherence to quality systems and focus on customer satisfaction are critical for the Company to retain and attract customers and business and these are followed rigorously. At the same time, the Group is strengthening its core business systems to enhance robustness and achieve uniformity and consistency in practices and processes across the Group.

An Audit Committee comprising independent members of the Board has been constituted which plans and monitors the various Internal Audit programmes and reviews the reports and assesses action plans. The Director – Finance and the Chief Financial Officers are invitees to the meetings of the Committee.

The Internal Auditors, who function independently within the Group, review the adequacy and efficacy of the key internal controls. The annual audit plan, approved by the Audit Committee, guides the scope of audit activities. Additionally, we engage professional and reputable audit firms from time to time to conduct internal audits of the larger and more critical operations of the Group.

In addition to financial audits, quality management system procedures are continuously audited by internal and external auditors to ensure that the Company's business practices conform to the requirements of customers.

The Directors believe that the Company has in place adequate internal financial controls with reference to financial statements. The Company's internal control systems are commensurate with the nature, size and complexity of its business and ensure proper safeguarding of assets, maintaining proper accounting records and providing reliable financial information. The Internal Audit team of the Company evaluates the effectiveness and quality of internal controls and reports on their adequacy through periodic reporting. During the year under review, these controls were tested and no reportable material weakness in the design or operation was identified.

Subsidiaries and Joint Venture Companies

As on March 31, 2024, the Company has 35 subsidiary companies and 5 joint venture companies. There have been no material changes in the nature of the business of the subsidiaries.

During the year, One SIS Residential Solutions Pvt Ltd was incorporated as a wholly owned subsidiary of the Company on August 31, 2023.

In accordance with the provisions of Section 129 (3) of the Act read with the Companies (Accounts) Rules, 2014, a report on the performance and financial position of each subsidiary and joint venture company is provided in the prescribed 'Form AOC-1', in **Annexure II** to this Report.

In accordance with the provisions of Section 136 of the Act, the Annual Report of the Company, including the audited standalone and consolidated financial statements and related information of the Company are available on the Company's website, https://sisindia.com/annual-report/.

Further, the audited financial statements of subsidiary companies are also available on the website of the Company at https://sisindia.com/financials-subsidiary-companies/

Dusters Total Solutions Services Private Limited, a wholly owned subsidiary, is considered as a material subsidiary of the Company. Your Company has in accordance with the SEBI Listing Regulations adopted the Policy for determining material subsidiaries. The said Policy is available on the Company's website at https://sisindia.com/policies-and-code-of-conduct/.

The Audit Committee and the Board review the financial statements and significant transactions of all subsidiary companies. The minutes of unlisted subsidiary companies are placed before the Board for their review.

People and Training

We continuously strive to improve and develop tools and processes to recognize and reward employees at all levels within the Company. We highly value their contribution to the Company's performance and invest in their training and development programmes including leadership development initiatives. The Performance Management Process ("PMP") tool implemented across the Group enables us to scientifically measure and track employee performance at all levels. This approach helps us to recognize and reward performance, retain and attract talent, and establish a common platform for performance management throughout the Group. As of the end of the year under review, the total number of employees in the SIS Group exceeded 2,84,776.

Particulars of Employees

The information under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure III** to this Report.

A separate annexure containing the names of top ten employees in terms of remuneration drawn and the particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) and Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is included in this report. However, the Annual Report is being sent to the Members excluding the said annexure. In terms of Section 136 of the Act, the annexure is available for inspection and any interested member can obtain a copy may write to the Company Secretary at shareholders@sisindia.com.

Employee Stock Option Plan (ESOP)

To reward employees for their contribution to your Company and to provide an incentive for their continuous contribution to the organization's success, the Company has instituted an employee stock option scheme, namely, ESOP 2016 on July 27, 2016. ESOP 2016 envisages the grant of such number of options (together with exercised options) enabling the eligible employee stock option holders the right to apply for equity shares of the Company.

During the year under review, the Company had granted a total of 10,000 options to employees of the Company under the Employee Stock Option Plan – 2016.

Disclosures with respect to stock options, as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("the Regulations"), are available on the Company's website, https://sisindia.com/annual-report/.

Mr. Sudhir V Hulyalkar, Secretarial Auditor of the Company, has provided certification confirming that the implementation of Employee Stock Option Plan is in accordance with the Regulations and the resolutions approved by the members regarding the plan.

Directors and Key Managerial Personnel ("KMP")

a. Appointment/Re-appointment of Directors

- In accordance with the provisions of Section 152 of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014, and the Articles of Association of the Company, Mrs. Rita Kishore Sinha and Ms. Rivoli Sinha, Directors are liable to retire by rotation at the ensuing Annual General Meeting ("AGM"). They are eligible for re-appointment and have offered themselves for re-appointment.

- Based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors, the Shareholders have appointed the following Directors:

  i. Ms. Vrinda Sarup (DIN: 03117769) has been appointed as an Independent Director of the Company, not liable to retire by rotation, for a period of 2 years effective June 20, 2023.

Declaration of Independence

Your Company has received declarations from all its Independent Directors, confirming that they meet the criteria of independence as prescribed under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations. These declarations also affirm that there have been no changes in the circumstances affecting their status as Independent Directors of the Company.

The Board is of the opinion that the Independent Directors possess the requisite qualifications, experience and expertise including proficiency and they uphold the highest standards of integrity.

Committees of the Board

As on March 31, 2024, the Board constituted the Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, and a Risk Management Committee. The composition of the Board and its committees is provided in detail in the Corporate Governance Report. In addition, the Board constitutes other committees to perform specific roles and responsibilities as may be specified by the Board from time to time.

Meetings of the Board

During the year under review, the Board of Directors met 5 (five) times to deliberate on various matters. The meetings were held on May 3, 2023, July 26, 2023, October 30, 2023, November 30, 2023, and January 30, 2024.

Further details are provided in the Corporate Governance Report which forms an integral part of this Annual Report.

Board Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Board of Directors adopted a formal mechanism for evaluating its performance as well as that of its committees and individual Directors, including the Chairperson of the Board. The evaluation was conducted using a structured questionnaire that covered various aspects of the functioning of the Board and its Committees.

The Board expressed satisfaction with the overall functioning of the Board and its Committees based on the evaluation results.

To familiarise Independent Directors with the Company, its stakeholders, leadership team, senior management, operations, policies and industry landscape, a familiarisation program is conducted. The program aims to provide insight and understanding of the Company's business. Independent Directors are informed about their roles, rights, and responsibilities through a formal letter of appointment at the time of their appointment or re-appointment.

Further details regarding the annual evaluation of the performance of the Board, its chairperson, its committees and of individual Directors are provided in the Corporate Governance Report which is an integral part of this Report.

Auditors and Audit Reports

SS Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) were appointed as Statutory

Auditors of the Company for a term of 5 consecutive years in the 38th AGM held on August 30, 2022 to hold office till the conclusion of the 43rd AGM of the Company.

The Auditors' Report does not contain any qualification, reservation or adverse remark. The auditors have provided an unmodified opinion on both the standalone and consolidated financial statements of the Company.

The statutory auditors have confirmed that they meet the criteria of independence as per the Code of Ethics issued by the Institute of Chartered Accountants of India and the provisions of the Act.

Secretarial Audit

As per the provisions of Section 204 of the Act read with the rules framed thereunder, Mr. Sudhir V Hulyalkar, Company Secretary in Practice, has been appointed as the Secretarial Auditor to conduct the Secretarial Audit of the Company. The Secretarial Audit Report for the financial year 2023-24, issued by Mr. Sudhir V Hulyalkar is provided in **Annexure IV – A** to this Report.

Further, the secretarial audit report of material subsidiary company, Dusters Total Solutions Services Private Limited issued by Mr. Jayarama Korikkar, Company Secretary in Practice, is provided in **Annexure IV – B** to this Report.

Compliance with the Secretarial Standards

During the year, your Company is in compliance with the mandatory Secretarial Standards specified by the Institute of Company Secretaries of India.

Reporting of Frauds by Auditors

During the year under review, there were no instances of fraud committed against your Company by its officers and/or employees, which required the auditors to report to the Audit Committee and/or the Board under Section 143(12) of the Act.

Conservation of Energy, Research and Development, Technology Absorption

Considering the nature of activities of the Company, the provisions of Section 134(m) of the Act and Rule 8 of the Companies (Accounts) Rules, 2014 relating to Conservation of Energy, Research and Development, Technology Absorption are not applicable to the Company.

Foreign Exchange Earnings and Outgo

The details of the foreign exchange earnings and expenditure are as follows:

₹ Million

Particulars	2023-24
Foreign exchange earnings	64.01
Foreign exchange expenditure	62.39

Annual Return

In terms of the provisions of Section 92 of the Act and the rules made thereunder, the annual return of the Company as on March 31, 2024, is available on the Company's website at https://sisindia.com/annual-report/.

Significant & material orders passed by the Regulators/Courts, if any

During the year under review, no significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in the future.

Your Company had neither filed any application, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 at the end of the year.

Vigil Mechanism / Whistle Blower Policy

Your Company has established a mechanism for reporting concerns through the Whistle Blower Policy of the Company in compliance with the provisions of Section 177 of the Act and the SEBI Listing Regulations. The Policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about illegal or unethical behavior, actual or suspected incidents of fraud, instances of leak of unpublished price sensitive information that could adversely impact the Company's operations, business performance and/or financial integrity of the Company. During the year under review, no person was denied access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company at https://sisindia.com/policies-and-code-of-conduct/.

Directors' Responsibility Statement

In terms of the provisions of Section 134 (5) of the Act, the Board of Directors of your Company, to the best of their knowledge and ability, hereby confirms that:

- In the preparation of the accounts for the year ended March 31, 2024, the applicable Accounting Standards have been followed and there are no material departures from the same;

- Accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the Profit of the Company for the year;

- Proper and sufficient care for the maintenance of adequate accounting records have been taken in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

Board's Report (Contd.)

- The Annual Accounts have been prepared on a going concern basis;
- Internal financial controls have been laid down and followed by your Company and that such internal financial controls are adequate and operating effectively; and
- Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Appreciation/Acknowledgement

Your directors express their gratitude to the Central Government, various State Governments as well as the Company's Bankers and advisors for their valuable advice, guidance, assistance, co-operation, and encouragement provided to the SIS Group on various occasions. The Directors also take this opportunity to thank the Company's customers, suppliers, vendors, and investors for their consistent support to the Company.

Last but not least, the Directors sincerely acknowledge and applaud the significant contributions made by all the employees of the Company for their dedication and commitment to your Company.

Cautionary Statement

Statements in this Report describing the Company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results might differ substantially or materially from those expressed or implied.

For and on behalf of the Board of Directors

New Delhi
May 21, 2024

Ravindra Kishore Sinha
Chairman

ANNEXURE I

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES

1. Brief outline on CSR Policy of the Company:

The Company has formalized its Corporate Social Responsibility (CSR) Policy in alignment with the vision and principles of the SIS Group. This CSR Policy is primarily aimed at establishing guidelines to integrate CSR into the core business processes, fostering sustainable and meaningful interactions with the society and environment where the Group operates. It seeks to elevate societal welfare by addressing both the short-term and long-term social and environmental impacts of the Group's operations. The Policy outlines specific projects and programs that can be pursued, either directly or indirectly, along with the methods of implementation and monitoring.

2. Composition of CSR Committee:

S. No.	Name of the Director & Designation	Position in committee	Number of meetings of CSR Committee during the year	
			Held	Attended
1	Mr. Ravindra Kishore Sinha, Chairman	Chairperson	1	1
2	Mr. Uday Singh, Independent Director	Member	1	1
3	Mr. Arvind Kumar Prasad, Director-Finance	Member	1	1

3. The web-link of composition of the CSR committee, CSR Policy and CSR projects approved by the Board is: https://sisindia.com/corporate-social-responsibility-sustainability/

4. Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable.

Not Applicable as the Company was not having average CSR obligation of more than ₹ 10 crores during the three immediately preceding financial years.

5. (a) **Average net profit of the company as per section 135(5):** ₹ 1,117.78 million.

(b) **2% of average net profit of the company as per section 135(5):** ₹ 22.36 million.

(c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil

(d) **Amount required to be set off for the financial year, if any:** ₹ 4.44 million

(e) **Total CSR obligation for the financial year [(b)-(d)]:** ₹ 17.92 million

6. (a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project).** ₹ 42.22 million

(b) **Amount spent in administrative overheads.**: Nil

(c) **Amount spent on Impact Assessment, if any :** Not Applicable

(d) **Total amount spent for the Financial Year [(a) + (b) +(c)]**: ₹ 42.22 million

(e) **CSR amount spent or unspent for the Financial Year:**

Total Amount Spent for the Financial Year (₹ Million)	Amount Unspent (in ₹ Million)				
	Total Amount transferred to Unspent CSR Account as per section 135(6) of the Act		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) of the Act		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
42.22	Nil				

(f) **Excess amount for set-off, if any:**

Sl. No.	Particulars	Amount (₹ in Million)
(1)	(2)	(3)
i.	2% of average net profit of the company as per section 135(5)	22.36
ii.	Total amount spent for the Financial Year	42.22
iii.	Excess amount spent for the financial year [(ii)-(i)]	19.86
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	19.86

7. Details of Unspent CSR amount for the preceding three Financial Years: Nil

8. Whether any capital asset has been created or acquired through CSR amount spent in the financial year: No

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): Not Applicable

Ravindra Kishore Sinha
Chairman- CSR Committee
DIN: 00945635

Rituraj Kishore Sinha
Managing Director
DIN: 00477256

ANNEXURE II

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENTS OF OUR SUBSIDIARIES AND JOINT VENTURES

(Pursuant to sub-section (3) of section 129 of the Companies Act, 2013 read with Rule (5) of the Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

(₹ Million)

Sl. No	Name of the Subsidiary	Date on which Joint Venture/ Associate was acquired / incorporated	Reporting Currency	Closing exchange rate	Financial period ended	Share Capital	Reserve and surplus	Total Assets	Total Liabilities	Investments	Turnover^	Profit / (loss) before tax	Provision for tax	Profit/ (loss) after tax	Proposed Dividend*	% of shareholding
1	SMC Integrated Facility Management Solutions Ltd (Formerly Service Master Clean Ltd)	31-Mar-2009	₹	NA	31-Mar-24	195.13	1,490.55	3,524.07	1,838.39	655.25	6,620.83	152.33	96.93	55.40	169.76	100.00
2	Tech SIS Ltd	31-Mar-2010	₹	NA	31-Mar-24	178.00	(146.80)	186.83	155.63	-	214.90	(13.24)	(6.11)	(7.13)	-	100.00
3	Terminix SIS India Pvt Ltd	28-Sep-2011	₹	NA	31-Mar-24	225.00	(231.00)	183.04	189.04	-	336.18	(14.98)	58.28	(73.26)	-	100.00
4	SIS Alarm Monitoring and Response Services Pvt Ltd	17-Jul-2015	₹	NA	31-Mar-24	400.00	(410.51)	519.16	529.67	-	687.44	(21.07)	(9.65)	(11.42)	-	100.00
5	Dusters Total Solutions Services Pvt Ltd	01-Aug-2016	₹	NA	31-Mar-24	28.02	2,529.35	4,999.03	2,441.66	19.29	12,143.82	395.24	194.86	200.38	336.20	100.00
6	SIS Business Support Services and Solutions Pvt Ltd	21-Jul-2016	₹	NA	31-Mar-24	0.10	4.88	40.14	35.16	-	50.07	5.24	1.32	3.92	-	100.00
7	SIS Synergistic Adjacencies Ventures Pvt Ltd	21-Nov-2016	₹	NA	31-Mar-24	0.10	0.04	0.17	0.03	-	0.07	0.00	0.01	(0.01)	-	100.00
8	SLV Security Services Pvt Ltd	01-Sep-2018	₹	NA	31-Mar-24	25.00	162.70	1,164.00	976.30	-	3,574.57	83.74	45.27	38.47	-	100.00
9	Rare Hospitality and Services Pvt Ltd	01-Nov-2018	₹	NA	31-Mar-24	11.69	139.43	911.50	760.38	0.03	1,681.88	21.02	17.59	3.43	-	100.00
10	Uniq Security Solutions Pvt Ltd	01-Feb-2019	₹	NA	31-Mar-24	18.00	677.78	1,029.37	333.59	6.75	2,017.18	80.94	23.54	57.40	162.00	100.00
11	Uniq Detective and Security Services (AP) Pvt Ltd	01-Feb-2019	₹	NA	31-Mar-24	0.10	6.87	9.38	2.41	-	9.67	0.32	0.88	(0.56)	-	100.00
12	Uniq Detective and Security Services (Tamilnadu) Pvt Ltd	01-Feb-2019	₹	NA	31-Mar-24	0.10	(2.81)	3.51	6.22	-	0.86	(0.89)	(0.26)	(0.63)	-	100.00
13	Uniq Facility Services Pvt Ltd	01-Feb-2019	₹	NA	31-Mar-24	1.00	16.62	27.45	9.83	-	74.96	3.57	1.34	2.23	-	100.00
14	Adis Enterprises Pvt Ltd	01-Feb-2020	₹	NA	31-Mar-24	0.10	13.00	22.15	9.05	-	36.57	2.23	0.46	1.77	-	100.00

(₹ Million)

Sl. No	Name of the Subsidiary	Date on which Joint Venture/ Associate was acquired / incorporated	Reporting Currency	Closing exchange rate	Financial period ended	Share Capital	Reserve and surplus	Total Assets	Total Liabilities	Investments	Turnover^	Profit / (loss) before tax	Provision for tax	Profit/ (loss) after tax	Proposed Dividend*	% of shareholding
15	One SIS Solutions Pvt Ltd	11-Mar-2020	₹	NA	31-Mar-24	10.10	(7.83)	95.64	93.37	-	341.90	(2.53)	(0.63)	(1.90)	-	100.00
16	One SIS Residential Solutions Pvt Ltd	31-Aug-2023	₹	NA	31-Mar-24	0.10	-	0.12	0.02	-	0.09	-	-	-	-	100.00
17	SIS Security International Holdings Pte. Ltd.	21-Jul-2008	AUD	0.018	31-Mar-24	217.47	0.09	218.20	0.65	217.47	-	56.49	-	56.49	56.43	100.00
18	SIS Security Asia Pacific Holdings Pte. Ltd.	13-Oct-2008	AUD	0.018	31-Mar-24	217.47	0.09	218.50	0.94	217.47	-	56.43	-	56.43	56.43	100.00
19	SIS Australia Holdings Pty Ltd	21-Jul-2008	AUD	0.018	31-Mar-24	217.47	134.06	993.93	642.40	816.06	-	57.89	(33.97)	91.86	56.43	100.00
20	SIS Australia Group Pty Ltd	21-Jul-2008	AUD	0.018	31-Mar-24	859.01	1,269.00	12,499.48	10,371.48	5,308.32	-	230.95	(55.37)	286.31	121.15	100.00
21	SIS Group International Holdings Pty Ltd	13-Jun-2014	AUD	0.018	31-Mar-24	0.54	(1,586.75)	3,860.23	5,446.44	3,788.66	-	(586.75)	0.12	(586.87)	56.43	100.00
22	MSS Strategic Medical and Rescue Pty Ltd	30-Jan-2012	AUD	0.018	31-Mar-24	0.54	209.59	776.22	566.09	-	1,965.15	29.75	8.91	20.84	-	100.00
23	SIS MSS Security Holdings Pty Ltd	21-Jul-2008	AUD	0.018	31-Mar-24	815.51	633.11	2,704.42	1,255.80	2,562.33	-	422.02	4.32	417.70	415.51	100.00
24	MSS Security Pty Ltd	21-Jul-2008	AUD	0.018	31-Mar-24	543.68	7,818.34	15,499.25	7,137.23	-	37,068.51	1,205.14	370.02	835.13	415.97	100.00
25	Australian Security Connections Pty Ltd	23-Aug-2012	AUD	0.018	31-Mar-24	0.54	-	0.54	-	-	-	-	-	-	-	100.00
26	Southern Cross Protection Pty Ltd	01-Jul-2017	AUD	0.018	31-Mar-24	21.33	1,860.83	4,525.23	2,643.08	-	8,290.34	285.39	88.83	196.56	-	100.00
27	Askara Pty Ltd	01-Jul-2017	AUD	0.018	31-Mar-24	-	(33.50)	642.42	675.92	-	114.36	(17.00)	(5.10)	(11.90)	-	100.00
28	Charter Security Protective Services Pty Ltd	01-Jul-2017	AUD	0.018	31-Mar-24	0.01	185.80	1,072.10	886.30	-	267.02	(21.32)	(6.40)	(14.93)	-	100.00
29	Platform 4 Group Ltd	28-Feb-2019	NZD	0.020	31-Mar-24	21.11	103.33	486.98	362.54	-	1,859.92	35.57	10.15	25.42	-	100.00
30	Triton Security Services Ltd	01-Jul-2019	NZD	0.020	31-Mar-24	0.05	208.09	294.89	86.74	-	152.32	38.46	9.45	29.01	-	100.00
31	SIS Henderson Holdings Pte Ltd	28-Feb-2019	SGD	0.016	31-Mar-24	955.18	1,832.08	2,797.76	10.50	1,055.71	-	56.56	9.25	47.31	-	100.00
32	Henderson Security Services Pte Ltd	28-Feb-2019	SGD	0.016	31-Mar-24	84.83	177.08	607.17	345.26	-	1,785.54	13.42	0.35	13.07	-	100.00
33	Henderson Technologies Pte Ltd	28-Feb-2019	SGD	0.016	31-Mar-24	0.57	45.75	63.95	17.64	-	84.84	(5.21)	0.72	(5.93)	-	100.00
34	Safety Direct Solutions Pty Ltd	12-Sep-2022	AUD	0.018	31-Mar-24	0.03	101.36	371.05	269.66	-	1,335.09	(26.47)	(5.88)	(20.59)	-	85.00

Board's Report (Contd.)

(₹ Million)

Sl. No	Name of the Subsidiary	Date on which Joint Venture/ Associate was acquired / incorporated	Reporting Currency	Closing exchange rate	Financial period ended	Share Capital	Reserve and surplus	Total Assets	Total Liabilities	Investments	Turnover^	Profit / (loss) before tax	Provision for tax	Profit/ (loss) after tax	Proposed Dividend*	% of shareholding
35	Safety Direct Solutions Pty Ltd NZ	12-Sep-2022	NZD	0.020	31-Mar-24	-	4.83	(0.18)	(5.01)	-	1.19	(5.25)	-	(5.25)	-	85.00

^Turnover represents revenue from operations

*Includes dividend declared/distributed/paid during the year.

Notes:

1. *Names of subsidiaries which are yet to commence operations: None*
2. *Names of subsidiaries which have been liquidated or sold during the year: None*

Part B: Joint Ventures

(₹ Million)

Sl. No.	Name of the associates / joint ventures	Date on which Joint Venture/ Associate was acquired / incorporated	Latest audited balance sheet date	Share of Joint Ventures held by the Group on the year end			Description of how there is significant influence	Reason why the joint venture is not consolidated	Net worth attributable to shareholding as per latest audited balance sheet@	Profit/ (loss) for the year	
				Number	Amount of investment	Extent of holding				Considered in consolidation	Not considered in consolidation
1	SIS Cash Services Pvt Ltd	28-Sep-2011	31-Mar-24	9,708,696	753.88	49%	Joint Venture company	NA	753.88	246.28	256.33
2	SIS Prosegur Holdings Pvt Ltd *	21-Jul-2014	31-Mar-24	NA	NA	NA	Joint Venture company	NA	NA	NA	NA
3	SIS Prosegur Cash Logistics Pvt Ltd **	02-Jun-2015	31-Mar-24	NA	NA	NA	Joint Venture company	NA	NA	NA	NA
4	SIS-Prosegur Cash Services Pvt Ltd*	27-Mar-2023	31-Mar-24	NA	NA	NA	Joint Venture company	NA	NA	NA	NA
5	Habitat Security Pty Ltd	05-Feb-2016	31-Mar-24	49	3.13	49%	Joint Venture company	NA	3.13	3.31	3.44

** Wholly owned subsidiary of SIS Cash Services Private Limited*

*** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited*

@ Net worth considered for SIS Cash Services Private Limited, consolidated group of entities.

Notes:

1. *Names of associates or joint ventures which are yet to commence operations: SIS-Prosegur Cash Services Pvt Ltd*
2. *Names of associates or joint ventures which have been liquidated or sold during the year: None*

For and on behalf of the Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: New Delhi
Date: May 21, 2024

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

ANNEXURE III

A. Information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

1. The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary during the financial year 2023-24, ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2023-24:

Name of the Director/Key Managerial Personnel and Designation	Ratio of the remuneration of each Director to the Median Remuneration of Employees for the financial year 2023-24	% increase in remuneration in the financial year 2023-24
Mr. Ravindra Kishore Sinha, Chairman	115:1	7.00
Mr. Rituraj Kishore Sinha, Managing Director	58:1	7.00
Mr. Arvind Kumar Prasad, Director – Finance	32:1	7.00
Mrs. Rita Kishore Sinha, Non-Executive Director	@	@
Ms. Rivoli Sinha, Non-Executive Director	@	@
Mr. Upendra Kumar Sinha, Independent Director	9:1	#
Mr. Uday Singh, Independent Director	11:1	2.10
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan, Independent Director	4:1	0.30
Mr. Sunil Srivastav, Independent Director	4:1	0.30
Mr. Rajan Verma, Independent Director	4:1	0.93
Mrs. Vrinda Sarup, Independent Director	N.A.	$
Mr. Devesh Desai, Chief Financial Officer	N.A.	4.22
Mr. Brajesh Kumar, Chief Financial Officer (India)	N.A.	5.61
Ms. Pushpalatha K, Company Secretary	N.A.	8.00

Remuneration includes salary, allowances and performance linked incentive.

Remuneration to Non-Promoter Independent Directors includes commission paid during the financial year ended March 31, 2024 pertaining to financial year 2022-23.Sitting fee paid to the Directors is excluded.

@ Since the remuneration to Non-Executive Promoter Directors includes a sitting fee for attending meetings of the Board, the ratio of their remuneration to median remuneration and % increase in remuneration is not comparable and hence, not stated.

 # No commission was paid to Mr. Upendra Kumar Sinha during the financial year 2023, hence the % increase in the remuneration is not comparable.

$ Mrs. Vrinda Sarup was appointed as an Independent Director effective June 20, 2023, and no commission was paid to her during the financial year 2023. Hence, the percentage increase in remuneration is not comparable.

2. The variable pay of Mr. Rituraj Kishore Sinha, Managing Director and Mr. Arvind Kumar Prasad, Director-Finance, is based on clearly laid out criteria and measures that are aligned with the desired performance and business objectives of the Company. The variable pay is determined by various parameters such as return on equity, earnings per share, CXO level planning, succession planning, guidance and mentoring provided to project teams for executing Technology Transformation projects, coaching of commercial teams on process improvement and control, reviewing and analysing contracts and costs and other strategic goals as determined by the Board from time to time.

3. The percentage increase in the median remuneration of employees in the financial year 2023-24 is 7.95%.

4. There were 1,63,744 permanent employees on the rolls of the Company as on March 31, 2024.

5. Average percentage increase made in the salaries of employees, other than the managerial personnel in the financial year 2023-24, was 6.67 % over the previous financial year and the average remuneration of the managerial personnel for the same financial year was increased by 7%.

6. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy of the Company.

Board's Report (Contd.)

ANNEXURE IV-A

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2024
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
SIS Limited
Regd. Office: Annapoorna Bhawan,
Telephone Exchange Road, Kurji,
Patna - 800010

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SIS LIMITED (hereinafter called the "Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made thereunder;

ii. Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

iii. Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI'):

   (a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

   (b) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

   (c) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

   (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (No instances for compliance requirements during the year);

   (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

   (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; (No instances for compliance requirements during the year);

   (g) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

   (h) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 (No instances for compliance requirements during the year);

   (i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

   (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

vi. The Private Security Agencies (Regulation) Act, 2005 and applicable States Rules made thereunder;

vii. All other Labour, Employee and Industrial Laws to the extent applicable to the Company;

I have also examined compliance with the applicable clauses of Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above wherever applicable.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board meetings, agenda and detailed note on agenda were sent at least seven days in advance and with necessary compliance wherever sent at shorter period and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions are carried through majority and recorded in the minutes and there were no dissenting views.

I further report that there are adequate systems and processes in the Company commensurate with size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

1. The Company has issued and allotted in total 7312 equity shares on various dates during the year to the eligible employees of the Company pursuant to Company's Employees Stock Option Plan, 2016.

2. The Company bought back 16,36,363 Equity Shares having a face value of ₹ 5/- each ("Equity Shares") at a price of ₹ 550/- per Equity Share, through the "tender offer" route in accordance with the Companies Act, 2013 and the SEBI (Buyback of Securities) Regulations, 2018.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice

FCS No.: 6040 CP No.: 6137
Peer Review Certificate No.607/2019
UDIN: F006040F000284065

Place: Bengaluru
Date: May 1, 2024

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,
The Members,
SIS Limited
Patna – 800010

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice

FCS No.: 6040 CP No.: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040F000284065

Place: Bengaluru
Date: May 1, 2024

ANNEXURE IV-B

Form No. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
Dusters Total Solutions Services Private Limited
#332/1, Corporate Miller, 3rd Floor,
Thimmaiah Road, Vasanth Nagar,
Bangalore – 560052

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Dusters Total Solutions Services Private Limited** (hereinafter called the Company) (**CIN: U74999KA2007PTC042734**). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Auditor's Responsibility:

My responsibility is to express opinion on the compliance with the applicable laws, act, rules or regulations in maintaining their records, documents, statements by the company based on audit. The audit was conducted in accordance with Auditing Standards (CSAS-1 to CSAS-4) issued by the Institute of Company Secretaries of India (ICSI).

I have obtained reasonable assurance about whether the statements prepared, documents or Records maintained by the company are free from misstatement. Due to the inherent limitations of an audit including internal, financial and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with the Standards.

Opinion

Based on my verification of the Company's books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2024 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Byelaws framed thereunder;

(iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;

   (b) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(iv) The other laws as may be applicable specifically to the Company are: Based on the information and explanations given to me by the Company, I report that adequate systems and processes are in place to monitor and ensure compliance with the provisions of other applicable Acts including Employee Provident Fund Act, The Employees State Insurance Act, 1948 and other laws related to the industry as well as tax laws applicable to the Company.

I have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India.

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

There was a delay in filling the casual vacancy of the women director as per Section 149(1) of the Companies Act, 2013 read with rule 3 of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Board's Report (Contd.)

Adequate notice is given to all directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

This report is to be read with my letter of even date, which is annexed as Annexure A.

Jayarama Korikkar,
FCS, LLB
Membership No.: F6236
C.P. No.: 6653
Peer Review No.: 1458/2021
UDIN: F006236F000273162

Place: Bangalore
Date: April 30, 2024

Annexure A

To,
The Members,
Dusters Total Solutions Services Private Limited
#332/1, Corporate Miller, 3rd Floor,
Thimmaiah Road, Vasanth Nagar,
Bangalore - 560052

My report of even date is to be read along with this letter.

1. Maintenance of records is the responsibility of the management of the company. My responsibility is to express an opinion on these records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Wherever required, I have obtained the management representation about the compliance of laws, rules, and regulations and happenings of events etc.

5. The compliance of the provisions of corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Jayarama Korikkar
Practicing Company Secretary
Membership No: F6236
CP No: 6653
Peer Review No.: 1458/2021
UDIN: F006236F000273162

Date: April 30, 2024
Place: Bangalore

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

The Company upholds the fundamental principles of equity, fairness, integrity, transparency, accountability, and commitment to values in its Corporate Governance practices. Across all its business segments, the Company ensures fair, transparent, and ethical governance practices, maintaining the highest standards of corporate governance. Corporate Governance is implemented through board governance processes, internal control systems and processes, and audit mechanisms.

The Company's core values include transparency, employee engagement, ethics, and stakeholder satisfaction, which guide its Corporate Governance practices. The Company has established a Code of Conduct for its employees and Directors, which includes a Code of Conduct for Independent Directors incorporating their duties under the Companies Act, 2013 ("the Act").

Your Company confirms compliance with the applicable Corporate Governance requirements set forth in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

II. Board of Directors

Your Company's Board is well-balanced and diverse. Each director possesses the necessary qualifications, experience, and expertise in their respective functional areas, enabling them to fulfill their responsibilities and provide strong leadership to the management team.

a) Composition of the Board

i. The Company's Board of Directors comprises of 11 Directors. Out of these, 3 are Executive Directors and 8 are Non-Executive Directors, including 6 Independent Directors.

ii. The Company has an effective mechanism for succession planning which focuses on orderly succession of the Board and Senior Management Team.

iii. As mandated by SEBI Listing Regulations, none of the Directors on the Board holds directorships in more than ten public limited companies, serves as independent director in more than seven listed entities and who are Executive Directors serves as independent director in more than three listed entities. Further, none of the Directors is a member of more than ten specified committees or chairperson of more than five specified committees across all the public companies in which he or she is a Director.

iv. No Director is related to any other Director on the Board, except for Mr. Ravindra Kishore Sinha, Mrs. Rita Kishore Sinha, Mr. Rituraj Kishore Sinha and Ms. Rivoli Sinha who are related inter se.

The Company has received declarations from its Independent Directors stating that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and under Section 149(6) of the Act and are qualified to act as Independent Directors. As per Regulation 25(8) of the SEBI Listing Regulations, the Independent Directors have also confirmed that they do not have any knowledge of circumstances or situations that could impair or impact their ability to discharge their duties with an objective of independent judgement and without any external influence. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are independent of the management. Further, the Independent Directors have included their names in the Independent Directors data bank maintained by the Indian Institute of Corporate Affairs under Section 150 of the Act and Rule 6 of the Companies (Appointment and Qualification) Rules, 2014.

v. The names and categories of the directors on the Board, along with their positions in other listed entities and the number of directorships, and committee chairmanships/memberships they hold in other public limited companies as on March 31, 2024, are as follows:

Name of the Director	Category	Number of Directorships in other Companies (including the Company)*		Number of the Committee positions held in other Companies (including the Company) #		Directorships in other listed entity (Category of Directorship)
		Chairman	Member	Chairman	Member	
Mr. Ravindra Kishore Sinha (Chairman)	Promoter, Executive	1	9	-	-	-
Mr. Rituraj Kishore Sinha (Managing Director)	Promoter, Executive	-	9	-	2	-
Mr. Arvind Kumar Prasad (Director – Finance)	Executive	-	3	-	-	-
Mrs. Rita Kishore Sinha (Non-Independent Director)	Non-Executive	-	10	-	-	-
Ms. Rivoli Sinha (Non-Independent Director)	Non-Executive	-	10	-	-	-
Mr. Upendra Kumar Sinha (Independent Director)	Non-Executive	2	6	4	6	1. Vedanta Limited (Independent) 2. Havells India Limited (Independent) 3. Nippon Life India Asset Management Limited (Independent) 4. New Delhi Television Limited (Independent) 5. Cube Highways Fund Advisors Private Limited (Independent)
Mr. Uday Singh (Independent Director)	Non-Executive	-	9	-	-	-
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan (Independent Director)	Non-Executive	-	2	2	-	1. Orient Electric Limited (Independent)
Mr. Sunil Srivastav (Independent Director)	Non-Executive	-	7	2	3	1. CSB Bank Limited (Independent) 2. Summit Digitel Infrastructure Limited (Independent)
Mr. Rajan Verma (Independent Director)	Non-Executive	-	2	-	1	-
Ms. Vrinda Sarup (Independent Director)	Non-Executive	-	2	-	2	1. International Travel House Limited (Independent)

* *Excludes Private Limited Companies (which are not subsidiaries of public companies), Foreign Companies, LLPs and Companies registered under Section 8 of the Act (i.e., companies with charitable objects).*

Includes only Audit Committee and Stakeholders' Relationship Committee as per the provisions of SEBI Listing Regulations.

Report on Corporate Governance (Contd.)

The Board is duly supported by the Management in ensuring the effective functioning of the Company. The Board oversees the Company's overall performance and directs the activities of the Management towards achieving the set goals. Additionally, the Board establishes corporate behavior standards, promotes transparency in corporate dealings and ensures compliance with the laws and regulations.

Furthermore, the Board conducts periodic reviews of all relevant information that must be presented to it in accordance with the SEBI Listing Regulations.

b) Number of Board meetings

The Board meets at regular intervals to discuss and make decisions regarding the Company's results, operations, business policies, strategies, and other matters.

During the year, the Board of Directors held five meetings on May 03, 2023, July 26, 2023, October 30, 2023, November 30, 2023 and January 30, 2024. The necessary quorum was present for all the meetings and the maximum time gap between any two consecutive meetings did not exceed 120 days.

c) Attendance of Directors

The attendance of the Directors at the Board meetings and the last Annual General Meeting (AGM) held during the year under review is as under:

Name of the Director	Number of board meetings held during the tenure	Number of board meetings attended	Attended last AGM held on June 30, 2023
Mr. Ravindra Kishore Sinha	5	5	Yes
Mr. Rituraj Kishore Sinha	5	5	Yes
Mr. Arvind Kumar Prasad	5	5	Yes
Mrs. Rita Kishore Sinha	5	5	Yes
Ms. Rivoli Sinha	5	5	Yes
Mr. Upendra Kumar Sinha	5	5	Yes
Mr. Uday Singh	5	5	Yes
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan	5	5	Yes
Mr. Sunil Srivastav	5	5	Yes
Mr. Rajan Verma	5	5	Yes
Ms. Vrinda Sarup[@]	4	4	Yes

[@] *Appointed as an Independent Director effective June 20, 2023*

d) Directors with pecuniary relationship or business transaction with the Company

There is no pecuniary or business relationship between the Non-Executive Directors and the Company, except for the sitting fees and commission payable to the Non-Promoter Non-Executive Directors, in accordance with the applicable laws and with the approval of the shareholders.

The Executive Directors receive salary, perquisites and allowances, while the Non-Promoter Non-Executive Directors receive sitting fees for attending meetings of the Board and Committees and commission as approved by the shareholders and Promoter Non-Executive Directors receive sitting fees for attending meetings of the Board and Committees.

e) Remuneration of Directors

(i) Details of remuneration paid to Executive Directors during the year under review are as under:

(in ₹)

Name of the Director	Salary	Perquisites, allowances and other benefits	Performance linked incentive	Stock Option details, if any	Total
Mr. Ravindra Kishore Sinha, Chairman	1,26,12,000	1,26,55,434	-	-	2,52,67,434
Mr. Rituraj Kishore Sinha, Managing Director	44,16,000	58,50,883	25,00,000	-	1,27,66,883
Mr. Arvind Kumar Prasad, Director – Finance	26,40,000	33,89,308	10,00,000	-	70,29,308

Notes:

1. *The above figures do not include provision for gratuity, leave encashment and premium paid for health insurance and the contribution paid by the Company towards provident fund.*
2. *The appointment of Managing Director and Whole-Time Director may be terminated by three months' notice in writing on either side and no severance fees is payable to the Managing Director and Whole-Time Director of the Company.*

(ii) Details of remuneration paid to Non-Executive Directors during the year under review are as under:

Members have approved payment of commission to the Non-promoter Non-Executive Directors of an amount not exceeding 1% per annum of the net profit of the Company. The amount of commission payable to the Directors is determined after assigning weightage to various factors, which inter-alia, include providing strategic perspective, Chairmanship, contributions made by the Directors, type of the meeting and responsibilities under various statutes, performance evaluation etc., the Board has approved payment of ₹ 73.02 lakhs as commission to the Non-promoter Non-Executive/Independent Directors for the financial year 2022-23.

Details of remuneration paid to the Non-Promoter Non-Executive/Independent Directors during the financial year 2023-24 are as under:

(in ₹)

Name of the Director	Sitting Fees (for Board and the Committees)	Commission	Total
Mrs. Rita Kishore Sinha	5,00,000	-	**5,00,000**
Ms. Rivoli Sinha	5,00,000	-	**5,00,000**
Mr. Upendra Kumar Sinha	12,00,000	19,95,200	**31,95,200**
Mr. Uday Singh	11,00,000	23,50,500	**34,50,500**
Mr. Tirumalai Cunnavakaum Anandanpillai Ranganathan	18,00,000	9,85,500	**27,85,500**
Mr. Sunil Srivastav	18,00,000	9,85,500	**27,85,500**
Mr. Rajan Verma	15,00,000	9,85,500	**24, 85,500**
Ms. Vrinda Sarup	5,00,000	NA	**5,00,000**
Total	**89,00,000**	**73,02,200**	**1,62,02,200**

During the year under review, there was no pecuniary relationship or transaction between the Company and its Non-Executive Directors.

f) Number of shares and convertible instruments held by Non-Executive Directors

The details of equity shares of the Company held by Non-Executive Directors as on March 31, 2024 are given below:

Name of the Director and Category	Number of equity shares held
Mrs. Rita Kishore Sinha, Non-Executive	2,30,89,865
Ms. Rivoli Sinha, Non-Executive	46,82,510

g) Skills/Expertise/Competence of Board of Directors

The Board is composed of qualified members who possess the necessary skills, expertise and competencies required to make effective contributions to the Board and its Committees. The Board of Directors has identified the core skills, expertise, and competencies necessary for the effective functioning of the Company's business, as follows.

Strategy and Planning	Experience in reviewing and guiding corporate strategy, annual budgets and business plans and overseeing major capital expenditures and acquisitions.
Governance	Experience in developing governance practices, protecting the interests of stakeholders, and building long-term effective stakeholder engagements.
Finance	Ability to understand the (a) financial statements; (b) accounting principles used for the preparation of the financial statements; (c) internal controls; and (d) procedures for financial reporting.
Leadership	Experience in understanding the organizational processes, strategic planning, and risk management, as well as the ability to effectively represent the Company's vision, mission, and values to key stakeholders.
Sustainability	Ability to provide guidance on corporate social responsibility activities for the betterment of society at large.
Risk Management	Knowledge of risk management, risk frameworks, mitigation of risks with respect to the business of the Company.

Directors possess the following skills/expertise/competence:

Sl. No.	Director Name	Skill/ expertise/ competence
1	Mr. Ravindra Kishore Sinha	Finance, Governance, Leadership, Board Experience, Strategy and M&A, Risk Management, Marketing, Supply Chain, Sustainability and Subject Expertise
2	Mr. Rituraj Kishore Sinha	Finance, Governance, Leadership, Board Experience, Strategy and M&A, Risk Management, Marketing, Supply Chain, Sustainability and Subject Expertise
3	Mr. Arvind Kumar Prasad	Finance, Governance, Board Experience, Digital Tech, Audit/ Tax, Risk Management, Sustainability and Subject Expertise
4	Mrs. Rita Kishore Sinha	Board Experience, Legal Experience, Strategy and Planning and Subject Expertise
5	Ms. Rivoli Sinha	Finance, Leadership, Strategy and Planning, Board Experience and Subject Expertise
6	Mr. Upendra Kumar Sinha	Strategy and Planning, Governance, Finance, Leadership, Board Experience, Risk Management and Subject Expertise
7	Mr. Uday Singh	Finance, Governance, Leadership, Board Experience, Strategy and M&A, Risk Management, Sustainability and Subject Expertise
8	Mr. TCA Ranganathan	Finance, Governance, Board Experience, Sustainability, Risk Management and Subject Expertise
9	Mr. Sunil Srivastav	Finance, Governance, Board Experience, Sustainability, Risk Management and Subject Expertise
10	Mr. Rajan Verma	Finance, Governance, Board Experience, Legal Experience and Risk Management
11	Ms. Vrinda Sarup	Finance, Governance and Board Experience

h) Meeting of Independent Directors

A separate meeting of the Independent Directors was held on October 30, 2023, without the presence of Non-Independent Directors and the management, inter-alia, to discuss (a) Evaluation of the performance of the Non-Independent and the Board of Directors as a whole, (b) Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-Executive Directors and (c) Evaluation of the quality, quantity and timelines of flow of information between the Management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

The Independent Directors expressed satisfaction with the overall performance of the Directors and the Board as a whole.

i) Code of conduct

The Board of Directors has laid down a 'Code of Conduct' for the Board of Directors and Senior Management which is available on the Company's website at https://sisindia.com/wp-content/uploads/2023/02/Code-of-Conduct-for-Board-of-Directors-and-Senior-Management-Personnel.pdf

All Board members and Senior Management Personnel have confirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2024. A declaration to that effect signed by the Managing Director forms part of this Report.

j) Familiarization Programme for Independent Directors

The Familiarization program aims to provide insight to the Independent Directors to understand the nature of the Company in which the Company operates, business model of the Company, its stakeholders, leadership team, senior management, operations, policies and industry perspective and issues. The Independent Directors are made aware of their roles, rights, and responsibilities at the time of their appointment/re-appointment through a formal letter of appointment.

In addition to the above, the familiarization program for Independent Directors forms part of the Board process. On an on-going basis, the Directors are familiarised with the Company's business, its operations, business plans, strategy, functions, policies and procedures and the performance of subsidiaries at the Board and Committee meetings. Changes in the regulatory framework and its impact on the operations of the Company are also presented at the Board/Committee meetings.

The details of the familiarization program for Independent Directors are available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2024/05/Familiarization-Programme-for-Independent-Directors.pdf

k) Nomination and Remuneration Policy

The Remuneration Policy is available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2023/02/Nomination-and-Remuneration-Policy.pdf

Remuneration of Directors

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends all decisions relating to the remuneration of Directors to the Members for their approval, wherever necessary.

The Company pays remuneration to the Executive Directors by way of salary, perquisites, and allowances. Non-Executive Directors are paid a sitting fee of ₹ 1,00,000 per meeting for attending the meetings of the Board and Committees. Shareholders have approved the payment of commission to the Non-Promoter Non-Executive Directors of an amount not exceeding 1% per annum of the net profits of the Company.

l) Performance Evaluation

A formal evaluation framework in place for the evaluation of the Board's performance, the performance of its committees, and individual Directors, including the Chairman of the Board, in compliance with the provisions of the Act and the SEBI Listing Regulations. As per the evaluation framework, evaluation forms are circulated separately to evaluate the Board and its Committees, Independent Directors/ Non-Executive Directors, Executive Directors, and the Chairman of the Company.

The Board of Directors has carried out an annual evaluation of its performance, board committees and individual directors, in accordance with the provisions of the Act and SEBI Listing Regulations.

The evaluation of the Board was based on criteria such as the board composition, structure, meetings and procedures, information and functioning etc. and the performance of the committees was evaluated based on criteria such as the composition of committees, effectiveness of committee meetings etc. Independent Directors were evaluated based on participation, decision-making capacity, strategic perspective, Chairmanship of Committees, attendance, and preparedness for the meetings etc.

The performance of Non-Independent Directors, the Board as a whole, and the Committees of the Board were evaluated by Independent Directors in a separate meeting. The Independent Directors also evaluated the performance of the Chairman of your Company, taking into account the views of Executive Directors and Non-Executive Directors.

The criteria used for evaluation were based on the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

m) Prevention of Insider Trading

As per the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, your Company adopted a Code of Conduct to regulate, monitor and report trading by designated persons in securities of the Company.

The Insider Trading Code has been implemented to prevent the misuse of unpublished price-sensitive information and set a framework, rules, and procedures that all concerned parties should follow, both in letter and spirit, while trading in listed or proposed to be listed securities of the Company.

The policy and procedures are periodically reviewed and revised from time to time and communicated to the designated persons. A digital platform is being maintained by the Company, which contains the names and other prescribed particulars of the persons covered under the Insider Trading Code. This online tracking mechanism helps with monitoring trade in the Company's securities by designated persons and taking appropriate action in case of any violation/non-compliance of the Company's Insider Trading Code.

n) Directors and Officers Insurance

In accordance with the requirements of Regulation 25(10) of the SEBI Listing Regulations, the Company has obtained Directors and Officers Insurance (D&O) for all its Directors and Members of the Senior Management for such quantum and for such risks as determined by the Board.

o) Acceptance of recommendation of Committees

The Board of Directors has accepted all the recommendations received from its mandatory/ non-mandatory committees and none of the recommendations made by any of the Committees has been rejected by the Board.

III. Committees of the Board

The Board has constituted various Committees in accordance with the provisions of the SEBI Listing Regulations and the Act.

As of March 31, 2024, the Company had 5 mandatory Committees of the Board, which are Audit Committee, Nomination and Remuneration Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility (CSR) Committee and Risk Management Committee.

Each committee has specific terms of reference, and their role is to assist the Board in making informed decisions and ensuring compliance with applicable laws and regulations.

Details of the role and composition of each committee, including the number of meetings held during the financial year and attendance at meetings, are provided below.

A. Audit Committee

The Audit Committee comprises three Independent

Report on Corporate Governance (Contd.)

Directors viz. Mr. TCA Ranganathan, Mr. Sunil Srivastav and Mr. Rajan Verma. All members of the Audit Committee possess accounting or financial management knowledge and are financially literate.

During the year under review, 6 Audit Committee meetings were held on May 3, 2023, July 26, 2023, October 30, 2023, December 28, 2023, January 30, 2024 and March 26, 2024 and the gap between the two meetings did not exceed one hundred and twenty days.

The composition of the Audit Committee and details of the meetings attended by the Members are given below.

Name	Category	Position	No. of meetings held during the tenure	No. of meetings attended
Mr. TCA Ranganathan	Independent	Chairman	6	6
Mr. Sunil Srivastav	Independent	Member	6	6
Mr. Rajan Verma	Independent	Member	6	6

The Director-Finance and Chief Financial Officers are permanent invitees to the meetings of the Audit Committee. The Statutory Auditors and Internal Auditors are also invited to the meetings.

The Company Secretary acts as the Secretary to the Committee.

The Chairman of the Audit Committee was present at the last AGM of the Company held on June 30, 2023.

The Chairman of the Audit Committee briefs the Board on the discussions held during Audit Committee meetings. Quarterly Reports on matters relating to the Insider Trading Code are placed before the Committee.

The terms of reference of the Audit Committee include the following:

(a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible;

(b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

(c) Approval of payment to statutory auditors for any other services rendered by them;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

   (i) matters required to be included in the Director's Responsibility Statement to be included in the board of directors' report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;

   (ii) changes, if any, in accounting policies and practices and reasons for the same;

   (iii) major accounting entries involving estimates based on the exercise of judgment by the management of the Company;

   (iv) significant adjustments made in the financial statements arising out of audit findings;

   (v) compliance with listing and other legal requirements relating to financial statements;

   (vi) disclosure of any related party transactions; and

   (vii) modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly financial statements before submission to the board of directors for their approval;

(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue or preferential issue or Qualified Institutions Placement, and making appropriate recommendations to our board of directors to take up steps in this matter;

(g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

(h) Approval or any subsequent modification of transactions of the Company with related parties;

(i) Scrutiny of inter-corporate loans and investments;

(j) Valuation of undertakings or assets of the Company, wherever it is necessary;

(k) Evaluation of internal financial controls and risk management systems;

(l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(n) Discussion with internal auditors of any significant findings and follow up thereon;

(o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(r) Reviewing the functioning of the whistle blower mechanism;

(s) Approval of the appointment of the Chief Financial Officer of the Company after assessing the qualifications, experience and background, etc. of the candidate;

(t) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;

(u) Reviewing the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(v) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board of directors of the Company or specified/provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority;

The Audit Committee mandatorily reviews the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

(c) Internal audit reports relating to internal control weaknesses;

(d) Appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee; and

(e) statement of deviations in terms of the SEBI Listing Regulations:

  (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s); and

  (ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") comprises three Independent Directors viz. Mr. Upendra Kumar Sinha, Mr. TCA Ranganathan and Mr. Sunil Srivastav.

During the year under review, 2 meetings of NRC were held on July 26, 2023 and January 30, 2024. The Chairman of the NRC was present at the last AGM held on June 30, 2023.

The composition of the NRC and details of the meetings attended by the Members are given below:

Name	Category	Position	No. of meetings held during the tenure	No. of meetings attended
Mr. Upendra Kumar Sinha	Independent	Chairman	2	2
Mr. TCA Ranganathan	Independent	Member	2	2
Mr. Sunil Srivastav	Independent	Member	2	2

The terms of reference of the Nomination and Remuneration Committee includes the following:

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(a) Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

(b) Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

(c) Formulate the criteria for evaluation of the performance of the Board, its Committees and individual directors;

(d) Recommend to the Board all remuneration, in whatever form, payable to Senior Management;

(e) Devise a policy on diversity of the Board;

(f) To consider whether to extend or continue the term of appointment of Independent Directors, on the basis of the report of performance evaluation of Independent Directors;

(g) Carrying out such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; and

(h) Carrying out such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 or by any other regulatory authority.

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee comprises three Independent Directors viz., Mr. Upendra Kumar Sinha, Mr. Rituraj Kishore Sinha, and Mr. Sunil Srivastav. The Committee is headed by Mr. Upendra Kumar Sinha, Independent Director.

During the year under review, 1 Stakeholders Relationship Committee meeting was held on November 22, 2023.

The composition of the Stakeholders Relationship Committee and details of the meeting attended by Members are given below:

Name	Category	Position	No. of meetings held during the tenure	No. of meetings attended
Mr. Upendra Kumar Sinha	Independent	Chairman	1	1
Mr. Rituraj Kishore Sinha	Executive	Member	1	1
Mr. Sunil Srivastav	Independent	Member	1	1

Ms. Pushpalatha Katkuri, Company Secretary acts as Secretary to the Committee and is the Compliance Officer of the Company.

The Chairman of the Stakeholders' Relationship Committee was present at the last AGM held on June 30, 2023.

The terms of reference of the Stakeholders' Relationship Committee includes the following:

(a) redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

(b) giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(c) overseeing the performance of the registrars and transfer agents of the Company and to recommend measures for overall improvement in the quality of investor services;

(d) establishing and approving a framework for investor communication and engagement, monitoring its implementation, periodical reviews for effectiveness;

(e) stakeholders' engagement and establishing a structured framework for identification, consultation, prioritising and addressing concerns and needs in a consistent and transparent manner; and

(f) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or by any other regulatory authority.

The details of the shareholder's complaints received and redressed during the financial year ended March 31, 2024 are provided below:

Opening balance	Received during the year	Resolved during the year	Closing balance
-	4	4	-

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee comprises three directors viz. Mr. Ravindra Kishore Sinha, Mr. Uday Singh and Mr. Arvind Kumar Prasad.

During the year, 1 meeting of the CSR Committee was held on September 13, 2023.

The Composition of the CSR Committee and details of the meetings attended by the Members are given below:

Name	Category	Position	No. of meetings held during the tenure	No. of meetings attended
Mr. Ravindra Kishore Sinha	Executive	Chairman	1	1
Mr. Uday Singh	Independent	Member	1	1
Mr. Arvind Kumar Prasad	Executive	Member	1	1

The terms of reference of the Corporate Social Responsibility Committee includes the following:

(a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII to the Companies Act, 2013;

(b) To recommend the amount of expenditure to be incurred on the activities referred to in clause (a) of sub-section (3) of Section 135 of the Companies Act, 2013; and

(c) To monitor the Corporate Social Responsibility Policy of the Company from time to time.

E. Risk Management Committee

The Risk Management Committee comprises three Independent Directors viz. Mr. Upendra Kumar Sinha, Mr. Sunil Srivastav and Mr. Rajan Verma.

During the year, 3 meetings of the Risk Management Committee were held on April 1, 2023, September 25, 2023 and March 18, 2024.

The Composition of the Risk Management Committee and details of the meetings attended by the Members are given below:

Name	Category	Position	No. of meetings held during the tenure	No. of meetings attended
Mr. Upendra Kumar Sinha	Independent	Chairman	3	3
Mr. Sunil Srivastav	Independent	Member	3	3
Mr. Rajan Verma	Independent	Member	3	3

The Chief Financial Officer is the permanent invitee to the Committee meetings. The Company Secretary acts as the secretary to the Committee.

The terms of reference of the Risk Management Committee includes the following:

(a) Developing business continuity plan by way of identifying and prioritising market risks, strategic and operational risks including data security, compliance risks, sustainability risks and financial and reporting risks, developing appropriate mitigation strategies and conducting periodic reviews of the progress on the management of identified risks;

(b) Implementation and maintaining a risk management framework which identifies, assesses, manages and monitors the Company's business risks;

(c) To put in place the appropriate systems and procedures to proactively monitor and manage the inherent risks in businesses with relatively high-risk profiles;

(d) Formulation and deployment of risk management policies and procedures;

(e) Facilitating the execution of risk management practices;

(f) Providing periodic updates to the Board on the risks related to key business objectives and their mitigation and also the nature and content of its discussions, recommendations and actions to be taken;

(g) Ensuring effectiveness of risk mitigation measures;

(h) Reviewing and recommendation of changes as required to ensure that the Company always has in place a risk management policy which addresses the strategic, operational, financial and compliance risks;

(i) Setting up of reporting guidelines for management to report to the Committee on the effectiveness of the Company's management of its business risks;

(j) Reviewing the risk profiles and evaluating the measures taken to mitigate the business risks;

(k) Reviewing the nature and level of insurance coverage;

(l) Reviewing periodically the key risk indicators and management response thereto;

(m) Monitoring and overseeing the implementation of the policy and effectively contributing the early identification of risks and proper mitigation process including evaluation of the adequacy of risk management systems; and

(n) carrying out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act, 2013 or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or by any other regulatory authority.

IV. General Body Meetings

a. Details of the General Meetings of the Company held in the last three years along with details of special resolutions as passed by the Members, are given below:

Financial Year	Date, Time, and Venue	Particulars of special resolution
2020-21 Annual General Meeting	June 25, 2021 at 12:00 p.m. through Video Conferencing / Other Audio-Visual Means	1. Revision in the remuneration of Mr. Arvind Kumar Prasad, Director Finance of the Company.
2021-22 Annual General Meeting	August 30, 2022 at 12:00 Noon at Hotel Maurya, Fraser Road, Patna – 800 001	1. Appointment of Mr. Uday Singh as an Independent Director of the Company. 2. Re-appointment of Mr. Sunil Srivastav as an Independent Director of the Company. 3. Alteration of the Articles of Association of the Company.
2022-23 Annual General Meeting	June 30, 2023 at 12:00 Noon at Hotel Maurya, Fraser Road, Patna – 800 001	Nil

b. Details of special resolutions passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

I. Date of Postal Ballot Notice	:	July 26, 2023
Voting Period	:	August 09, 2023 (from 09:00 hrs. IST) to September 07, 2023 (to 17:00 hrs. IST)
Date of Declaration of Result	:	September 08, 2023
Date of Approval	:	September 07, 2023
Person who conducted the Postal Ballot	:	Mr. Sudhir V Hulyalkar, Company Secretary in Practice, Bangalore, was appointed to act as the Scrutinizer for conducting the postal ballot and e – voting process.

Details of Voting

Resolution Description	No. of Votes Polled	Votes cast in favor		Votes cast against	
		No. of Votes	%	No. of Votes	%
Appointment of Ms. Vrinda Sarup (DIN: 03117769) as an Independent Director of the Company	12,53,25,567	12,53,25,003	99.9995	564	0.0005
Re-appointment of Mr. Rajan Verma (DIN: 09243467) as an Independent Director of the Company	12,53,25,567	12,13,78,300	96.8504	39,47,267	3.1496
Continuation of directorship of Mr. Uday Singh (DIN: 02858520) as an Independent Director of the Company beyond 75 years of age	12,50,25,567	10,58,02,255	84.6245	1,92,23,312	15.3755

Resolution Description	No. of Votes Polled	Votes cast in favor		Votes cast against	
		No. of Votes	%	No. of Votes	%
Revision in the remuneration of Mr. Ravindra Kishore Sinha (DIN: 00945635), Chairman of the Company	12,53,25,567	12,52,91,156	99.9725	34,411	0.0275
Revision in the remuneration of Mr. Rituraj Kishore Sinha (DIN: 00477256), Managing Director of the Company	12,53,25,717	12,53,24,962	99.9994	755	0.0006
Revision in the remuneration of Mr. Arvind Kumar Prasad (DIN: 02865273), Director-Finance of the Company	12,53,25,538	12,53,11,326	99.9887	14,212	0.0113

II. Date of Postal Ballot Notice	:	January 30, 2024
Voting Period	:	February 09, 2024 (from 09:00 hrs. IST) to March 09, 2024 (to 17:00 hrs. IST)
Date of Declaration of Result	:	March 11, 2024
Date of Approval	:	March 09, 2024
Person who conducted the Postal Ballot	:	Mr. Sudhir V Hulyalkar, Company Secretary in Practice, Bangalore, was appointed to act as the Scrutinizer for conducting the postal ballot and e – voting process.

Details of Voting

Resolution Description	No. of Votes Polled	Votes cast in favor		Votes cast against	
		No. of Votes	%	No. of Votes	%
Re-appointment of Mr. Ravindra Kishore Sinha (DIN: 00945635), as an Executive Director and Chairman of the Company	12,39,88,413	12,09,11,648	97.5185	30,76,765	2.4815

Procedure for postal ballot

In compliance with Section 108 and 110 and other applicable provisions of the Act, read with the Rules made thereunder, and the Circulars issued by the Ministry of Corporate Affairs in relation to "clarification on passing of ordinary and special resolutions by companies under the Act and the Rules made thereunder", the Company had provided electronic voting (e-voting) facility, to all its members through e-voting platform of Central Depository Services (India) Limited.

Postal ballot notices were sent only through electronic mode to those members whose e-mail addresses were registered with the Company/Depositories as on the record date and all the notices were placed on the Company's website for information of the members. The Company had also published notices in the newspapers about the postal ballot and the process as required under the Act and applicable rules.

Voting rights were reckoned on the paid-up value of the shares registered in the names of the members as on the cut-off date.

The consolidated results of the voting were submitted to the stock exchanges and displayed on the Company's website, www.sisindia.com.

c. Details of special resolution proposed to be conducted through postal ballot

No special resolution is proposed to be conducted through postal ballot.

V. Other disclosures

i. Disclosures regarding Board of Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as prescribed under the Act and Regulation 16 (1) (b) of the SEBI Listing Regulations.

A detailed profile of the Directors who are seeking re-appointment at the ensuing AGM of the Company is given under the explanatory statement to the Notice convening the AGM of the Company.

ii. Means of Communication

- Copies of the press release, quarterly presentations on the Company's performance, official news release and presentation made to Institutional Investors/Analysts are hosted on the Company's website at www.sisindia.com.
- Quarterly/half-yearly/annual results of the Company are usually published in Financial express (all editions), Hindustan Hindi (Patna edition). The results along with notes/ presentations on the results of the quarter are displayed on the website of the Company, www.sisindia.com.
- At the end of each quarter, the Company organizes earnings call with the analysts and investors and the transcripts of the same are uploaded on the Company's website.
- Disclosures pursuant to various provisions of the SEBI Listing Regulations, as applicable, are promptly communicated to the stock exchanges where the shares of the Company are listed and are also displayed on the Company's website.

iii. Details of material related party transactions that may have potential conflict with the interests of the Company

During the year under review, there were no material related party transactions which have a potential conflict with the interest of the Company at large. All contracts/arrangements/ transactions entered into by your Company with its related parties were at arm's length basis and in the ordinary course of business. All related party transactions were approved by the Audit Committee and are reviewed by the Audit Committee on a quarterly basis.

The policy on related party transactions is available on the Company's website and the weblink is https://sisindia.com/wp-content/uploads/2023/02/Policy-on-dealing-with-Related-Party-Transactions.pdf

iv. Whistle Blower Policy

The Company has established a Vigil Mechanism for reporting concerns through the Whistle Blower Policy of the Company. The Policy provides for a framework and process, for the employees and directors to report genuine concerns or grievances about illegal or unethical behavior, actual or suspected fraud, actions that affect the financial/accounting matters of the Company, leaking of confidential or proprietary information. The mechanism also provides for direct access to the Chairman of the Audit Committee. No personnel have been denied access to the Chairman of the Audit Committee. The Whistle Blower Policy is available on the website of the Company and the weblink is https://sisindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf

v. Details of non-compliance by the listed entity, penalties, and strictures imposed on the listed entity by the stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all the applicable provisions of the SEBI Listing Regulations and as well as other applicable regulations of the SEBI.

There have been no instances of non-compliances by the Company on any matters related to capital markets during the last three years and no penalty or strictures have been imposed by SEBI or the Stock Exchanges or any statutory authority.

In November 2023, BSE Limited and National Stock Exchange of India Limited have imposed a penalty of ₹ 2,65,000 each as per the Standard Operating Procedure under Regulation 17(1) of SEBI Listing Regulations, for non-compliance with the provisions of Regulation 17(1) related to the appointment of a woman independent director. The reason for the imposition of the penalty is the delay in filling up of the vacancy caused by the completion of the second term as an Independent Director by Mrs. Renu Mattoo on January 28, 2023. Subsequently, on June 20, 2023, the Company appointed Ms. Vrinda Sarup as an Independent Director to fill the vacancy caused by the expiry of the term of Mrs. Mattoo, which was approved by the Members on September 7, 2023 through Postal Ballot by way of a Special Resolution.

vi. Compliance with mandatory requirements

The Company has complied with all the mandatory requirements under the SEBI Listing Regulations.

vii. Status of Compliance of non-mandatory requirement

a. Modified Opinion(s) in Audit Report

The Auditors have issued an unmodified opinion on the standalone and consolidated financial statements of the Company.

b. Reporting of Internal Auditor

Internal auditors make quarterly presentations to the audit committee on their reports.

c. Shareholder rights

A quarterly announcement of financial performance with key highlights was sent to every member.

viii. Particulars of senior management

Name of Senior Management Personnel	Category
Mr. Dhiraj Singh	Chief Executive Officer (SIS India)
Mr. Devesh Desai	Chief Financial Officer (SIS Group)
Mr. Brajesh Kumar	Chief Financial Officer (SIS India)
Mr. Tapash Chaudhuri	Chief Executive Officer (Security Solutions)
Mr. R S Murali Krishna	President (SIS International)
Mr. Vineet Toshniwal	President (M&A and Investor Relations)
Ms. Pushpa Latha Katkuri	Company Secretary
Mr. Vinod K Advani	President (NAG) Security Solutions

VI. None of the Directors of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or the Ministry of Corporate Affairs or any such statutory authority. A certificate to this effect, duly signed by Mr. Sudhir V Hulyalkar, Company Secretary in Practice forms part of this Report.

VII. Subsidiary Companies

Dusters Total Solutions Services Private Limited ("Dusters") is the material subsidiary of the Company. The Company formulated a policy for determining 'material subsidiaries' which is available on the Company's website at https://sisindia.com/wp-content/uploads/2023/02/Policy-on-determining-Material-Subsidiaries.pdf

Dusters was incorporated on May 8, 2007, in the State of Karnataka. On July 20, 2020, B S R & Co. LLP, Chartered Accountants (Firm Registration No. 1012448W/W-100022), were appointed as Statutory Auditors for a period of 5 years.

The Audit Committee reviews the financial statements of the subsidiary companies and, in particular, the investments made by the subsidiary companies. The minutes of the Board meetings as well as statements of all significant transactions of the subsidiary companies are placed before the Board of Directors of the Company for its review.

The subsidiaries of the Company function independently, with an adequately empowered Board of Directors and necessary management resources.

VIII. General Shareholder Information

i. Annual General Meeting for FY 2023-24

Date	:	July 6, 2024
Day	:	Saturday
Time	:	12:00 Noon (IST)
Venue	:	Hotel Maurya, Fraser Road, Patna- 800001

ii. Financial Calendar:

Financial Year of the Company	:	1st April to 31st March
For the quarter ending June 30, 2024	:	July, 2024
For the quarter/half-year ending September 30, 2024	:	October, 2024
For the quarter/nine-months ending December 31, 2024	:	January, 2025
For the quarter/year ending March 31, 2025	:	May, 2025
41st Annual General Meeting for the year ending March 31, 2025	:	June, 2025

iii. Dividend payment date : N.A.

iv. Date of Book Closure/ Record date : N.A.

v. Listing on stock exchanges

Equity Shares	
BSE Limited (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001 Website: www.bseindia.com	**National Stock Exchange of India Limited (NSE)** Exchange Plaza, Plot No. C–1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051 Website: www.nseindia.com

Annual Listing fee has been paid to BSE and NSE and no amount is outstanding.

vi. Name and address of the Debenture Trustee : N.A.

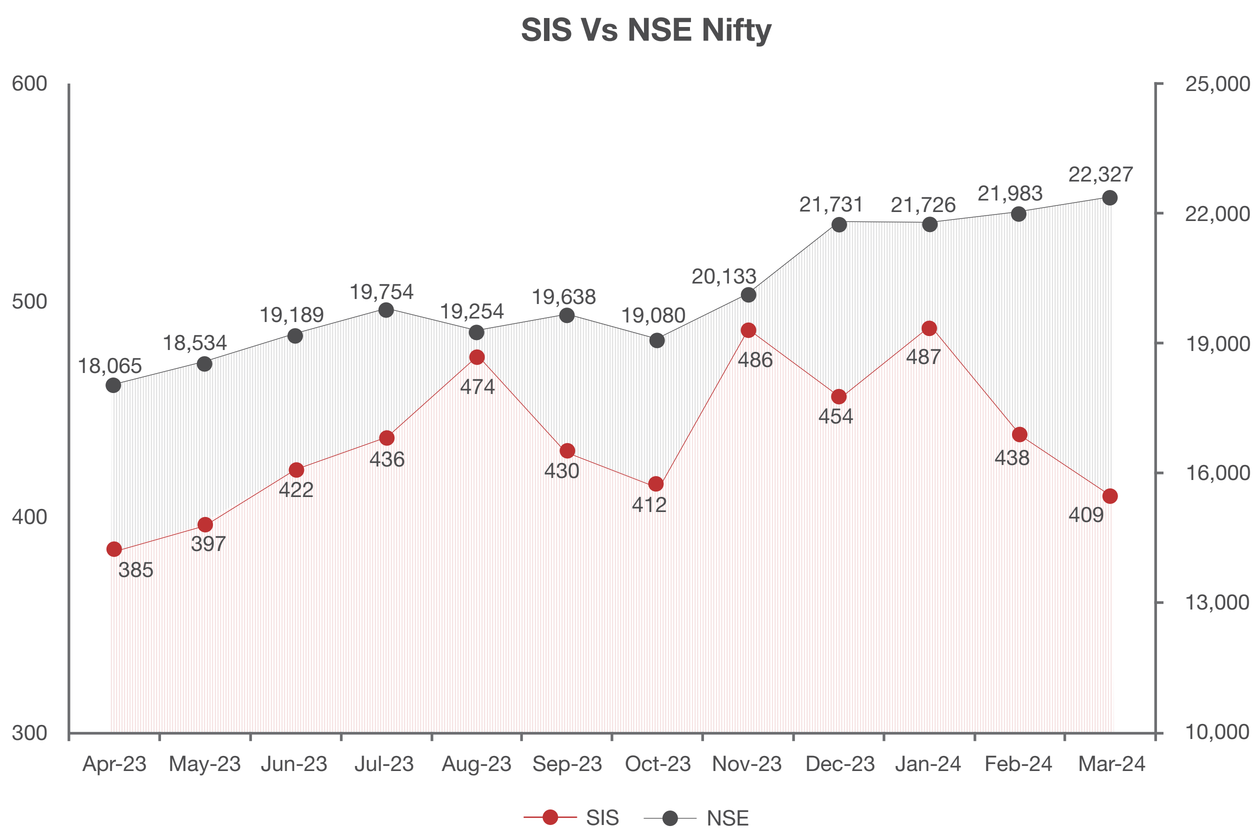
vii. Stock Codes/Symbol : BSE : 540673
NSE : SIS

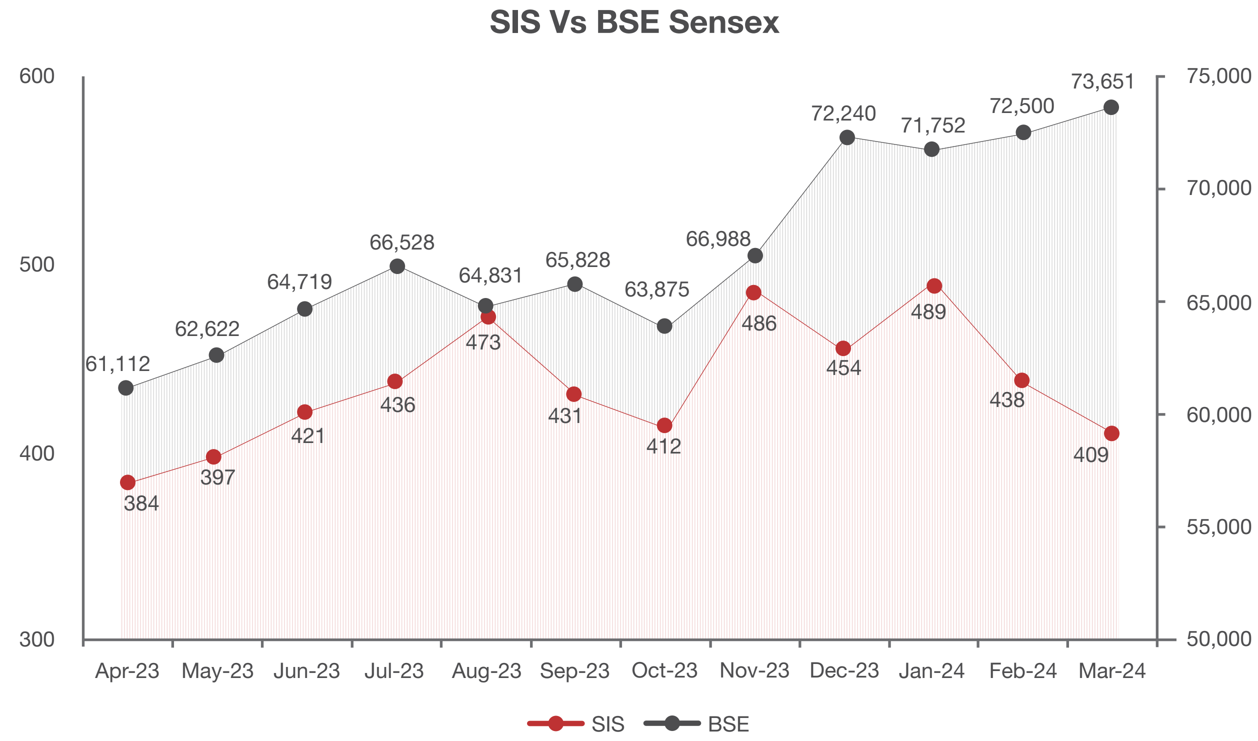
Report on Corporate Governance (Contd.)

viii. Market price data- high, low during each month in FY 2023-24:

Month	BSE				NSE			
	High	Low	Closing Price	Volume	High	Low	Closing Price	Volume
Apr 2023	400.00	320.60	384.35	1,82,832	402.00	322.00	384.65	45,97,233
May 2023	402.80	374.00	397.05	2,76,620	403.95	374.05	397.25	13,21,224
Jun 2023	427.25	386.05	421.35	2,43,447	428.00	392.50	421.75	14,18,003
Jul 2023	454.75	405.55	436.40	1,02,668	454.70	402.30	436.35	12,24,145
Aug 2023	478.90	429.95	473.20	2,07,281	478.80	429.35	474.15	23,95,559
Sep 2023	482.60	415.35	430.60	66,840	482.35	420.25	430.30	11,54,573
Oct 2023	485.00	400.25	412.10	1,68,101	485.50	400.00	412.25	28,35,322
Nov 2023	490.35	413.85	486.40	68,261	491.00	412.15	486.40	14,05,237
Dec 2023	500.95	441.00	454.10	1,61,110	502.00	448.00	454.30	22,74,569
Jan 2024	560.00	442.70	489.45	2,92,831	564.55	448.90	487.40	48,12,844
Feb 2024	501.00	416.35	437.90	1,68,068	500.95	416.05	437.80	19,39,645
Mar 2024	480.00	406.05	409.30	1,21,675	480.05	402.40	409.25	21,19,661

ix. Performance of Equity Shares price in comparison to BSE Sensex and Nifty





x. Dividend Policy

The declaration and payment of dividend will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Act. The dividend, if any, will depend on several factors, including but not limited to growth plans, capital requirements and the available distributable surplus. This Policy is available on the Company's website at https://sisindia.com/wp-content/uploads/2023/02/Dividend-Distribution-Policy.pdf

xi. Registrars and Transfer Agents

Name and Address	:	**Link Intime India Private Limited** C 101, 247 Park, L.B.S. Marg, Vikhroli West, Mumbai 400 083 Telephone: 081081 16767 Fax: 022 4918 6060 E-mail : rnt.helpdesk@linkintime.co.in Website: www.linkintime.co.in

xii. Share Transfer System:

99.94% of the equity shares of the Company are held in demat form. Transfer of these shares is done through the depositories with no involvement of the Company.

Pursuant to SEBI Circular dated January 25, 2022, listed companies shall issue the securities in dematerialized form only, for processing any service requests from shareholders viz., issue of duplicate share certificates, endorsement, transmission, transposition, etc. After processing the service request, a letter of confirmation will be issued to the shareholders and shall be valid for a period of 120 days, within which the shareholder shall make a request to the Depository Participant for dematerializing those shares. If the shareholders fail to submit the dematerialisation request within 120 days, then the Company shall credit those shares in the Suspense Escrow Demat account held by the Company. Shareholders can claim these shares transferred to Suspense Escrow Demat account on submission of necessary documentation.

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, requests for effecting transfer of securities will be affected only in dematerialised form. Transmission and transposition of securities held in physical or dematerialised form will also be affected only in dematerialised form. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form.

xiii. Address for members' correspondence

Members are requested to correspond with the Registrars and Share Transfer Agents at the address given below on all matters relating to transfer/ dematerialization of shares, payment of dividend and any other query relating to equity shares of the Company.

Report on Corporate Governance (Contd.)

Registrar and Share Transfer Agents:

Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg,
Vikhroli West, Mumbai 400 083
Telephone : 081081 16767
Fax : 022 4918 6060
E-mail : rnt.helpdesk@linkintime.co.in

Members are requested to note that, in respect of shares held in dematerialized form, they will have to correspond with their respective Depository Participants (DPs) for related matters.

Members may contact the Compliance Officer at the following address:

Ms. Pushpalatha Katkuri
Company Secretary and Compliance Officer
106, 1st Floor, Ramanashree Arcade,
18, M.G. Road, Bangalore, Karnataka – 560 001, India,
Ph.: 080-2559 0801, E-mail: shareholders@sisindia.com

xiv. Shareholding as on March 31, 2024:

a. Distribution of equity shareholding as on March 31, 2024:

No. of equity shares held	No. of shareholders	% of Shareholding	No. of shares held	% of shareholders
1 - 500	32,775	93.60	18,24,369	1.27
501-1000	1,025	2.93	7,40,155	0.51
1001-2000	554	1.59	7,71,848	0.53
2001-3000	191	0.55	4,74,128	0.33
3001-4000	77	0.22	2,70,991	0.19
4001-5000	61	0.17	2,77,738	0.19
5001-10000	144	0.41	10,05,240	0.70
10001 and above	187	0.53	13,87,35,921	96.28
Total	**35,014**	**100.00**	**14,41,00,390**	**100.00**

b. Categories of shareholding as on March 31, 2024 :

Category	No. of shareholders	No. of equity shares held	% of holding
Promoters and Promoter Group- A	**10**	**10,33,25,419**	**71.70**
Public – B			
Domestic - B1			
Bodies Corporate	200	6,52,927	0.45
Bodies Corporate – LLP	16	24,248	0.02
Mutual Funds	9	35,46,818	2.46
Alternate Investment Funds	4	6,48,244	0.45
Hindu Undivided Family	647	2,12,023	0.15
Other Individuals	33,142	68,49,694	4.75
Clearing Members	10	22,015	0.02
Directors and KMPs	5	7,65,417	0.53
NBFCs registered with RBI	1	1	0.00
Investor Education and Protection Fund	1	7,318	0.01
Total B1	**34,035**	**1,27,28,705**	**8.84**
Foreign- B2			
Foreign Nationals	2	32,29,664	2.24
Non-Resident (Non Repatriable)	352	2,41,862	0.17
Non-Resident Indians	531	2,76,457	0.19
Foreign Portfolio Investors	84	2,42,98,283	16.86
Total B2	**969**	**2,80,46,266**	**19.46**
Total B (B1+B2)	**35,004**	**4,07,74,971**	**28.30**
Grand Total	**35,014**	**14,41,00,390**	**100.00**

c. Top ten equity shareholders of the Company as on March 31, 2024:

S. No.	Name of the shareholder	No. of equity shares held	% of holding
1	Ravindra Kishore Sinha	5,66,18,087	39.29
2	Rita Kishore Sinha	2,30,89,865	16.02
3	Rituraj Kishore Sinha	1,55,09,033	10.76
4	Smallcap World Fund, Inc	54,64,589	3.79
5	Rivioli Sinha	46,82,510	3.25
6	Vocational Skills Council India Private Limited	31,42,152	2.18
7	Steinberg India Emerging Opportunities Fund Limited	29,70,820	2.06
8	Nippon Life India Trustee Ltd-A/C Nippon India Small Cap Fund	29,42,856	2.04
9	Malabar Select Fund	25,77,993	1.79
10	Fidelity Funds - Asian Smaller Companies Pool	24,78,986	1.72
	Total	**11,94,76,891**	**82.90**

xv. Dematerialization of shares and liquidity:

As on March 31, 2024, 14,40,17,622 equity shares representing 99.94% of the total equity share capital of the Company were held in dematerialized form.

The Promoters hold their entire equity shareholding in the Company in dematerialized form.

Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE285J01028.

xvi. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity:

There are no outstanding convertible instruments as on March 31, 2024 except employee stock options.

The Company has not issued any GDRs / ADRs / Warrants in the past and hence as on March 31, 2024 the Company does not have any outstanding GDRs / ADRs / Warrants.

xvii. Unclaimed dividends

Pursuant to Section 124 and 125 of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), dividend, if not claimed for a period of 7 (seven) years from the date of transfer to unpaid dividend account of the Company, is liable to be transferred to the Investor Education and Protection Fund ("IEPF").

Further, all the shares in respect of which dividend has remained unclaimed for seven consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority.

The Company sends periodical reminders to the shareholders to claim their dividends in order to avoid transfer of dividends /shares to IEPF Authority. Notices in this regard are also published in the newspapers and the details of unclaimed dividends and shareholders whose shares are liable to be transferred to the IEPF Authority, are uploaded on the Company's website at https://sisindia.com/investor-information/

Unpaid and unclaimed dividend/shares up to the financial year 2016-17 have already been transferred to the said Fund. Details of unpaid/unclaimed dividend and equity shares for the financial year 2015-16 are uploaded on the website of the Company as well as that of the Ministry of Corporate Affairs, Government of India ('MCA').

No claim shall lie against the Company in respect of unclaimed dividend amount and equity shares transferred to the IEPF, pursuant to the IEPF Rules. Shareholders can however claim both the unclaimed dividend amount and the equity shares from the IEPF Authority by making application in the manner provided in the IEPF Rules.

The Shareholders, who have so far not claimed the dividend for the financial year 2017-18 or any subsequent years, are requested to submit their claim to the Company's Registrar and Transfer Agent.

Ms. Pushpalatha K is the Nodal Officer to ensure compliance with IEPF Rules. Nodal Officer can be contacted at: Tel.: +91 80 2559 0801 or e-mail at shareholders@sisindia.com

The details of unpaid/unclaimed dividends for the year 2017-18 onwards are as under:

Date of declaration	Due Date for Transfer of Unpaid/Unclaimed to IEPF
29-January-2018	06-March-2025
28-June-2018	03-August-2025
28-June-2019	03-August-2026
20-February-2020	27-March-2027

Report on Corporate Governance (Contd.)

xviii. Commodity price risk or foreign exchange risk and hedging activities.

Information with respect to 'Foreign Currency Risk' is provided in the relevant notes to the financial statements.

xix. Credit Ratings obtained for the debt instruments: None

xx. Statutory Auditors

SS Kothari Mehta & Co., Chartered Accountants (Firm Registration No. 000756N) were appointed as the Statutory Auditors of the Company. The particulars of payment of fees to the Statutory Auditors, on consolidated basis for the financial year 2023-24 are provided below:

Particulars	Amount in ₹ Million
Audit fee	3.48
Tax Audit	0.30
Other services (Certification fees)@	0.60
Total	**4.38**

@ *Includes reimbursement of out of pocket expenses.*

xxi. Sexual Harassment

The Company is committed to provide a safe and conducive work environment to its employees and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder.

The below table provides details of complaints received/disposed during the financial year 2023-24.

No. of complaints pending at the beginning of the year	:	0
No. of complaints filed during the year	:	7
No. of complaints disposed-off during the year	:	7
No. of complaints pending at the end of the year	:	0

xxii. Details of 'loans and advances (being in the nature of loans) provided by the Company to companies in which its Directors are interested' are given in the 'Notes to the Financial Statements', forming part of the Report and Accounts.

xxiii. Compliance

The Certificate issued by Mr. Sudhir V Hulyalkar, Company Secretary in Practice, confirming that the Company has complied with the conditions of Corporate Governance is annexed to and forms part of this report.

CERTIFICATE ON DIRECTORS APPOINTMENT AND CONTINUATION ON THE BOARD OF DIRECTORS OF SIS LIMITED

(In terms of Regulation 34(3) read with Para C, Sub Para 10 (i) of the Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

I have examined the relevant records of SIS Limited (the Company) and disclosures made by the directors of the Company, relevant information on disqualification and proclaimed offenders as declared by Courts and disseminated on the website of Ministry of Corporate affairs, the Orders and other information available on the website of Securities and Exchange Board of India and the stock exchanges, Reserve Bank of India and information on willful defaulters as declared by the banks and made available on the web sites of credit information companies registered with the Reserve Bank of India and based on such examination, I hereby certify that none of the directors on the board of the Company as on March 31, 2024 have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India and other statutory authorities.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No.: 6040 CP No.: 6137
Peer Review Certificate No. 607/2019
UDIN: F006040F000283889

Place: Bengaluru
Date: May 1, 2024

Report on Corporate Governance (Contd.)

CERTIFICATION BY CEO AND CFO UNDER REGULATION 17(8) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors
SIS Limited

We, Rituraj Kishore Sinha, Managing Director and Devesh Desai, Chief Financial Officer hereby certify that:

a) We have reviewed the financial statements and the cash flow statement for the year ended March 31, 2024 and that to the best of our knowledge and belief:

   (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws, and regulations.

b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2024 are fraudulent, illegal, or violative of the Company's Code of Conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.

d) (i) There has not been any significant change in internal control over financial reporting during the year under review;

   (ii) Any significant changes to the accounting policies during the year have been disclosed in the notes to the financial statements; and

   (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

Place: New Delhi
Date: May 1, 2024

Rituraj Kishore Sinha
Managing Director

Devesh Desai
Chief Financial Officer

DECLARATION ON CODE OF CONDUCT

I, Rituraj Kishore Sinha, Managing Director of the Company, to the best of my knowledge and belief, confirm that all the members of the Board and Senior Management Personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2024.

Place: New Delhi
Date: May 1, 2024

Rituraj Kishore Sinha
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
SIS Limited

I have examined the compliance of conditions of corporate governance, as stipulated in Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by SIS Limited (the Company) for the year ended on March 31, 2024.

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with all the applicable mandatory conditions of Corporate Governance as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

SUDHIR VISHNUPANT HULYALKAR
Company Secretary in Practice
FCS No: 6040, CP No. 6137
Peer Review Certificate No. 607/2019
UDIN: F006040F000283922

Place: Bengaluru
Date: May 1, 2024

Business Responsibility & Sustainability Report

SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

Sr. No.	Particulars	Details
1	Corporate Identity Number (CIN) of the Listed Entity	L75230BR1985PLC002083
2	Name of the Listed Entity	SIS Limited (the Company)
3	Year of incorporation	1985
4	Registered office address	Annapoorna Bhawan, Telephone Exchange Road, Kurji, Patna – 800010, Bihar
5	Corporate address	A-28 & 29, Okhla Industrial Area, Phase 1, New Delhi – 110020
6	E-mail	compliance@sisindia.com
7	Telephone	011 4646 4444
8	Website	www.sisindia.com
9	Financial year for which reporting is being done	Financial Year 2023-24 (April 1, 2023, to March 31, 2024)
10	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11	Paid-up Capital	INR 72,05,01,950
12	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Pushpalatha K Company Secretary & Compliance Officer 106, Ramanashree Arcade, 18 M G Road, Bangalore - 560 001 Phone: 080 2559 0801 E-mail ID: compliance@sisindia.com
13	Reporting boundary: Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this report are made on a standalone basis.
14	Name of assurance provider	Not Applicable
15	Type of assurance obtained	Not Applicable

II. Products/Services

16. Details of Business Activities (accounting for 90% of the turnover)

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Support service to Organizations	Security and investigation activities	98.21%

17. Products/Services Sold by the Entity (accounting for 90% of the turnover)

Sr. No.	Product/Services	NIC Code	% of Turnover Contributed by the Product
1	Security and investigation services	80100	98.21%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Locations	No. of Plants	No. of Offices	Total
National	Not Applicable	181	181

19. Markets Served by the Entity:

a. Number of locations

Locations	Number
National (No. of States)	Pan India (28 States and 6 Union Territories)
International (No. of Countries)	3*

** SIS Limited operates in three countries – Australia, New Zealand and Singapore.*

b. What is the contribution of exports as a percentage of the total turnover of the entity?
0.07%.

c. A brief on types of customers
SIS Limited is involved in rendering security solutions. We cater to B2B, B2G, B2C customers across multiple industries such as heavy industries (metal, steel, power, mining, oil and gas), information technology, telecom, BFSI and automotive.

IV. Employees

20. Details as at the end of financial year:

a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1	Permanent (D)	2,142	2,041	95.28%	101	4.72%
2	Other than Permanent (E)	104	98	94.23%	6	5.77%
3	Total Employees (D + E)	2,246	2,139	95.24%	107	4.76%
	WORKERS					
4	Permanent (F)	1,61,498	1,49,889	92.81%	11,609	7.19%
5	Other than Permanent (G)	-	-	0.00%	-	0.00%
6	Total Workers (F + G)	1,61,498	1,49,889	92.81%	11,609	7.19%

b. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1	Permanent (D)					
2	Other than Permanent (E)			Nil		
3	Total differently abled employees (D + E)					
	WORKERS					
4	Permanent (F)					
5	Other than Permanent (G)			Nil		
6	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	3	27.27%
Key Management Personnel	3	1	33.33%

22. Turnover rate for permanent employees and workers

	FY 2023-24			FY 2022-23			FY 2021-22		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	37.40%	28.20%	38.70%	22.60%	19.90%	22.50%	15.10%	21.40%	15.40%
Permanent Workers	38.90%	42.20%	39.20%	35.30%	41.60%	35.70%	34.30%	43.70%	34.90%

Business Responsibility & Sustainability Report (Contd.)

V Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

Sr. No	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether Holding / Subsidiary/ Associate / Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility Initiatives of the listed entity? (Yes/ No)
1	SMC Integrated Facility Management Solutions Limited (Formerly Service Master Clean Limited)	Subsidiary	100%	Yes All Group Companies of SIS Limited participate in the Business Responsibility Initiatives wherever applicable.
2	Tech SIS Limited	Subsidiary	100%	
3	Terminix SIS India Private Limited	Subsidiary	100%	
4	SIS Alarm Monitoring and Response Services Private Limited	Subsidiary	100%	
5	Dusters Total Solutions Services Private Limited	Subsidiary	100%	
6	SIS Business Support Services and Solutions Private Limited	Subsidiary	100%	
7	SIS Synergistic Adjacencies Ventures Private Limited	Subsidiary	100%	
8	SLV Security Services Private Limited	Subsidiary	100%	
9	Uniq Security Solutions Private Limited	Subsidiary	100%	
10	Uniq Detective and Security Services (AP) Private Limited	Subsidiary	100%	
11	Uniq Detective and Security Services (Tamilnadu) Private Limited	Subsidiary	100%	
12	Uniq Facility Services Private Limited	Subsidiary	100%	
13	Rare Hospitality and Services Private Limited	Subsidiary	100%	
14	ADIS Enterprises Private Limited	Subsidiary	100%	
15	ONE SIS Solutions Private Limited	Subsidiary	100%	
16	One SIS Residential Solutions Private Limited	Subsidiary	100%	
17	SIS Security International Holdings Pte. Ltd.	Subsidiary	100%	
18	SIS Security Asia Pacific Holdings Pte. Ltd.	Subsidiary	100%	
19	SIS Australia Holdings Pty Ltd	Subsidiary	100%	
20	SIS Australia Group Pty Ltd	Subsidiary	100%	
21	SIS Group International Holdings Pty Ltd	Subsidiary	100%	
22	MSS Strategic Medical & Rescue Pty Ltd	Subsidiary	100%	
23	SIS MSS Security Holdings Pty Ltd	Subsidiary	100%	
24	MSS Security Pty Ltd	Subsidiary	100%	
25	Australian Security Connections Pty Ltd	Subsidiary	100%	
26	Southern Cross Protection Pty Ltd	Subsidiary	100%	
27	Charter Security Protective Services Pty Ltd	Subsidiary	100%	
28	Askara Pty Ltd	Subsidiary	100%	
29	Safety Direct Solutions Pty Ltd	Subsidiary	85%	
30	Safety Direct Solutions Pty Ltd NZ	Subsidiary	85%	
31	Platform 4 Group Ltd	Subsidiary	100%	
32	Triton Security Services Limited	Subsidiary	100%	
33	SIS Henderson Holdings Pte Ltd	Subsidiary	100%	
34	Henderson Security Services Pte Ltd	Subsidiary	100%	
35	Henderson Technologies Pte Ltd	Subsidiary	100%	
36	Habitat Security Pty Ltd	Joint Venture	49%	
37	SIS Cash Services Private Limited	Joint Venture	49%	
38	SIS Prosegur Holdings Private Limited*	Joint Venture	49%	
39	SIS Prosegur Cash Logistics Private Limited#	Joint Venture	49%	
40	SIS-Prosegur Cash Services Private Limited@	Joint Venture	49%	

** 100% held by SIS Cash Services Private Limited*

 # 100% held by SIS Prosegur Holdings Private Limited

@ 100% held by SIS Cash Services Private Limited

VI. CSR Details

24 (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No) – Yes

(ii) Turnover (in ₹) – ₹ 45,412.58 million

(iii) Net worth (in ₹) – ₹ 10,289.82 million

VII. Transparency and Disclosures Compliances

25 Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder Group from Whom Complaint is Received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024			FY 2022-2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Not Applicable						
Investors (Other than Shareholder)	Yes Stakeholder Relationship Policy: (https://sisindia.com/wp-content/uploads/2023/02/Stakeholder-Relationship-Policy.pdf) Investor Grievance Redressal Policy: (https://sisindia.com/wp-content/uploads/2023/02/Grievance-Redressal-Policy.pdf) Whistle Blower policy: (https://sisindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf)	0	0	No complaint received during the year	0	0	No complaint received during the year
Shareholders	Yes Stakeholder Relationship Policy: (https://sisindia.com/wp-content/uploads/2023/02/Stakeholder-Relationship-Policy.pdf) Investor Grievance Redressal Policy: (https://sisindia.com/wp-content/uploads/2023/02/Grievance-Redressal-Policy.pdf) Whistle Blower policy: (https://sisindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf)	4	0	The complaints received during the year were resolved	0	0	No complaint received during the year
Employees and workers	Yes Whistle Blower policy: (https://sisindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf)	19,470	0	The complaints received during the year were resolved	8,379	0	The complaints received during the year were resolved
Customers	Yes Stakeholder Relationship Policy: (https://sisindia.com/wp-content/uploads/2023/02/Stakeholder-Relationship-Policy.pdf) Whistle Blower policy: (https://sisindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf) The Company has also initiated programmes such as Own Your Customer (OYC) Programme, Half Yearly Surveys and Customer Satisfaction (CSAT) programme. For more details on these programmes, please refer to Principle 9, Essential Indicator 1.	0	0	No complaint received during the year	0	0	No complaint received during the year

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Stakeholder Group from Whom Complaint is Received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-2024			FY 2022-2023		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Value Chain Partners	Yes Stakeholder Relationship Policy: https://sisindia.com/wp-content/uploads/2023/02/Stakeholder-Relationship-Policy.pdf Whistle Blower policy: (https://sisindia.com/wp-content/uploads/2023/02/Whistle-Blower-Policy.pdf)	0	0	No complaint received during the year	0	0	No complaint received during the year

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Our People	Opportunity	The company offers investigation and security services with 2,246 employees and 1,61,498 workers. A solid base of talented workforce allows the company to foster innovation, improve service delivery, and increase customer happiness.		**Positive:** With a talented and satisfied workforce, the Company can enhance its service delivery improving customer satisfaction and the business financials. A higher retention rate for customers to provide a more stable customer base and financial outcomes.
		Risk	• The Company's business model is human-centric and due to a high degree of attrition, the Company may face operational challenges. Attrition of senior leadership may result in a disruption of smooth functioning of the Company. • There is a high demand for competent staff in the manpower industry and therefore the timely recruitment of competent staff may be a challenge for the Company.	The Company has launched several employee engagement initiatives such as health checkups, learning initiatives for both frontline and non billing staff and team building social events. The Company has formulated a policy titled "Policy on Succession Planning" to ensure that business operations run smoothly in the event of a transition of power.	**Negative:** • High employee turnover leads to various financial implications for the Company such as increase in onboarding costs, and loss of revenue due to intermittent disruption in business. • Loss of senior management personnel may result in ineffective leadership management in the interim and potentially impact the Company financially.

Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Health and Safety	Risk	The Company is involved in a sector with a wide workforce base and ensuring the health and safety of our employees is of paramount importance to us.	• **Safe Environment:** The Company provides a secure and best-in class workspace for its employees. The Company has enacted an Occupational Health and Safety (OHS) Policy. The Company has also enacted a hazard reporting procedure in its occupational health and safety manual. • **Safety Protocols:** The Company ensures access to all safety related facilities for its employees, as prescribed by the Central Government, along with training and counselling sessions for emotional wellbeing of the employees and workers. • **Hazard Analysis and Control measures:** The Company has conducted hazard analysis and has classified risks into category A, B and C based on severity.	**Negative:** • Safety related incidents cause employee absenteeism, including low morale and decreased productivity, leading to decreased turnover and growth opportunities for the Company.
3	Customer Engagement	Opportunity	The continuous growth of any organisation is dependent on offering an exceptional client experience. A pleasant customer experience promotes loyalty, customer retention, and brand advocacy.		**Positive:** A positive customer experience can lead to increased satisfaction among customers and can also boost the company's reputation.
		Risk	• The Company offers investigation and security services to its consumers; any negative customer experience or non-fulfilment of Service Line Agreements (SLAs) may result in loss of clients or even damage the Company's reputation. • Growing ESG awareness may result in its integration into contractual obligations.	• The Company has established several avenues to effectively gauge customer satisfaction such as Customer Satisfaction (CSAT) Programme, Own Your Customer (OYC) Programme and half yearly surveys. Additionally, senior leadership regularly engages with customers to understand their evolving needs, making sure the Company follows Service Line Agreements (SLAs). • The Company is evaluating pertinent Environmental, Social, and Governance (ESG) factors and the way forward to integrate them into its operational activities.	**Negative:** • Minimal customer engagement may result in: - High customer acquisition costs. - Loss of market share. • Inability to meet ESG obligations may limit growth opportunities for the Company.

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Sr. No.	Material Issue Identified	Indicate whether Risk or Opportunity (R/O)	Rationale for Identifying the Risk / Opportunity	In-case of Risk, Approach to Adapt or Mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Community Development	Opportunity	As a responsible corporate citizen, we recognise our role in giving back to our community and remain committed to fulfilling our social responsibilities. The Company organizes several community engagement programs in areas such as healthcare, skill development, children's education, promoting of local handicrafts, providing safe drinking water, promoting hygiene and sanitation in rural and urban areas and so on.		**Positive:** Empowering communities can elevate their living standards and foster robust relationships within the community. As the bond between the company and the communities grow, the communities view the Company as a catalyst for their empowerment and facilitate the Company with access to new business opportunities, human capital and other resources.
5	Employee Training and Career Development	Opportunity	The Company regards its employees as an asset and therefore conducts several skill development programs through its 29 Training Centres located across the country. Additionally, the Company organises several leadership programs such as Mr. SIS, LEAP, LEAP Plus etc. Through the training champs network, the Company provides a learning experience by leveraging technology such as its mobile app and the SIS Academy.		**Positive:** Career development of our employees results in enhanced skills and knowledge and can lead to higher workforce productivity thus contributing to increase in customer satisfaction which can increase the Company's output and potentially its revenue.
		Risk	Deployment of staff on the job with limited training will impact service delivery as per the Company's standards.	• The Company has implemented several employee onboarding trainings to acquaint new employees with the Company's values and standards.	**Negative:** • Ineffective training and development for new staff may cause poor delivery of services and result in customer dissatisfaction, leading to loss of revenue.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	Policy and Management Processes									
1.	**a. Whether your entity's policy / policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
	c. Web Link of the Policies, if available	https://sisindia.com/policies-and-code-of-conduct/								
2.	**Whether the entity has translated the policy into procedures. (Yes / No)**	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
3.	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Yes	Yes	Yes	Yes	Yes	No	No	Yes	Yes
4.	**Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	ISO 9001:2015 and ISO 45001:2018								
5.	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	No	No	No	No	No	No	No	No	No
6.	**Performance of the entity against the specific commitments, goals and targets along- with reasons in case the same are not met.**	No	No	No	No	No	No	No	No	No
	Governance, Leadership and Oversight									
7.	**Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**	Our motto 'Take care of your people, they will take care of your business' is closely tied with promoting sustainable practices within our organisation. Our objective is to conduct business ethically and in a way that aligns with our three pillars - 'Trust', 'People Focus' and 'Service Spirit'. We have helped provide employment to countless individuals and provide avenues for upskilling through our internal training institutes. We aim to build resilient livelihoods while working towards a brighter future for the next generation. We strive to implement the same through our welfare programmes and our training institutes.								
8.	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Name: Board of Directors E-mail Id: shareholders@sisindia.com Telephone No. 011- 4646 4444								
9.	**Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	No. Although the company does not have any specific committee for sustainability related issues, the Group Management Committee members generally take decisions on sustainability - related matters. Additionally, the Board of Directors have an overall responsibility for oversight of the Company's Sustainability & ESG strategy.								

10. Details of Review of NGRBCs by the Company:

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other – please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Y	Y	Y	Y	Y	N	N	Y	Y	The policies are reviewed annually, wherever applicable.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Compliance Certificate on applicable laws is provided to the Board of Directors in every quarterly meeting. The Company is in full compliance of the applicable laws.									All the policies have been formulated in consultation with the Management of the Company and are approved by the Board and the policies are in compliance with respective applicable regulations.								

		P1	P2	P3	P4	P5	P6	P7	P8	P9
11.	**Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**	No. All Policies of the Company are evaluated and reviewed internally as and when required. Additionally, all processes are subject to internal reviews and independent audits from time to time.								

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12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	-	-	-	-	-	-	-	-	-
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)	-	-	-	-	-	-	-	-	-
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)	-	-	-	-	-	-	-	-	-
It is planned to be done in the next financial year (Yes/No)	-	-	-	-	-	-	-	-	-
Any other reason (please specify)	-	-	-	-	-	We are baselining our environmental performance, and the current systems and processes to ensure minimal impact on the environment.	Our senior management engages on multiple forums to contribute towards policy development, in consensus with stakeholders.	-	-

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally, and ethically responsible.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

ESSENTIAL INDICATOR

1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors	4	Business Updates, Strategy, Update on Risk Management Framework, Update on Cyber Security and Business Continuity Plan, Policies and Procedures, Governance and Key Regulatory developments.	100%
Key Managerial Personnel	4		91.67%
Employees other than BoD and KMPs	780	Training topics include learning and development, Compliance management for sales, Artificial Intelligence & Machine Learning for Industry, Importance of ESG & new age tech, ESG concepts & principles, Project Management Fundamentals, IFM & industrial solutions, SCM Workshop. Furthermore, programmes such as Leadership Program, Advance Strategy & Leadership Program, Understanding self for Leadership excellence, Executive Development Program in Driving Growth are held regularly, and training is provided under these programmes.	100%
Workers	89,292	Training is provided on 52 key topics, and 200 sub-topics. Training topics include history and HR Policies of SIS. First aid training is provided in areas such as snake and dog bite, electric shock, fire burns, sunstroke, fracture, bandages, and their use, emergency QRT training, use of fire extinguishers, hose and hydrant, action and responsibilities of security personnel during firefighting, crisis response and disaster management, mob control, patrolling. Training on soft skills includes behaviour and etiquettes, good manners, personal and social hygiene, moral and motivation etc.	100%

2. **Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format: (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):**

Monetary					
	NGRBC Principle	**Name of the regulatory / enforcement/ agencies/ judicial institutions**	**Amount (In INR)**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Penalty/Fine	Principle 1	Bombay Stock Exchange Limited, National Stock Exchange of India Limited	5,30,000	Delay in appointment of Woman Independent Director	No
Settlement	Nil	Nil	Nil	Nil	Nil
Compounding fee	Nil	Nil	Nil	Nil	Nil

Non-Monetary				
	NGRBC Principle	**Name of the regulatory / enforcement/ agencies/ judicial institutions**	**Brief of the case**	**Has an appeal been preferred? (Yes/No)**
Imprisonment	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil

3. **Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement/ agencies/ judicial institutions
None	

4. **Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes.

The Company and its subsidiaries have zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all of its business dealings through necessary policies.

The Company has a Business Ethics Policy which contains guidelines on Bribery and Corruption. The Policy strictly prohibits any form of corruption or bribery in its business operations. This encompasses the offering, acceptance, solicitation, or giving of bribes, kickbacks or any other illicit payments or gifts from or to any individual or entity including but not limited to government officials, business partners, or customers. The company is committed to fair competition and refrains from engaging in any anti-competitive practices, such as collusion, price-fixing, bid-rigging, or market manipulation, which could potentially result in unfair advantages or harm to competitors, customers, or the market. The Policy prohibits the Company's employees and their relatives are prohibited from giving or accepting bribes in the form of gifts, cash, facilities, or any other form, either directly or indirectly.

The Company also mandates its employees to sign a Declaration Form, prohibiting them from seeking or obtaining any personal benefits from any transactions they conduct while performing their duties.

5. **Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2023-2024	FY 2022-2023
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

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6. Details of complaints with regard to conflict of interest:

	FY 2023-2024		FY 2022-2023	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	-	Nil	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	-	Nil	-

No complaints have been received in relation to issues of Conflict of Interest of the Directors and in relation to issues of Conflict of Interest of the KMPs during the reporting period.

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not applicable as there were no instances of corruption or conflict of interest.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

	FY 2023-2024	FY 2022-2023
Number of days of accounts payables	134	150

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-2024	FY 2022-2023
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	Nil	Nil
	b. Number of dealers / distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)#	15.59%	12.42%
	b. Sales (Sales to related parties / Total Sales)	1.07%	1.19%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.00%	100%
	d. Investments (Investments in related parties / Total Investments made)	58.18%	57.13%

 # Out of total purchases from the related parties, 8.08% in FY 23-24 (FY 22-23: 7.82%) is on account of purchase of services by SIS Ltd. from its 100% subsidiary companies forming part of the SIS Consolidated Group incorporated in its Consolidated Financial statements.

LEADERSHIP INDICATORS

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
None		

2. **Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No). If Yes, provide details of the same.**

Yes.

The Company has formulated a Conflict of Interest Policy that is applicable to all employees and members of the Board of Directors and other stakeholders including but not limited to suppliers, vendors, partners, consultants, third parties who have a business relationship with and provide, sell, seek to sell, any kinds of goods or services to the Company or any of its subsidiaries and affiliates.

The policy outlines the procedure for identifying potential conflicts of interest, disclosing and managing these conflicts of interest to the Board and the procedure for reporting conflicts of interest. Should a case of any conflict of interest arise at the time of empanelment or during engagements, stakeholders are obligated to promptly disclose such situations to the Company.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

ESSENTIAL INDICATORS

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY 2023-2024	FY 2022-2023	Details of improvements in environmental and social impacts
R&D	Nil	Nil	Not Applicable
Capex	Nil	Nil	Not Applicable

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

No.

b. **If yes, what percentage of inputs were sourced sustainably?**

No.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Not Applicable

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Not Applicable

LEADERSHIP INDICATORS

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format**

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/ No) If yes, provide the web-link.
Not Applicable					

2. **If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

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3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY 2023-2024	FY 2022-2023
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

Particular	FY 2023-2024			FY 2022-2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	No. (The Company is primarily engaged in the business of security services hence this is not applicable to the Company)					
E-waste						
Hazardous waste						
Other waste						

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not Applicable (The Company is primarily engaged in the business of security services and so this is not applicable to the Company)	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

ESSENTIAL INDICATORS

1. a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	2,041	2,041	100%	2,041	100%	-	-	-	-	-	-
Female	101	101	100%	101	100%	101	100%	-	-	-	-
Total	2,142	2,142	100%	2,142	100%	101	100%	-	-	-	-
Other than Permanent Employees											
Male	98	98	100%	98	100%	-	-	-	-	-	-
Female	6	6	100%	6	100%	6	100%	-	-	-	-
Total	104	104	100%	104	100%	6	100%	-	-	-	-

b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity Benefits		Paternity Benefits		Day Care Facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	1,49,889	1,49,889	100%	1,49,889	100%	-	-	-	-	-	-
Female	11,609	11,609	100%	11,609	100%	11,609	100%	-	-	-	-
Total	1,61,498	1,61,498	100%	1,61,498	100%	11,609	100%	-	-	-	-
Other than Permanent Workers											
Male	Male	-	-	-	-	-	-	-	-	-	-
Female	Female	-	-	-	-	-	-	-	-	-	-
Total	Total	-	-	-	-	-	-	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	F.Y. 2023-24	F.Y. 2022-23
Cost incurred on well-being measures as a % of total revenue of the company	0.28%	0.41%

2. Details of retirement benefits, for Current FY and Previous Financial Year.

Benefits	FY 2023-2024			FY 2022-2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	100%	Yes (EPFO)	100%	100%	Yes (EPFO)
Gratuity*	100%	100%	Yes (LIC)	100%	100%	Yes (LIC)
ESI	100%	100%	Yes (ESI)	100%	100%	Yes (ESI)
Others – Mediclaim	100%	100%	Yes	100%	100%	Yes

* Gratuity plan is a partly funded plan and the Company makes contributions to a fund as and when required.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes.

SIS Limited's offices are housed in commercial buildings, which are not directly managed by the Company. As we look towards the future, SIS envisions a workplace that is not only productive but also inclusive and accessible. With advancements in technology, we foresee our offices evolving to become smart workspaces that are equipped with accessibility features.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No.

SIS has a Business Ethics Policy. The Company is committed to offering fairness in employment opportunities and has zero tolerance towards discrimination of any kind. We make employment decisions based on an individual's merits and company requirements. Additionally, equal opportunity is provided for career advancement and no decisions are influenced by considerations other than employee's performance, ability, and aptitude. Employees are empowered to develop their potential and their careers within the company through a transparent & scientific performance management process.

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

	Permanent employees		Permanent workers*	
Gender	**Return to work rate**	**Retention rate**	**Return to work rate**	**Retention rate**
Male	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Female	100%	100%	100%	100%
Total	100%	100%	100%	100%

* Company provides various opportunities to its workers returning from their parental leaves. Also, for the purpose of the above calculations, Company has also factored in extended leaves taken by workers while framing these opportunities.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes

	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent Workers	The Company is committed to providing a safe and positive work environment. The Company has a branch level grievance mechanism for the employees to register and redress their concerns. Additionally, employees at the company are free to bring up and discuss personal matters with their managers, business leaders, or human resource (HR) managers.
Other than Permanent Workers	Not Applicable
Permanent Employees Other than Permanent Employees	The Company is committed to provide a safe and positive work environment. The Company has a branch level grievance mechanism for the employees to register and redress their concerns. Additionally, employees are free to bring up and discuss personal matters with their managers, business leaders, or human resource (HR) managers.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2023-2024			FY 2022-2023		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union	% Covered (B / A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union	% Covered (D / C)
Total Permanent Employees • Male • Female Total Permanent Workers • Male • Female	Employees and workers are not part of any representative union or association					

8. Details of training given to employees and workers

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	On Health and safety measures		On Skill Upgradation		Total (D)	On Health and safety measures		On Skill Upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	2,139	2,139	100%	2,139	100%	2,331	2,331	100%	2,331	100%
Female	107	107	100%	107	100%	111	111	100%	111	100%
Total	2,246	2,246	100%	2,246	100%	2,442	2,442	100%	2,442	100%
Workers										
Male	1,49,889	1,49,889	100%	1,49,889	100%	1,44,614	1,44,614	100%	1,44,614	100%
Female	11,609	11,609	100%	11,609	100%	10,510	10,510	100%	10,510	100%
Total	1,61,498	1,61,498	100%	1,61,498	100%	1,55,124	1,55,124	100%	1,55,124	100%

9. Details of performance and career development reviews of employees and worker:

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	2,139	2,139	100%	2,331	2,331	100%
Female	107	107	100%	111	111	100%
Total	2,246	2,246	100%	2,442	2,442	100%
Workers						
Male	1,49,889	1,49,889	100%	1,44,614	1,44,614	100%
Female	11,609	11,609	100%	10,510	10,510	100%
Total	1,61,498	1,61,498	100%	1,55,124	1,55,124	100%

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes.

The Company is committed to fostering a safe and healthy work environment by minimising the likelihood of accidents, injuries, and health concerns. The Company complies with all applicable laws and regulations regarding workplace safety.

SIS prioritises the health and safety of its employees whilst at work. We strive to create a positive workplace where all employees feel safe. We believe that employees can perform at their best and contribute effectively to the Company's success only in such an environment. To achieve this, all employees are expected to:

- Adhere to all laws, regulations and company policies regarding workplace health and safety.
- Participate in any training sessions before operating equipment that requires training.
- Use required protective equipment, clothing, and other safety devices for work.
- Report any unhealthy or unsafe situations encountered to the Client representative or relevant controlling authority.
- Avoid using or remaining under the influence of illegal drugs when on duty. Ensure that alcohol consumption is limited to company social functions and approved by company management.
- Ensure that any medications consumed by employees do not interfere with job duties, especially while operating equipment or vehicles.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Hazard identification is a continual process that is conducted on a regular basis by the HR and Operations teams. The Operations team is responsible for identifying work related hazards and assessing risks on a continuous basis at the site. The Company also collaborates with key stakeholders to understand and review existing operating procedures, identify gaps, and provide control-focused recommendations to help define management action plans, including roles and implementation dates.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes.

The Company has established processes for workers to report the work-related hazards and to remove themselves from such risks. Employees and workers can report the issues to their respective site managers, operations managers, branch heads, regional heads, and company leadership team.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes.

SIS Limited has always maintained its core value of 'People focus' and has been generously investing in employee welfare schemes. A healthy employee is the most valuable asset to the company and hence wellness of each employee remains its top priority. The Company provides access to non-occupational medical and healthcare services to employees and workers:

- **Association with 'Practo' for all employees of SIS Group Companies:** SIS Group Enterprises has partnered with Practo for a large-scale Corporate Wellness Program for its employees posted pan-India, a health plan specially curated for employees of SIS Group and their families (4 Adults + 3 Minors).
- **Group Mediclaim Insurance Policy:** Separate Group Mediclaim Policies for all backend Office Support Staff/ non billing employees as well as the Security personnel deployed at client location whose salaries are above ESIC threshold. Thus, enabling the company to facilitate medical coverage to employees and their dependent families in a cost-effective manner on pan-India basis.
- **Group Mediclaim Insurance Post Superannuation of Non-Billing Employees:** The existing provisions of Group Mediclaim Insurance to non-billing employees and their families has now been extended to the employees who will superannuate from the services of the company. The Mediclaim benefit will be extended on payment of premium rate by the superannuated employee as made by the Company every year after expiry of the running Mediclaim policy.
- **Group ESIC:** The Employee's State Insurance of India Corporation (ESIC) is applicable to all workers. Under ESIC scheme, workers are fully insured and may avail wide range of benefits, including access to medical treatment, credit and other benefits.

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category*	FY 2023-2024	FY 2022-2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	18	Nil
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	16	Nil
No. of fatalities	Employees	Nil	Nil
	Workers	5	Nil
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	1	Nil

* Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

The Company's operations are fundamentally people-oriented, with the health and safety of its employees being of utmost importance. The Company ensures a secure workspace for its employees, by providing best-in class welfare facilities as prescribed by the Central Government and offers training and counselling on emotional wellbeing. A sanitisation safety committee has been formulated to ensure strict implementation of safety protocols at the workplace. The Company also conducts webinars for the physical and mental well-being of employees.

To ensure a safe and healthy workplace, the Company periodically conducts risk assessments to identify any work-related hazards, takes corrective actions to mitigate the identified hazards. Furthermore, the Company conducts fire evacuation drills and has installed fire suppressants in the office premises, performs maintenance checks on fire safety equipment, has made first aid kits available, and has installed CCTVs at all key locations. In addition, all personnel receive annual safety training.

13. Number of Complaints on the following made by employees and workers:

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	Nil	Nil	Nil	Nil
Health & Safety	Nil	Nil	Nil	Nil	Nil	Nil

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Nil
Working Conditions	Nil

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Not Applicable.

LEADERSHIP INDICATORS

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

Yes, SIS extends insurance package in the event of death to both employees as well as workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

Nil.

3. Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-2024	FY 2022-2023	FY 2023-2024	FY 2022-2023
Employees	Nil	Nil	Nil	Nil
Workers	6	Nil	Nil	Nil

Business Responsibility & Sustainability Report (Contd.)

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Yes

Post superannuation of an employee, to keep them engaged and allow them to transition smoothly into a new innings, the Company provides different opportunities based on needs, interest, skillset, competency and medical and physical fitness of the individual. Some measures include:

- Continued medical insurance coverage for employee & their family members post superannuation.
- Based on need of engagement, skill & competency of the individual, they are provided further engagements with reduced working hours & additional training in a different role, such as the option to continue as consultants.
- Given the individual's prior experience, they are assigned a stationary role, such as a site-based position, rather than a role that requires mobility.

This helps to provide engagement to those who need it based on their skill & competency while keeping them and their families financially secure.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Not Applicable*
Working Conditions	

* *SIS obtains annual confirmations of ESG compliance from some of its value chain partners.*

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

ESSENTIAL INDICATORS

1. Describe the processes for identifying key stakeholder groups of the entity.

To seek and address stakeholder perspectives, build trust, develop partnerships and make use of stakeholder capital, it is essential to have a strategic approach toward working with stakeholders. Therefore, the Company has in place the Stakeholder Relationship Policy to identify, engage and establish relations with Stakeholders. The Stakeholder Relationship Policy provides for the stakeholder engagement process which includes stakeholder identification, consultation, reporting and communication. The approach and frequency of the engagement with the stakeholders vary depending on the stakeholders.

For efficient resource allocation, it is crucial to conduct successful stakeholder engagement by identifying key stakeholders and their interests, their level of expertise, and the level of influence. Therefore, SIS assesses and prioritizes stakeholders using the following criteria:

- Stakeholder's interests
- Stakeholder's level of influence
- Stakeholder's willingness to engage with the group
- Stakeholder's expectations of engagement with the group
- Value for the group of engaging with this stakeholder

Some key stakeholder groups identified by SIS include shareholders/investors, employees, suppliers/vendors, Central and state governments, customers, communities, local bodies, regulatory agencies, etc. The identification of all pertinent stakeholders and understanding their expectations is of high importance for SIS as we progress on our journey towards maximising impact.

2. **List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government and regulatory authorities	No	Emails, one-on-one meetings, conference calls, video conferencing, websites	Need based	Purpose of such engagements is to fulfil compliance requirements.
NGOs and local community	Yes	Field visits and community meetings, Emails	Need based	To promote social welfare activities for inclusive growth, fair and equitable development, well-being of society and monitoring & implementing CSR projects and activities.
Employees	No	Direct, email, town halls, team meetings, intranet portal, annual performance reviews	Ongoing and need based	Purpose of such engagements is to keep employees up to date on various initiatives of the organization. With this communication, we also reach out to all employees to educate them on various policies, learning and development programs, performance review and career development, company SOPs as well as milestones.
Customers	No	Emails, branch assistance, website, advertisements, newspaper and other digital platforms, customer helplines and toll-free numbers, customer satisfaction surveys, scheduled meetings with various levels of management	Need based	Servicing throughout the lifecycle of the customer and addressing queries / grievances that customers may have.
Suppliers	No	Physical and digital including in-person meetings, emails, performance discussions, training, company policy/ process communication, periodical meets / conferences, etc.	Need based	Resolving supplier queries, assessing supplier performance, supplier recognition and engagement activities.
Institutional Investors	No	Website, meetings, emails, annual reports, investor presentations, stock exchanges, newspaper, transcripts, etc.	Ongoing and need based	These are aimed at providing relevant information as well as understanding institutional investors' perspectives on the Company's performance and strategy.
Shareholders	No	Website, meetings, emails, annual reports, investor presentations, stock exchanges, newspaper, transcripts, etc.	Ongoing and need based	Business and operational performance, shareholder meetings, election of board members etc.

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Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Media	No	Newspaper, advertisement, email, annual reports, website, transcripts, conference and other meetings	Need based	To stay abreast on the developments of the Company.

LEADERSHIP INDICATORS

1. **Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

   The Company acknowledges that effective stakeholder engagement is an essential component of its business operations. The Company is committed to the belief that regular interaction with its key stakeholders will enhance the communication of its performance and strategy. It serves as an important mechanism to understand stakeholders and their needs, involve them in managing risks and resolve conflicts at an early stage. The process of stakeholder engagement involves stakeholder identification, consultation, reporting and communication. The approach and frequency of the engagement with the stakeholders differs depending on the stakeholders. In addition, respective departments engage with their specific stakeholder groups as required and on a regular basis.

   Link to Stakeholder Relationship Policy:
   https://sisindia.com/wp-content/uploads/2023/02/Stakeholder-Relationship-Policy.pdf

   The Stakeholders' Relationship Committee ensures the effective management of security holders' and investors' concerns. This involves addressing grievances related to the transfer of shares, such as the non-receipt of share certificates, and reviewing cases of refusal for the transfer or transmission of shares and debentures. The committee also handles issues like the non-receipt of declared dividends and annual reports and aids in the quarterly reporting of such complaints. Additionally, it facilitates the transfer and transmission of shares and debentures, manages the dematerialisation and rematerialisation of shares, and oversees the issuance of duplicate or consolidated share certificates, ensuring compliance with relevant regulations concerning shares, debentures, and other securities. Furthermore, the committee supervises the performance of the registrars and transfer agents, recommending measures to enhance the quality of investor services. It is also responsible for establishing a framework for investor communication and engagement, monitoring its implementation, and conducting periodic reviews to ensure its effectiveness. The Committee engages with stakeholders by creating a structured framework for identifying, consulting, prioritizing, and addressing their concerns transparently.

2. **Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

   Yes.

   SIS believes that continuous interaction with its stakeholders aids in the alignment of expectations, allowing the company to better serve its stakeholders. Therefore, personnel from the Company connect with diverse stakeholders to understand the evolution and importance of ESG subjects, their impact, and the Company's aspirations.

   Through SEWA Trust, the Company supports its employees by providing financial assistance during moments of crisis. The Company has a facility whereby meritorious students of the Company's employees are provided with scholarships by Indian Public School, a residential school in Dehradun.

   Through employee engagement surveys and feedback, the Company designs required training and development modules for skill upgradation of its employees.

3. **Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.**

SIS is committed to supporting its vulnerable frontline workforce, and the non-billable work force by providing financial assistance during crisis situations. We have an immense impact on the millions of families that directly benefit from the livelihoods that we support and the jobs that we create every year. In this light, we have partnered with Entitled, a Fintech company to provide short term loans. Additionally, through the SEWA Trust, we provide a Death Support SEWA amount to the nominees of the deceased employees in three slabs i.e., ₹ 1.5 lakhs, ₹ 2.5 lakhs & ₹ 3.5 lakhs, depending on deceased's service tenure. Guidelines have been laid down to ensure a sustainable and beneficial engagement with the society and the environment in which SIS Group operates. Our goal is to enhance societal welfare based on the immediate and long term social and environment consequences of SIS Group's activities. Under each program, we have specified the initiatives undertaken, directly or indirectly, the modalities of execution and the monitoring thereof.

Through its CSR programs, the company has undertaken many initiatives and activities for the benefit of various segments of society, with an emphasis on the impoverished, needy, deprived and under-privileged.

PRINCIPLE 5: Businesses should respect and promote human rights.

ESSENTIAL INDICATORS

1. **Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY 2023-2024			FY 2022-2023		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2,142	2,142	100%	2,442	2,442	100%
Other than permanent	104	104	100%	-	-	0%
Total	2,246	2,246	100%	2,442	2,442	100%
Workers						
Permanent	1,61,498	1,61,498	100%	1,55,124	1,55,124	100%
Other than permanent	-	-	0%	-	-	0%
Total	1,61,498	1,61,498	100%	1,55,124	1,55,124	100%

2. **Details of minimum wages paid to employees and workers, in the following format:**

Category	FY 2023-2024					FY 2022-2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Permanent	2,142	-	0%	2,142	100%	2,442	-	0%	2,442	100%
Male	2,041	-	0%	2,041	100%	2,331		0%	2,331	100%
Female	101	-	0%	101	100%	111		0%	111	100%
Other than permanent	104	-	0%	104	100%	-	-	0%	-	0%
Male	98	-	0%	98	100%	-	-	0%	-	0%
Female	6	-	0%	6	100%	-	-	0%	-	0%

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Category	FY 2023-2024					FY 2022-2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
					Workers					
Permanent	1,61,498	1,61,498	100%	-	0%	1,55,124	1,55,124	100%	-	0%
Male	1,49,889	1,49,889	100%		0%	1,44,614	1,44,614	100%		0%
Female	11,609	11,609	100%		0%	10,510	10,510	100%		0%
Other than permanent	-	-	0%	-	0%	-	-	0%	-	0%
Male	-	-	0%	-	0%	-	-	0%	-	0%
Female	-	-	0%	-	0%	-	-	0%	-	0%

3. Details of remuneration/salary/wages

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)*	8	33,22,850	3	5,00,000
Key Managerial Personnel	2	93,00,732	1	46,70,613
Employees other than BoD and KMP	2,134	3,85,020	106	4,88,184
Workers	1,49,889	2,19,156	11,609	2,17,596

** Includes Independent Directors.*

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-2024	FY 2022-2023
Gross wages paid to females as % of total wages	6.43%	6.11%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Company has a grievance mechanism at the branch level which oversees handling every aspect of employee grievances.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The Company has zero tolerance towards and prohibits all forms of child labour, slavery, forced labour, physical, sexual, psychological, or verbal abuse. Additionally, the Company has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Reporting avenues have been provided for employees, customers, suppliers, and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of the Company Code, Policies, or law. Representations received are reviewed and appropriate action is taken on substantiated violations.

No complaints were received regarding the matters relating to child labour, forced labour, involuntary labour.

6. Number of Complaints on the following made by employees and workers:

	FY 2023-2024			FY 2022-2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	7	0		5	0	
Discrimination at workplace	Nil	Nil	-	Nil	Nil	-
Child Labour	Nil	Nil	-	Nil	Nil	-
Forced Labour / Involuntary Labour	Nil	Nil	-	Nil	Nil	-
Wages	19,463	0		8,374	0	
Other human rights related issues	Nil	Nil	-	Nil	Nil	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY 2023- 2024	FY 2022-2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	7	5
Complaints on POSH as a % of female employees / workers	0.06%	0.05%
Complaints on POSH upheld	5	1

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company does not tolerate any form of retaliation against anyone reporting good faith concerns. SIS provides a work environment to all its employees which is free from any type of discrimination and sexual harassment. The Company has constituted an "Internal Complaint Committee" in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for prevention, prohibition, and redressal of sexual harassment at workplace. The Committee primarily enquires into complaints received, and recommends appropriate action, wherever required. The Company has a grievance redressal mechanism at the branch level for registration and redressal of complaints and ensures confidentiality of the employees and the concerns raised by them relating to discrimination and harassment. However, if an employee has a concern that he/she is not comfortable raising the matter, or the raised complaint is not addressed properly then such employee may directly approach the management of the Company.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No.

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	Nil* * The Company is in compliance with the laws, as applicable
Forced / involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Not Applicable.

LEADERSHIP INDICATORS

1. **Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.**

   Not Applicable.

2. **Details of the scope and coverage of any Human rights due-diligence conducted.**

   Not Applicable.

3. **Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

   Yes.

   SIS Limited's offices are housed in commercial buildings, which are not directly managed by the Company. As we look towards the future, SIS envisions a workplace that is not only productive but also inclusive and accessible. With advancements in technology, we foresee our offices evolving to become smart workspaces that are equipped with accessibility features.

4. **Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Not Applicable
Discrimination at workplace	
Child Labour/Forced Labour/ Involuntary Labour	
Wages	

5. **Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.**

   Nil.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

ESSENTIAL INDICATORS

1. **Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
From renewable sources		
Total electricity consumption (A)	-	-
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	-	-
From non-renewable sources		
Total electricity consumption (D)	10,370.71 GJ	11,528.34 GJ
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non renewable sources (D+E+F)	-	-
Total energy consumed (A+B+C+D+E+F)	10,370.71 GJ	11,528.34 GJ
Energy intensity per rupee of turnover (GJ/₹ in Crores)	2.283	2.893
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (GJ/₹ in Crores)	52.250	66.192
Energy intensity in terms of physical output (GJ/total full-time employees*)	0.063	0.073

Full time employees include workers

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. **Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

   Not Applicable.

3. **Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2023-2024	FY 2022-2023
Water withdrawal by source (in kilolitres)		
(i) Surface water (ii) Groundwater (iii) Third party water (iv) Seawater / desalinated water (v) Others Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v) Total volume of water consumption (in kilolitres) Water intensity per rupee of turnover (Total water consumption / Revenue from operations) Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) Water intensity in terms of physical output	Not Applicable (The Company has small offices which are part of large commercial spaces and so not feasible to measure the same).	Not Applicable (The Company has small offices which are part of large commercial spaces and so not feasible to measure the same).

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. **Provide the following details related to water discharged:**

Parameter	FY 2023-2024	FY 2022-2023
Water withdrawal by source (in kilolitres)		
(i) To Surface water - No treatment - With treatment – please specify level of treatment (ii) To Groundwater - No treatment - With treatment – please specify level of treatment (iii) To Seawater - No treatment - With treatment – please specify level of treatment (iv) Sent to third-parties - No treatment - With treatment – please specify level of treatment (v) Others - No treatment - With treatment – please specify level of treatment Total water discharged (in kilolitres)	Not applicable (The Company has small offices which are part of large commercial spaces and so not feasible to measure the same)	Not applicable (The Company has small offices which are part of large commercial spaces and so not feasible to measure the same)

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

Business Responsibility & Sustainability Report (Contd.)

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Not Applicable.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify the unit	FY 2023-2024	FY 2022-2023
NOx	Not Assessed.* *The Company is in its initial stage of assessing the relevance of air emissions given the nature of its business.*		
Not Applicable			
Not Applicable			
Not Applicable			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	-	-	-
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	tCO_2e	2,062.62	2,529.83
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO_2e / ₹ in Crores	0.454	0.635
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	tCO_2e / ₹ in Crores	10.392	14.530
Total Scope 1 and Scope 2 emission intensity in terms of physical output	tCO_2e / total number of full-time employees*	0.013	0.016

**Full time employees include workers.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. We have initiated several programs to reduce emissions. They are as follows:

1. The Company has inducted CNG based vehicles for day-to-day operations in select places and select locations.
2. The Company has aligned its fleet to the latest BSVI standards and is rapidly converting the existing fleet to conform to these standards. The Company has fixed a kilometre per litre (KPL) of fuel target for each vehicle, depending on its age, condition, and terrain where the vehicle is being driven.
3. To conserve energy, the Company is replacing existing lights with LED lights in a phased manner, wherever possible. Additionally, the Company is procuring 5-star-rated equipment like ACs, laptops, etc. for improved energy efficiency.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-2024	FY 2022-2023
Total Waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	0.50	0.75
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A + B + C + D + E + F + G + H)	**0.50**	**0.75**
Waste intensity per rupee of turnover (MT/ ₹ in Crores) (Total waste generated / Revenue from operations)	0.00011	0.00019
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (MT/ ₹ in Crores) (Total waste generated / Revenue from operations adjusted for PPP)	0.00252	0.00431
Waste intensity in terms of physical output (MT/total full-time employees*)	0.0000031	0.0000048
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	0.49	0.74
(ii) Re-used	0.01	0.01
(iii) Other recovery operations	-	-
Total	**0.50**	**0.75**
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
Total	**-**	**-**

**Full time employees include workers.*

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

SIS Limited, being a security services company, does not manufacture physical products and therefore does not use any hazardous or toxic chemicals in any of its processes. As a good practice, we follow waste segregation methods at our offices based on directions of local municipal corporations and engage with certified e-waste handlers for disposal of e-waste.

Business Responsibility & Sustainability Report (Contd.)

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sr. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval clearance are being complied with? (Y/N If no, the reasons thereof and corrective action taken, if any.
Not applicable (Our offices are situated at commercial business locations. We do not have offices around the specified sensitive areas hence such type of clearances are not required)			

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable (We are not required to undertake any impact assessment of projects since we do not engage in projects to which these regulations apply)					

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non- compliances, in the following format:

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any	Relevant Web link
Yes, the Company is fully compliant with the applicable environmental law / regulations / guidelines in the places where we operate, to the extent to which they apply to the Company.					

LEADERSHIP INDICATORS

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2023-2024	FY 2022-2023
Total Scope 3 emissions (Break-up of the GHG into CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3, if available)	Metric tonnes of CO_2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover		-	-
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not applicable.

We operate only from small offices which are part of large commercial spaces. We believe there is no direct or indirect impact on biodiversity.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative Undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary	Outcome of the initiative
		Not Applicable	

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes.

The Company has a Disaster Recovery Plan that is a part of the Information, Data & Cyber Security Policy. The provisions of this policy delineates the requirements for a baseline backup procedure of critical and non-critical data and the development of a disaster recovery plan that is to be implemented by SIS Group IT. The disaster recovery plan describes the process to recover IT Systems, Applications and Data from any type of disaster which has the potential to cause a major outage. The implementation of this policy is with the IT Management Staff. SIS is updating its business continuity plan to ensure smooth business and customer service.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

Nil. The business model of the Company does not have an adverse impact on the environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Nil. SIS, as a good practice obtains annual confirmations of ESG compliances from some of its value chain partners.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

ESSENTIAL INDICATORS

1. a. Number of affiliations with trade and industry chambers/ associations.

Six

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

Sr. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers / associations (State / National)
1	International Security Ligue	International
2	Federation of Indian Chambers of Commerce and Industry (FICCI)	National
3	Indo Australian Chamber of Commerce	National
4	Confederation of Indian Industry (CII)	National
5	International Institute of Security and Safety Management	National
6	Bihar Industries Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
	Not Applicable.	

SIS does not engage in price collusion / any other competitive activities by forming alliances with other parties. Also, the Company did not receive any adverse orders related to anti-competitive conduct from regulatory authorities.

Business Responsibility & Sustainability Report (Contd.)

LEADERSHIP INDICATORS

1. **Details of public policy positions advocated by the entity:**

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Not Applicable					

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

ESSENTIAL INDICATORS

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

   The nature of our activities does not have a negative impact on the immediate local community. The Company aims to elevate lives through strategic interventions in the areas we operate by way of providing a safe and clean work environment; touching Millions of lives every day through our business units; helping people in need through promoter initiatives by way of promoting education, providing relief to poor, offering shelter, employment, social welfare, betterment of health, rural development, national heritage protection, etc.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-2024	FY 2022-2023
Directly sourced from MSMEs / small producers	32.13%	18.38%
Directly from within India	98.49%	98.31%

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-2024	FY 2022-2023
Rural	2.35%	1.89%
Semi-urban	7.05%	6.98%
Urban	34.06%	33.71%
Metropolitan	56.54%	57.42%

(Place to be categorised based on with RBI classification system on rural / semi-urban / urban / metropolitan)

LEADERSHIP INDICATORS

1. **Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
Not Applicable	

2. **Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:**

Sr. No.	State	Aspirational District	Amount spent (In INR)
Not Applicable			

3. (a) **Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)**

   No.

   (b) **From which marginalized /vulnerable groups do you procure?**

   None

   (c) **What percentage of total procurement (by value) does it constitute?**

   None

4. **Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:**

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
Not Applicable				

5. **Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
Not Applicable		

6. **Details of beneficiaries of CSR Projects:**

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Promotion of art in Delhi and Kolkata	1,030	39.03%
2	Education promotion activities in Bihar, Madhya Pradesh, and Uttar Pradesh	476	32.25%
3	Provision of healthcare in Bihar, Karnataka, and Madhya Pradesh	835	100.00%
4	Skill development activities in Delhi and Madhya Pradesh	356	74.48%
5	Relief and rehabilitation activities in Gujarat	800	100%
6	Livelihood enhancement projects in Madhya Pradesh and Maharashtra	5,200	98.46%

The Company has also initiated several animal welfare initiatives in Madhya Pradesh.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

ESSENTIAL INDICATORS

1. **Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

   Own Your Customer (OYC) programme: All significant clients have been assigned to senior level leadership teams. Each Regional Head, Executive Director of each region, Zonal Head, CEO, and COO are members of the Senior Leadership team, and 5–10 of these customers is assigned to each of them. They must meet with these clients as part of the OYC programme, get their feedback, and inform them on the actions made in response to the feedback they provided at the previous month's meeting.

   Customer Satisfaction (CSAT) programme: Every month, each Branch Head is tasked with meeting 10 to 15 of the branch's most important clients. They also need to meet with these clients, get their input, and provide an update on the steps done in response to the feedback from the previous month's meeting.

   Customer Half Yearly Survey: Every six months, GMD office staff sends all of the Company's big clients an email with a link to a survey asking them to rate and comment on various performance metrics. The Centralised Quality Control team receives the survey responses, analyses them, and shares the results with other company stakeholders so that they can make recommendations and take remedial action as necessary. Based on the customer feedback survey, the Company has an average feedback rating of 8.2/10.

   The goal of the aforementioned programmes is to improve customer relationships and win their trust and confidence by taking a proactive approach to understanding the customer problems and acting appropriately.

2. **Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	
Safe and responsible usage	Not Applicable
Recycling and/or safe disposal	

3. **Number of consumer complaints in respect of the following:**

	FY 2023-2024			FY 2022-2023		
	Received during the year	Pending resolution at the end of the year	Remarks	Received during the year	Pending resolution at the end of the year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. **Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

5. **Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes.

SIS has formulated a cybersecurity risk management policy. It is designed to protect and ensure the confidentiality, integrity and availability of Business Applications, Data & IT infrastructure of the Company from various cyber threats and attacks.

Additionally, SIS has also formulated the Information, Data and Cybersecurity policy which provides guidelines relating to security and proprietary information, reasonable restrictions of access to data and protection of confidential data. The following policies are in place and will be updated as per business needs:

Information Security policy:

- Database security policy
- Data retention policy
- Software installation policy
- IT Asset Management Policy
- Technology equipment disposal policy
- Workstation security policy
- Wireless communication policy
- Mobile employee endpoint responsibility policy
- Outsourcing policy

Cyber Security policy:

- Server security policy
- Web/Mobile application security policy
- Clean desk policy
- Data breach response policy
- Disaster recovery policy
- Password protection policy
- Security response plan policy
- Remote access policy

The aforementioned policies are available on the Company intranet to all employees. Additionally, an audit of SIS Limited's cybersecurity infrastructure, with an objective to ensure that it is protected against cyber threats and attacks has been initiated.

Business Responsibility & Sustainability Report (Contd.)

6. **Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

   Not Applicable

7. **Provide the following information relating to data breaches:**

   a. **Number of instances of data breaches**

      No such instance was reported.

   b. **Percentage of data breaches involving personally identifiable information of customers**

      Not Applicable.

   c. **Impact, if any, of the data breaches**

      Not Applicable.

LEADERSHIP INDICATORS

1. **Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).**

   Information relating to all the solutions provided by the Company are available on the Company's website, www.sisindia.com. In addition, the Company actively uses various social media and digital platforms to publicize information on its services.

2. **Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

   SIS Limited offers security services and solutions. As part of the solutions business, we provide hardware including CCTV cameras, security alarms, etc. The Company has a detailed process it follows to educate customers about the usage of this hardware:

   1) We have a structured demonstration (Demo) process post installation which describes the product's features and functionalities.

   2) Post demo process, a formal hand-over to the customer is conducted. Follow-up calls are conducted to assess the customer's understanding of the security solution and address their queries.

   3) Periodically, as part of the engagement process, regular feedback is sought.

   4) Updated educational material is shared with customers frequently.

3. **Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

   We regularly engage with customers and notify them through local branches/regional managers, electronic communication or through the Company's website and pro-actively advise them in case of potential disruption to / discontinuation of our / essential services due to reasons beyond our control. The Company ensures that its business continuity plan is regularly updated by modelling various scenarios to ensure business operations and customer services are uninterrupted.

4. **Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable). If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

    Not Applicable. SIS provides an array of security services and solutions. Integral to our security solutions is the provision of hardware, which includes but is not limited to cameras, sensors, and alarms. The display of information on these products is in strict compliance with the local laws applicable to each product. There are no additional disclosure regulations that pertain to these products.

    Furthermore, the Company undertakes regular customer engagement initiatives such as the Own Your Customer (OYC) programme, the Customer Satisfaction (CSAT) programme, and the monthly, bi-annual Customer Survey. These initiatives are designed to encompass our key customers and provide us with valuable insights into customer concerns. This, in turn, enables us to continually enhance the quality of our services and solutions.

Management Discussion and Analysis

Global economic review

The current global economic scenario is characterised by resilience and modest growth. The International Monetary Fund (IMF) has estimated that the global economy will grow at 3.1% in 2024, with a slight improvement to 3.2% in 2025. The projection comes due to the positive consumer sentiment with which the US ended 2023, and the slight improvement in China's retail sales growth. However, monetary tightening in Russia is expected to cool household demand, potentially impacting growth. Inflation, which has been a significant concern, is showing signs of a steady decline and is expected to fall to 5.8% in 2024, and further to 4.4% in 2025, with the 2025 forecast revised downward.

Economic Growth Forecast (%)	2023	2024	2025
Global economies	3.1	3.1	3.2
Advanced economies	1.6	1.5	1.8
Emerging markets and developing economies	4.1	4.1	4.2

Source: World Economic Outlook – IMF

In this backdrop, the overall global economic outlook for 2024 is cautiously optimistic, with growth expected to be below the historical average of 3.8% (from 2000-19) but showing signs of resilience. Advanced economies are expected to see a slight decline in growth in 2024, before rising in 2025 on the back of a recovery in the Euro area from the low growth in 2023 and a moderation of growth in the United States. Emerging markets and developing economies are expected to experience stable growth through 2024 and 2025, marked, however, by some regional differences.

India economic outlook

Indian economy experiencing robust growth

The Indian economy is experiencing robust growth, with the GDP registering an impressive 8.4% growth in the third quarter of FY24. This marks a significant increase from the 4.3% growth in the same quarter of the previous fiscal year. The Ministry of Finance, Government of India, has reported a real GDP growth of 7.6% for the entire fiscal year. The construction sector has seen a double-digit growth, driven by strong demand for residential projects. The manufacturing and service sectors also showed positive growth in the third quarter of FY24. However, concerns regarding the moderate 3.6% growth in private consumption continue to persist. IMF forecasts the Indian economy to grow at 6.3% in 2024 and 2025, with investment expected to rise to 31.9% of GDP by 2025, and savings projected to increase to 30% in this period.

Overall, the Indian economy is on a path of strong growth, with a positive outlook for 2024, supported by macroeconomic and financial stability.

Australian economic outlook

In 2023, the Australian economy showed resilience despite global economic challenges. The country's GDP continued to grow, supported by strong demand for its natural resources and a robust services sector. The unemployment rate remained low, and wage growth was steady, contributing to consumer spending. Inflationary pressures were, however, a concern, leading to a tighter monetary policy by the Reserve Bank of Australia.

For 2024, the outlook is cautiously optimistic. Australia's economy is expected to experience moderate growth, with a focus on managing inflation and fostering conditions for sustainable development. The labour market is projected to ease by the end of the year, with expected rise in unemployment rate. The Australian government's fiscal policy, particularly the Federal Budget for 2024-25, aims to address the cost of living issues, and supports the transition to a low-emissions economy.

Overall, while facing headwinds from global economic conditions, Australia's economy is poised to continue its growth trajectory, with a strong focus on stability and long-term prosperity.

Industry overview

Security Services

The Indian security services market is expected to be valued at ₹ 1,574 Billion[1] in 2024, with India expected to be one of the fastest growing markets in this segment. The security services sector is rapidly evolving, driven by the integration of technology, coupled with the need for tailored, proactive security solutions. Technological advancements are central to this transformation, with providers leveraging data analytics, cloud capabilities, and Software as a Service (SaaS) to meet complex client demands. The shift towards digital security systems is particularly pronounced in mature markets, where sophisticated, integrated solutions are increasingly in demand. This tech-centric approach is not only confined to regions with high labour costs but is also gaining traction in economies with lower labour costs.

Urbanisation and industrialisation trends are contributing to the growth of the residential security market, with technological monitoring becoming more prevalent as more people move into cities. The protection of critical infrastructure, such as manufacturing facilities and transportation hubs, is becoming a priority due to the potential high costs and vulnerabilities associated with disruptions. Economic growth and increasing global disposable incomes are creating a larger market for security services, with more assets needing protection and more clients able to afford protection.

Clients now expect customised, holistic security services that cater to their unique needs. There is a willingness to invest in comprehensive services that offer high quality and specialised expertise. The preference for a single point of contact to manage the entire security solution underscores the demand for effective control over security-related costs and sustainability issues. In essence, the security services industry is moving towards a more innovative, client-focussed model that emphasises customisation, technological integration, and strategic risk management to navigate the changing security landscape.

Facility Management

The Indian facility management market is expected to be valued at ₹ 2,328 Billion[1] in 2024. The current market is notably scattered, yet ripe for amalgamation, with an uptrend in outsourcing, growing emphasis on enhanced workplace experiences, operational effectiveness, and ecological sustainability acting as catalysts for persistent expansion.

There is a distinct shift towards Integrated Facility Services (IFS), as clients streamline their supply chains, seeking a strategic ally to oversee their facilities across various services and regions. There is a growing preference for players having deep-rooted expertise in facility management, and proficiency in delivering services both locally and nationally.

Post-pandemic office occupancy has rebounded but hasn't reached the pre-pandemic figures, prompting some clients to rethink their spatial needs. The growing preference for hybrid work arrangements has led to a downsising of office spaces. Nonetheless, clients are redirecting investments towards their workforce and superior service offerings. This mirrors the drive to forge 'workplaces of the future'– exceptional, efficient spaces that foster innovation, teamwork, and a sense of community within a hybrid work framework. This trend is expected to persist in the future, which means that players who have the ability to adapt to these change can seize the unfolding opportunity.

[1] – Source: Fredonia Research Report

Business Overview

SIS Group is a market leader in security, facility management and cash logistics services, and operates in India, Australia, New Zealand and Singapore.

Through its subsidiaries, associates and joint ventures, SIS Group provides security and related services such as manned guarding, training, physical security, paramedic and emergency response services, loss prevention, asset protection, and mobile patrols; facility management services such as cleaning, housekeeping and pest control management services; and cash logistics services such as cash-in-transit, doorstep banking, along with ATM cash replenishment activities, cash handling and processing, and secure transportation of precious items and bullion; and alarm monitoring and response services such as installation of electronic security devices and systems, their monitoring and response.

A summary of our financial performance during the year is indicated in the table below:

(in ₹ Crore)

Particulars	Full Year Numbers		Change
	FY24	FY23	%age
Revenue	12,261.4	11,345.8	8.1%
EBITDA	584.5	491.6	18.9%
%	4.8%	4.3%	
Depreciation	163.6	131.0	24.9%
Finance Costs	148.2	114.9	29.0%
Other Income & share of profit/(loss) in associates	67.6	43.0	57.3%
Earnings Before Taxes	340.3	288.7	17.9%
Less: Acquisition related costs/ (income)			
- Depreciation & Amortisation	2.8	3.8	
- Goodwill Impairment	65.6	0.0	
Earnings Before Taxes (Reported)	271.9	284.9	-4.6%
%	2.2%	2.5%	
Tax Expenses	81.9	-61.6	
Profit After Taxes (Reported)	190.0	346.5	-45.2%
%	1.5%	3.1%	
Operating PAT	255.6	346.5	-26.2%
%	2.1%	3.1%	

All businesses continued to report revenue growth during the year, signifying the continuation of business recovery in all segments where the Group operates.

Segmental review

The SIS Group has organised its operations into the following business segments:

Security Solutions - India: The segment maintained its growth momentum, with 11.5% revenue growth, reaching ₹ 5,158.5 Crore and crossed the ₹ 5,000.0 Crore revenue landmark. During the year, we focussed our efforts on margin improvement initiatives, resulting in profitable revenue growth and underscoring the true potential of the business. The revision of minimum wages in some of the states has also contributed to business growth. We continue to focus on leveraging technology in our security solutions through our Man-Tech and Alarm monitoring & response offerings. Our Alarm monitoring & response business continued to grow, with around 9,000 new installations, during the year, that now service 23,000+ customer connections.

Security Solutions - International: The segment reported revenue of ₹ 5,069.0 Crore, a 4.0% y-o-y increase, showcasing a strong growth momentum and crossed the ₹ 5,000.0 Crore revenue landmark on the back of new wins. However, the problem of labour shortages across the international geographies continued, and is expected to persist in the short term. Our Singapore business turned positive and reached break-even at operating profit level, driven by focussed execution of our turnaround strategy and new wins. During the year, the Group took an impairment charge of ₹ 65.6 Crore in respect of its Singapore business.

Facility Management Solutions: The Facility Mangement Solutions segment recorded strong revenue growth, crossing the ₹ 2,000 Crore revenue landmark to touch ₹ 2,092.1 Crore in FY24 against ₹ 1,899.8 Crore in FY23, a 10.1% y-o-y increase. EBITDA margins were impacted during the year as a result of the contract rationalisation exercises implemented during the year. Interest in more automated, advanced and creative solutions for facility management is growing among consumers, leading to an increased emphasis on the role of technology in service provision, and an increasing demand for integrated facility management solutions.

Cash Logistics Solutions: Our Cash Logistics Solutions business, which has now evolved into a Bank Outsourcing Solutions provider, reported revenue of ₹ 633.8 Crore, a 16.7% y-o-y increase. Currently, over 70% of our contracts are directly with the Banks with no dependence on any intermediaries. The revenue from new and innovative solutions contributed ~ 6% of the segment's FY24 revenue. The joint venture business sustained its track record of double-digit EBITDA margins, reinforcing the company's typical profitability nature.

For a detailed discussion of the segments and industries we operate in, please refer to the other sections in this report, from page no. 40 to 69.

Our Return on Capital Employed was 12.9% as on March 31, 2024 , and displays our commitment to fiscal prudence. (If the formula issued by the ICAI is used, the ROCE would be 15.1%)

Risk management

SIS has established a formal risk management process to identify potential risks that may affect the business, the capabilities to predict and respond to risks as and when they arise and manage the risk to be within its risk appetite. As a part of its risk management process, we have compiled a comprehensive risk library covering all likely risks under the categories of Operations, Strategic, Human Resources, Legal & Compliance, Information Technology & Security and Financial. The key/top risks were then identified and presented to the Risk Management Committee along with the risk mitigation plan. Each risk is properly documented along with its mitigation plan and an owner assigned.

Operating Risks

The possibilities and uncertainties that a firm faces in the process of completing its regular business activities, procedures, and systems are referred to as operational risk. The sources of income in the security or facilities management industries are continuous, giving the income and cash flows a high degree of stability. With a vast operating network encompassing 293 branches across the country, we must assure that each of these locations adheres to the same high-quality standards.

In the last four decades, we've established a robust risk and the mitigation plans that are required that include hiring, training, evaluation, and quality control methods to guarantee that the risk of lapse is reduced. We also invest in technology to make the process of managing operations at all of these locations easier. Higher standardisation is required in order to simplify monitoring and management.

Financial Risks

The Group's objective is to provide a degree of predictability and consistency in the Group's financial perfomance while maintaining a balance between offering consistency in the business plan and reasonable market participation because market risk, credit risk, and liquidity risk are all present in the Group's operations.

Please see note 40 in the standalone financial statements and note 41 in the consolidated financial statements for more information on the Group's financial risk management.

Information Technology & Security Risks

As a result of a mix of both organic and inorganic growth over the years, different business within the SIS Group operate on multiple ERP platforms, applications and business systems which are customised to suit their business requirements and are developed internally over the years. Challenges exist in the ability to adequately manage, maintain and constantly improve this platform to avoid operational bottlenecks and a resultant financial impact on the Group. Therefore, the Group has initiated the rollout of common systems to be used across the Group which will ensure a more quality and robust management and support and also allow high visibility of key performance metrics across the Group to aid faster and more accurate decision-making. With the use of technology being embedded in all facets of our operations, we are conscious of the risks arising out of disruption to our systems and have, therefore, also ensured that we prepare and keep a disaster recovery plan in readiness to allow operations to continue uninterrupted. We also started our cyber security risk management policy to protect and ensure the confidentiality, integrity and availability of Business Applications, Data & IT infrastructure of SIS Group entities from various cyber threats and attacks. The Group has initiated an audit on its cybersecurity infrastructure with an objective to ensure that it is protected against cyber threats and attacks.

Legal & Compliance Risks

All our businesses are heavily governed by multiple regulations which are not always interpreted and implemented in a predictable and consistent manner. Sometime, general practices followed by the industry may be inconsistent with the regulations or an interpretation of the regulations. Inconsistency in, and differing, interpretations and implementations of the regulations may result in a significant financial impact on the Group. As a Group, we therefore, focus on the highest levels of compliance to avoid reputational damage and financial losses.

Workplace Risks

We have a comprehensive health and safety policy designed to safeguard our personnel and those functioning at our customers' locations. Our HR practices are in line with our businesses' health and safety laws. We believe that accidents and occupational health hazards can be greatly reduced via hazard analysis and control. As a result, we provide proper training to both management and personnel. To maintain a safe working environment at our customer sites, we have developed a set of comprehensive work safety procedures and our workforce is regularly trained and updated on these procedures.

Internal quality control and adequacy

The SIS Board has established robust policies and procedures for conducting business in an efficient and effective manner. These include stringent compliance with the Company's policies, asset protection, fraud prevention and detection, error reporting mechanisms, accounting record accuracy and completeness, and timely preparation of reliable financial statements.

While the continued growth in the scale of our business operations has the potential to impose a strain on our internal systems and processes, we are constantly engaged in a review and update of our systems and processes. This helps ensure that they remain current and relevant in an ever-changing business environment. The SIS Group's information systems are constantly examined and improved, in order to provide timely and relevant information to diverse stakeholders, enabling them to compete in a challenging market and environment. We feel that IT and information systems are vital in today's society, and we engage with numerous expert teams to evolve and improve these systems in order to keep pace with the fast-moving changes in the environment.

The Company's internal auditing system ensures that established processes and practices are followed and adhered to, and also that quality processes are followed properly. At all levels of the company, financial discipline is emphasised. The company believes that quality processes and a focus on customer satisfaction are vital for it to retain and attract clients and business, and, hence, these are strictly implemented and followed.

As part of the Group's long-term plan to leverage technology for enhancing and effectively implementing a system of internal controls and efficiency and productivity, we had rolled-out of a new financial accounting and reporting system across the Group which will complete in FY23. At the same time, the Group had rolled-out an enhanced and re-developed version of its existing core business system in SIS Limited and is rolling-out the same in other group entities to help achieve its key objectives.

Material developments on human resources/ industrial relations front, including number of people required

SIS is a premier private-sector employer in India, consistently hiring a significant number of employees across various sectors. We have been recognised as one of India's best employers among Nation Builders by GPTW, thanks to the thousands of employment opportunities we create annually. Our employment opportunities support lakhs of families with a consistent income and protection through statuary benefits, reinforced by our strict compliance policies. Additionally, we offer health and medical insurance and forward-thinking ESOPs, along with statutory pay and benefits, ensuring the holistic well-being and security of our employees.

The business relies heavily on people, and effective management of this resource is critical for success, profitability, and long-term viability. Our Recruit & Train framework is core to our people strategy, and with its integrated capacity to recruit, train and deploy a huge labour base, the SIS Group has India's largest trained manpower supply chain. We have cutting-edge infrastructure and curriculum, with the potential to train thousands of security guards/janitors/FM technicians/cash van drivers, patient care support personnel, etc. each year.

We have 32 training centres across 14 states, possessing state-of-the-art infrastructure and providing up-to-date courses. These have a capacity to churn out more than 35,000 trained guards, janitors and cash van drivers every year. Our 200 Training Officers and 1,200 Training Champs spread across the country use the MTrainer platform to schedule, plan and deliver training up to the last mile. This platform has helped us to increase our training coverage up to 87%.

We rejoice in the fact that our people believe in our culture and vision. Our tenure demographics of employees with 25+ and 30+ service awards showcase the long-term confidence that our people vest in us. They are the backbone of SIS, and by providing them with a clear career path and the necessary skills, SIS is well-positioned to take advantage of the opportunities that lie ahead. As of March 31, 2024, we have 2,84,776 employees.

Independent Auditor's Report

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

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') (the "Company")**, which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of Material accounting policies and other explanatory information **(hereinafter referred to as the "standalone financial statements")**.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 **(the "Act")** in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, **("Ind AS")** and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its profit & other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation & disclosures of revenue The Company's revenue for the financial year ending March 31, 2024, is ₹ 45,412.58 million. A significant proportion of the Company's revenue is derived from contracts with customer which consist of the rendering of services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized when the Company has completed its performance obligations under the contracts and/ or the control is transferred to the customer.	**Audit Procedures** Our audit procedures on recognition, measurement, presentation & disclosures of revenue included but not limited to the following: • We performed testing of revenue transactions to confirm the transactions had been appropriately recorded in the statement of profit & loss and verified the satisfaction of performance obligation to recognise revenue by analyzing the contract and terms of the sale and determining whether the management has appropriately identified the separate performance obligations, where relevant; compared the terms with the revenue recorded by management to determine whether the Company's revenue recognition policies had been properly applied and has been appropriately measured; and testing management's calculations.

Key Audit Matter	Auditor's Response
Revenue is recognized in a manner that depicts the transfer of goods and/ or services to customers at an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Further, the contractual terms also underpin the measurement and recognition of revenue and profit. The Company is therefore required to make operational and financial assumptions & various judgements. The nature of the Services provided by the Company also gives rise to a significant amount of work which is recorded as accrued/ unbilled income with corresponding profit recognition. Accrued/ unbilled income as on March 31, 2024, aggregated to ₹ 2,903.29 million.	• We tested the effectiveness of controls relating to contract monitoring, billings and approvals and related IT controls used to generate the information. The basis for the evaluation of internal control has been Company's internal control framework for financial reporting. The testing of controls and amounts has been performed on a sample basis. • We obtained and read customer contracts and confirmed our understanding of the Company's sales process from initiation to collection of receivables, including the design and implementation of controls and tested the operating effectiveness of these controls. • We read and understood the Company's accounting policy for the recognition of revenue as per Ind AS 115. • We requested independent balance confirmations from the Company's customers on a sample basis. • Tested a sample of accrued unbilled income balance with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied.
Uncertain tax positions and deferred tax assets The Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. Where the amount of tax payable is uncertain, the Company establishes provisions based on management's judgment of the probable amount of the future tax liability. The Company has material certain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes. In addition, the Company has recognized ₹ 1,680.38 million of deferred tax assets on March 31, 2024. The recognition of deferred tax assets involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support the utilization of these assets. For details: - Refer to Note No 8 to the Standalone Financial Statements.	**Audit Procedures** Our audit procedures in relation to the recognition of Uncertain tax position and deferred tax assets/liabilities included, but were not limited to the following: • Discussion with the management on the development of tax litigations during the year ended March 31, 2024. • Verification that the accounting and/or disclosures as the case may be in the standalone financial statements is by the assessment of management/ tax practitioners. • Obtaining a representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations. • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of the Company's ability to generate sufficient taxable profits in the foreseeable future allowing the use of deferred tax assets. • Tested the arithmetical accuracy of the calculations performed by the management. • Evaluated management's assessment for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.

Independent Auditor's Report (Contd.)

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

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we

are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this report are in agreement with the books of account.

d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. {Refer Note 34 (b) to the financial statements}.

Independent Auditor's Report (Contd.)

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

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

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

v. The Company had not declared and paid any dividend during the year and until the date of this report is in compliance with Section 123 of the Act.

vi. Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. The Audit trail feature has operated throughout the year for all relevant transactions recorded in the software and has not been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No.000756N/ N500441

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 24094380BKBEYH6939

Place : New Delhi
Date : May 01, 2024

Annexure "A" to the Independent Auditor's Report

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

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

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

(a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right of use assets.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanation provided to us, the Property, Plant & Equipment and right of use assets have been physically verified by the management in phased manner according to designed process, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. The discrepancies, noticed on such physical verification had been properly dealt with in the books of account.

(c) According to the information and explanation given to us and based on our examination of records, we report that, the title deeds of all immovable properties disclosed in the financial statements included under Property, Plant and Equipment (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company as at the balance sheet date.

(d) According to the information and explanation given to us and based on our examination of records, the Company has not revalued any of its Property, Plant and Equipment (including right- of- use assets) and intangible assets during the year.

(e) According to the information and explanation given to us and based on our examination of records, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. (a) As explained to us, physical verification has been conducted by the management at reasonable intervals during the year in respect of inventory i.e. uniforms and the procedures of physical verification of inventory followed by the management are reasonable in relation to the size of the Company and nature of its business. As far as we could ascertain and according to the information and explanations given to us, no discrepancies of 10% or more in the aggregate were noticed between the physical stock and book records.

(b) According to the information and explanation given to us and based on our examination of records, the Company has been sanctioned working capital limit against current asset in excess of ₹ 5 Crore in aggregate, from banks. The quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investment in, provided guarantee or security, granted unsecured loans to companies, firms, limited liability partnership or any other parties during the year in respect of which the requisite information is set out below. However, there were no advances in the nature of loans given during the year:

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

(₹ in Million)

Particulars	Guarantee	Loans
Aggregate amount granted / provided during the year to subsidiaries	25.00	-
Balance outstanding as at balance sheet date in respect of above cases to subsidiaries.	1,635.26	123.46

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

(b) In our opinion, the investments made, guarantees provided and security given and the terms and conditions of the grant of all loans and guarantees provided, during the year are, prima facie, not prejudicial to the Company's interest.

Independent Auditor's Report (Contd.)

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no amount overdue in respect of the loans as per the respective loan agreements.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan which has been renewed or extended or fresh loans granted to settle the overdue of existing loans given to same parties. Hence reporting under clause 3(iii)(e) is not applicable.

(f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence the reporting under clause 3(iii)(f) is not applicable.

iv. According to the information and explanations given to us, provisions of Section 185 are not applicable to the Company. However, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees provided, to the extent applicable.

v. According to the information and explanations given to us, during the year the Company has neither accepted any deposits from the public nor any deposits are outstanding during the year. There are no deemed deposits under the provisions of Companies Act, 2013 and rules thereunder. Accordingly, the provisions of clause 3 (v) of the Order are not applicable.

vi. In our opinion and according to the information and explanations given to us, the requirement of maintenance of cost records pursuant to Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government in terms of sub-section (1) of section 148 of the Companies Act, 2013 are not applicable to the company. Hence, reporting under clause 3(vi) of the Order is not applicable.

vii. According to the information and explanations given to us and the records of the Company examined by us, in our opinion:

(a) the Company is generally regular in depositing undisputed statutory dues in respect of provident fund, employees' state insurance, income tax, goods and services tax, service tax, sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities with slight delays. There were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.

(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2024 on account of disputes are given below:

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ (in million)
Finance Act, 1994	Service tax	Appellate Authority – upto Commissioners level (at Madurai)	FY* 2011-12	0.18
Finance Act, 1994	Service tax	Appellate Authority – upto Comm. Appeal level (Commissioner Appeal allowed, however sent back to commissioner)	FY* 2011-12	1.55
Finance Act, 1994	Service tax	Appellate Authority- upto commissioner level	FY* 2014-15 & FY 2015-16	0.19
Finance Act, 1994	Service tax	Appellate Authority- upto Pr. Commissioner Level	FY* 2014-15, FY* 2015-16 & FY* 2016-17	3.46
Finance Act, 1994	Service tax	Appellate Authority – upto commissioner level	FY* 2015-16	32.49
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2012-13	4.22
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2015-16	4.21
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2016-17	4.12
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2018-19	208.73
Income tax Act, 1961	Income tax demand	Appellate Authority – CIT (A)	FY* 2021-22	160.89
GST Act, 2017	GST	Appellate Authority – upto Assistnat Commissioner	FY* 2017-18	7.19

Name of the statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount ₹ (in million)
GST Act, 2017	GST	Appellate Authority – upto Deputy Commissioner (ST – III)	FY* 2017-18	0.12
GST Act, 2017	GST	Appellate Authority – upto Joint Commissioner State Tax	FY* 2017-18	2.61
GST Act, 2017	GST	Appellate Authority – upto Assistant Commissioner	FY* 2017-18 & FY* 2018-19	27.13
GST Act, 2017	GST	Appellate Authority – upto Superintendent	FY* 2017-18 & FY* 2018-19	3.39
GST Act, 2017	GST	Appellate Authority – upto Assistant Commisioner	FY* 2018-19	5.01
GST Act, 2017	GST	Appellate Authority – upto Deputy Commissioner (ST – III)	FY* 2018-19	0.76
GST Act, 2017	GST	Appellate Authority – upto Deputy Commissioner of State Tax	FY* 2018-19	9.57
GST Act, 2017	GST	Appellate Authority – upto Joint Commissioner of State Tax	FY* 2018-19	4.06
GST Act, 2017	GST	Appellate Authority – Superintendent (Gr-25)	FY* 2018-19 & FY* 2019-20	3.43
GST Act, 2017	GST	Appellate Authority – Deputy Commissioner of State Tax	FY* 2019-20	2.16
GST Act, 2017	GST	Appellate Authority – State Tax Officer	FY* 2020-21	0.05

**FY = Financial Year*

viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

ix. (a) According to the information and explanation given to us and based on our examination of records, the Company has not defaulted in repayment of loans or other borrowings or in the payment of Interest thereon to any lender and hence, reporting under clause 3(ix)(a) of the Order is not applicable.

(b) Based on the information and explanations obtained by us, the Company has not been declared wilful defaulter by any bank or financial institution or other lender.

(c) According to the information and explanation given to us and based on our examination of records, the Company has applied the term loans for the purpose for which the loans were obtained.

(d) According to the information and explanation given to us and based on our examination of records, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(e) According to the information and explanation given to us and based on our examination of records, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or joint venture. Company is not having any associate. Accordingly, the reporting under this clause 3(ix)(e) of the Order is not applicable.

(f) According to the information and explanation given to us and based on our examination of records, the Company has not raised loans on the pledge of securities held in its subsidiaries and Joint Ventures. The Company is not having any associate companies during the year and hence, reporting under clause 3(ix) (f) of the Order is not applicable.

x. (a) According to the information and explanation given to us and on the basis of our examination of the records, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanation given to us the Company has not made any preferential allotment or private placement of

Independent Auditor's Report (Contd.)

shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence, reporting under clause (x)(b) of para 3 of the order is not applicable.

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

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

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

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

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

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

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

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

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

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

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

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

xvii. According to the information and explanations given to us and based on our examination of the records, the Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year, accordingly, reporting under clause 3(xviii) of the Order is not applicable.

xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. There are no unspent amounts towards Corporate Social Responsibility (CSR) on ongoing or other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause 3(xx)(a) and 3(xx)(b) of the Order is not applicable for the year.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration 000756N/ N500441

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 24094380BKBEYH6939

Place : New Delhi
Date : May 01, 2024

Independent Auditor's Report (Contd.)

Annexure 'B' to the Independent Auditor's Report

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

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

We have audited the internal financial controls with reference to financial statements of **SIS LIMITED (formerly known as 'Security and Intelligence Services (India) Limited')** (the "Company") as of March 31, 2024 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to the financial statements

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

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

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the ICAI.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No.000756N/N500441

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 24094380BKBEYH6939

Place : New Delhi
Date : May 01, 2024

Balance Sheet

as at March 31, 2024

All amounts in ₹ Million, except share data

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A ASSETS			
Non – current assets			
Property, plant and equipment	4	1,859.52	1,348.44
Capital work-in-progress	4	1.84	180.15
Other intangible assets	5	246.55	128.25
Intangible assets under development	5	12.88	136.71
Financial assets			
(i) Investments	6	5,895.69	5,733.59
(ii) Loans	7a	31.56	141.21
(iii) Other non-current financial assets	7	266.16	318.68
Deferred tax assets (net)	8	1,680.38	1,689.83
Income tax assets (net)	8	1,972.11	1,204.96
Other non – current assets	9	51.70	30.49
Total non – current assets		**12,018.39**	**10,912.31**
Current assets			
Inventories	10	180.33	150.57
Financial assets			
(i) Investments	6	50.00	179.89
(ii) Trade receivables	11	7,959.26	6,863.07
(iii) Cash and cash equivalents	12	1,132.08	1,002.49
(iv) Bank balances other than (iii) above	12	289.64	536.43
(v) Loans	7a	91.90	-
(vi) Other current financial assets	7	3,306.88	2,948.50
Other current assets	9	843.28	629.86
Total current assets		**13,853.37**	**12,310.81**
Total assets		**25,871.76**	**23,223.12**
B EQUITY AND LIABILITIES			
Equity			
Equity share capital	13	720.50	728.65
Other equity	14	9,569.32	8,737.87
Total equity		**10,289.82**	**9,466.52**
Liabilities			
Non – current liabilities			
Financial liabilities			
(i) Borrowings	15	2,539.10	2,904.53
(ia) Lease liabilities	16	538.00	398.52
(ii) Other non-current financial liabilities	18	5.15	1.47
Provisions	21	942.90	813.45
Total non-current liabilities		**4,025.15**	**4,117.97**
Current liabilities			
Financial liabilities			
(i) Borrowings	15	6,006.35	4,704.82
(ia) Lease liabilities	16	125.75	96.93
(ii) Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	17	39.10	24.30
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	226.99	199.88
(iii) Other current financial liabilities	18	3,592.71	3,234.02
Other current liabilities	22	1,309.92	1,201.18
Provisions	21	255.97	177.50
Total current liabilities		**11,556.79**	**9,638.63**
Total liabilities		**15,581.94**	**13,756.60**
Total equity and liabilities		**25,871.76**	**23,223.12**

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

As per our report of even date

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
(Firm's Registration. No. 000756N/N500441)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Statement of Profit and Loss

for the year ended March 31, 2024

All amounts in ₹ Million, except share data

S. No.	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
1	**Income**			
	a) Revenue from operations	23	45,412.58	39,848.72
	b) Other income	24	837.33	694.26
	c) Other gain/(loss)	25	2.94	(1.90)
	Total Income (a + b + c)		**46,252.85**	**40,541.08**
2	**Expenses**			
	a) Purchases of inventory		699.30	433.48
	b) Changes in inventory	26	(29.76)	(3.37)
	c) Employee benefits expense	27	39,715.77	35,302.02
	d) Finance costs	29	877.35	670.45
	e) Depreciation and amortisation expenses	30	736.91	542.61
	f) Other expenses	31	2,357.11	2,246.77
	Total expenses (a + b + c + d + e + f)		**44,356.68**	**39,191.96**
3	**Profit before exceptional items and tax (1-2)**		**1,896.17**	**1,349.12**
4	Exceptional items		-	-
5	**Profit before tax (3-4)**		**1,896.17**	**1,349.12**
6	**Tax expense / (credit)**			
	a) Current tax	8	16.70	114.11
	b) Deferred tax	8	8.58	(666.29)
	Total tax expense / (credit)		**25.28**	**(552.18)**
7	**Profit for the year (5-6)**		**1,870.89**	**1,901.30**
8	**Other comprehensive income**			
	Items that will not be reclassified to profit or loss:			
	a) Re-measurement of defined benefits plan	27	3.47	87.91
	b) Income tax relating to these items	8	(0.87)	(22.12)
	Other comprehensive income / (loss) for the year (net of taxes)		**2.60**	**65.79**
9	**Total comprehensive income for the year (7+8)**		**1,873.49**	**1,967.09**
10	Earnings per share (EPS) (face value ₹ 5 per share)	32		
	(a) Basic (₹)		12.87	12.97
	(b) Diluted (₹)		12.77	12.86
11	Weighted average equity shares used in computing earnings per equity share	32		
	(a) Basic (Nos.)		145,344,093	146,537,510
	(b) Diluted (Nos.)		146,550,084	147,849,999

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

As per our report of even date

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
(Firm's Registration. No. 000756N/N500441)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Statement of Changes in Equity

for the year ended March 31, 2024

All amounts in ₹ Million, unless stated otherwise

A. Equity Share Capital

Year ended March 31, 2023

Particulars	As at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 1, 2022	Changes during the year	As at March 31, 2023
Equity Share Capital	735.16	-	735.16	(6.51)	728.65

Year ended March 31, 2024

Particulars	As at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 1, 2023	Changes during the year	As at March 31, 2024
Equity Share Capital	728.65	-	728.65	(8.15)	720.50

B. Other Equity

Year ended March 31, 2023

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

Year ended March 31, 2024

Particulars	Reserves and surplus			Other reserves		Share application money pending allotment	Total other equity
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Capital redemption reserve		
As at April 1, 2023	**2,334.27**	**566.47**	**5,485.90**	**334.87**	**16.36**	**-**	**8,737.87**
Profit for the year	-	-	1,870.89	-	-	-	1,870.89
Other comprehensive income / (loss)	-	-	2.60	-	-	-	2.60
Total comprehensive income for the year	**-**	**-**	**1,873.49**	**-**	**-**	**-**	**1,873.49**
Employee share-based payment expense	-	-	-	70.68	-	-	70.68
Buyback of equity shares, including tax thereon	(900.00)	-	(207.76)	-	8.18	-	(1,099.58)
Transaction cost related to buyback of equity shares (net of taxes)	(13.14)	-	-	-	-	-	(13.14)
Share application money received during the year	-	-	-	-	-	0.02	0.02
Issued on exercise of stock options (refer note 28)	2.61	-	-	(2.61)	-	(0.02)	(0.02)
Stock options forfeited / lapsed	-	11.49	-	(11.49)	-	-	-
As at March 31, 2024	**1,423.74**	**577.96**	**7,151.63**	**391.45**	**24.54**	**-**	**9,569.32**

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

As per our report of even date

For **S S Kothari Mehta & Co. LLP**

Chartered Accountants

(Firm's Registration. No. 000756N/N500441)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Statement of Cash Flows

for the year ended March 31, 2024

All amounts in ₹ Million, unless stated otherwise

S. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A.	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Profit before tax	1,896.17	1,349.12
	Adjusted for:		
	Depreciation and amortization expenses	736.91	542.61
	Unrealised foreign exchange (gain) / loss	(0.43)	1.33
	Net (gain) / loss on sale of property, plant and equipment	(1.72)	1.00
	Finance costs	877.35	670.45
	Interest income	(174.96)	(174.13)
	Allowance for expected credit loss	129.60	209.17
	Dividend income	(662.37)	(520.13)
	Employee stock option compensation expense	45.66	78.47
	Operating profit / (loss) before working capital changes	**2,846.21**	**2,157.89**
	Changes in working capital:		
	Decrease / (increase) in trade receivables	(1,225.80)	(2,000.16)
	Decrease / (increase) in inventories	(29.77)	(3.37)
	Decrease / (increase) in other current assets	(195.12)	84.18
	Decrease / (increase) in other current financial assets	(451.91)	(544.28)
	(Decrease) / increase in trade payables	41.92	93.83
	(Decrease) / increase in provisions	211.38	165.71
	(Decrease) / increase in other current liabilities	110.39	112.70
	(Decrease) / increase in other current financial liabilities	421.83	621.52
	Decrease / (increase) in other non-current assets	-	2.58
	Decrease / (increase) in other non-current financial assets	115.89	209.39
	(Decrease) / increase in other non-current financial liabilities	4.71	(1.19)
	Cash (used in) / generated from operations	**1,849.73**	**898.80**
	Direct tax (paid), net of refunds	(783.85)	(213.04)
	Net cash inflow / (outflow) from operating activities	**1,065.88**	**685.76**
B.	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	Purchase of property plant and equipment and capital work-in-progress	(881.01)	(727.20)
	Proceeds from sale / disposal of property, plant and equipment	14.82	11.61
	Investment in subsidiary (refer note 6)	(30.10)	(17.77)
	Other investments made	(34.99)	(63.29)
	Redemption of Non-convertible debentures issued	50.00	-
	Investment in fixed deposits	(651.23)	(697.91)
	Redemption of fixed deposits	945.22	376.25
	Interest received	161.56	151.70
	Dividend received	662.37	520.13
	Net cash inflow / (outflow) from investing activities	**236.64**	**(446.48)**

Statement of Cash Flows (Contd.)

for the year ended March 31, 2024

All amounts in ₹ Million, unless stated otherwise

S. No.	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C.	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	Proceeds from issue of share capital (net of share issue expenses)	0.03	0.76
	Buyback of equity shares including transaction cost and tax	(1,120.90)	(997.29)
	Proceeds from term loans	626.82	2,283.17
	Repayment of term loans	(327.01)	(305.05)
	Bonds/debentures repaid/redeemed	-	(1,900.00)
	Interest paid	(793.88)	(593.94)
	Payment of lease liabilities	(185.06)	(154.07)
	Net cash inflow / (outflow) from financing activities	**(1,800.00)**	**(1,666.42)**
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**(497.48)**	**(1,427.14)**
E.	Cash and cash equivalents at the beginning of the year	1,002.49	1,303.00
F.	Cash credit at the beginning of the year	(4,415.09)	(3,288.46)
	Cash and cash equivalents at the end of the year (D+E+F)	**(3,910.08)**	**(3,412.60)**

Reconciliation of cash and cash equivalents as per the statement of the cash flows

Cash and cash equivalents as per above comprise of the following:	March 31, 2024	March 31, 2023
Cash and cash equivalents	1,132.08	1,002.49
Cash credit	(5,042.16)	(4,415.09)
Balances as per statement of cash flows	**(3,910.08)**	**(3,412.60)**

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

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

As per our report of even date

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
(Firm's Registration. No. 000756N/N500441)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Notes to the Financial Statements

All amounts in ₹ million, unless stated otherwise

1. Company overview

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

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

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

These financial statements were authorised for issue by the directors on May 01, 2024.

2. Material accounting policies

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

2.1 Basis of preparation

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

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

2.2 Basis of measurement

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

a) certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;

b) assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;

c) share based payments; and

d) The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.

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

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

Fair value measurement

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

Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, bonds

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

and debentures and mutual funds that have a quoted price. The fair value of all financial instruments which are traded on the stock exchanges is valued using the closing price as at the reporting period.

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

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

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

(i) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

(ii) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

(iii) Cost approach – Replacement cost method.

2.3 Summary of material accounting policies

a) Current versus non-current classification

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

(i) Expected to be realised or intended to be sold or consumed in the normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be realised within twelve months after the reporting period; or

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

All other assets are classified as non-current.

A liability is current when it is:

(i) Expected to be settled in the normal operating cycle;

(ii) Held primarily for the purpose of trading;

(iii) Expected to be settled within twelve months after the reporting period; or

(iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments, do not affect its classification.

The Company classifies all other liabilities as non-current.

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

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

b) Property, plant and equipment

Recognition and measurement

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

Subsequent expenditure related to an item of property, plant and equipment is added to its carrying value only when it increases the future benefits from the existing asset beyond its previously assessed standard or period of performance. All other expenses on existing

All amounts in ₹ million, unless stated otherwise

property, plant and equipment, including day-to-day repairs, maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year during which such expenses are incurred.

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

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

Depreciation

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

The estimated useful lives of assets are as follows:

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

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

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

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

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

c) Intangible assets

Recognition and measurement

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

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

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

The estimated useful lives of intangible assets are as follows:

Category	Useful life
Computer software	5 years
Customer contracts	Expected contract duration

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

Software

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

License & franchise:

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

d) Investment in subsidiaries, associates and joint ventures

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

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

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

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

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

e) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

(i) Financial assets at amortised cost

(ii) Financial assets at fair value through other comprehensive income (FVTOCI)

(iii) Financial assets derivatives and equity instruments at fair value through profit or loss (FVTPL)

Financial instruments at amortised cost

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

All amounts in ₹ million, unless stated otherwise

(i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Financial instruments at FVTOCI

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

(i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(ii) The asset's contractual cash flows represent SPPI.

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

Financial instruments at FVTPL

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

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

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

Equity investments

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

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

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

Derecognition of financial assets

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

(i) The rights to receive cash flows from the asset have expired, or

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

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

Impairment of financial assets

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

Borrowings

After initial recognition, borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount

All amounts in ₹ million, unless stated otherwise

is recognised in profit or loss over the period of the borrowing using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

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

Financial guarantee contracts

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

Derecognition

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

Reclassification of financial assets

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are financial assets, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines changes in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to

Notes to the Financial Statements (Contd.)

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external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

f) Trade receivables

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

g) Current and deferred tax

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

Current tax

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

Deferred tax

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

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

(i) When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(i) When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

(ii) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

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

h) Cash and cash equivalents

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

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

i) Equity share capital

Equity shares are classified as equity.

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

j) Trade and other payables

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

k) Provisions and contingencies

Provisions

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

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

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

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

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Asset Retirement Obligations (ARO)

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

Contingent liabilities and Contingent assets

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

Contingent liabilities recognised in a business combination

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

l) Revenue recognition

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

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

Revenue is recognised as follows:

(i) Revenue from services represents the amounts receivable for services rendered.

(ii) For contract-based business (Expressed or implied), revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the period in which the service is rendered.

(iii) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.

(iv) Unearned income (contract liabilities) represents revenue billed but for which services have not yet been performed. The same is released to the statement of profit and loss as and when the services are rendered.

(v) Revenue from the use of assets such as rent for using property, plant and equipment is recognised on a straight-line basis over the terms of the related leases unless payments are structured to increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

Revenue from the sale of goods is recognised when the control of goods has been transferred, being when the products are delivered to the buyer, the buyer having the full discretion over the use of the goods and there is no unfulfilled obligation that could affect the buyer's acceptance of the product. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Revenue from the sale of goods is measured at the fair

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value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Discounts and rebates are estimated based on accumulated experience. The Company provide normal warranty provisions for general repairs for one year on all its products sold, in line with the industry practice. A liability is recognised at the time the product is sold. Revenue is deferred and recognised on a straight-line basis over the extended warranty period in case warranty is provided to customer for a period beyond one year.

Rendering of services

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

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

Multiple-element arrangements

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

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

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

Interest income

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

Dividends

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

Rental income

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

m) Employee benefits

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

Short-term obligations

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

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presented as employee benefits payable under other financial liabilities, current.

Bonus

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

Compensated absences/Leave obligations

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

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

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

Post-employment obligations

The Company operates the following post-employment schemes:

i) Defined contribution plans such as provident fund and employees' state insurance; and

ii) Defined benefit plans such as gratuity.

Defined contribution plan

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

Defined benefit plan

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

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

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

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

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

(i) The date of the plan amendment or curtailment, and

(ii) The date that the Company recognises related restructuring costs.

The net interest is calculated by applying the above-mentioned discount rate to the net

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balance of the defined benefit obligations and the fair value of plan assets. This cost is included in the employee benefits expense in the statement of profit and loss.

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

Equity settled stock-based compensation

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

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

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

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

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

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

n) Borrowing costs

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

o) Leases

Company as a lessee

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

(i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being

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identified at the time the asset is made available to the Company

(ii) The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

(iii) The Company has the right to direct the use of the identified asset throughout the period of use.

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

Measurement and recognition of leases as a lessee

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

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

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

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

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

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

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

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

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

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

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the

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term of the relevant lease unless payments are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increase under "Other Income" in the statement of Profit and Loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned. The respective leased assets are included in the balance sheet based on their nature.

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

p) Impairment of non-financial assets

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

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Company's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognised in the statement of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

q) Earnings per share

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

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

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

r) Cash flow statement

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future

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operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.4 Other accounting policies

a) Investment properties

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

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

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

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

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

b) Financial instruments

Derivatives

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

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

Embedded derivatives

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

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

c) Inventories

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

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

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

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

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

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

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

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

(i) Represents a separate major line of business or geographical area of operations,

(ii) Is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations, or

(iii) Is a subsidiary acquired exclusively with a view to resale

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

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

e) **Government grants**

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

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

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

f) Foreign currency transaction and balances

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

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing as at the reporting date.

Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

transactions and translation differences are recognised in OCI with the accumulation in other equity as foreign currency translation reserve. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

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

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

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

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

h) Exceptional items

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

2.5 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. Significant accounting judgements, estimates and assumptions

Use of estimates and judgment

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

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

Judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

(i) Estimation of current tax expense and payable – Note 8

(ii) Estimated useful life of intangible assets – Note 2.3.c

(iii) Estimation of defined benefit obligation – Note 27

All amounts in ₹ million, unless stated otherwise

(iv) Recognition of deferred tax assets for carried forward of tax losses – Note 8

(v) Impairment of trade receivables – Note 11

(vi) Whether assets held for distribution to owners meet the definition of discontinued operations – Note 2.4.d

Impairment

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

Share-based payments

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

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

Fair value measurement of financial instruments

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

Intangible asset under development

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

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances (Refer note 4(i) and note 16).

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

4. Property, plant and equipment

Year ended March 31, 2023

Description of assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2023
	As at April 1, 2022	Additions during the year	Sale and adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Sale and adjustments	As at March 31, 2023	
Buildings (refer note (i) below)*	753.91	105.31	-	859.22	385.87	136.48	-	522.35	336.87
Leasehold improvement	182.34	49.25	-	231.59	119.09	26.98	-	146.07	85.52
Plant and machinery	404.13	245.49	-	649.62	137.17	173.77	-	310.94	338.68
Furniture and fixture	514.01	40.78	(0.03)	554.76	371.92	35.74	(1.39)	406.27	148.49
Vehicles	529.67	148.32	(107.95)	570.04	267.72	94.73	(98.85)	263.60	306.44
Office equipment	450.89	38.10	(4.07)	484.92	344.59	44.55	(3.57)	385.57	99.35
Computer equipment	125.35	20.18	-	145.53	100.46	11.98	-	112.44	33.09
	2,960.30	**647.43**	**(112.05)**	**3,495.68**	**1,726.82**	**524.23**	**(103.81)**	**2,147.24**	**1,348.44**
Capital work-in-progress	-	180.15	-	180.15	-	-	-	-	180.15
Grand total	**2,960.30**	**827.58**	**(112.05)**	**3,675.83**	**1,726.82**	**524.23**	**(103.81)**	**2,147.24**	**1,528.59**

Year ended March 31, 2024

Description of assets	Gross block				Accumulated depreciation				Net carrying value as at March 31, 2024
	As at April 1, 2023	Additions during the year	Sale and adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the year	Sale and adjustments	As at March 31, 2024	
Buildings (refer note (i) below)*	859.22	265.67	(3.62)	1,121.27	522.35	150.83	(3.62)	669.56	451.71
Leasehold improvement	231.59	104.07	-	335.66	146.07	84.92	-	230.99	104.67
Plant and machinery	649.62	409.46	2.43	1,061.51	310.94	194.46	(0.15)	505.25	556.26
Furniture and fixture	554.76	30.48	-	585.24	406.27	31.78	-	438.05	147.19
Vehicles	570.04	209.64	(98.62)	681.06	263.60	112.67	(83.31)	292.96	388.10
Office equipment	484.92	125.57	-	610.49	385.57	58.88	(0.07)	444.38	166.11
Computer equipment	145.53	39.06	-	184.59	112.44	26.67	-	139.11	45.48
	3,495.68	**1,183.95**	**(99.81)**	**4,579.82**	**2,147.24**	**660.21**	**(87.15)**	**2,720.30**	**1,859.52**
Capital work-in-progress**	180.15	394.98	(573.29)	1.84	-	-	-	-	1.84
Grand total	**3,675.83**	**1,578.93**	**(673.10)**	**4,581.66**	**2,147.24**	**660.21**	**(87.15)**	**2,720.30**	**1,861.36**

** includes building on leasehold land.*

*** Includes capitalisation of ₹ 373.36 millions.*

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

Particulars	Building	Total
As at April 1, 2022	**278.55**	**278.55**
Additions during the year	96.66	**96.66**
Derecognised during the year	-	**-**
Depreciation during the year	(132.25)	**(132.25)**
As at March 31, 2023	**242.96**	**242.96**
Additions during the year	279.07	**279.07**
Derecognised during the year	-	**-**
Depreciation during the year	(159.91)	**(159.91)**
As at March 31, 2024	**362.12**	**362.12**

Refer note 16 for disclosure of related lease liabilities.

(ii) Property, Plant and Equipment pledged as security

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

All amounts in ₹ million, unless stated otherwise

4. Property, plant and equipment (Contd.)

(iii) Contractual obligations

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

(iv) Aging of Capital work-in-progress

Year ended March 31, 2023

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

Year ended March 31, 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress*	1.84	-	-	-	1.84
Total	**1.84**	**-**	**-**	**-**	**1.84**

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

5. Other Intangible Assets

Year ended March 31, 2023

Description of assets	Gross block				Accumulated amortisation				Net carrying value as at March 31, 2023
	As at April 1, 2022	Additions during the year	Sale and adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Sale and adjustments	As at March 31, 2023	
Computer software	102.02	140.20	-	242.22	95.49	18.38	0.10	113.97	128.25
Intangible assets under development*	211.40	95.90	(170.59)	136.71	-	-	-	-	136.71
Grand Total	**313.42**	**236.10**	**(170.59)**	**378.93**	**95.49**	**18.38**	**0.10**	**113.97**	**264.96**

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

Year ended March 31, 2024

Description of assets	Gross block				Accumulated amortisation				Net carrying value as at March 31, 2024
	As at April 1, 2023	Additions during the year	Sale and adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the year	Sale and adjustments	As at March 31, 2024	
Computer software	242.22	186.24	-	428.46	113.97	75.72	(0.04)	189.65	238.81
Customer Contracts	-	8.72	-	8.72	-	0.98	-	0.98	7.74
Intangible assets under development	136.71	62.40	(186.23)	12.88	-	-	-	-	12.88
Grand Total	**378.93**	**257.36**	**(186.23)**	**450.06**	**113.97**	**76.70**	**(0.04)**	**190.63**	**259.43**

(i) Aging of Intangible assets under development

Year ended March 31, 2023

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

Year ended March 31, 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Project in progress*	3.78	9.10	-	-	12.88
Total	**3.78**	**9.10**	**-**	**-**	**12.88**

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

6. Investments

Particulars	March 31, 2024	March 31, 2023
Non-current investments		
Investments in equity instruments		
Unquoted equity shares (fully paid)		
Investment in subsidiaries (at cost unless stated otherwise)		
4,000,000 (March 31, 2023: 4,000,000) equity shares in SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Ltd.) of AUD 1/- each fully paid up	249.07	249.07
11,512,800 (March 31, 2023: 11,512,800) equity shares in SMC Integrated Facility Management Solutions Limited (formerly known as Service Master Clean Limited of ₹ 10/- each fully paid up	142.03	139.20
22,500,000 (March 31, 2023: 22,500,0000) equity shares in Terminix SIS India Private Limited of ₹ 10/- each fully paid up	122.03	122.03
17,800,000 (March 31, 2023: 14,800,000) equity shares in Tech SIS Limited of ₹ 10/- each fully paid up	183.19	152.90
800,000 (March 31, 2023: 800,000) equity shares in SIS Australia Group Pty Ltd. of AUD 1/- each fully paid up	47.93	47.93
2,801,666 (March 31, 2023: 2,801,666) equity shares in Dusters Total Solutions Services Private Limited of ₹. 10/- each fully paid up	1,965.58	1,965.58
250,000 (March 31, 2023: 250,000) equity shares in SLV Security Services Private Limited of ₹. 100/- each fully paid up	891.97	884.95
1,169,213 (March 31, 2023: 1,169,213) equity shares in RARE Hospitality and Services Private Limited of ₹. 10/- each fully paid up	523.55	520.51
1,800,000 (March 31, 2023: 1,800,000) equity shares in Uniq Security Solutions Services Private Limited (formerly known as Uniq Detective and Security Services Private Limited) of ₹. 10/- each fully paid up	1,032.53	1,032.53
10,000 (March 31, 2023: 10,000) equity shares in SIS Synergistic Adjacencies Ventures Private Limited of ₹ 10/- each fully paid up	0.10	0.10
10,000 (March 31, 2023: 10,000) equity shares in SIS Business Support Services and Solutions Private Limited of ₹ 10/- each fully paid up	0.10	0.10
29,000,000 (March 31, 2023: 29,000,000) equity shares in SIS Alarm Monitoring and Response Services Private Limited of ₹ 10/- each fully paid up	298.43	295.68
1,010,000 (March 31, 2023: 1,010,000) equity shares in One SIS Solutions Private Limited of ₹ 10/- each fully paid up	10.10	10.10
10,000 (March 31, 2023: Nil) equity shares in One SIS Residential Solutions Private Limited of ₹ 10/- each fully paid up	0.10	-
Total investment in subsidiaries (A)	**5,466.71**	**5,420.68**
Investment in joint ventures (at cost unless stated otherwise)		
7,788,892 (March 31, 2023: 7,788,892) equity shares in SIS Cash Services Private Limited of ₹ 10/- each fully paid up	77.89	77.89
Total investment in joint ventures (B)	**77.89**	**77.89**
Investment in others (at FVTPL)		
30 (March 31, 2023: 30) equity shares in Staqu Technologies Private Limited of ₹ 10/- each fully paid up	0.18	0.18
Total Investment in others (C)	**0.18**	**0.18**
Total investment in equity instruments (D=A+B+C)	**5,544.78**	**5,498.75**

All amounts in ₹ million, unless stated otherwise

6. Investments (Contd.)

Particulars	March 31, 2024	March 31, 2023
Investment in preference shares (at FVTPL)		
Unquoted preference shares (fully paid)		
Investment in others		
7,773 (March 31, 2023: 7,773) Class-2 compulsory convertible cumulative preference shares in Staqu Technologies Private Limited of ₹ 10/- each fully paid up	50.01	50.01
2,169 (March 31, 2023: 2,169) Compulsory convertible preference shares in Staqu Technologies Private Limited of ₹ 542/- each fully paid up	13.26	13.26
Total investment in preference shares (E)	**63.27**	**63.27**
Investments in debentures or bonds		
Investment in subsidiaries (at amortised cost)		
120 (March 31, 2023: 120) Non-convertible debentures in SIS Alarm Monitoring and Response Services Private Limited of ₹ 1,000,000/- each fully paid up**	120.00	20.00
300,000 (March 31, 2023: 300,000) Optionally convertible debentures in Terminix SIS India Private Limited of ₹ 100/- each fully paid up*	28.42	-
49 (March 31, 2023: 49) Optionally convertible debentures in SMC Integrated Facility Management Solutions Limited (formerly known as Service Master Clean Limited of ₹ 1,000,000/- each fully paid up	29.23	26.57
Investment in joint ventures (at amortised cost)		
125 (March 31, 2023: 175) Non-convertible debentures in SIS Cash Services Private Limited of ₹ 1,000,000/- each fully paid up **	75.00	125.00
Investment in others (at FVTPL)		
3,077 (March 31, 2023: Nil) Compulsory convertible debentures in Entitled Solutions Private Limited of ₹ 11,373/- each fully paid up	34.99	-
Total investments in debentures or bonds (F)	**287.64**	**171.57**
Total non-current investments (D+E+F)	**5,895.69**	**5,733.59**
Current investments		
Investments in debentures or bonds		
Investment in subsidiaries (at amortised cost)		
Non-convertible debentures in SIS Alarm Monitoring and Response Services Private Limited of ₹ 1,000,000/- each fully paid up**	-	100.00
Optionally convertible debentures in Terminix SIS India Private Limited of ₹ 100/- each fully paid up*	-	29.89
Investment in joint ventures (at amortised cost)		
Non-convertible debentures in SIS Cash Services Private Limited of ₹ 1,000,000/- each fully paid up **	50.00	50.00
Total current investments	**50.00**	**179.89**
Total investments	**5,945.69**	**5,913.48**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	5,945.69	5,913.48
Aggregate amount of impairment in value of investments	-	-

** During the year ended March 31, 2024, current maturity of optionally convertible debentures in Terminix SIS India Private Limited amounting to Nil (March 31, 2023: ₹ 29.89 million) has been disclosed under current investments.*

*** During the year ended March 31, 2024, current maturity of Non-convertible debentures in SIS Cash Services Private Limited and SIS Alarm Monitoring and Response Services Private Limited amounting to ₹ 50 million & Nil respectively (March 31, 2023: ₹ 50 million & ₹ 100 million respectively) has been disclosed under current investments.*

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

7. Other financial assets

Particulars	March 31, 2024	March 31, 2023
Other non-current financial assets		
Security deposits (unsecured, considered good)	145.35	150.22
Margin money in the form of fixed deposits *	117.70	21.52
Fixed deposit maturing after 12 months	3.11	146.60
Other non-current financial assets	-	0.34
Total other non-current financial assets	**266.16**	**318.68**
Other current financial assets		
Unbilled revenue ** (Refer note 23)	2,903.29	2,561.39
Security deposits (unsecured, considered good)	156.99	134.53
Interest accrued on deposits / investments / loans	111.02	112.64
Other receivables	135.58	139.94
Total other current financial assets	**3,306.88**	**2,948.50**
Total financial assets	**3,573.04**	**3,267.18**

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

***All unbilled dues are undisputed and falling under the ageing bucket of not due. Further, unbilled revenues are classified as financial assets as right to consideration is unconditional and is due only after passage of time.*

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

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

7a. Loans

Particulars	March 31, 2024	March 31, 2023
Non-current loans		
Loans to related parties	31.56	141.21
Total non-current loans	**31.56**	**141.21**
Current loans		
Loans to related parties	91.90	-
Total current loans	**91.90**	**-**
Total Loans	**123.46**	**141.21**

Break-up of security details:

Particulars	March 31, 2024	March 31, 2023
Loan Receivables considered good - Secured	-	-
Loan Receivables considered good - Unsecured	123.46	141.21
Total Loans	**123.46**	**141.21**

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

All amounts in ₹ million, unless stated otherwise

8. Income tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	-	29.25
Adjustments in respect of current income tax expense / (reversal) of previous years	16.70	84.86
Deferred tax:		
Decrease / (increase) in deferred tax assets (net)	8.58	(666.29)
Income tax expense / (credit) reported in the statement of profit and loss	**25.28**	**(552.18)**

OCI section:

Tax related to items recognised in OCI during the year:

Particulars	March 31, 2024	March 31, 2023
Tax expense / (credit) on re-measurements of defined benefit plans	0.87	22.12
Income tax charged/(credited) to OCI	**0.87**	**22.12**

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

Particulars	March 31, 2024	March 31, 2023
Aggregate current and deferred tax arising in the reporting period and not recognized in profit or loss or other comprehensive income, but directly debited/credited to equity	-	-
Income tax credited / (charged) to equity	**-**	**-**

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2024 and March 31, 2023:

Particulars	March 31, 2024	March 31, 2023
Accounting profit before income tax	1,896.17	1,349.12
Statutory income tax rate	25.17%	25.17%
Income tax expense at statutory rate	477.23	339.55
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(480.02)	(982.81)
Non-deductible expenses for tax purposes		
Corporate social responsibility expenditure	5.63	1.83
Donation	0.66	1.73
Other non-deductible expenses	5.08	2.66
Adjustments in respect of current income tax expense / (reversal) of previous years	16.70	84.86
Tax expense reported in the statement of profit and loss	**25.28**	**(552.18)**

The effective tax rate applicable to the Company for the financial year 2024-25 would be 25.17% (including surcharge and cess) based on the law as it exists on the date of these financial statements.

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

Particulars	March 31, 2024	March 31, 2023
Property, plant and equipment / Intangible assets	137.75	145.55
Defined benefit obligations	415.65	364.78
Deductions in respect of certain benefits under the Income Tax Act, 1961	720.08	809.55
Accruals and others	268.60	258.36
Allowance for expected credit loss – trade receivables	136.78	110.07
Unused tax losses	1.52	1.52
Total deferred tax assets / (liabilities)	**1,680.38**	**1,689.83**

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

8. Income tax (Contd.)

Reflected in the balance sheet as follows:

Particulars	March 31, 2024	March 31, 2023
Deferred tax assets	1,680.38	1,689.83
Deferred tax liabilities	-	-
Deferred tax assets / (liabilities), net	**1,680.38**	**1,689.83**

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

Particulars	Property, plant and equipment / Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Accruals and others	Allowance for expected credit loss – trade receivables	Unused tax losses	Total
As at April 1, 2022	**118.14**	**301.39**	**308.67**	**238.49**	**77.45**	**1.52**	**1,045.66**
Tax income / (expense) during the period recognised in profit or loss	27.41	85.51	500.88	19.87	32.62	-	**666.29**
Tax income / (expense) during the period recognised in OCI	-	(22.12)	-	-	-	-	**(22.12)**
As at March 31, 2023	**145.55**	**364.78**	**809.55**	**258.36**	**110.07**	**1.52**	**1,689.83**
Tax income / (expense) during the period recognised in profit or loss	(7.80)	51.74	(89.47)	10.24	26.71	-	**(8.58)**
Tax income / (expense) during the period recognised in OCI	-	(0.87)	-	-	-	-	**(0.87)**
As at March 31, 2024	**137.75**	**415.65**	**720.08**	**268.60**	**136.78**	**1.52**	**1,680.38**

Income tax assets:

Particulars	March 31, 2024	March 31, 2023
Opening balance	**1,204.96**	**1,410.12**
Taxes paid	825.27	640.31
Refund received	(41.42)	(816.22)
Current tax payable for the year	(16.70)	(29.25)
Income tax assets	**1,972.11**	**1,204.96**

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

9. Other Assets

Particulars	March 31, 2024	March 31, 2023
Other non-current assets		
Capital advances	46.12	30.44
Other advances	5.58	0.05
Total other non-current assets	**51.70**	**30.49**
Other current assets		
Prepaid expenses	318.98	202.15
Costs to obtain/fulfil contract with customers	-	0.72
Other advances	154.10	91.56
Other current assets*	370.20	335.43
Total other current assets	**843.28**	**629.86**
Total other assets	**894.98**	**660.35**

** Includes balance under protest with revenue authorities*

All amounts in ₹ million, unless stated otherwise

10. Inventories

Particulars	March 31, 2024	March 31, 2023
Uniforms	180.33	150.57
Total inventories at the lower of cost and net realisable value	**180.33**	**150.57**

11. Trade receivables

Particulars	March 31, 2024	March 31, 2023
Trade receivables	8,502.73	7,379.98
Less: Allowance for expected credit loss	543.47	516.91
Total trade receivables	**7,959.26**	**6,863.07**

Break-up of security details:

Particulars	March 31, 2024	March 31, 2023
Secured, considered good	-	-
Unsecured, considered good	7,959.26	6,863.07
Total	**7,959.26**	**6,863.07**

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

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

Year ended March 31, 2024

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed trade receivables	3,486.76	3,034.93	534.16	566.73	386.65	458.58	**8,467.81**
(ii) Disputed trade receivables	-	-	-	3.14	6.61	25.17	**34.92**

Year ended March 31, 2023

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

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

Particulars	March 31, 2024	March 31, 2023
Opening balance	**516.91**	**307.74**
Additions	129.60	209.17
Write off	(103.04)	-
Closing balance	**543.47**	**516.91**

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

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

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

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

12. Cash and Bank balances

Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
– On current accounts	351.05	183.44
– Bank deposits with original maturity of three months or less*	781.03	816.58
Cash on hand	-	2.47
Total	**1,132.08**	**1,002.49**

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

Bank balances lying in various current accounts bear no interest.

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

Other bank balances

Particulars	March 31, 2024	March 31, 2023
Unclaimed dividend accounts	0.94	1.04
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	122.27	360.31
Margin money *	166.43	175.08
Total	**289.64**	**536.43**

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

13. Equity Share capital

Authorised share capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2022 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**
Increase/(decrease) during the year	-	-
As at March 31, 2023 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**
Increase/(decrease) during the year	-	-
As at March 31, 2024 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**

Issued, subscribed and paid up equity capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2022 (Equity shares of ₹ 5 each)	**147.03**	**735.16**
Issued on exercise of stock options	0.15	0.76
Buyback of equity shares	(1.45)	(7.27)
As at March 31, 2023 (Equity shares of ₹ 5 each)	**145.73**	**728.65**
Issued on exercise of stock options	0.01	0.03
Buyback of equity shares	(1.64)	(8.18)
As at March 31, 2024 (Equity shares of ₹ 5 each)	**144.10**	**720.50**

During the year ended March 31, 2024, pursuant to the approval of the Board of Directors of the Company, at its meeting held on November 30, 2023, the Company offered 1,636,363 equity shares of face value of ₹ 5 each for buyback to all eligible shareholders, through the tender offer process, for an aggregate amount not exceeding 900 million, equivalent to 1.12% of the total paid up equity share capital of the Company as on November 24, 2023, at ₹ 550 per equity share, in accordance with the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, 2013, as amended. The said shares bought back through the tender offer process and were extinguished on January 05, 2024. The Company funded the buyback from its free reserves as required under the said regulations. Consequently, 1,636,363 equity shares of face value of ₹ 5 each were extinguished by appropriating a sum of ₹ 891.82 million from the securities premium and an amount of ₹ 8.18 million, equivalent to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

All amounts in ₹ million, unless stated otherwise

13. Equity Share capital (Contd.)

During the year ended March 31, 2023, pursuant to the approval of the Board of Directors of the Company, at its meeting held on June 29, 2022, and the shareholders, by way of a special resolution through postal ballot, on August 12, 2022, the Company offered 1,454,545 equity shares of face value of ₹ 5 each for buyback to all eligible shareholders, through the tender offer process, for an aggregate amount not exceeding 800 million, equivalent 0.99% of the total paid up equity share capital of the Company as on March 31, 2022, at ₹ 550 per equity share, in accordance with the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, 2013, as amended. The said share bought back through the tender offer process was completed on November 11, 2022. The Company funded the buyback from its free reserves as required under the said regulations. Consequently, 1,454,545 equity shares of face value of ₹ 5 each were extinguished by appropriating a sum of ₹ 792.73 million from the securities premium and an amount of ₹ 7.27 million, equivalent to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

During the year ended March 31, 2022, pursuant to the approval of the Board of Directors of the Company, at its meeting held on February 15, 2021, and the shareholders, by way of a special resolution through postal ballot, on March 20, 2021, the Company offered 1,818,181 equity shares of face value of ₹ 5 each for buyback to all eligible shareholders, through the tender offer process, for an aggregate amount not exceeding 1,000 million, equivalent 1.24% of the total paid up equity share capital of the Company as on March 31, 2020, at ₹ 550 per equity share, in accordance with the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, 2013, as amended. The said share bought back through the tender offer process was completed on June 21, 2021. The Company funded the buyback from its free reserves as required under the said regulations. Consequently, 1,818,181 equity shares of face value of ₹ 5 each were extinguished by appropriating a sum of ₹ 990.91 million from the securities premium and an amount of ₹ 9.09 million, equivalent to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

Notes (pre share sub-division effect i.e. face value of ₹ 10 per share):

a. 2,210,500 and 62,457,240 equity shares were allotted as fully paid Bonus Shares by capitalization of general reserve during the year ended March 31, 2006 and March 31, 2017 respectively.

b. Mr. Uday Singh was the holder of 79,000 unpaid shares in SIS International Holdings Ltd., a wholly owned subsidiary. In terms of a letter dated December 1, 2009, Mr. Singh had the option to exchange these shares for shares of the Company in a manner reflecting the fair value of these shares, reduced by the amounts unpaid on them. Subsequently, in lieu of these shares and suitably adjusted for amounts unpaid thereon, Mr. Singh was allotted 40,565 Equity Shares during the year ended March 31, 2017, at a ratio as determined in accordance with a valuation report prepared by a SEBI registered merchant banker.

c. During the year ended March 31, 2018, the Company completed an Initial Public Offering (IPO) of its shares consisting of a fresh offer of 4,444,785 equity shares of ₹ 10 each at a premium of ₹ 805 per share and an offer for sale of 5,120,619 equity shares of ₹ 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO amounted to ₹ 3,410.47 (million) (net of issue expenses). The equity shares of the Company were listed on NSE and BSE effective August 10, 2017.

Terms/rights attached to equity shares

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

13. Equity Share capital (Contd.)

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

Name of the shareholder	As at March 31, 2024		As at March 31, 2023	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	56.62	39.29%	57.16	39.23%
Rita Kishore Sinha	23.09	16.02%	23.31	16.00%
Rituraj Kishore Sinha	15.51	10.76%	15.66	10.74%

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

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	-	-	-	10,480	10,480
Equity shares allotted as fully paid up without payment being received in cash	-	-	-	-	-
Buyback of equity shares	1,636,363	1,454,545	1,818,181	-	-

Details of promoter shareholding in the Company

Year ended March 31, 2024

S. No.	Name of the Promoter	Equity shares as on April 1, 2023 (in Nos.)	% holding in the class	Equity shares as on March 31, 2024 (in Nos.)	% holding in the class	% Change during the year
Promoters						
1	Ravindra Kishore Sinha	57,163,671	39.23%	56,618,087	39.29%	0.06%
2	Rituraj Kishore Sinha	15,658,482	10.74%	15,509,033	10.76%	0.02%
Total		**72,822,153**		**72,127,120**		

Year ended March 31, 2023

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

Shares reserved for issue under options: Refer note 28 for details regarding employee stock options issued by the Company.

All amounts in ₹ million, unless stated otherwise

14. Other Equity

Particulars	March 31, 2024	March 31, 2023
Reserves and surplus		
Securities premium	1,423.74	2,334.27
General reserve	577.96	566.47
Retained earnings	7,151.63	5,485.90
Total reserves and surplus (A)	**9,153.33**	**8,386.64**
Other reserves		
Stock options outstanding account	391.45	334.87
Capital redemption reserve	24.54	16.36
Total other reserves (B)	**415.99**	**351.23**
Share application money pending allotment **(C)**	-	-
Total other equity (A+B+C)	**9,569.32**	**8,737.87**

Securities premium

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**2,334.27**	**3,123.34**
Exercise of stock options	2.61	23.55
Buyback of equity shares	(900.00)	(800.00)
Transaction cost related to buyback of equity shares (net of taxes)	(13.14)	(12.62)
Balance at the end of year	**1,423.74**	**2,334.27**

General reserve

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**566.47**	**563.94**
Transferred from stock options outstanding account on stock options forfeited/lapsed	11.49	2.53
Balance at the end of year	**577.96**	**566.47**

Retained earnings

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**5,485.90**	**3,703.48**
Net Profit / (loss) for the year	1,870.89	1,901.30
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurements of post-employment benefit plans directly in retained earnings (net of taxes)	2.60	65.79
Appropriations-		
- Tax on buyback of equity shares	(207.76)	(184.67)
Balance at the end of year	**7,151.63**	**5,485.90**

Stock options outstanding account

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**334.87**	**225.41**
Stock option compensation expense	70.68	135.54
Transferred to securities premium on exercise of stock options	(2.61)	(23.55)
Transferred to general reserve on stock options forfeited/lapsed	(11.49)	(2.53)
Balance at the end of year	**391.45**	**334.87**

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

14. Other Equity (Contd.)

Capital Redemption Reserve

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**16.36**	**9.09**
Created on buyback of equity shares	8.18	7.27
Balance at the end of year	**24.54**	**16.36**

Share Application Money Pending Allotment

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**-**	**0.02**
Share application money received during the year	0.02	0.70
Issued on exercise of stock options	(0.02)	(0.72)
Balance at the end of year	**-**	**-**

Nature and purpose of Reserves

Securities Premium

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

General Reserve

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

Retained earnings

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

Stock Options outstanding Account

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

Capital redemption reserve

As per the Companies Act, 2013, Capital redemption reserve is created when a company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. This reserve can be utilized in accordance with the provisions of section 69 of the Companies Act, 2013. Refer note 13 for further details.

Share application money pending allotment

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

15. Borrowings

Particulars	Note	March 31, 2024	March 31, 2023
Non-current borrowings			
Secured			
Term loans			
From banks			
- HDFC bank limited	a	233.29	-
- Kotak Mahindra Bank Limited	b	-	67.74
- Standard Chartered Bank	c	108.95	254.24
- DBS Bank	d	175.33	-

All amounts in ₹ million, unless stated otherwise

15. Borrowings (Contd.)

Particulars	Note	March 31, 2024	March 31, 2023
- Vehicle loan from various banks	e	344.40	225.21
From other parties			
- Axis Finance Limited	f	942.21	940.12
- Bajaj Finance Limited	g	944.14	940.22
- Vehicle loan from others	h	6.09	18.53
Total secured borrowings		**2,754.41**	**2,446.06**
Unsecured			
Bonds/ debentures			
Rupee denominated bonds issued to SIS Australia Group Pty Limited, a subsidiary company	i	748.88	748.20
Total unsecured borrowings		**748.88**	**748.20**
Total non-current borrowings		**3,503.29**	**3,194.26**
Less: Current maturity of long-term borrowings (refer table below)		(964.19)	(289.73)
Non-current borrowings		**2,539.10**	**2,904.53**
Current borrowings			
Secured			
Loans repayable on demand			
From banks			
- Kotak Mahindra Bank Limited	j	-	19.50
- Axis Bank Limited	j	740.00	588.94
- HDFC Bank Limited	j	1,300.00	1,500.00
- ICICI Bank Limited	j	800.93	666.65
- Standard Chartered Bank	j	800.00	200.00
- State Bank of India	k	-	640.00
- Yes Bank Limited	j	600.00	600.00
- DBS Bank	j	451.23	-
- CTBC bank Co. Ltd.	l	350.00	-
Total secured borrowings		**5,042.16**	**4,215.09**
Unsecured			
Loans repayable on demand			
From Banks			
- HDFC Bank Limited		-	200.00
Total unsecured borrowings		**-**	**200.00**
Add: Current maturity of long-term borrowings (refer table below)		964.19	289.73
Current borrowings		**6,006.35**	**4,704.82**
Aggregate secured borrowings		7,796.57	6,661.15
Aggregate unsecured borrowings		748.88	948.20

Breakup of current maturity of long-term borrowings:

Particulars	March 31, 2024	March 31, 2023
Secured		
Bonds/ debentures	-	-
Term loans		
From banks	293.69	277.29
From other parties	670.50	12.44
Unsecured	-	-
Total current maturity of long-term borrowings	**964.19**	**289.73**

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

15. Borrowings (Contd.)

Notes:

Long Term Borrowings - Secured:

Term loans:

From Banks:

a) Secured by way of exclusive charge on the movable fixed assets of the Company purchased out of the term loan proceeds and second pari passu charge on current assets and all movable fixed assets (excluding assets exclusively charged to other term lenders) of the Company both present and future. The loan is repayable in 18 equal quarterly instalments commenced in the 4th quarter of FY 2023-24 and last installment repayment is scheduled in first quarter of FY 2028-29.

b) Secured by way of first charge on the movable fixed assets of the Company purchased out of the term loan proceeds and second pari passu charge on receivables/ current assets of the Company both present and future. The loan was repayable in 18 equal quarterly instalments commenced from the end of the 1st quarter of FY 2019-20 and has been fully repaid during FY 2023-24.

c) Secured by way of exclusive charge over the Monitoring equipment purchased out of the term loan proceeds. The loan is repayable in 12 equal quarterly instalments commenced from the end of the fourth quarter of FY 2021-22 and last installment repayment is scheduled in third quarter of FY 2024-25.

d) Secured by way of exclusive charge on the Monitoring equipment purchased out of the term loan proceeds. The loan was repayable in 18 equal quarterly instalments commenced from the end of the 4th quarter of FY 2023-24 and last installment repayment is scheduled in first quarter of FY 2028-29

e) Vehicle Loan from banks are secured by hypothecation of vehicles purchased against the loan taken from that Bank. The loans have various repayment schedules and the last instalment repayment is scheduled in FY 2029-30.

The term loans mentioned above except vehicle loans, carry interest at quarterly/half-yearly/year MCLR/MIBOR/Repo/T-Bill plus spread ranging from 75 bps to 315 bps (March 31, 2023: 75 bps to 315 bps). The vehicle loans carry interest from 7.10% to 9.75% per annum.

From Other Parties:

f) Secured by way of first pari-passu charge on current and non-current assets of Dusters Total Solution Services Private Limited & Uniq Security Solutions Private Limited (subsidiaries of the Company) and 13% pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 5 semi-annual equal instalments commenced from the end of fourth quarter of F.Y 2024-25 and last payment of repayment is scheduled on fourth quarter of FY 2026-27.

g) Secured by way of first pari-passu charge on current and movable fixed assets of Dusters Total Solutions Services Private Limited & UNIQ Security Solutions Private Limited (subsidiaries of the Company) and 13% pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 8 equal quarterly instalments commenced from the end of first quarter of F.Y 2024-25 and last payment of repayment is scheduled on fourth quarter of FY 2025-26.

h) Vehicle Loan from other financiers are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that financier(s). The loans carry interest from 7.50% to 10.50% per annum and have various repayment schedules and last instalment repayment is scheduled in FY 2025-2026.

Long term borrowings – Unsecured:

Bonds/debentures:

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

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

j) Secured by first pari-passu charges over the current assets and second pari-passu charge over movable fixed assets.

k) Secured by first pari-passu charges over the current assets and movable fixed assets (both present and future) of the Company and second pari-passu charge is with other working capital lenders.

l) Secured by first pari passu charge over current assets both present and future.

m) The short-term borrowing charges are excluding assets specifically charged to term loan lenders, if any.

The loans repayable on demand mentioned above, carry interest at quarterly/half yearly/yearly MCLR/Repo rate/MIBOR/TBILL plus spread ranging from 15 bps to 200 bps (March 31, 2023: 25 bps to 125 bps) for WCDL/Cash credit facility.

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

All amounts in ₹ million, unless stated otherwise

16. Lease Liabilities

Particulars	March 31, 2024	March 31, 2023
Non-current lease liabilities	538.00	398.52
Current lease liabilities	125.75	96.93
Total lease liabilities	**663.75**	**495.45**

Other disclosure related to lease

Particulars	March 31, 2024	March 31, 2023
Finance cost accrued during the year	74.29	62.43
Payment of lease liability	(185.06)	(154.07)
Rent expense related to short-term leases and low value assets	289.98	277.00

Refer note 4(i) for disclosure of related Right of Use Assets.

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

17. Trade payables

Particulars	March 31, 2024	March 31, 2023
Non-current	-	-
Current		
Trade payables		
- total outstanding dues of micro enterprises and small enterprises (MSME)	39.10	24.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	226.99	199.88
Total current trade payables	**266.09**	**224.18**
Total	**266.09**	**224.18**

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

a. Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-90 days which vary by vendor and type of service.

b. For outstanding balances, terms and conditions with related parties, refer to note 39

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

Year ended March 31, 2024

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	37.96	1.14	-	-	-	39.10
(ii) Others	48.97	157.59	12.38	7.01	1.04	226.99

Year ended March 31, 2023

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

There are no disputed dues during the year ended March 31, 2024 and March 31, 2023.

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

17. Trade payables (Contd.)

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

Particulars	March 31, 2024	March 31, 2023
Principal amount and the interest [₹ Nil (March 31, 2023 –Nil)] due thereon	39.10	24.30
Amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
Amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

18. Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
Non-current		
Financial guarantees	0.64	1.47
Other non-current financial liabilities	4.51	-
Total other non-current financial liabilities	**5.15**	**1.47**
Current		
Capital creditors	7.57	74.72
Interest accrued but not due on borrowings	31.47	32.79
Financial guarantees	9.65	4.19
Unclaimed/unpaid dividends	0.94	1.04
Employee benefits payable	3,178.64	2,925.32
Other payables and accruals *	364.44	195.96
Total other current financial liabilities	**3,592.71**	**3,234.02**
Total other financial liabilities	**3,597.86**	**3,235.49**

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

19. Details of guarantee given covered U/S 186(4) of the Companies Act, 2013

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

Particulars	March 31, 2024	March 31, 2023
Tech SIS Limited	70.00	70.00
Service Master Clean Limited	-	1,895.00
SIS Alarm Monitoring and Response Services Private Limited	500.00	530.00
SLV Security Services Private Limited	770.00	895.00
Rare Hospitality and Services Private Limited	295.26	270.26
Total	**1,635.26**	**3,660.26**

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

All amounts in ₹ million, unless stated otherwise

20. Financial instruments by category

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments						
- Equity instruments	0.18	-	-	0.18	-	-
- Preference shares	63.27	-	-	63.27	-	-
- Bonds and debentures	34.99	-	302.65	-	-	351.46
Trade receivables	-	-	7,959.26	-	-	6,863.07
Cash and cash equivalents	-	-	1,132.08	-	-	1,002.49
Other bank balances	-	-	289.64	-	-	536.43
Loans	-	-	123.46	-	-	141.21
Other financial assets	-	-	3,573.04	-	-	3,267.18
Total financial assets	**98.44**	**-**	**13,380.13**	**63.45**	**-**	**12,161.84**
Financial liabilities:						
Trade payables	-	-	266.09	-	-	224.18
Borrowings	-	-	8,545.45	-	-	7,609.35
Lease liabilities	-	-	663.75	-	-	495.45
Other financial liabilities	-	-	3,597.86	-	-	3,235.49
Total financial liabilities	**-**	**-**	**13,073.15**	**-**	**-**	**11,564.47**

Fair value hierarchy

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

	March 31, 2024			March 31, 2023		
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Level 1 inputs	Level 2 inputs	Level 3 inputs
Financial Assets:						
Investments carried at FVTPL	-	-	98.44	-	-	63.45
Total Financial Assets	**-**	**-**	**98.44**	**-**	**-**	**63.45**

Valuation methodologies:

Investment in equity / preference instruments: The Company's investments consist primarily of investment in equity / preference shares of unquoted companies. Management has considered cost to be approximating to the fair value of certain investments and valued other investments using fair valuation techniques as mentioned below.

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

The following table presents the change in Level 3 items for the periods ended March 31, 2024 and March 31, 2023:

Particulars	Investments carried at FVTPL
As at April 1, 2022	-
Changes during the year	63.45
As at March 31, 2023	**63.45**
Changes during the year	34.99
As at March 31, 2024	**98.44**
Unrealised fair value (gains) / losses recognized in statement of profit and loss related to assets and liabilities held at the end of the reporting period:	
March 31, 2024	-
March 31, 2023	-

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

20. Financial instruments by category (Contd.)

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

Particulars	Fair value hierarchy	March 31, 2024		March 31, 2023	
		Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets:					
Investments	Level 2	302.65	302.50	351.46	355.80
Trade receivables		7,959.26	7,959.26	6,863.07	6,863.07
Cash and cash equivalents		1,132.08	1,132.08	1,002.49	1,002.49
Other bank balances		289.64	289.64	536.43	536.43
Loans	Level 2	123.46	125.82	141.21	143.34
Other financial assets		3,573.04	3,573.04	3,267.18	3,267.18
Total financial assets		**13,380.13**	**13,382.34**	**12,161.84**	**12,168.31**
Financial liabilities:					
Trade payables		266.09	266.09	224.18	224.18
Borrowings - floating rate		7,446.08	7,446.08	6,617.41	6,617.41
Borrowings - fixed rate	Level 2	1,099.37	1,059.66	991.94	941.96
Lease liabilities		663.75	663.75	495.45	495.45
Other financial liabilities		3,597.86	3,597.86	3,235.49	3,235.49
Total financial liabilities		**13,073.15**	**13,033.44**	**11,564.47**	**11,514.49**

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

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

Valuation inputs and relationships to fair value

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

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2024	March 31, 2023		
Unquoted investments	98.44	63.45	Fair value / Cost	Management has considered fair value / cost to be approximating to fair value of such investments.

Valuation processes

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

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

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

All amounts in ₹ million, unless stated otherwise

21. Provisions

Particulars	March 31, 2024		March 31, 2023	
Provision for employee benefits (refer note 27) :	**Non-current**	**Current**	**Non-current**	**Current**
Gratuity	942.90	133.11	813.45	103.70
Compensated absences	-	122.86	-	73.80
Total	**942.90**	**255.97**	**813.45**	**177.50**

22. Other liabilities

Particulars	March 31, 2024	March 31, 2023
Other non-current liabilities	-	-
Other current liabilities		
Statutory dues payable	1,309.92	1,200.46
Unearned Income (refer note 23)	-	0.72
Total other current liabilities	**1,309.92**	**1,201.18**
Total other liabilities	**1,309.92**	**1,201.18**

23. Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Sale of products (traded goods)		
Revenue from sale of electronic security devices	473.59	165.36
Total (A)	**473.59**	**165.36**
Rendering of services		
Security services		
From guarding and other security services	44,125.28	38,886.70
Other services		
From training fees	123.85	122.25
Total rendering of services	**44,249.13**	**39,008.95**
Other operating revenues*	689.86	674.41
Total (B)	**44,938.99**	**39,683.36**
Revenue from operations (A+B)	**45,412.58**	**39,848.72**

**Includes revenue from the sale of uniforms to employees.*

Disaggregated revenue information

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

Particulars	March 31, 2024	March 31, 2023
Revenue by time of recognition		
At a point in time (sale of equipments)	473.59	165.36
Over the period of time	44,938.99	39,683.36
Total	**45,412.58**	**39,848.72**

Contract Balances:

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

Particulars	March 31, 2024		March 31, 2023	
	Unbilled revenue	**Unearned Income**	**Unbilled revenue**	**Unearned Income**
Opening balance	**2,561.39**	**0.72**	**2,186.59**	**9.17**
Revenue recognised that was included in unearned income at the beginning of the year	-	(0.72)	-	(9.17)
Increase due to cash received, excluding amounts recognised as revenue during the year	-	-	-	0.72
Transfers from unbilled revenue, recognised at the beginning of the year, to receivables	(2,561.39)	-	(2,186.59)	-
Increase due to revenue recognised during the year, excluding amounts billed during the year	2,903.29	-	2,561.39	-
Closing balance	**2,903.29**	**-**	**2,561.39**	**0.72**

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

23. Revenue from operations (Contd.)

Cost to obtain or fulfil a contract with a customer:

Particulars	March 31, 2024	March 31, 2023
Opening balance	**0.72**	**9.17**
Costs incurred and deferred	-	0.72
Less: Cost amortised	(0.72)	(9.17)
Closing balance	**-**	**0.72**

24. Other income

Particulars	March 31, 2024	March 31, 2023
Interest income*	174.96	174.13
Dividend income from subsidiaries	662.37	520.13
Total	**837.33**	**694.26**

** Includes interest on income tax refund*

25. Other gains/(loss)

Particulars	March 31, 2024	March 31, 2023
Net gain/(loss) on sale of property, plant and equipment*	1.72	(1.00)
Foreign exchange gain/(loss)	0.43	(1.33)
Other items	0.79	0.43
Total	**2.94**	**(1.90)**

** includes gain/(loss) on derecognition of Right of Use assets*

26. Changes in inventory

Particulars	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	150.57	147.20
Inventory at the end of the year	180.33	150.57
Changes in inventory - (increase)/decrease	**(29.76)**	**(3.37)**

27. Employee costs

(a) Employee benefits expense include:

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	35,700.44	31,512.45
Contribution to provident and other funds	3,714.60	3,424.35
Employee share-based payment expense	45.66	78.47
Gratuity expense	271.87	234.50
Leave compensation	52.31	10.77
Staff welfare expenses	(69.11)	41.48
Total	**39,715.77**	**35,302.02**

(b) Unfunded Scheme – Leave obligations

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

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

All amounts in ₹ million, unless stated otherwise

27. Employee costs (Contd.)

Particulars	March 31, 2024	March 31, 2023
Leave obligation not expected to be settled within next 12 months	89.09	55.32

Unfunded Schemes:

Particulars	March 31, 2024	March 31, 2023
Present value of unfunded obligations	122.86	73.80
Expenses to be recognized in the statement of profit and loss	52.31	10.77
Discount rate (per annum)	7.15%	7.20%
Salary escalation rate (per annum)	8.00%	8.00%

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

(c) Defined contribution plans

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

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

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

Particulars	March 31, 2024	March 31, 2023
Expense recognised during the period towards defined contribution plans	3,714.60	3,424.35

(d) Defined benefits plans

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

27. Employee costs (Contd.)

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

Expenditure to be recognized during the year:

Particulars	March 31, 2024	March 31, 2023
Current service cost	207.99	191.06
Interest cost	63.88	43.44
Total amount recognised in profit or loss	**271.87**	**234.50**
Remeasurements		
Return on plan assets, excluding amounts included in interest income	(7.56)	(5.12)
Loss / (gain) from changes in financial assumptions	2.38	(81.99)
Experience loss / (gain)	1.71	(0.80)
Total loss / (gain) recognised in other comprehensive income	**(3.47)**	**(87.91)**

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

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2024	March 31, 2023
Defined benefit obligation at the beginning of year	**1,092.39**	**1,017.69**
Current service cost	207.99	191.06
Interest cost	68.61	47.82
Remeasurements	4.08	(85.86)
Benefits paid	(108.56)	(78.32)
Liabilities assumed / (settled)	(0.18)	-
Defined benefit obligation at the end of year	**1,264.33**	**1,092.39**

Reconciliation of fair value of Plan Assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2024	March 31, 2023
Fair value of plan assets at the beginning of the year	**175.24**	**168.08**
Interest income	4.73	4.38
Remeasurements	7.56	5.12
Contribution by employer	109.35	75.98
Benefits paid	(108.56)	(78.32)
Fair value of plan assets at the closing of the year	**188.32**	**175.24**

Reconciliation of fair value of Assets and obligations:

Reconciliation of fair value of assets and obligations	March 31, 2024	March 31, 2023
Fair value of plan assets	188.32	175.24
Present value of obligation	(1,264.33)	(1,092.39)
Asset / (liability) recognized in balance Sheet	**(1,076.01)**	**(917.15)**

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

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

All amounts in ₹ million, unless stated otherwise

27. Employee costs (Contd.)

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

Principal assumptions:

Principal actuarial assumptions	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.20%
Future salary increase		
- Non-billing / indirect employees	8.00%	8.00%
- Billing /direct employees	7.00%	7.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	39.00%	39.00%
- 31 & above	28.00%	28.00%
Non billing employees		
- Age from 21-30 years	27.00%	27.00%
- 31-40	16.00%	16.00%
- 41-50	12.00%	12.00%
- 51 & above	16.00%	16.00%

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

Assumptions	March 31, 2024	March 31, 2023
Discount rate		
0.5% increase	(1.84%)	(1.86%)
0.5% decrease	1.91%	1.94%
Future salary increases		
0.5% increase	1.84%	1.87%
0.5% decrease	(1.79%)	(1.82%)

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

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

Risk Exposure

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

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

27. Employee costs (Contd.)

Defined benefit liability and employer contributions

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

Particulars	March 31, 2024	March 31, 2023
The weighted average duration of the post-employment benefit plan obligations (in years)	3.74	3.80
Expected contribution to the fund during next year	321.42	60.00

Maturity profile:

Particulars	March 31, 2024	March 31, 2023
Less than a year	321.42	278.92
Between 1-2 years	271.85	231.54
Between 2-5 years	564.55	482.97
Over 5 Years	567.98	511.43
Total	**1,725.80**	**1,504.86**

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

28. Share-based payments

The Company has Employee Stock Option plan namely ESOP 2016 as on March 31, 2024 and March 31, 2023.

a) Under ESOP 2016, the Parent has granted 2,432,000 options, 64,830 options, 21,000 options in the financial year 2016, 2018 and 2019, respectively. All such options granted, have been either exercised or lapsed in accordance with the terms of the respective plan as on March 31, 2023.

b) During the year ended March 31, 2022, the Parent issued a further 1,421,973 options to eligible employees which will vest over next four financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025, except as approved otherwise. Out of such options;

    i. 207,379 options have been forfeited/lapsed till March 31, 2024

    ii. 18,511 options have been exercised up till March 31, 2024

    iii. 478,433 options have been vested and not exercised/exercisable as on March 31, 2024

c) During the year ended March 31, 2023, the Parent issued a further 35,700 options to eligible employees which will vest over next three financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025, except as approved otherwise. Out of such options:

    i 21,800 options have been forfeited/lapsed on account of the respective employees no longer in employment till March 31, 2024.

    ii 11,300 options have been vested and not exercised/exercisable as on March 31, 2024

d) During the year ended March 31, 2024, the Parent issued a further 10,000 options to eligible employees which will vest over next two financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025, except as approved otherwise. Out of such options:

    i No options have been forfeited/lapsed till March 31,2024.

    ii No options have been vested and not exercised/exercisable as on March 31, 2024

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

All amounts in ₹ million, unless stated otherwise

28. Share-based payments (Contd.)

Movements during the year

Year ended March 31, 2023

Particulars	ESOP 2016						Total
	2016-17	2017-18	2018-19	2021-22	2022-23	2023-24	
Outstanding stock options as on April 1, 2022	**131,044**	**13,680**	**-**	**1,360,116**	**-**	**-**	**1,504,840**
Exercise Price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-		₹ 5/-
Options granted during the year	-	-	-	-	35,700	-	35,700
Options exercised during the year*	129,400	13,680	-	9,856	-	-	152,936
Options forfeited/lapsed during the year	1,644	-	-	55,972	1,800	-	59,416
Outstanding stock options as at March 31, 2023	**-**	**-**	**-**	**1,294,288**	**33,900**	**-**	**1,328,188**
Exercisable stock options as at March 31, 2023	-	-	-	-	-	-	**-**

Year ended March 31, 2024

Particulars	ESOP 2016						Total
	2016-17	2017-18	2018-19	2021-22	2022-23	2023-24	
Outstanding stock options as on April 1, 2023	**-**	**-**	**-**	**1,294,288**	**33,900**	**-**	**1,328,188**
Exercise Price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Options granted during the year	-	-	-	-	-	10,000	10,000
Options exercised during the year*	-	-	-	7,312	-	-	7,312
Options forfeited/lapsed during the year	-	-	-	90,893	20,000	-	110,893
Outstanding stock options as at March 31, 2024	**-**	**-**	**-**	**1,196,083**	**13,900**	**10,000**	**1,219,983**
Exercisable stock options as at March 31, 2024	-	-	-	-	-	-	**-**

** The weighted average share price at the date of exercise of options during the year ended March 31, 2024 was ₹ 440.23 (March 31, 2023: ₹ 458.09).*

There were no cancellations or modifications to the awards in March 31, 2024 or March 31, 2023.

Stock options outstanding at the end of the year have the following details:

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (₹) @	Fair value (₹)	Stock options outstanding March 31, 2024	Stock options outstanding March 31, 2023
Plan II (ESOP 2016): Grant V	I	20-Apr-21	1-Jun-22	1-Jun-27	5.00	357.19	239,217	258,858
Plan II (ESOP 2016): Grant V	II	20-Apr-21	1-Jun-23	1-Jun-27	5.00	357.19	239,216	258,858
Plan II (ESOP 2016): Grant V	III	20-Apr-21	1-Jun-24	1-Jun-27	5.00	357.19	358,825	388,286
Plan II (ESOP 2016): Grant V	IV	20-Apr-21	1-Jun-25	1-Jun-27	5.00	357.19	358,825	388,286
Plan II (ESOP 2016): Grant V	I	20-Oct-22	21-Oct-23	1-Jun-27	5.00	411.65	4,633	11,299
Plan II (ESOP 2016): Grant V	II	20-Oct-22	1-Jun-24	1-Jun-27	5.00	411.65	4,633	11,299
Plan II (ESOP 2016): Grant V	III	20-Oct-22	1-Jun-25	1-Jun-27	5.00	411.65	4,634	11,302
Plan II (ESOP 2016): Grant V	I	12-Dec-23	12-Dec-24	1-Jun-27	5.00	450.98	5,000	-
Plan II (ESOP 2016): Grant V	II	12-Dec-23	1-Jun-25	1-Jun-27	5.00	450.98	5,000	-
Total							**1,219,983**	**1,328,188**

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

28. Share-based payments (Contd.)

Fair value of options granted

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

Grant date	Volatility	Market price (₹)	Average life of the options (in Years)	Risk-free interest rate	Dividend yield
20-Apr-21	46.02%	360.95	5.12	5.55%	0.00%
20-Oct-22	39.02%	415.60	3.62	7.39%	0.00%
12-Dec-23	34.06%	455.35	2.21	7.28%	0.00%

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

Particulars	March 31, 2024	March 31, 2023
Employee stock option plan	45.66	78.47
Total employee share-based payment expense	**45.66**	**78.47**

The Company has issued/granted stock options to employees of its certain subsidiaries for which cost of ₹ 25.03 million (March 31, 2023: ₹ 57.07 million) is charged to respective subsidiary and reimbursed to the Company.

29. Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest expenses	797.88	589.87
Interest on lease liability	74.29	62.43
Other finance costs*	5.18	18.15
Total	**877.35**	**670.45**

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

30. Depreciation and amortization expense

Particulars	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment including ROU (Note 4)	660.21	524.23
Amortization of intangible assets (Note 5)	76.70	18.38
Total	**736.91**	**542.61**

31. Other expenses

Particulars	March 31, 2024	March 31, 2023
Training expenses	29.92	56.51
Uniform and kit items	45.44	58.28
Selling expenses	51.11	32.95
Administrative expenses:		
Travelling and conveyance	307.61	324.76
Postage and telephone	20.88	20.00
Stationary and printing	20.60	26.89
Rent*	289.98	277.00
Rates & taxes	44.39	22.58
Insurance	138.68	170.71

All amounts in ₹ million, unless stated otherwise

31. Other expenses (Contd.)

Particulars	March 31, 2024	March 31, 2023
Repairs and maintenance:		
- Buildings	3.84	3.07
- Machinery	17.09	30.13
- Others	161.54	116.94
Vehicle hire charges	125.88	101.54
Payments to auditors (Refer details below)	4.38	4.26
Legal and professional fees	138.29	133.71
Allowance for expected credit loss	129.60	209.17
Expense towards corporate social responsibility (Refer details below)	22.36	7.26
Direct operating cost	406.69	394.74
Other administration and general expenses	398.83	256.27
Total	**2,357.11**	**2,246.77**

** Refer note 16*

Payment to Auditors

Particulars	March 31, 2024	March 31, 2023
As auditor:		
Audit fee (including fees for limited review)	3.78	3.45
In other capacity:		
Other services (certification fees)*	0.60	0.81
Total payment to auditors	**4.38**	**4.26**

** Includes reimbursement of expenses.*

Details of CSR expenditure

Particulars	March 31, 2024	March 31, 2023
(a) Gross amount required to be spent by the Company during the year	**22.36**	**19.56**
(b) Amount spent during the year:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	**42.22**	**11.70**
(c) The excess/(shortfall) amount at the end of the year over and above the amount required to be spent by the company during the year	**19.86**	**(7.86)**
(d) Total previous years excess/(shortfall) adjusted during the year	**4.43**	**7.86**
(e) The excess/(shortfall) amount at the end of the year (including excess/(shortfall) of previous years)	**24.29**	**4.43**
(f) The nature of CSR activities undertaken by the company		
(i) Promoting education to children including primary, secondary and university education, building schools, colleges and training institutions including provision for full time residential institutions and full student sponsorship, promoting and sponsoring girl education at all levels, women education and self-employment training, other educational projects	23.88	9.00
(ii) promoting health care including preventive health and sanitation.	6.20	1.20
(iii) protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	8.14	1.00
(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	2.50	0.50
(v) disaster management, including relief, rehabilitation and reconstruction activities.	1.50	-

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

32. Earnings per share (EPS)

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

Particulars	March 31, 2024	March 31, 2023
Profit attributable to equity holders of the Company :		
Continuing operations	1,870.89	1,901.30
Profit attributable to equity holders of the Company for basic earnings	**1,870.89**	**1,901.30**
Profit attributable to equity holders of the Company adjusted for the effect of dilution	**1,870.89**	**1,901.30**
Weighted average number of equity shares for basic EPS (Numbers)	145,344,093	146,537,510
Effect of dilution:		
Stock options (Numbers)	1,205,991	1,312,489
Weighted average number of equity shares adjusted for the effect of dilution	**146,550,084**	**147,849,999**
Nominal value of equity shares (₹)	5.00	5.00
Earnings per share		
- Basic (₹)	12.87	12.97
- Diluted (₹)	12.77	12.86

33. Distributions made and proposed

Particulars	March 31, 2024	March 31, 2023
Cash dividends on equity shares declared and paid:		
Final dividend @ ₹ Nil per share (March 31, 2023: ₹ Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-

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

34. Commitments and contingencies

(a) Capital commitment

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	5.27	0.11

(b) Contingent liabilities

Particulars	March 31, 2024	March 31, 2023
Claims against the Company not acknowledged as debt:		
- Litigation matters with respect to direct taxes	382.17	262.40
- Litigation matters with respect indirect taxes	103.36	102.29
Other money for which the Company is contingently liable	10.11	9.65
Total	**495.64**	**374.34**

The Company records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Company reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Company believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Company, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2024.

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

All amounts in ₹ million, unless stated otherwise

35. Events occuring after the balance sheet date

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

36. Operating segment

Particulars	March 31, 2024	March 31, 2023
Revenue from operations	45,412.58	39,848.72
Earning before interest, tax, depreciation and amortisation (EBITDA)*	2,670.16	1,869.82

** Excluding other income and other gain/(loss)*

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

37. Business combinations and acquisition of non-controlling interests

Acquisitions during the year ended March 31, 2023

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

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

38. Interests in other entities

Information about subsidiaries

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	SMC Integrated Facility Management Solutions Limited (formely known as Service Master Clean Limited)*	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
2	Tech SIS Limited	India	Trading and installation of electronic security devices and systems	100.00%	100.00%	0.00%	0.00%
3	Terminix SIS India Private Limited	India	Pest Control Management Services	100.00%	100.00%	0.00%	0.00%
4	Dusters Total Solutions Services Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
5	SIS Business Support Services and Solutions Private Limited	India	Rendering business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6	SIS Synergistic Adjacencies Ventures Private Limited	India	Rendering security and related services in areas of manned guarding	100.00%	100.00%	0.00%	0.00%
7	SLV Security Services Private Limited	India	Providing manned guarding, facilities management and business process outsourcing.	100.00%	100.00%	0.00%	0.00%
8	Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

38. Interests in other entities (Contd.)

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
9	Uniq Security Solutions Private Limited	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
10	Uniq Detective and Security Services (AP) Pvt. Ltd. **	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
11	Uniq Detective and Security Services (Tamilnadu) Private Limited **	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
12	Uniq Facility Services Private Limited **	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
13	SIS Alarm Monitoring and Response Services Private Limited	India	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
14	ADIS Enterprises Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
15	ONE SIS Solutions Private Limited	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	100.00%	0.00%	0.00%
16	ONE SIS Residential Solutions Private Limited $	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	NA	0.00%	NA
17	SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
18	SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
19	SIS Australia Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
20	SIS Australia Group Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
21	SIS Group International Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
22	MSS Strategic Medical and Rescue Pty Ltd	Australia	Provision of paramedic and emergency response services	100.00%	100.00%	0.00%	0.00%
23	SIS MSS Security Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
24	MSS Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
25	Australian Security Connections Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
26	Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
27	Askara Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
28	Charter Security Protective Services Pty Ltd ***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
29	Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	100.00%	100.00%	0.00%	0.00%

All amounts in ₹ million, unless stated otherwise

38. Interests in other entities (Contd.)

Name		Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
30	Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
31	SIS Henderson Holdings Pte Ltd	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
32	Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	100.00%	100.00%	0.00%	0.00%
33	Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	100.00%	100.00%	0.00%	0.00%
34	Safety Direct Solutions Pty Ltd	Australia	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	85.00%	15.00%	15.00%
35	Safety Direct Solutions Pty Ltd NZ	New Zealand	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	85.00%	15.00%	15.00%

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

*** Wholly owned subsidiaries of Uniq Security Solutions Private Limited*

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

$ Incorporated during the year ended March 31, 2024.

Joint ventures in which the Company is a joint venturer

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

Name		Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2024	March 31, 2023
1	SIS Cash Services Private Limited	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
2	SIS Prosegur Holdings Private Limited *	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
3	SIS Prosegur Cash Logistics Private Limited **	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
4	SIS-Prosegur Cash Services Private Limited *$	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	NA
5	Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

** Wholly owned subsidiary of SIS Cash Services Private Limited*

*** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited*

$ Incorporated during the year ended March 31, 2024.

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

39. Related party transactions

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

Name of related parties

Key Management Personnel and their relatives	Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company
- Mr. Ravindra Kishore Sinha (Chairman)	- SIS Cash Services Private Limited	- Saksham Bharat Skills Limited
- Mr. Rituraj Kishore Sinha (Managing Director)	- SIS Prosegur Holdings Private Limited	- Security Skills Council India Limited
- Mr. Uday Singh (Appointed as Independent director and ceased to be non executive director w.e.f July 26, 2022)	- SIS Prosegur Cash Logistics Private Limited	- SIS Group Enterprises Limited
- Mr. Arvind Kumar Prasad (Director - Finance)	- SIS-Prosegur Cash Services Private Limited	- Sunrays Overseas Private Limited
- Mrs. Rita Kishore Sinha – Non-Executive Director	- Habitat Security Pty Ltd.	- Vardan Overseas Private Limited
- Mr. Amrendra Prasad Verma – Independent Director (retired w.e.f. September 24, 2022)		- SIS Asset Management Limited
- Mr. T C A Ranganathan – Independent Director		- Lotus Learning Private Limited
- Mr. Devdas Apte – Independent Director (retired w.e.f. September 24, 2022)		- The Indian Public School Educational Foundation Society
- Mr. Rajan Krishnanath Medhekar – Independent Director (retired w.e.f. September 24, 2022)		- International Institute of Security & Safety Management
- Ms. Renu Mattoo – Independent Director (retired w.e.f. January 28, 2023)		- Annapurna S.P, Sinha Welfare Activities & Social Awareness Reforms Charitable Trust
- Mr. Rajan Verma - Independent Director		- RSYA Dhanbad Auto Private Limited
- Mr. Upendra Kumar Sinha - Independent Director (appointed w.e.f. June 29, 2022)		- RSYA Durgapur Private Limited
- Ms. Rivoli Sinha - Non-Executive Director (appointed w.e.f. November 2, 2022)		- Adi Chitragupta Finance Limited
- Mr. Sunil Srivastav - Independent director		
- Ms. Vrinda Sarup - Independent Director (appointed w.e.f. June 20, 2023)		
- Mr. Brajesh Kumar (Chief Financial Officer - India)		
- Mr. Devesh Desai (Chief Financial Officer)		
- Ms. Pushpalatha Katkuri (Company Secretary)		

All amounts in ₹ million, unless stated otherwise

39. Related party transactions (Contd.)

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

Particulars	Subsidiaries		Joint Ventures		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment purchased/ Intangible assets acquired	89.66	89.23	8.72	-	-	-	102.38	3.27	200.76	92.50
Purchase of goods / receiving of services / expenses reimbursed to related parties	518.71	363.38	2.50	1.42	-	-	8.17	7.50	529.38	372.30
Sale of goods / rendering of services / expenses reimbursed by related parties	389.79	373.56	16.27	14.89	-	-	103.04	117.79	509.10	506.24
Investments made	30.00	-	-	-	-	-	-	-	30.00	-
Redemption of bonds, debentures and notes	-	-	50.00	-	-	-	-	-	50.00	-
Loans given	-	31.96	-	-	-	-	-	-	-	31.96
Repayment of loans given	17.76	125.34	-	-	-	-	-	-	17.76	125.34
Interest expense on bonds or debentures or loans	60.16	60.00	-	-	-	-	-	-	60.16	60.00
Interest income on bonds or debentures or loans	34.45	44.01	17.63	19.25	-	-	-	-	52.08	63.26
Dividend income	662.37	520.13	-	-	-	-	-	-	662.37	520.13
Salary & remuneration paid *#	-	-	-	-	92.29	86.80	-	-	92.29	86.80
Rent paid	-	-	-	-	18.34	17.16	100.74	79.06	119.08	96.22
Contribution to CSR Expenditure	-	-	-	-	-	-	12.38	3.50	12.38	3.50

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

 # Includes sitting fees and commission paid.

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

39. Related party transactions (Contd.)

Balances outstanding at end of the year:

Particulars	Subsidiaries		Joint Ventures		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade payables / other payables	144.32	45.83	8.56	0.11	2.50	-	6.81	1.46	162.19	47.40
Trade receivables / other receivables	183.49	192.25	29.19	52.13	-	-	78.09	64.60	290.77	308.98
Loans and advances to related party	123.45	141.21	-	-	-	-	-	-	123.45	141.21
Bonds, debentures and notes issued	748.88	748.04	-	-	-	-	-	-	748.88	748.04
Investment in bonds / debentures	177.64	176.46	125.00	175.00	-	-	-	-	302.64	351.46

Terms and conditions of transactions with related parties

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

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to the market rate, where specified, in terms of the transactions, and settlement occurs in cash. For the year ended March 31, 2024, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Information regarding significant transactions:

S. No.	Particulars	Relationship	March 31, 2024	March 31, 2023
a)	**Property, plant and equipment purchased/ Intangible assets acquired**			
	Tech SIS Limited	Subsidiary	-	38.16
	SIS Alarm Monitoring and Response Service Private Limited	Subsidiary	89.02	51.07
	RSYA Dhanbad Auto Private Limited	Others*	60.30	3.27
	RSYA Durgapur Private Limited	Others*	42.08	-
b)	**Purchase of goods / receiving of services / expenses reimbursed to related parties**			
	Tech SIS Limited	Subsidiary	74.40	84.18
	SMC Integrated Facility Management Solutions Limited	Subsidiary	80.10	87.86
	Duster Total Solution Services Private Limited	Subsidiary	65.84	62.03
	SIS Alarm Monitoring and Response Service Private Limited	Subsidiary	289.33	122.19
c)	**Sale of goods / rendering of services / expenses reimbursed by related parties**			
	Duster Total Solution Services Private Limited	Subsidiary	98.57	166.72

All amounts in ₹ million, unless stated otherwise

39. Related party transactions (Contd.)

S. No.	Particulars	Relationship	March 31, 2024	March 31, 2023
	SMC Integrated Facility Management Solutions Limited	Subsidiary	80.60	54.23
	Rare Hospitality and Services Private Limited	Subsidiary	11.03	16.32
	Uniq Security Solutions Private Limited	Subsidiary	25.57	21.70
	One SIS Solutions Private Limited	Subsidiary	80.42	44.21
	Security Skills Council India Limited	Others*	95.27	115.17
	Investments made			
	Tech SIS Limited	Subsidiary	30.00	-
d)	**Loans given**			
	Tech SIS Limited	Subsidiary	-	31.96
e)	**Repayment of loans given**			
	SMC Integrated Facility Management Solutions Limited	Subsidiary	-	125.34
f)	**Interest expense on bonds or debentures or loans received**			
	SIS Australia Group Pty Ltd	Subsidiary	60.16	60.00
g)	**Interest income on bonds or debentures or loans given**			
	SMC Integrated Facility Management Solutions Limited	Subsidiary	12.77	25.16
	SIS Alarm Monitoring and Response Service Pvt ltd	Subsidiary	13.20	13.20
	SIS Cash Services Private Limited	Joint Ventures	17.63	19.25
h)	**Dividend income**			
	SIS Australia Group Pty Limited	Subsidiary	6.16	31.11
	SIS Security International Holdings Pte. Ltd.	Subsidiary	57.85	489.02
	Duster Total Solution Services Private Limited	Subsidiary	336.20	-
	UNIQ Security Solutions Private Limited	Subsidiary	162.00	-
	SMC Integrated Facility Management Solutions Limited	Subsidiary	100.16	-
i)	**Salary & remuneration**			
	Ravindra Kishore Sinha	KMP **	25.27	22.71
	Devesh Desai	KMP **	15.13	14.94
	Rituraj Kishore Sinha	KMP **	12.77	9.69
	Arvind Kumar Prasad	KMP **	7.03	5.68
	Brajesh Kumar#	KMP **	8.97	11.52
	Pushpalatha Katkuri	KMP **	4.67	4.45
	Director sitting fees	KMP **	8.90	12.00
j)	**Rent paid**			
	SIS Asset Management Limited	Others*	79.31	58.38
k)	**Contribution to CSR Expenditure**			
	Annapurna S.P, Sinha Welfare Activities & Social Awareness Reforms Charitable Trust	Others*	12.38	3.50
l)	**Redemption of bonds, debentures and notes**			
	SIS Cash Services Private Limited	Joint Venture	50.00	-

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

*** Key Management personnel and their relatives*

 # Includes an amount of Nil (March 31, 2023: ₹ 2.86 million) towards share based payments for the options exercised during the year.

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

39. Related party transactions (Contd.)

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

Particulars	March 31, 2024		March 31, 2023	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
SMC Integrated Facility Management Solutions Limited	91.90	91.90	91.90	91.90
Tech SIS Limited	31.56	31.56	49.31	49.31
Total	**123.46**	**123.46**	**141.21**	**141.21**

40. Financial risk management

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

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

Market risk

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

Foreign currency risk

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

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

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

Particulars	Financial assets	Financial liabilities
As at March 31, 2024		
SGD	-	-
AUD	1.90	-
Net exposure to foreign currency risk as at March 31, 2024	**1.90**	**-**
As at March 31, 2023		
SGD	4.45	-
AUD	50.49	6.90
Net exposure to foreign currency risk as at March 31, 2023	**54.94**	**6.90**

All amounts in ₹ million, unless stated otherwise

40. Financial risk management (Contd.)

Sensitivity

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

Particulars	Impact on profit after tax	
	March 31, 2024	March 31, 2023
Sensitivity		
Increase by 5%	(0.10)	(2.40)
Decrease by 5%	0.10	2.40

Interest rate risk

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

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

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings:		
- Loan repayable on demand	5,042.16	4,415.09
- Others	2,403.92	2,202.32
Fixed rate borrowings		
- Bonds/ Debentures	748.88	748.20
- Vehicle loan	350.49	243.74
Total	**8,545.45**	**7,609.35**

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

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

Particulars	March 31, 2024	March 31, 2023
Interest rates - increase by 25 basis points *	18.62	16.54
Interest rates - decrease by 25 basis points *	(18.62)	(16.54)

**Holding all other variables constant*

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue (refer note 11 & 7 respectively). These are unsecured and are managed by the Company through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. There is single customer accounted for more than 10% of the accounts receivable as of March 31, 2024 (March 31, 2023: Nil) and no single customer has contributed more than 10% of revenue for the year ended March 31, 2024 (March 31, 2023: Nil). There is no significant concentration of credit risk. The Company uses the expected credit loss ('ECL') method to assess the loss allowance for Trade receivables and Unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The Company does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures, if any.

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

40. Financial risk management (Contd.)

Significant estimates and judgements

Impairment of financial assets

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

Financial instruments and cash deposits

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

Liquidity risk

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

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

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

Particulars	March 31, 2024	March 31, 2023
Company's long-term debt	3,503.29	3,194.26
Company's long-term debt that will mature in less than one year from reporting period	964.19	289.73
	27.52%	**9.07%**

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

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

Year ended March 31, 2024

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	5,042.16	282.56	970.61	2,788.19	0.05	9,083.57
Lease liabilities	-	48.87	144.39	628.88	145.50	967.64
Other financial liabilities	-	3,551.59	-	4.51	-	3,556.10
Trade payables	-	266.09	-	-	-	266.09
Financial guarantee contracts	-	3.41	6.24	0.64	-	10.29

All amounts in ₹ million, unless stated otherwise

40. Financial risk management (Contd.)

Year ended March 31, 2023

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

As a matter of policy, the Company does not carry out any hedging activities.

There has been no default in servicing borrowings.

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

Particulars	March 31, 2024	March 31, 2023
Financial Assets:		
Investments	302.65	351.46
Loans	123.46	141.21
Other financial assets	3,573.04	3,267.18
Total	**3,999.15**	**3,759.85**

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

Year ended March 31, 2024

Balance sheet caption	As at April 1, 2023	Cash flow	Finance / Transaction cost	As at March 31, 2024
Borrowings *	3,194.26	299.81	9.22	3,503.29
Interest accrued	32.79	(793.88)	792.56	31.47

Year ended March 31, 2023

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

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

41. Additional capital disclosures

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

The Company's objectives when managing capital are to:

a) safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

Notes to the Financial Statements (Contd.)

All amounts in ₹ million, unless stated otherwise

41. Additional capital disclosures (Contd.)

b) Maintain an optimal capital structure to optimise the cost of capital.

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

Particulars	March 31, 2024	March 31, 2023
Borrowings (Note 15)	8,545.45	7,609.35
Lease liabilities (Note 16)	663.75	495.45
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(1,542.53)	(1,707.04)
Net Debt	**7,666.67**	**6,397.76**
EBITDA	**2,670.16**	**1,869.82**
Net debt to EBITDA ratio	**2.87**	**3.42**

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

Dividends

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

The Board, at its meeting dated May 01, 2024, has not proposed final dividend for the year ended March 31, 2024 (March 31, 2023: ₹ Nil per share).

42. Additional Regulatory Information

A) Financial ratios:

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023
Current ratio	Current asset	Current liabilities	1.20	1.28
Debt-equity ratio	Total debt	Shareholders' equity	0.83	0.80
Debt service coverage ratio[1 & 2]	Earning before interest and taxes #	Debt service *	1.10	1.52
Return on equity ratio	Net profits after taxes	Average shareholders' equity	18.94%	21.33%
Trade receivables turnover ratio	Revenue from operations	Average trade receivables	6.13	6.68
Inventory turnover ratio[2]	Cost of goods sold	Average inventory	4.05	2.89
Trade payables turnover ratio	Cost of goods sold	Average trade payables	2.73	2.43
Net capital turnover ratio[2]	Revenue from operations	Working capital	18.28	27.02
Net profit ratio	Net profits after taxes	Revenue from operations	4.12%	4.77%
Return on capital employed[2]	Earning before interest and taxes #	Average Capital employed **	11.43%	9.02%
Return on investment	The Company has not invested in other than investments in subsidiaries and associates, hence Return on Investment ratio has not been disclosed		-	-

 # Excluding other income and other gain/(loss)

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

***Capital employed = Total equity + Net debt*

All amounts in ₹ million, unless stated otherwise

42. Additional Regulatory Information (Contd.)

Notes to Financial Ratios

1. Primarily due to ₹ 665.00 million as current maturity of long-term debts in March 2024.
2. Primarily on account of business growth in terms of revenue, profit and working capital management

B. Relationship with Struck off Companies:

Relationship with struck off companies	Nature of transactions	Name of Struck off Companies	March 31, 2024	March 31, 2023
Companies with outstanding balance				
Customers	Receivables	Bateshwarnath Construction and Developers (Opc) Private Limited; Brij Packaging; Knorr-Bremse India Private Limited; MGF Developers Private Limited; Orient Micro Abrasive Limited; K M Memorial Hospital and Research Centre Private Limited; B. P. Food Products Private Limited; Koppal Steels Private Limited; Neel Industries P- Ltd; Protectron Electromech Pvt Ltd; Rudra Alloys Privite Limited; Sky Automobiles; CG Foods India Private Limited; Panacea Biotec Limited	6.13	1.44
Companies with Nil outstanding balance				
Customers	Receivables	Nirmal Industries Ltd.	-	-

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

As per our report of even date

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
(Firm's Registration. No. 000756N/N500441)

Naveen Aggarwal
(Partner)
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Independent Auditor's Report

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') (the "Parent Company"), its subsidiaries (the Parent company and its subsidiaries/ step down subsidiaries together referred to as the "Group") which comprise the Consolidated Balance Sheet as at March 31, 2024, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year ended on that date and notes to the financial statements, including a summary of Material accounting policies and other explanatory information (hereinafter referred to as the "consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, of consolidated profit & total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation & disclosures of revenue The Parent Company's revenue for the financial year ending March 31, 2024, is ₹ 45,412.58 million. A significant proportion of the Parent Company's revenue is derived from contracts with customer which consist of the rendering of services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. Revenue is recognized when the Parent Company has completed its performance obligations under the contracts and/ or the control is transferred to the customer.	**Audit Procedures** Our audit procedures on recognition, measurement, presentation & disclosures of revenue included but not limited to the following: • We performed testing of revenue transactions to confirm the transactions had been appropriately recorded in the statement of profit & loss and verified the satisfaction of performance obligation to recognise revenue by analysing the contract and terms of the sale and determining whether the management has appropriately identified the separate performance obligations, where relevant; compared the terms with the revenue recorded by management to determine whether the Parent Company's revenue recognition policies had been properly applied and has been appropriately measured; and testing management's calculations.

Key Audit Matter	Auditor's Response
Revenue is recognized in a manner that depicts the transfer of goods and/ or services to customers at an amount that reflects the consideration the Parent Company expects to be entitled to in exchange for those goods or services. Further, the contractual terms also underpin the measurement and recognition of revenue and profit. The Parent Company is therefore required to make operational and financial assumptions & various judgements. The nature of the Services provided by the Parent Company also gives rise to a significant amount of work which is recorded as accrued/ unbilled income with corresponding profit recognition. Accrued/ unbilled income as on March 31, 2024, aggregated to ₹ 2,903.29 million.	• We tested the effectiveness of controls relating to contract monitoring, billings and approvals and related IT controls used to generate the information. The basis for the evaluation of internal control has been Parent Company's internal control framework for financial reporting. The testing of controls and amounts has been performed on a sample basis. • We obtained and read customer contracts and confirmed our understanding of the Parent Company's sales process from initiation to collection of receivables, including the design and implementation of controls and tested the operating effectiveness of these controls. • We read and understood the Parent Company's accounting policy for the recognition of revenue as per Ind AS 115. • We requested independent balance confirmations from the Parent Company's customers on a sample basis. • Tested a sample of accrued unbilled income balance with supporting documentation which includes attendance records, customer acceptance, reviewing customer correspondence where necessary and ensuring cut-off had been appropriately applied.
Uncertain tax positions and deferred tax assets The Parent Company operates in a complex tax environment and is subject to a range of tax risks during the normal course of business. Where the amount of tax payable is uncertain, the Parent Company establishes provisions based on management's judgment of the probable amount of the future tax liability. The Parent Company has material certain tax positions including matters under disputes which involves significant judgement to determine the possible outcome of these disputes. In addition, the Parent Company has recognized ₹ 1,680.38 million of deferred tax assets on March 31, 2024. The recognition of deferred tax assets involves judgment by management regarding the likelihood of the realization of these assets. The expectation that these assets will be realized is dependent on a number of factors, including whether there will be sufficient taxable profits in future periods to support the utilization of these assets. For details: - Refer to Note No 8 to the Standalone Financial Statements.	**Audit Procedures** Our audit procedures in relation to the recognition of Uncertain tax position and deferred tax assets/liabilities included, but were not limited to the following: • Discussion with the management on the development of tax litigations during the year ended March 31, 2024. • Verification that the accounting and/or disclosures as the case may be in the standalone financial statements is by the assessment of management/ tax practitioners. • Obtaining a representation letter from the management on the assessment of those matters as per SA 580 (revised) - written representations. • Evaluated the design and tested the operating effectiveness of key controls implemented by the Parent Company over recognition of deferred tax assets based on the assessment of the Parent Company's ability to generate sufficient taxable profits in the foreseeable future allowing the use of deferred tax assets. • Tested the arithmetical accuracy of the calculations performed by the management.

Independent Auditor's Report (Contd.)

Key Audit Matter	Auditor's Response
	• Evaluated management's assessment for adjustment of such deferred tax assets as per provisions of the Income-tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes. • Evaluated the appropriateness of the disclosures made in the financial statements in respect of deferred tax assets.
Impairment Testing of Goodwill & Other Acquisition related intangible Assets Goodwill and other acquisition related intangible assets, including customer relationships, customer contracts comprise a significant portion in the consolidated balance sheet as on March 31, 2024. The Group annually reviews/ identifies Cash generating unit (CGU) and performs a test to assess the value of goodwill. The Parent Company has defined process for impairment testing which involves preparation of impairment testing model based on business plan & assumptions Other acquisition related intangible assets are subject to depreciations/ amortization according to plan. For these assets, an impairment test is performed if there is any indicator for the same.	**Audit Procedures** Our audit procedures in relation to the Impairment Testing of Goodwill & Other Acquisition related intangible Assets included, but were not limited to the following: • Evaluation of process followed in identification of cash generating unit (CGU); • Obtain the impairment testing models based on forecasts and assumptions; • Evaluation of the assumptions and date used in the model; • Evaluation of the methodology used in impairment testing; • Evaluation of Assessment that the accounting and disclosures provided in the financial statements are correct based on the impairment test performed.

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

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

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

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

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

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

The Parent Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Boards of Directors of the companies included in the Group and its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Company, as aforesaid.

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditor's Report (Contd.)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Other Matters

We did not audit the financial statements/ financial information of 35 subsidiaries/ step down subsidiaries, whose financial statements/ financial information reflect total assets of ₹ 38,293.64 million as at March 31, 2024, total revenues of ₹ 78,481.35 million, total net profit after tax of ₹ 548.57 million and total comprehensive income of ₹ 623.47 million and net cash outflow of ₹ 9.27 million, for the year ended on that date, as considered in the Consolidated Financial Statements.

The Statement also includes the Group's share of net profit/ (loss) after tax of ₹ 248.87 million and total comprehensive income / (loss) of ₹ 247.58 million for the year ended March 31, 2024, as considered in the Statement, in respect of 5 jointly controlled entities, whose financial results have not been audited by us.

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

The financial results of 2 foreign subsidiaries (including one step down subsidiary) whose financial results reflect total assets of ₹ 436.71 million, revenues of ₹ Nil, total net profit/ (loss) after tax of ₹ 115.77 million and total comprehensive income/ (loss) of ₹ 115.77 million for the year ended March 31, 2024, and cash inflow (net) of ₹ 0.09 million for the year ended March 31, 2024, included in the Statement which have been prepared by the management of respective subsidiaries/ step down subsidiaries and furnished to us by the management. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ information are not material to the Group.

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

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

Report on Other Legal and Regulatory Requirements

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

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.

   c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Parent Company as on March 31, 2024 taken on record by the Board of Directors of the Parent Company and the reports of the statutory auditors of its subsidiary companies, jointly controlled entities incorporated in India, none of the directors of the Group companies including jointly controlled entities incorporated in India is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.

   f. With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent Company and its subsidiary companies incorporated in India, wherever applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

   h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. (Refer Note 34 to the consolidated financial statements);

      ii) The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent Company and its subsidiary companies incorporated in India.

Independent Auditor's Report (Contd.)

iv) (a) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Parent Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

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

v) The interim dividend proposed in the current year, declared and paid by the subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, where applicable, during the year is in accordance with Section 173 of the Act, as applicable. Further there is no final dividend declared or paid by the Parent Company and its subsidiaries during the year.

vi) Based on our examination which included test checks of Parent Company and as reported by the respective auditors of its subsidiaries incorporated in India, the Parent Company and its subsidiaries incorporated in India have used accounting software for maintaining their books of account which has a feature of recording audit trail (edit log) facility. The Audit trail feature has operated throughout the year for all relevant transactions recorded in the software and has not been tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

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

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No. 000756N/ N500441

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 24094380BKBEYI8159

Place : New Delhi
Date : May 01, 2024

Annexure "A" to the Independent Auditor's Report

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2024, we have audited the internal financial controls over financial reporting of SIS Limited (formerly known as 'Security and Intelligence Services (India) Limited') (hereinafter referred to as the "Company") and its subsidiary companies, which are companies incorporated in India, wherever applicable, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to the financial statements

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company and its subsidiary companies, which are companies incorporated in India, wherever applicable, have, in all material respects, an adequate internal financial controls system with reference to the financial statements and such internal financial controls with reference to the financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to the financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S S Kothari Mehta & Co. LLP**
Chartered Accountants
Firm's Registration No. 000756N/ N500441

Naveen Aggarwal
Partner
Membership No.094380
UDIN : 24094380BKBEYI8159

Place : New Delhi
Date : May 01, 2024

Consolidated Balance Sheet

as at March 31, 2024

All amounts in ₹ Million, except per share data

S No.	Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
A	**ASSETS**			
	Non – current assets			
	Property, plant and equipment	4	3,734.96	3,105.88
	Capital work-in-progress	4	22.17	194.93
	Goodwill	5	10,678.81	11,395.11
	Other intangible assets	5	1,636.57	1,769.25
	Intangible assets under development	5	328.60	217.46
	Investments in joint ventures	6	757.01	513.49
	Financial assets			
	(i) Investments	6	351.26	366.27
	(ii) Other non-current financial assets	7	611.81	699.50
	Deferred tax assets (net)	8	3,269.46	3,906.72
	Income tax assets (net)	8	2,651.92	2,498.51
	Other non – current assets	9	43.15	16.93
	Total non – current assets		**24,085.72**	**24,684.05**
	Current assets			
	Inventories	10	309.03	314.28
	Financial assets			
	(i) Investments	6	55.55	103.22
	(ii) Trade receivables	11	18,858.46	16,777.06
	(iii) Cash and cash equivalents	12	6,514.82	6,656.18
	(iv) Bank balances other than (iii) above	12	890.41	853.50
	(v) Loans	7a	17.00	17.00
	(vi) Other current financial assets	7	7,513.04	6,390.88
	Other current assets	9	1,484.81	1,328.65
	Assets classified as held for distribution to shareholders of subsidiary	37a	2.22	2.22
	Total current assets		**35,645.34**	**32,442.99**
	Total assets		**59,731.06**	**57,127.04**
B	**EQUITY AND LIABILITIES**			
	Equity			
	Equity share capital	13	720.50	728.65
	Other equity	14	23,414.87	22,604.28
	Equity attributable to owners of the Parent		**24,135.37**	**23,332.93**
	Non-controlling interests	39	-	-
	Total equity		**24,135.37**	**23,332.93**
	Liabilities			
	Non – current liabilities			
	Financial liabilities			
	(i) Borrowings	15	2,300.50	8,031.84
	(ia) Lease liabilities	16	1,101.12	921.26
	(ii) Other non-current financial liabilities	18	4.48	52.69
	Provisions	20	1,971.33	1,749.64
	Deferred tax liabilities (net)	8	351.16	430.40
	Total non-current liabilities		**5,728.59**	**11,185.83**
	Current liabilities			
	Financial liabilities			
	(i) Borrowings	15	12,785.52	7,191.17
	(ia) Lease liabilities	16	393.21	330.66
	(ii) Trade payables			
	(a) Total outstanding dues of micro enterprises and small enterprises	17	97.02	53.23
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	749.87	585.85
	(iii) Other current financial liabilities	18	9,776.88	8,521.48
	Other current liabilities	21	1,967.50	1,964.86
	Provisions	20	4,091.03	3,958.21
	Current tax liabilities (net)	8	3.25	-
	Liabilities classified as held for distribution to shareholders of subsidiary	37a	2.82	2.82
	Total current liabilities		**29,867.10**	**22,608.28**
	Total liabilities		**35,595.69**	**33,794.11**
	Total equity and liabilities		**59,731.06**	**57,127.04**

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

As per our report of even date

For **S S Kothari Mehta & Co.LLP**
Chartered Accountants
Firm's Registration: 000756N/N500441

Naveen Aggarwal
Partner
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

All amounts in ₹ Million, except per share data

S No.	Particulars		Note No.	Year ended March 31, 2024	Year ended March 31, 2023
1	**Income**				
	(a)	Revenue from operations	23	122,614.25	113,457.80
	(b)	Other income	24	399.50	264.68
	(c)	Other gain / (loss)	25	27.17	62.74
	Total income (a + b + c)			**123,040.92**	**113,785.22**
2	**Expenses**				
	(a)	Cost of materials consumed	26	612.13	583.38
	(b)	Purchases of inventories		831.00	460.57
	(c)	Changes in inventories	27	5.25	24.71
	(d)	Employee benefits expense	28	100,495.49	92,012.39
	(e)	Finance costs	29	1,481.59	1,148.91
	(f)	Depreciation and amortization expenses	30	1,663.28	1,346.81
	(g)	Impairment of goodwill	5	656.05	-
	(h)	Other expenses	31	14,825.85	15,461.48
	Total expenses (a + b + c + d + e + f + g + h)			**120,570.64**	**111,038.25**
3	Share of profit/(loss) of associates / joint ventures		39	248.87	102.13
4	**Profit before exceptional items and tax (1-2+3)**			**2,719.15**	**2,849.10**
5	Exceptional items			-	-
6	**Profit before tax (4-5)**			**2,719.15**	**2,849.10**
7	**Tax expense /(credit)**				
	a)	Current tax	8	314.76	421.49
	b)	Deferred tax	8	503.99	(1,037.41)
	Total tax expense/(credit)			**818.75**	**(615.92)**
8	**Profit for the year (6-7)**			**1,900.40**	**3,465.02**
9	**Other comprehensive income**				
	Items that will be reclassified to profit or loss:				
	a)	Foreign exchange gain/(loss) on monetary items included in net investment in a foreign subsidiary	14	(98.16)	(101.51)
	b)	Income tax relating to these items	8	-	-
	Items that will not be reclassified to profit or loss:				
	a)	Re-measurement of defined benefits plan	28	69.07	123.88
	b)	Income tax relating to these items	8	(17.39)	(31.18)
	c)	Share of other comprehensive income of associates / joint ventures	39	(1.29)	2.57
	Other comprehensive income / (loss) for the year (net of taxes)			**(47.77)**	**(6.24)**
10	**Total comprehensive income for the year (8+9)**			**1,852.63**	**3,458.78**
11	**Profit attributable to:**				
	Owners of the Parent			1,900.40	3,463.89
	Non-controlling interests		39	-	1.13
				1,900.40	**3,465.02**
12	**Other comprehensive income attributable to:**				
	Owners of the Parent			(47.77)	(6.24)
	Non-Controlling interests		39	-	-
				(47.77)	**(6.24)**
13	**Total comprehensive income attributable to:**				
	Owners of the Parent			1,852.63	3,457.65
	Non-controlling interests		39	-	1.13
				1,852.63	**3,458.78**
14	Earnings per share (EPS) (face value ₹ 5/- per share)		32		
	(a)	Basic (₹)		13.08	23.64
	(b)	Diluted (₹)		12.97	23.43
15	Weighted average equity shares used in computing earnings per equity share		32		
	(a)	Basic (Nos.)		145,344,093	146,537,510
	(b)	Diluted (Nos.)		146,550,084	147,849,999

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

As per our report of even date

For **S S Kothari Mehta & Co.LLP**
Chartered Accountants
Firm's Registration: 000756N/N500441

Naveen Aggarwal
Partner
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

All amounts in ₹ Million, unless stated otherwise

A. Equity Share Capital

Year ended March 31, 2023

Particulars	As at April 1, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 1, 2022	Changes during the year	Balance as at March 31, 2023
Equity Share Capital	735.16	-	735.16	(6.51)	728.65

Year ended March 31, 2024

Particulars	As at April 1, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance as on April 1, 2023	Changes during the year	Balance as at March 31, 2024
Equity Share Capital	728.65	-	728.65	(8.15)	720.50

B. Other Equity

Year ended March 31, 2023

Particulars	Reserves and Surplus						Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners	Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Capital redemption reserve	Capital reserve					
As at April 1, 2022	**2,736.01**	**560.94**	**15,623.96**	**225.41**	**9.09**	**181.24**	**640.69**	**0.02**	**19,977.36**	**30.61**	**20,007.97**
Profit for the year	-	-	3,465.02	-	-	-	-	-	**3,465.02**	1.13	**3,466.15**
Other comprehensive income / (loss)	-	-	95.27	-	-	-	(101.51)	-	**(6.24)**	-	**(6.24)**
Total comprehensive income for the year	**-**	**-**	**3,560.29**	**-**	**-**	**-**	**(101.51)**	**-**	**3,458.78**	**1.13**	**3,459.91**
Share issues expenses incurred by subsidiary entities	-	-	(0.19)	-	-	-	-	-	**(0.19)**	-	**(0.19)**
Share application money received during the year	-	-	-	-	-	-	-	0.70	**0.70**	-	**0.70**
Issued on exercise of stock options [refer note 28 (f)]	23.55	-	-	(23.55)	-	-	-	(0.72)	**(0.72)**	-	**(0.72)**
Employee share-based payment expense	-	-	-	135.54	-	-	-	-	**135.54**	-	**135.54**
Stock options forfeited/lapsed	-	2.53	-	(2.53)	-	-	-	-	**-**	-	**-**
Allocation to non-controlling interests	-	-	22.83	-	-	-	-	-	**22.83**	(31.74)	**(8.91)**
Buyback of equity shares, including tax thereon	(800.00)	-	(184.67)	-	7.27	-	-	-	**(977.40)**	-	**(977.40)**
Transaction cost related to buyback of equity shares (net of taxes)	(12.62)	-	-	-	-		-	-	**(12.62)**	-	**(12.62)**
As at March 31, 2023	**1,946.94**	**563.47**	**19,022.22**	**334.87**	**16.36**	**181.24**	**539.18**	**-**	**22,604.28**	**-**	**22,604.28**

Consolidated Statement of Changes in Equity (Contd.)

for the year ended March 31, 2023

All amounts in ₹ Million, unless stated otherwise

Year ended March 31, 2024

Particulars	Reserves and Surplus						Foreign currency translation reserve	Share application money pending allotment	Other equity attributable to owners	Non-controlling interests	Total
	Securities premium	General reserve	Retained earnings	Stock options outstanding account	Capital redemption reserve	Capital reserve					
As at April 1, 2023	**1,946.94**	**563.47**	**19,022.22**	**334.87**	**16.36**	**181.24**	**539.18**	**-**	**22,604.28**	**-**	**22,604.28**
Profit for the year	-	-	1,900.40	-	-	-	-	-	**1,900.40**	-	**1,900.40**
Other comprehensive income / (loss)	-	-	50.39	-	-	-	(98.16)	-	**(47.77)**	-	**(47.77)**
Total comprehensive income for the year	**-**	**-**	**1,950.79**	**-**	**-**	**-**	**(98.16)**	**-**	**1,852.63**	**-**	**1,852.63**
Share application money received during the year	-	-	-	-	-	-	-	0.02	**0.02**	-	**0.02**
Issued on exercise of stock options [refer note 28 (f)]	2.61	-	-	(2.61)	-	-	-	(0.02)	**(0.02)**	-	**(0.02)**
Employee share-based payment expense	-	-	-	70.68	-	-	-	-	**70.68**	-	**70.68**
Stock options forfeited/lapsed		11.49	-	(11.49)	-	-	-	-	**-**	-	**-**
Buyback of equity shares, including tax thereon	(900.00)	-	(207.76)	-	8.18	-	-	-	**(1,099.58)**	-	**(1,099.58)**
Transaction cost related to buyback of equity shares (net of taxes)	(13.14)	-	-	-	-	-	-	-	**(13.14)**	-	**(13.14)**
As at March 31, 2024	**1,036.41**	**574.96**	**20,765.25**	**391.45**	**24.54**	**181.24**	**441.02**	**-**	**23,414.87**	**-**	**23,414.87**

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

As per our report of even date

For **S S Kothari Mehta & Co.LLP**
Chartered Accountants
Firm's Registration: 000756N/N500441

Naveen Aggarwal
Partner
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Consolidated Statement of Cash Flows

for the year ended March 31, 2023

All amounts in ₹ Million, unless stated otherwise

S No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
A.	CASH FLOWS FROM OPERATING ACTIVITIES		
	Profit before tax	2,719.15	2,849.10
	Adjusted for:		
	Depreciation and amortization expenses	1,663.28	1,346.81
	Unrealised foreign exchange (gain) / loss	4.61	(23.54)
	Net (gain) / loss on sale of property, plant and equipment	(36.37)	(38.64)
	Finance costs	1,481.59	1,148.91
	Interest income classified as investing cash flows	(399.50)	(264.68)
	Allowance for expected credit loss	244.82	269.31
	Employee stock option compensation expense	45.66	78.47
	Other non-cash items	407.18	(110.73)
	Operating profit/(loss) before working capital changes	**6,130.42**	**5,255.01**
	Movement in working capital:		
	Decrease / (increase) in trade receivables	(2,856.37)	(3,349.23)
	Decrease / (increase) in inventories	4.94	24.99
	Decrease / (increase) in other current assets	(365.08)	(130.68)
	Decrease / (increase) in other current financial assets	(1,170.61)	(1,247.91)
	(Decrease) / increase in trade payables	670.95	65.67
	(Decrease) / increase in provisions	472.78	363.87
	(Decrease) / increase in other current liabilities	3.80	221.02
	(Decrease) / increase in other current financial liabilities	1,472.87	1,317.32
	Decrease / (increase) in other non-current assets	-	2.58
	Decrease / (increase) in other non-current financial assets	25.08	119.87
	(Decrease) / increase in other non-current financial liabilities	(7.37)	4.34
	Cash (used in) /generated from operations	**4,381.41**	**2,646.85**
	Direct tax (paid), net of refunds	(437.24)	(937.55)
	Net cash inflow / (outflow) from operating activities	**3,944.17**	**1,709.30**
B.	CASH FLOWS FROM INVESTING ACTIVITIES		
	Purchase of Property, plant & equipment and Capital work in progress	(1,636.08)	(1,293.45)
	Proceeds from sale/disposal of property, plant and equipment	77.54	106.06
	Investment made	(34.99)	(375.23)
	Redemption of non convertible debentures issued	100.00	147.00
	Investment in fixed deposits	(1,381.28)	(880.26)
	Redemption of fixed deposits	1,476.98	531.08
	Acquisition of Subsidiary's non-controlling interest	-	(7.77)
	Changes in restricted balances	(65.70)	(55.08)
	Interest received	415.35	346.65
	Dividend received	4.04	1.34
	Net cash inflow / (outflow) from investing activities	**(1,044.14)**	**(1,479.66)**

Consolidated Statement of Cash Flows (Contd.)

for the year ended March 31, 2023

All amounts in ₹ Million, unless stated otherwise

S No	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
C.	CASH FLOWS FROM FINANCING ACTIVITIES		
	Proceeds from issue of share capital (net of share issue expenses)	0.03	0.76
	Buyback of equity shares including transaction cost and tax	(1,120.90)	(997.29)
	Foreign exchange gain / (loss) realized	(3.80)	(4.27)
	Proceeds from term loans	1,020.61	2,817.29
	Repayment of term loans	(1,401.24)	(726.46)
	Bonds/debentures repaid/redeemed	-	(1,900.00)
	Interest paid	(1,405.02)	(1,065.73)
	Payment of lease liabilities	(491.64)	(409.57)
	Net cash inflow / (outflow) from financing activities	**(3,401.96)**	**(2,285.27)**
D.	**Net increase / (decrease) in cash and cash equivalents (A+B+C)**	**(501.93)**	**(2,055.63)**
E.	Cash and cash equivalents at the beginning of the year	1.94	1,951.72
F.	Translation adjustments	(22.59)	105.85
	Cash and cash equivalents at the end of the year (D+E+F)	**(522.58)**	**1.94**

Reconciliation of cash and cash equivalents as per the statement of the cash flows

Cash and cash equivalents as per above comprise of the following:	March 31, 2024	March 31, 2023
Cash and cash equivalents	6,514.82	6,656.18
Cash credit	(7,037.40)	(6,654.24)
Balances as per statement of cash flows	**(522.58)**	**1.94**

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

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.
As per our report of even date

For S S Kothari Mehta & Co.LLP
Chartered Accountants
Firm's Registration: 000756N/N500441

For and on behalf of Board of Directors

Naveen Aggarwal
Partner
Membership No. 094380

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Place: New Delhi
Date: May 01, 2024

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

Notes to the Financial Statements

All amounts in ₹ Million, unless stated otherwise

1. Group overview

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

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

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

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

These financial statements were authorised for issue by the directors on May 01, 2024.

2. Material accounting policies

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

2.1 Basis of preparation

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

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

2.2 Basis of measurement

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

a. Certain financial assets and financial liabilities (including derivative financial instruments) and contingent consideration that are measured at fair value;

b. Assets held for distribution to owners upon demerger that are held at lower of carrying cost and fair value less cost to distribute;

c. Share based payments; and

d. The defined benefit asset/(liability) which is recognised as the present value of defined benefit obligation less fair value of plan assets.

e. Liability in respect of forward contract/ call and put options for acquisition of Non-controlling interests are measured at fair value.

f. Contingent liability and indemnification of asset acquired in a business combination are measured at fair value.

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

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

All amounts in ₹ Million, unless stated otherwise

Fair value measurement

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

Fair value hierarchy

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

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

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

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

a) Market approach – Prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities.

b) Income approach – Converting the future amounts based on market expectations to its present value using the discounting method.

c) Cost approach – Replacement cost method.

2.3 Basis of consolidation

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

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

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

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

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

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

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. The policy for accounting for Business combinations explains the accounting for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and property, plant and equipment, are eliminated in full. However, intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind-AS 12 on Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

(d) Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

(e) A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(f) If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary,
- Derecognises the carrying amount of any non-controlling interests,
- Derecognises the cumulative translation differences recorded in equity,
- Recognises the fair value of the consideration received,
- Recognises the fair value of any investment retained,
- Recognises any surplus or deficit in profit or loss,
- Reclassifies the Parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Non-controlling interest

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

All amounts in ₹ Million, unless stated otherwise

is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

2.4 Summary of material accounting policies

a) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.

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

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

b) Property, plant and equipment

Recognition and measurement

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

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

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

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

Depreciation

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

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

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

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

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

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

c) Intangible assets

Recognition and measurement

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

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

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

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

The estimated useful lives of intangible assets are as follows:

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

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

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

All amounts in ₹ Million, unless stated otherwise

Goodwill

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

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

Brand name

Brand name is not amortised and tested annually for impairment.

Customer contracts, customer relationship and non-competition agreements

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

Software

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

License & franchise

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

d) Investment in subsidiaries, associates, and joint ventures

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

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

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

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

The Group's investments in its associates and joint ventures are accounted for using the equity method. Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. The statement of profit and loss reflects the Group's share of the results of operations of the associate or joint

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

venture. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Dividends receivable from associates and joint ventures reduce the carrying amount of the investment.

If an entity's share of losses of an associate or a joint venture equals or exceeds its interest in the associate or joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in the associate or joint venture), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. If the associate or joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The financial statements of the associate or joint venture, for the purpose of reflecting the Group's share of the results of operations of the associate or joint venture, are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as "Share of profit of associates /joint ventures" in the statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

e) Financial instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial instruments at amortised cost

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

(a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

(b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

All amounts in ₹ Million, unless stated otherwise

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

Financial instrument at FVTOCI

A 'financial assets' is classified as at the FVTOCI if both of the following criteria are met:

(a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

(b) The asset's contractual cash flows represent SPPI.

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

Financial instrument at FVTPL

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

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

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

Equity investments

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

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

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

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

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All amounts in ₹ Million, unless stated otherwise

Derecognition of financial assets

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

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

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

Impairment of financial assets

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

Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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liability are recognised in the statement of profit or loss.

Financial liability at fair value through profit or loss also include liabilities arising from forward contract/ call and put options for the purpose of non-controlling interests in subsidiaries and contingent liability acquired in a business combination. The fair value gain/loss arising on such liabilities is recognised in profit or loss.

Borrowings

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

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

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

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

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

Derecognition

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

Reclassification of financial instruments

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines changes in the business model as a result of external or internal changes which are significant to the Group's operations. Such

Notes to the Financial Statements (Contd.)

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changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

Offsetting of financial instruments

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

f) Trade receivables

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

g) Current and deferred tax

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

Current tax

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

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is

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probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

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

h) Cash and cash equivalents

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

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

i) Equity share capital

Equity shares are classified as equity.

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

j) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30-60 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

k) Provisions and contingencies

Provisions

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

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

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period.

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The discount rate used to determine the present value is the pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in provision due to the passage of time is recognised as an interest expense.

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

Asset retirement obligations (ARO)

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

Contingent liabilities and Contingent assets

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

Liabilities recognised in a business combination

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

l) Revenue recognition

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

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

Revenue is recognised as follows:

(i) Revenue from services represents the amounts receivable for services rendered.

(ii) For contract-based business (Expressed or implied), revenue represents the sales value of work carried out for customers during the period. Such revenues are recognised in the period in which the service is rendered.

(iii) Unbilled revenue (contract assets) net of expected deductions is recognised at the end of each period. Such unbilled revenue is reversed in the subsequent period when actual invoice is raised.

(iv) Unearned income (contract liabilities) represents revenue billed but for which services have not yet been performed. The same is released to the statement of profit and loss as and when the services are rendered.

(v) Revenue from the use of assets such as rent for using property, plant and equipment is recognised on a straight-line basis over the terms of the related leases unless payments are structured to

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increase in line with the expected general inflation to compensate for the lessors' expected inflationary cost increase.

Sale of goods

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

Rendering of services

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

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

Multiple-element arrangements

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

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

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

Interest income

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

Dividends

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

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease term unless payments are structured to increase in line with the expected general inflation to compensate for the lessor's expected inflationary cost

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increase and is included in revenue in the statement of profit or loss due to its operating nature.

m) Employee Benefits

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

Short-term obligations

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

Bonus

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

Compensated absences/Leave obligations

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

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

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

Post-employment obligations

The Group operates the following post-employment schemes:

(a) Defined contribution plans such as provident fund, employees' state insurance, superannuation funds and central provident fund; and

(b) Defined benefit plans such as gratuity.

Defined contribution plan

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

In respect of entities of the Group not incorporated in India, contributions to superannuation funds are recognised as an employee benefit expense as they become payable. The Group pays fixed contributions into independent entities in relation to several state plans and insurance for individual employees. The central provident fund is an employment based savings scheme with

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employers and employees contributing a mandated amount to the Fund. The Group has no further obligation beyond making its contribution which is expected in the year in which it pertains. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined Benefit Plan

In India, the Group has a defined benefit plan, viz., Gratuity, for all its employees, and the Group's policy is to determine the liability for this benefit and to accrue and provide for the same as determined by an independent actuarial valuation. A portion of this liability for gratuity is contributed by some subsidiaries, associates and joint ventures to Group's gratuity policies administered and operated by reputed insurance companies. The liability or asset is recognised in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit is actuarially determined (using the projected unit credit method) at the end of each year.

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

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

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

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

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs.

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

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

Equity settled stock-based compensation

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

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

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

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance

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conditions, if any, are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

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

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

n) Borrowing costs

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

o) Leases

Group as a lessee

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

(i) the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group

(ii) The Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract

(iii) The Group has the right to direct the use of the identified asset throughout the period of use.

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

Measurement and recognition of leases as a lessee

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

The Group depreciates the right-of-use assets using the written down value method (and straight-line method in respect of certain subsidiaries) from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

IndAS116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with an option to extend or terminate the lease, if the use of such option is reasonably certain. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances.

All amounts in ₹ Million, unless stated otherwise

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

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

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

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

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

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

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

Group as a lessor

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

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

p) Impairment of non-financial assets

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

The recoverable amount is the higher of its fair value less cost of disposal and its value-in-use. Value-in-use is the present value of

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

future cash flows expected to be derived from the asset. For the purposes of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units or CGU). Impairment occurs when the carrying amount of a CGU including the goodwill, exceeds the estimated recoverable amount of the CGU. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to the Group's CGUs expected to benefit from the synergies arising from the business combination. Total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU, pro-rata on the basis of the carrying amount of each asset in the CGU. An impairment loss on goodwill recognised in the statement of profit and loss is not reversed in the subsequent period. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of impairment at the end of each reporting period.

q) Earnings per share

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

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

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

r) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The Board of Directors of SIS Limited have appointed a Group management committee which assesses the financial performance and position of the Group and makes strategic decisions.

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Group. Further, inter-segment revenue is accounted for based on the transaction price agreed to between segments which is primarily market based. Revenue and expenses are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Group as a whole and are not allocable to segments on a reasonable basis, are included under "Unallocated corporate expenses/ income".

s) Cash flow statement

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

t) Business combination

Business combinations have been accounted for using the acquisition method under

All amounts in ₹ Million, unless stated otherwise

the provisions of Ind AS 103, Business Combinations.

The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued, and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as an asset or a liability is measured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted within equity.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition date fair value, and the resulting gain, if any, is recognised in profit or loss.

Transaction costs that the Group incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

2.5 Other accounting policies

a) Investment properties

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

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

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

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

b) Financial instruments

Derivatives

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

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

Embedded derivatives

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

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

c) Inventories

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

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

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

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

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

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

All amounts in ₹ Million, unless stated otherwise

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

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

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

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

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

e) Government grants

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

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

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

f) Foreign currency transaction and balances

Items included in the financial statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency').

The consolidated financial statements of the Group are presented in Indian Rupee (₹) which is also the Parent's functional currency.

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates prevailing at the reporting date.

Subsequently, differences arising on restatement or settlement of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation or a monetary item for which settlement is neither planned nor likely to occur in foreseeable future is considered as part of the entity's net investment in that foreign operation. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in OCI.

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

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

On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates prevailing at the dates of the transactions). The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is recognised in profit or loss.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedge of such investments, are recognised in other comprehensive income. When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

g) Cash dividend and non-cash distribution to equity holders of the Parent

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

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

h) Exceptional items

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

2.6 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

3. Significant accounting judgements, estimates and assumptions

Use of estimates and judgment

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

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

All amounts in ₹ Million, unless stated otherwise

Judgements

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

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

Critical estimates and judgements

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note 8
- Estimated useful life of intangible assets – Note 2.4.c
- Estimation of defined benefit obligation – Note 28
- Estimation of provision for warranty claims – Note 20
- Estimation of fair value of contingent liabilities and liability towards forward contract or call and put options to purchase non-controlling interests in a business combination – Note 34
- Whether forward contract or call and put options to purchase non-controlling interests result in transfer of risks and rewards of ownership by non-controlling interests– Note 34
- Recognition of deferred tax assets for carried forward of tax losses – Note 8
- Consolidation decisions and classification of joint arrangements – Note 39
- Impairment of trade receivables– Note 11
- Whether assets held for distribution to owners meet the definition of discontinued operations– Note 2.5.d

Impairment

The Group assess impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates. During the financial year, the group has recognised an impairment loss relating to its Singapore Security business by writing down goodwill by an amount of ₹ 656.05 million in its statement of profit or loss. This was the result of a revaluation of the business carried out by the management based on changes in the economic conditions in Singapore post covid and also based on the revised plans and growth outlook for this business. Refer note 5 for further information.

Share-based payments

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

Taxes

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

Defined benefit plans (gratuity benefits)

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

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries. [refer note 28]

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

Fair value measurement of financial instruments

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

Intangible asset under development

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

Leases

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis and there by assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Group considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease, the importance of the underlying asset to SIS's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. [refer note 4 and 16]

All amounts in ₹ Million, unless stated otherwise

4 Property, Plant & Equipment

Year ended March 31, 2023

Description of assets	Gross block						Accumulated depreciation					Net carrying value as at March 31, 2023
	As at April 1, 2022	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	
Buildings *#	1,749.89	101.85	266.54	(53.53)	(25.04)	2,039.71	855.25	334.95	(41.92)	(10.55)	1,137.73	901.98
Leasehold improvement	263.77	30.81	91.71	-	(0.73)	385.56	164.77	57.26	6.65	0.39	229.07	156.49
Plant and Machinery #	1,275.28	38.05	418.35	(4.52)	(10.42)	1,716.74	582.34	297.60	6.04	(8.00)	877.98	838.76
Furniture and Fixture	709.01	1.55	48.02	0.99	(7.08)	752.49	479.09	45.78	2.34	(4.67)	522.54	229.95
Vehicles #	1,288.43	19.79	390.32	(221.85)	(26.24)	1,450.45	659.05	262.62	(188.03)	(15.23)	718.41	732.04
Office equipment	487.65	-	51.05	(6.89)	0.02	531.83	371.35	50.53	(3.57)	0.01	418.32	113.51
Computer equipment	364.77	2.77	69.06	(2.58)	(6.99)	427.03	235.14	65.18	(1.51)	(4.93)	293.88	133.15
	6,138.80	**194.82**	**1,335.05**	**(288.38)**	**(76.48)**	**7,303.81**	**3,346.99**	**1,113.92**	**(220.00)**	**(42.98)**	**4,197.93**	**3,105.88**
Capital work-in-progress	23.22	1.23	180.16	(8.37)	(1.31)	194.93	-	-	-	-	-	194.93
Grand total	**6,162.02**	**196.05**	**1,515.21**	**(296.75)**	**(77.79)**	**7,498.74**	**3,346.99**	**1,113.92**	**(220.00)**	**(42.98)**	**4,197.93**	**3,300.81**

Year ended March 31, 2024

Description of assets	Gross block						Accumulated depreciation					Net carrying value as at March 31, 2024
	As at April 1, 2023	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2024	
Buildings *#	2,039.71	-	607.78	(21.44)	(11.00)	2,615.05	1,137.73	389.34	(16.96)	(5.82)	1,504.29	1,110.76
Leasehold improvement	385.56	-	130.17	-	(0.71)	515.02	229.07	121.65	-	(0.15)	350.57	164.45
Plant and Machinery #	1,716.74	-	627.91	0.35	(3.59)	2,341.41	877.98	346.35	(0.41)	(2.73)	1,221.19	1,120.22
Furniture and Fixture	752.49	-	32.40	-	(2.63)	782.26	522.54	39.67	-	(1.77)	560.44	221.82
Vehicles #	1,450.45	-	421.13	(225.91)	(10.53)	1,635.14	718.41	299.32	(196.85)	(5.79)	815.09	820.05
Office equipment	531.83	-	132.57	(2.11)	0.01	662.30	418.32	65.47	(0.37)	0.01	483.43	178.87
Computer equipment	427.03	-	61.37	-	(2.90)	485.50	293.88	75.08	-	(2.25)	366.71	118.79
	7,303.81	**-**	**2,013.33**	**(249.11)**	**(31.35)**	**9,036.68**	**4,197.93**	**1,336.88**	**(214.59)**	**(18.50)**	**5,301.72**	**3,734.96**
Capital work-in-progress	194.93	-	400.04	(573.30)	0.50	22.17	-	-	-	-	-	22.17
Grand total	**7,498.74**	**-**	**2,413.37**	**(822.41)**	**(30.85)**	**9,058.85**	**4,197.93**	**1,336.88**	**(214.59)**	**(18.50)**	**5,301.72**	**3,757.13**

Include building on leasehold land.

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

4. Property, plant and equipment (Contd.)

 # Right-of use assets included above in building, vehicles and plant and machinery is mentioned below:

Particulars	Building	Vehicles	Plant and Machinery	Total
Balance as at April 1, 2022	**805.12**	**29.05**	**0.85**	**835.02**
Acquired on business acquisition	101.85	-	-	101.85
Additions during the year	257.89	24.81	12.00	294.70
Derecognised/adjustments during the year	(11.63)	(0.01)	-	(11.64)
Depreciation during the year	(330.72)	(11.16)	(4.38)	(346.26)
Translation adjustments	(14.50)	(1.43)	(0.03)	(15.96)
Balance as at March 31, 2023	**808.01**	**41.26**	**8.44**	**857.71**
Additions during the year	621.18	6.74	5.00	632.92
Derecognised/adjustments during the year	(4.55)	0.03	-	(4.52)
Depreciation during the year	(398.42)	(19.08)	(4.89)	(422.39)
Translation adjustments	(5.19)	(0.53)	(0.07)	(5.79)
Balance as at March 31, 2024	**1,021.03**	**28.42**	**8.48**	**1,057.93**

Refer note 16 for disclosure of related lease liabilities.

(i) Ageing of Capital work in progress (CWIP)

Year ended March 31, 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress *	181.37	13.56	-	-	194.93
Total	**181.37**	**13.56**	**-**	**-**	**194.93**

Year ended March 31, 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress *	13.72	8.45	-	-	22.17
Total	**13.72**	**8.45**	**-**	**-**	**22.17**

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

(ii) Property, Plant and Equipment pledged as security

Refer to note 15 for information on property, plant and equipment pledged as security by the Group.

(iii) Contractual obligation

Refer note 34 (a) for disclosure of contractual commitment for the acquisition of property, plant and equipment.

All amounts in ₹ Million, unless stated otherwise

5. Goodwill and Other Intangible assets

Year ended March 31, 2023

Description of assets	Gross block						Accumulated amortisation / Impairment loss					Net carrying value as at March 31, 2023
	As at April 1, 2022	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	As at April 1, 2022	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2023	
Goodwill #	**14,516.81**	24.74	-	-	(368.05)	**14,173.50**	**2,870.18**	-	-	(91.79)	**2,778.39**	**11,395.11**
Other Intangible assets												
Computer software *	486.26	-	170.60	-	(22.19)	634.67	250.60	88.27	-	(15.32)	323.55	311.12
License and franchise	38.03	-	-	-	-	38.03	24.10	1.88	-	-	25.98	12.05
Customer Contracts/relationship	1,181.71	236.14	7.25	0.64	(24.09)	1,401.65	766.94	103.17	(21.66)	(21.09)	827.36	574.29
Brand name	836.09	-	-	-	(1.20)	834.89	-	-	-	-	-	834.89
Non-competition agreements	253.55	-	-	-	-	253.55	177.08	39.57	-	-	216.65	36.90
Intangible assets under development												
Computer software	211.39	-	177.68	(170.59)	(1.02)	217.46	-	-	-	-	-	217.46
Grand total	**17,523.84**	**260.88**	**355.53**	**(169.95)**	**(416.55)**	**17,553.75**	**4,088.90**	**232.89**	**(21.66)**	**(128.20)**	**4,171.93**	**13,381.82**

Year ended March 31, 2024

Description of assets	Gross block						Accumulated amortisation / Impairment loss					Net carrying value as at March 31, 2024
	As at April 1, 2023	Acquired on business acquisition	Additions during the year	Sale and adjustments	Translation adjustments	As at March 31, 2024	As at April 1, 2023	Charge for the year	Sale and adjustments	Translation adjustments	As at March 31, 2024	
Goodwill #	**14,173.50**	38.59	-	-	(132.63)	**14,079.46**	**2,778.39**	656.05	-	(33.79)	**3,400.65**	**10,678.81**
Other intangible assets												
Computer software *	634.67	-	207.56	-	(8.28)	833.95	323.55	159.05	-	(6.72)	475.88	358.07
License and franchise	38.03	-	-	(38.03)	-	-	25.98	0.46	(26.44)	-	-	-
Customer Contracts/relationship	1,401.65	-	8.72	(4.62)	(13.67)	1,392.08	827.36	136.19	(0.51)	(8.56)	954.48	437.60
Brand name	834.89	-	-	-	(0.19)	834.70	-	-	-	-	-	834.70
Non-competition agreements	253.55	-	-	-	-	253.55	216.65	30.70	-	-	247.35	6.20
Intangible assets under development												
Computer software	217.46	-	298.68	(186.23)	(1.31)	328.60	-	-	-	-	-	328.60
Grand total	**17,553.75**	**38.59**	**514.96**	**(228.88)**	**(156.08)**	**17,722.34**	**4,171.93**	**982.45**	**(26.95)**	**(49.07)**	**5,078.36**	**12,643.98**

** Computer software consists of purchased software licenses and development costs of existing Enterprise Resource Planning (ERP) software.*

 # Refer note 5 (ii) for impairment testing of goodwill.

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

5. Goodwill and Other Intangible assets (Contd.)

Ageing of Intangible assets under development:

Year ended March 31, 2023

Amount in intangible assets under development for the year ended March 31, 2023

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	116.43	55.64	24.79	20.60	217.46
Total	**116.43**	**55.64**	**24.79**	**20.60**	**217.46**

Year ended March 31, 2024

Amount in intangible assets under development for the year ended March 31, 2024

Particulars	<1 year	1-2 years	2-3 years	More than 3 years	Total
- Projects in progress	239.76	69.15	19.69	-	328.60
Total	**239.76**	**69.15**	**19.69**	**-**	**328.60**

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

(i) Refer note 37 for assets acquired under business acquisition.

(ii) Impairment testing of goodwill and brands with indefinite lives

A summary of changes in the carrying amount of goodwill is as follows:

Particulars	March 31, 2024	March 31, 2023
Carrying value at the beginning of the year	**11,395.11**	**11,646.63**
Goodwill on acquisition of Safety Direct Solutions Pty Limited#	38.59	11.94
Impairment loss recognised on Goodwill attributable to Singapore Security Business *	(656.05)	-
Goodwill on acquisition of business assets of Protection Plus Security	-	12.80
Translation differences	(98.84)	(276.26)
Carrying value at the end of the year	**10,678.81**	**11,395.11**

 # Refer Note 37

** The group has recognised an impairment loss relating to its Singapore Security business by writing down goodwill by an amount of ₹ 656.05 million in its statement of profit or loss.*

The break-up of allocation of goodwill to operating segments is as follows:

Particulars	March 31, 2024	March 31, 2023
Security Services – India	2,174.32	2,174.32
Security Services – International	7,459.74	8,176.04
Facilities Management	1,044.75	1,044.75
	10,678.81	**11,395.11**

The entire goodwill relating to acquisition of SLV Security Services Private Limited, Uniq Security Solutions Private Limited and SIS Alarm Monitoring and Response Services Private Limited has been allocated to the groups of CGUs which are represented by the Security Services – India segment.

All amounts in ₹ Million, unless stated otherwise

5. Goodwill and Other Intangible assets (Contd.)

The entire goodwill relating to acquisition of Southern Cross Protection Pty Ltd, SIS Henderson Holdings Pte Ltd, Platform 4 Group Ltd, Triton Security Limited, Safety Direct Solutions Pty Ltd and acquisition of business assets of BAS Securities Limited, Redfrog Security, Conroy Security Limited, Guardforce Security Limited, Protection Plus Security and Protective Services Limited has been allocated to the group of CGUs which are represented by the Security Services - International segment.

The entire goodwill relating to acquisition of Dusters Total Solutions Services Private Limited, Rare Hospitality and Services Private Limited and ADIS Enterprises Private Limited has been allocated to the group of CGUs which are represented by the Facilities Management segment.

A summary of changes in the carrying amounts of brands with indefinite life as follows:

Particulars	March 31, 2024	March 31, 2023
Carrying value at the beginning of the year	**834.89**	**836.09**
Change during the year	-	-
Translation differences	(0.19)	(1.20)
Carrying value at the end of the year	**834.70**	**834.89**

The break-up of allocation of brands to operating segments is as follows:

Particulars	March 31, 2024	March 31, 2023
Facilities management	820.99	820.99
International	13.71	13.90

Impairment testing

The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets/plans approved by management covering a period of five years. Cash flows beyond the period of five years are extrapolated using the estimated growth rates stated below. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

The recoverable amount of a CGU is the higher of its fair value less cost to sell and its value-in-use. The value-in-use is determined based on specific calculations. These calculations use pre-tax cash flow projections for a CGU / group of CGUs over a period of five years. An average of the range of each assumption used is mentioned below. As of March 31, 2024, and March 31, 2023, the estimated recoverable amount of the CGU exceeded its carrying amount. The recoverable amount was computed based on the fair value less cost to sell being higher than value-in-use. The carrying amount of the CGU was computed by allocating the net assets to operating segments for the purpose of impairment testing.

Key assumptions used for testing impairment of goodwill:

Year ended March 31, 2024

Particulars	Sales (% annual growth rate)	EBITDA/ EBIT (%)	Long term growth rate (%)	Pre-tax discount rate (%)
Dusters Total Solutions Services Private Limited	10.00% - 12.00%	4.20% - 5.10%	5.00%	11.16%
SLV Security Services Private Limited	8.00%	4.30% - 5.00%	5.00%	11.16%
Rare Hospitality and Services Private Limited	10.00% - 16.00%	4.70% - 6.10%	5.00%	11.16%
Uniq Security Solutions Private Limited	10.00%	4.00% - 4.90%	5.00%	11.16%
MSS Security Pty Limited*	2.30%	4.03%	2.00%	9.83%
Southern Cross Protection Pty Ltd*	2.00%	4.05% - 6.00%	2.00%	9.83%
SIS Henderson Holdings Pte Ltd*	12.00% - 32.00%	3.24% - 6.36%	2.00%	9.61%
Platform 4 Group Ltd*	2.00%	1.00% - 5.20%	2.00%	11.58%
Safety Direct Soluations Pty Ltd*	2.00%	1.00% - 4.00%	2.00%	9.83%

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

5. Goodwill and Other Intangible assets (Contd.)

Year ended March 31, 2023

Particulars	Sales (% annual growth rate)	EBITDA (%)	Long term growth rate (%)	Pre-tax discount rate (%)
Dusters Total Solutions Services Private Limited	10.00% - 25.00%	4.20% - 5.90%	5.00%	10.75%
SLV Security Services Private Limited	10.00% - 20.00%	4.70% - 5.80%	5.00%	10.75%
Rare Hospitality and Services Private Limited	10.00% - 20.00%	3.30% - 5.90%	5.00%	10.75%
Uniq Security Solutions Private Limited	3.00% - 8.60%	4.20% - 6.10%	5.00%	10.75%
MSS Security Pty Limited*	2.30%	4.03%	2.00%	9.29%
Southern Cross Protection Pty Ltd*	2.00%	4.05% - 6.00%	2.00%	9.29%
SIS Henderson Holdings Pte Ltd*	18.40%	0.59% - 8.45%	2.00%	9.64%
Platform 4 Group Ltd*	2.00%	1.00% - 5.20%	2.00%	11.00%

** EBIT (%) has been used as key assumptions.*

The assumptions used for the current reporting period may differ from the assumptions in the next reporting period as internal and external circumstances and expectations change. If the budgeted revenue growth rate used in the value in use calculation for the Singapore Security Business had been 5% lower than management's estimates as at 31 March 2024 for all future years, with corresponding adjustment to the working capital assumptions, the group would have had to recognise a further impairment against the carrying amount of goodwill of ₹ 194.37 million [AUD 3.57 million]. If the pre-tax discount rate applied to the cash flow projections of this CGU had been 1% higher than management's estimates (10.61% instead of 9.61%), the Group would have had to recognise a further impairment against Goodwill of ₹ 257.52 million [AUD 4.73 million].

Management will continue to monitor the Singapore Security business CGU for these changes and may make further adjustments as the case may be.

6 Investments

Particulars	March 31, 2024	March 31, 2023
Non-current investments		
Investments in equity Instruments (Unquoted fully paid)		
Investment in joint ventures (at cost unless stated otherwise)		
9,708,696 (March 31, 2023: 9,708,696) equity shares in SIS Cash Services Private Limited of ₹ 10/- each fully paid up	753.88	508.89
49 (March 31, 2023: 49) equity shares in Habitat Security Pty Ltd of AUD 1/- each fully paid up	3.13	4.60
Total investment in joint ventures (A)	**757.01**	**513.49**
Investments in others (at FVTPL)		
30 (March 31, 2023: 30) equity shares in Staqu Technologies Private Limited of ₹ 10/- each	0.18	0.18
5,000 (March 31, 2023: 5,000) equity shares in Saraswat Cooperative Bank Limited of ₹ 10/- each fully paid up	0.05	0.05
Total investments (B)	**0.23**	**0.23**
Total investment in equity instruments {A+B} (C)	**757.24**	**513.72**

All amounts in ₹ Million, unless stated otherwise

6 Investments (Contd.)

Particulars	March 31, 2024	March 31, 2023
Investments in preference shares (Unquoted fully paid)		
Investments in others (at FVTPL)		
17,658,153 (March 31, 2023: 17,658,153) compulsory convertible preference shares in SIS Asset Management Limited of ₹ 10/- each	177.77	177.77
7,773 (March 31, 2023: 7,773) Class-2 compulsory convertible cumulative preference shares in Staqu Technologies Private Limited of ₹ 10/- each	50.01	50.01
2,169 (March 31, 2023: 2,169) compulsory convertible preference shares in Staqu Technologies Private Limited of ₹ 542/- each	13.26	13.26
Total investment in preference shares (D)	**241.04**	**241.04**
Investments in debentures or bonds (Unquoted fully paid)		
Investments in joint ventures (at amortised cost)		
125 (March 31, 2023: 225) Non-convertible debentures in SIS Cash Services Private Limited of ₹ 1,000,000/- each fully paid up*	75.00	125.00
Total investment in joint ventures (E)	**75.00**	**125.00**
Investments in others (at FVTPL)		
3077 (March 31, 2023: Nil) compulsory convertible debentures in Entitled Solutions Private Limited of ₹ 11,373/- each	34.99	-
Total investments in others (F)	**34.99**	**-**
Total investments in debentures or bonds {E+F} (G)	**109.99**	**125.00**
Total non-current investments {C+D+G} (H)	**1,108.27**	**879.76**
Current investments		
Investments in mutual funds (at FVTPL)	5.55	3.22
Total investments in mutual funds (I)	**5.55**	**3.22**
Investments in debentures or bonds (Unquoted fully paid)		
Investments in joint ventures (at amortised cost)		
Non-convertible debentures in SIS Cash Services Private Limited of ₹ 1,000,000/- each fully paid up*	50.00	100.00
Total investments in debentures or bonds (J)	**50.00**	**100.00**
Total current investments {I+J} (K)	**55.55**	**103.22**
Total investments {H+K}	**1,163.82**	**982.98**
Aggregate value of quoted investments and market value thereof	5.55	3.22
Aggregate value of unquoted investments	1,158.27	979.76
Aggregate amount of impairment in value of investments	-	-

* *During the year ended March 31, 2024, current maturity of non-convertible debentures in SIS Cash Services Private Limited amounting to ₹ 50 million (March 31, 2023: ₹ 100 million) has been disclosed under current investments.*

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

7. Other financial assets

Particulars	March 31, 2024	March 31, 2023
Other non-current financial assets		
Security deposits (unsecured, considered good)	295.94	313.92
Margin money in the form of fixed deposits *	191.14	128.28
Fixed deposit maturing after 12 months	90.78	221.20
Other non-current financial assets	33.95	36.10
Total other non-current financial assets	**611.81**	**699.50**
Other current financial assets		
Unbilled revenue ** (refer note 23)	7,060.57	5,990.05
Security deposits (unsecured, considered good)	237.68	186.70
Interest accrued on deposits / investments/ loans	71.05	93.35
Other receivables	143.74	120.78
Total other current financial assets	**7,513.04**	**6,390.88**
Total financial assets	**8,124.85**	**7,090.38**

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

*** All unbilled dues are undisputed and falling under the ageing of less than six months from the date of completion of delivery of goods/ services. Further, unbilled revenues are classified as financial assets as right to consideration is unconditional and is due only after passage of time.*

No other advances are due from directors or other officers of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 40.

Refer note 41 for the Group's policy regarding impairment allowance on other financial assets and Group's credit risk management processes.

7a. Loans

Particulars	March 31, 2024	March 31, 2023
Total non-current loans	**-**	**-**
Current loans		
Loans to related parties	17.00	17.00
Total current loans	**17.00**	**17.00**
Total Loans	**17.00**	**17.00**

Break-up of security details:

Particulars	March 31, 2024	March 31, 2023
Loan Receivables considered good - Secured	-	-
Loan Receivables considered good - Unsecured	17.00	17.00
Total	**17.00**	**17.00**

No loans are due from directors or other officers of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member except as disclosed in note 40.

All amounts in ₹ Million, unless stated otherwise

8. Income tax

The major components of income tax expense for the years ended March 31, 2024 and March 31, 2023 are:

Statement of profit and loss:

Profit or loss section:

Particulars	March 31, 2024	March 31, 2023
Current income tax:		
Current income tax charge	298.45	344.35
Adjustments in respect of current income tax expense / (reversal) of previous years	16.31	77.14
Deferred tax:		
Decrease /(increase) in deferred tax assets (net)	503.99	(1,037.41)
Income tax expense/(credit) reported in the statement of profit and loss	**818.75**	**(615.92)**

OCI section:

Tax related to items recognised in OCI during the year:

Particulars	March 31, 2024	March 31, 2023
Tax expense/(credit) on re-measurements of defined benefit plans	17.39	31.18
Income tax charged/(credited) to OCI	**17.39**	**31.18**

Reconciliation of tax expense and the accounting profit multiplied by the tax rate for March 31, 2024 and March 31, 2023:

Particulars	March 31, 2024	March 31, 2023
Accounting profit before tax from continuing operations	2,719.15	2,849.10
Accounting profit before income tax	2,719.15	2,849.10
Income tax expense at statutory rate @ 25.17% (March 31, 2023: 25.17%)	684.36	717.06
Adjustments in respect of income tax of previous years	16.31	77.14
Additional temporary tax deductible in respect of certain benefits under the Income Tax Act, 1961	(289.29)	(1,628.19)
Non- Deductible expenses for tax purposes		
Corporate social responsibility expenditure	8.05	6.35
Donation	0.66	1.73
Other non-deductible expenses	375.17	124.15
Income taxed at differential rates		
Entities taxed at different rates	23.49	85.84
Tax expense reported in the statement of profit and loss	**818.75**	**(615.92)**

The effective tax rate applicable to the Parent for the financial year 2024-25 would be 25.17% (including surcharge and cess) based on the law as it exists on the date of these financial statements.

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

8. Income tax (Contd.)

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

Particulars	March 31, 2024	March 31, 2023
Property, plant and equipment / Intangible assets	(343.18)	(322.17)
Defined benefit obligations	1,874.57	1,772.30
Deductions in respect of certain benefits under the Income Tax Act, 1961	1,001.37	1,541.53
Accruals and others	(43.56)	73.25
Allowance for expected credit loss – trade receivables	276.95	225.50
Unused tax losses	152.15	185.91
Total deferred tax assets/(liabilities)	**2,918.30**	**3,476.32**

Reflected in the balance sheet as follows:

Particulars	March 31, 2024	March 31, 2023
Deferred tax assets (net)	3,269.46	3,906.72
Deferred tax liabilities (net)	351.16	430.40
Total deferred tax assets/(liabilities) (net)	**2,918.30**	**3,476.32**

Reconciliation of deferred tax assets (liabilities), net:

Particulars	Property, plant and equipment / Intangible assets	Defined benefit obligations	Deductions in respect of certain benefits under the Income Tax Act, 1961	Accruals and others	Allowance for expected credit loss – trade receivables	Unused tax losses	Total
As at April 1, 2022	**(334.69)**	**1,753.36**	**647.88**	**120.23**	**180.81**	**173.51**	**2,541.10**
Tax income/(expense) during the period recognised in profit or loss	83.82	89.58	893.65	(86.91)	44.87	12.40	1,037.41
Tax income/(expense) during the period recognised in OCI	-	(31.18)	-	-	-	-	(31.18)
Addition on business combination	(78.27)	-	-	31.83	-	-	(46.44)
Exchange translation	6.97	(39.46)	-	8.10	(0.18)	-	(24.57)
As at March 31, 2023	**(322.17)**	**1,772.30**	**1,541.53**	**73.25**	**225.50**	**185.91**	**3,476.32**
Tax income/(expense) during the period recognised in profit or loss	(23.48)	133.67	(540.16)	(91.79)	51.53	(33.76)	(503.99)
Tax income/(expense) during the period recognised in OCI	-	(17.39)	-	-	-	-	(17.39)
Other adjustments	-	-	-	(28.70)	-	-	(28.70)
Exchange translation	2.47	(14.01)	-	3.68	(0.08)	-	(7.94)
As at March 31, 2024	**(343.18)**	**1,874.57**	**1,001.37**	**(43.56)**	**276.95**	**152.15**	**2,918.30**

Deferred tax assets and liabilities above have been determined by applying the income tax rates applicable to respective entities in the Group.

Deferred tax assets and liabilities in relation to taxes payable by various entities/ under different tax basis have not been offset in the financial statements.

All amounts in ₹ Million, unless stated otherwise

8. Income tax (Contd.)

Unrecognised temporary differences:

Certain subsidiaries of the Group have undistributed earnings which, if paid out as dividends would be subject to tax in the hand of the recipient. An assessable temporary difference exists but no deferred tax liability has been recognised as the Parent is able to control the timing of distribution from the subsidiaries and the earnings are expected to be utilised for their business expansion.

Income tax assets:

Particulars	March 31, 2024	March 31, 2023
Opening balance	**2,397.41**	**2,395.03**
Taxes paid	1,309.92	1,117.40
Refund received	(1,033.77)	(1,087.97)
Current tax payable for the year	(21.64)	(27.05)
Income tax assets	**2,651.92**	**2,397.41**

Current tax liabilities:

Particulars	March 31, 2024	March 31, 2023
Opening balance	**(101.10)**	**4.33**
Current tax payable for the year	293.75	315.08
Taxes paid	**(195.80)**	**(406.20)**
Acquisition	-	(10.40)
Exchange translation	6.40	(3.91)
Total tax liabilities/(assets)	**3.25**	**(101.10)**

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

9. Other Asset

Particulars	March 31, 2024	March 31, 2023
Other non-current assets		
Capital advances	43.15	16.93
Total other non-current assets	**43.15**	**16.93**
Other current assets		
Prepaid expenses	784.72	653.58
Cost to obtain/fulfil contract with customers	-	5.54
Security deposits	253.87	167.32
Other advances *	446.22	502.21
Total other current assets	**1,484.81**	**1,328.65**
Total other assets	**1,527.96**	**1,345.58**

** Includes balance with revenue authorities.*

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

10 Inventories

Particulars	March 31, 2024	March 31, 2023
Stock-in-trade	16.36	23.93
Uniforms	202.09	172.83
Consumables	90.58	117.52
Total inventories at the lower of cost and net realisable value	**309.03**	**314.28**

11. Trade receivables

Particulars	March 31, 2024	March 31, 2023
Trade receivables	19,989.83	17,743.97
Less: Allowance for expected credit loss	1,131.37	966.91
Total trade receivables	**18,858.46**	**16,777.06**

Break-up of security details:

Particulars	March 31, 2024	March 31, 2023
Secured, considered good	-	-
Unsecured, considered good	18,858.46	16,777.06
Total	**18,858.46**	**16,777.06**

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

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

Year ended March 31, 2024

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables	10,131.25	6,747.39	870.42	763.96	486.69	775.02	**19,774.73**
(ii) Disputed trade receivables	-	32.12	3.64	14.73	20.96	143.65	**215.10**

Year ended March 31, 2023

Particulars	Outstanding for following periods from due date						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
(i) Undisputed trade receivables	9,160.54	5,996.47	790.04	629.73	486.77	545.34	**17,608.89**
(ii) Disputed trade receivables	-	0.89	6.48	8.03	10.62	109.06	**135.08**

All amounts in ₹ Million, unless stated otherwise

11. Trade receivables (Contd.)

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

Particulars	March 31, 2024	March 31, 2023
Opening balance	**966.91**	**714.63**
Additions	244.82	269.31
Write off (net of recovery)	(79.70)	(16.60)
Exchange differences	(0.66)	(0.43)
Closing balance	**1,131.37**	**966.91**

No trade receivable are due from directors or other officers of the entities of the Group either severally or jointly with any other person and from firms or private companies respectively in which any director is a partner, a director or a member, except as disclosed in note 40.

Refer Note 41 for the Group's policy regarding impairment allowance on trade receivables and Group's credit risk management processes.

For outstanding balances, terms and conditions relating to related party receivables, refer note 40.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

12. Cash and bank balances

Cash and cash equivalents

Particulars	March 31, 2024	March 31, 2023
Balances with banks:		
– On current accounts	4,698.42	5,223.99
– Bank deposits with original maturity of three months or less*	1,815.66	1,428.14
Cash on hand	0.74	4.05
Total	**6,514.82**	**6,656.18**

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

Bank balances lying in various current accounts bear no interest.

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

Other bank balances

Particulars	March 31, 2024	March 31, 2023
Unclaimed dividend accounts	0.94	1.04
Deposits with original maturity of more than three months and having remaining maturity of less than twelve months from reporting date	433.29	490.60
Restricted balances	151.01	85.87
Margin money *	305.17	275.99
Total	**890.41**	**853.50**

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

13. Equity Share capital

Authorised share capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2022 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**
Increase / (decrease) during the year	-	-
As at March 31, 2023 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**
Increase / (decrease) during the year	-	-
As at March 31, 2024 (Equity shares of ₹ 5 each)	**270.00**	**1,350.00**

Issued, subscribed and paid up equity capital

Particulars	(Nos. in million)	(₹ million)
As at April 1, 2022 (Equity shares of ₹ 5 each)	**147.03**	**735.16**
Issued on exercise of stock options	0.15	0.76
Buyback of equity shares	(1.45)	(7.27)
As at March 31, 2023 (Equity shares of ₹ 5 each)	**145.73**	**728.65**
Issued on exercise of stock options	0.01	0.03
Buyback of equity shares	(1.64)	(8.18)
As at March 31, 2024 (Equity shares of ₹ 5 each)	**144.10**	**720.50**

During the year ended March 31, 2024, pursuant to the approval of the Board of Directors of the Parent at its meeting held on November 30, 2023, the Parent offered 1,636,363 equity shares of face value of ₹ 5 each for buyback to all eligible shareholders, through the tender offer process, for an aggregate amount not exceeding ₹ 900 million, equivalent to 1.12% of the total paid up equity share capital of the Parent as on November 24, 2023, at ₹ 550 per equity share, in accordance with the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended and the Companies Act, 2013, as amended. The said shares bought buyback through the tender offer process were extinguished on January 05, 2024. The Parent funded the buyback from its free reserves as required under the said regulations. Consequently, 1,636,363 equity shares of face value of ₹ 5 each were extinguished by appropriating a sum of ₹ 891.82 million from the securities premium and an amount of ₹ 8.18 million, equivalent to the nominal value of the equity shares bought back through the buyback, have been transferred to the capital redemption reserve account.

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

During the year ended March 31, 2022, pursuant to the approval of the Board of Directors of the Parent, at its meeting held on February 15, 2021, and the shareholders, by way of a special resolution through postal ballot, on March 20, 2021, 1,818,181 equity shares of face value of ₹ 5 each of the Parent were offered for buyback by the Parent to all eligible shareholders of the Parent, through the tender offer process, for an aggregate amount not exceeding 1,000 million, being 1.24% of the total paid up equity share capital of the Parent as on March 31, 2020, at ₹ 550 per equity share, per the provisions of the Security and Exchange Board of India (Buy-back of Securities) Regulations 2018, as amended and the Companies Act, as amended. The said buyback through the tender offer

All amounts in ₹ Million, unless stated otherwise

13. Equity Share capital (Contd.)

process was completed on June 21, 2021. The Parent has funded the buyback from its free reserves as required under the said regulations. As a result of the buyback, 1,818,181 equity shares of face value of ₹ 5 each of the Parent were extinguished by appropriating a sum of ₹ 990.91 million from the securities premium and an amount of ₹ 9.09 million, being a sum equal to the nominal value of the Equity Shares bought back through the buyback have been transferred to the capital redemption reserve account.

Notes (pre share sub-division effect i.e. face value of ₹ 10 per share):

a. 2,210,500 and 62,457,240 equity shares were allotted as fully paid Bonus Shares by capitalization of general reserve during the year ended March 31, 2006 and March 31, 2017 respectively.

b. Mr. Uday Singh was the holder of 79,000 unpaid shares in SIS International Holdings Ltd., a wholly owned subsidiary. In terms of a letter dated December 1, 2009, Mr. Singh had the option to exchange these shares for shares of the Company in a manner reflecting the fair value of these shares, reduced by the amounts unpaid on them. Subsequently, in lieu of these shares and suitably adjusted for amounts unpaid thereon, Mr. Singh was allotted 40,565 Equity Shares during the year ended March 31, 2017, at a ratio as determined in accordance with a valuation report prepared by a SEBI registered merchant banker.

c. During the year ended March 31, 2018, the Parent completed an Initial Public Offering (IPO) of its shares consisting of a fresh offer of 4,444,785 equity shares of ₹ 10 each at a premium of ₹ 805 per share and an offer for sale of 5,120,619 equity shares of ₹ 10 each by the selling shareholders. The proceeds of the fresh offer component from the IPO amounted to ₹ 3,410.47 (million) (net of issue expenses). The equity shares of the Parent were listed on NSE and BSE effective August 10, 2017.

Terms/rights attached to equity shares

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

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

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. in million	% holding in the class	No. in million	% holding in the class
Ravindra Kishore Sinha	56.62	39.29%	57.16	39.23%
Rita Kishore Sinha	23.09	16.02%	23.31	16.00%
Rituraj Kishore Sinha	15.51	10.76%	15.66	10.74%

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

Particulars	March 31, 2024	March 31, 2023	March 31, 2022	March 31, 2021	March 31, 2020
	No.	No.	No.	No.	No.
Equity shares allotted as fully paid bonus shares by capitalization of general reserve	-	-	-	10,480	10,480
Buyback of equity shares	1,636,363	1,454,545	1,818,181	-	-

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

13. Equity Share capital (Contd.)

Details of promoter shareholding in the parent

Year ended March 31, 2024

S. No.	Name of the Promoter	Equity shares as on April 1, 2023 (in Nos.)	% holding in the class	Equity shares as on March 31, 2024 (in Nos.)	% holding in the class	% Change during the year
1	Ravindra Kishore Sinha	57,163,671	39.23%	56,618,087	39.29%	0.06%
2	Rituraj Kishore Sinha	15,658,482	10.74%	15,509,033	10.76%	0.02%
	Total	**72,822,153**		**72,127,120**		

Year ended March 31, 2023

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

Shares reserved for issue under options : Refer note 28 for details regarding employee stock options issued by the Group.

14. Other equity

Particulars	March 31, 2024	March 31, 2023
Reserves and surplus		
Securities premium	1,036.41	1,946.94
General reserve	574.96	563.47
Retained earnings	20,765.25	19,022.22
Total reserves and surplus (A)	**22,376.62**	**21,532.63**
Other reserves		
Stock options outstanding account	391.45	334.87
Capital reserve	181.24	181.24
Capital redemption reserve	24.54	16.36
Total other reserves (B)	**597.23**	**532.47**
Foreign currency translation reserve **(C)**	441.02	539.18
Share application money pending allotment **(D)**	-	-
Total other equity (A+B+C+D)	**23,414.87**	**22,604.28**

Securities Premium

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**1,946.94**	**2,736.01**
Exercise of stock options	2.61	23.55
Buyback of equity shares	(900.00)	(800.00)
Transaction cost related to buyback of equity shares (net of taxes)	(13.14)	(12.62)
Balance at the end of year	**1,036.41**	**1,946.94**

All amounts in ₹ Million, unless stated otherwise

14. Other equity (Contd.)

General Reserve

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**563.47**	**560.94**
Transferred from stock options outstanding on account of stock options forfeited/lapsed	11.49	2.53
Balance at the end of year	**574.96**	**563.47**

Retained earnings

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**19,022.22**	**15,623.96**
Net Profit / (loss) for the year	1,900.40	3,465.02
Other comprehensive income recognised directly in retained earnings (net of taxes)	50.39	95.27
Appropriations-		
- Share issue expenses incurred by subsidiary entities	-	(0.19)
- Tax on buyback of equity shares	(207.76)	(184.67)
- Transactions with non-controlling interests	-	22.83
Balance at the end of year	**20,765.25**	**19,022.22**

Stock Options Outstanding Account

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**334.87**	**225.41**
Stock option compensation expense	70.68	135.54
Transferred to securities premium on exercise of stock options	(2.61)	(23.55)
Transferred to general reserve on stock options forfeited/lapsed	(11.49)	(2.53)
Balance at the end of year	**391.45**	**334.87**

Capital reserve

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**181.24**	**181.24**
Increase/ (decrease) during the year	-	-
Balance at the end of year	**181.24**	**181.24**

Capital redemption reserve

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**16.36**	**9.09**
Created on buyback of equity shares	8.18	7.27
Balance at the end of year	**24.54**	**16.36**

Foreign currency translation Reserve

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**539.18**	**640.69**
Translation reserve	(98.16)	(101.51)
Balance at the end of year	**441.02**	**539.18**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

14. Other equity (Contd.)

Share application money pending allotment

Particulars	March 31, 2024	March 31, 2023
Balance at the beginning of year	**-**	**0.02**
Share application money received during the year	0.02	0.70
Issued on exercise of stock options	(0.02)	(0.72)
Balance at the end of year	**-**	**-**

Nature and purpose of Reserves

Securities Premium

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

General Reserve

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

Retained earnings

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

Stock Options outstanding Account

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

Capital redemption reserve

As per the Companies Act, 2013, Capital redemption reserve is created when a company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. This reserve can be utilised un accordance with the provisions of section 69 of the Companies Act, 2013. Refer note 13 for further details.

Capital reserve

It pertains to capital reserve created pursuant to the scheme of arrangement under the Act accounted under demerger and excess of purchase consideration over fair value of net assets.

Foreign currency translation Reserve

Translation differences included in the foreign currency translation reserve arise as a result of translating the financial statement items from the functional currency into the presentational currency using the exchange rate at the balance sheet date, which differs from the rate in effect at the last measurement date of the respective item.

Share application money pending allotment

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

All amounts in ₹ Million, unless stated otherwise

15. Borrowings

Particulars		Note	March 31, 2024	March 31, 2023
Non-current borrowings				
Secured				
Term loans				
From banks				
-	HDFC Bank Limited	a	251.90	38.08
-	National Australia Bank	b	4,607.76	5,582.33
-	Yes Bank Limited	c	77.48	108.58
-	Kotak Mahindra Bank Limited	d	-	67.75
-	Standard Chartered Bank	e	108.95	254.24
-	DBS Bank	f	175.33	-
-	Axis Bank Limited	g	127.06	-
-	Vehicle Loan from various banks	h	578.71	534.56
From other parties				
-	Axis Finance Limited	i	942.21	940.12
-	Bajaj Finance Limited	j	944.14	940.22
-	Vehicle Loan from others	k	235.08	102.89
Total non-current borrowings			**8,048.62**	**8,568.77**
Current maturity of long term borrowings			(5,748.12)	(536.93)
Non-current borrowings (as per balance sheet)			**2,300.50**	**8,031.84**
Current borrowings				
Secured				
Loans repayable on demand				
From banks				
-	Kotak Mahindra Bank Limited	l	-	19.50
-	RBL Bank Ltd	m	96.77	67.66
-	Axis Bank Limited	l	740.00	588.94
-	HDFC Bank Limited	l	2,370.34	2,569.56
-	ICICI Bank Limited	l	838.28	701.03
-	Standard Chartered Bank	l	950.54	381.18
-	State Bank of India	n	-	640.00
-	Yes Bank Limited	l	1,230.59	1,407.36
-	DBS Bank	l	451.23	-
-	CTBC Bank Co Ltd.	o	350.00	-
Total secured borrowings			**7,027.75**	**6,375.23**
Unsecured				
Loans repayable on demand				
From Banks				
-	HDFC Bank Limited		-	200.00
From Others				
-	Borrowings from others	p	9.65	79.01
Total unsecured borrowings			**9.65**	**279.01**
Current maturity of long term borrowings			5,748.12	536.93
Current borrowings (as per balance sheet)			**12,785.52**	**7,191.17**
Aggregate secured borrowings			15,076.37	14,944.00
Aggregate unsecured borrowings			9.65	279.01

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

15. Borrowings (Contd.)

Break up of current Maturities of long-term borrowings:

Particulars	March 31, 2024	March 31, 2023
Secured		
Term loans		
From banks	4,950.36	446.21
From other parties	797.76	90.72
Total current maturities of long term borrowings	**5,748.12**	**536.93**

Notes:

Long Term Borrowings - Secured:

Term loans:

From Banks:

a. HDFC Bank Limited:

(i) Secured by way of exclusive charge on the movable fixed assets of the Parent purchased out of the term loan proceeds and second pari passu charge on current assets and all movable fixed assets (excluding assets exclusively charged to other term lenders) of the Parent both present and future. The loan is repayable in 18 equal quarterly instalments commenced in the 4th quarter of FY 2023-24 and last installment repayment is scheduled in first quarter of FY 2028-29.

(ii) Secured against an exclusive charge over the fixed assets and current assets of the SMC Integrated Facility Management Solutions Limited. The term loans are repayable in 54 equal monthly instalments from the date of respective draw down, totaling ₹1.70 million per month with repayment commencing from January 2020 and are scheduled to be completely repaid by FY 2024-25.

(iii) Secured against the fixed assets of Rare Hospitality and Services Private Limited purchased out of the loan and a corporate guarantee from Parent. The loan carries various repayment schedules ranging from 21 to 55 equal monthly instalments.

b. National Australia Bank:

Secured by all assets of SIS Australia Group Pty Ltd and its subsidiaries. The loan is scheduled for repayment on its maturity (i.e., November 28, 2024). The loan carries interest @ 3.75% per annum plus margin based on Leverage ratio (1.75%).

c. Yes Bank Limited:

Secured by way of first pari-passu charge over the entire movable fixed assets (both present and future) of the SMC Integrated Facility Management Solutions Limited. The term loans are repayable in 54 equal monthly instalments after a moratorium period of 6 months from the date of first disbursement, totaling ₹2.59 million per month with repayment commencing from April 2022 and is schedule to be repaid by FY 2026-27.

d. Kotak Mahindra Bank Limited:

Secured by way of first charge on the movable fixed assets of the Parent purchased out of the term loan proceeds and second pari passu charge on receivables/ current assets of the Parent both present and future. The loan was repayable in 18 equal quarterly instalments commenced from the end of the 1st quarter of FY 2019-20 and has been fully repaid during FY 2023-24.

e. Standard Chartered Bank:

Secured by way of exclusive charge over the Monitoring equipment of Parent purchased out of the term loan proceeds. The loan is repayable in 12 equal quarterly instalments commenced from the end of the fourth quarter of FY 2021-22 and last installment repayment is scheduled in third quarter of FY 2024-25.

f. DBS Bank:

Secured by way of exclusive charge on the Monitoring equipment of Parent purchased out of the term loan proceeds. The loan was repayable in 18 equal quarterly instalments commenced from the end of the 4th quarter of FY 2023-24 and last installment repayment is scheduled in first quarter of FY 2028-29.

g. Axis Bank Limited:

Secured by way of first pari-passu charge over the entire movable fixed assets (both present

All amounts in ₹ Million, unless stated otherwise

15. Borrowings (Contd.)

and future) of the SMC Integrated Facility Management Solutions Limited. The loan is repayable in 18 equal quarterly instalments after a moratorium period of 6 months from the date of first disbursement, totaling ₹15.5 million per quarter with repayment commencing from June 2024 and is schedule to be repaid by FY 2027-28.

h. Vehicle loans from banks are secured by hypothecation of vehicles purchased against the loan taken from that Bank. The loans have various repayment schedules and last instalment repayment is scheduled in FY 2029-30.

The term loans mentioned above except vehicle loans and loan from National Australia Bank ('NAB'), carry interest at quarterly/half-yearly/yearly MCLR/MIBOR/Repo/T-Bill plus spread margin ranging from 75 bps to 315 bps (March 31, 2023: 75 bps to 315 bps). The vehicle loans carry interest from 7.10% to 10.50% per annum for India business and 6.00% to 8.00% for international business.

From other parties:

i. Axis Finance Limited:

Secured by way of first pari-passu charge on current and non-current assets of Dusters Total Solution Services Private Limited & Uniq Security Solutions Private Limited and 13 % pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 5 semi-annual equal instalments commenced from the end of fourth quarter of F.Y 2024-25 after the moratorium of 1.5 years and last payment of repayment is scheduled on fourth quarter of FY 2026-27.

j. Bajaj Finance Limited:

Secured by way of first pari-passu charge on current and movable fixed assets of Dusters Total Solutions Services Private Limited & UNIQ Security Solutions Private Limited and 13 % pledge of shares of Dusters Total Solutions Services Private Limited. The loan is repayable on 8 equal quarterly instalments commenced from the end of first quarter of F.Y 2024-25 after the moratorium of 1 year and last payment of repayment is scheduled on fourth quarter of FY 2025-26.

k. Vehicle Loan from others are secured by hypothecation of the respective vehicle(s) purchased against the loan taken from that respective financer(s). The loans carry interest from 7.50% to 10.50% per annum for India business and 6.00% to 8.00% for international business. The loans have various repayment schedules and the last instalment repayment is scheduled in FY 2027-28.

Short Term Borrowings - Secured Loans repayable on demand:

l. (i) Secured by first pari passu charges over the current assets and second pari passu charge over movable fixed assets of the Parent.

(ii) Secured by first charge over all current assets and fixed assets of SMC Integrated Facility Management Solutions Limited.

(iii) Secured by first pari passu charges over the current assets and second pari passu charge over movable fixed assets of the SLV Security Services Private Limited and corporate guarantee from the Parent.

(iv) Secured by first pari passu charge on current assets of Dusters Total Solutions Services Private Limited.

(v) Secured against stocks and book debts (both present and future) of Rare Hospitality and Services Private Limited and Corporate Guarantee from Parent.

(vi) Secured by an exclusive charge on current assets and movable fixed assets of Tech SIS Limited and corporate guarantee from the Parent.

(vii) Secured by an exclusive charge on entire current assets and movable fixed assets of Terminix SIS India Private Limited both present and future.

(viii) Secured by the pari passu charge on the entire assets of SIS Alarm Monitoring and Response Services Pvt. Ltd., both present and future; and an unconditional and irrevocable corporate guarantee of the Parent.

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

15. Borrowings (Contd.)

m. (i) Cash Credit facility from RBL Bank Limited is secured by the pari passu charge on the entire assets of SIS Alarm Monitoring and Response Services Pvt. Ltd., both present and future; and an unconditional and irrevocable corporate guarantee of the Parent.

(ii) Secured by first pari passu charge on current assets of Dusters Total Solutions Services Private Limited.

(iii) Secured by first pari passu charge on current assets of ADIS enterprises Private Limited both present and future.

n. Secured by first pari passu charges over the current assets and movable fixed assets (both present and future) and second pari passu charge is with other working capital lenders of the Parent.

o. Secured by pari passu charge over the current assets of the Parent both present and future.

The short-term borrowings charges are excluding assets specifically charged to term lenders, if any.

The loans repayable on demand mentioned above except loan from Commonwealth bank of Australia, carry interest at quarterly/half yearly/yearly MCLR/MIBOR/Repo/ T-Bill plus spread margin ranging from 15 bps to 209 bps (March 31, 2023: 25 bps to 209 bps) for cash credit facility and ranging from 6.00% p.a. to 11.00% p.a. for WCDL facilities.

p. The loan represents an invoice discounting facility with a non-banking lender. This carries Interest at BBSY plus 4% spread plus 1.2% margin.

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

16. Lease Liabilities

Particulars	March 31, 2024	March 31, 2023
Non-current lease liabilities	1,101.12	921.26
Current lease liabilities	393.21	330.66
Total lease liabilities	**1,494.33**	**1,251.92**

Other disclosure related to lease

Particulars	March 31, 2024	March 31, 2023
Finance cost accrued during the year	114.05	114.12
Payment of lease liability	(491.64)	(409.57)
Rent expenses related to short-term leases and low value assets	616.65	553.24

Refer note 4# for disclosure of related Right of Use Assets.

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

17. Trade payables

Particulars	March 31, 2024	March 31, 2023
Non-current	-	-
Current		
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises (MSME)	97.02	53.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises	749.87	585.85
Total current trade payables	**846.89**	**639.08**
Total trade payables	**846.89**	**639.08**

All amounts in ₹ Million, unless stated otherwise

17. Trade payables (Contd.)

There are no disputed dues during the year ended March 31, 2024 and March 31, 2023.

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

a. Trade payables are non-interest bearing and are normally settled on credit terms ranging from 30-90 days which vary by vendor and type of service.

b. For outstanding balances, terms and conditions with related parties, refer note 40

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

Year ended March 31, 2024

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	87.92	9.10	-	-	-	**97.02**
(ii) Others	126.94	577.48	25.12	10.64	9.69	**749.87**

Year ended March 31, 2023

Particulars	Outstanding for following periods from due date					Total
	Not due	<1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	32.98	20.25	-	-	-	**53.23**
(ii) Others	225.15	326.64	21.98	5.40	6.68	**585.85**

18. Other financial liabilities

Particulars	March 31, 2024	March 31, 2023
Non-current		
Contingent consideration (refer note 34)	-	52.69
Other non-current financial liabilities	4.48	-
Total other non-current financial liabilities	**4.48**	**52.69**
Current		
Capital creditors	25.34	100.60
Interest accrued but not due on borrowings	72.23	236.14
Unclaimed/unpaid dividends	0.94	1.04
Employee benefits payable	4,908.44	4,612.04
Contingent consideration (refer note 34)	54.25	2.47
Other payables and accruals *	4,715.68	3,569.19
Total other current financial liabilities	**9,776.88**	**8,521.48**
Total other financial liabilities	**9,781.36**	**8,574.17**

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

19. Financial instruments by category

Particulars	March 31, 2024			March 31, 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets:						
Investments						
- Equity instruments	0.23	-	-	0.23	-	-
- Preference shares	241.04	-	-	241.04	-	-
- Bonds and debentures	34.99	-	125.00	-	-	225.00
- Mutual funds	5.55	-	-	3.22	-	-
Trade receivables	-	-	18,858.46	-	-	16,777.06
Cash and cash equivalents	-	-	6,514.82	-	-	6,656.18
Other bank balances	-	-	890.41	-	-	853.50
Loans	-	-	17.00			17.00
Other financial assets	24.66	-	8,100.19	24.66	-	7,065.72
Total financial assets	**306.47**	**-**	**34,505.88**	**269.15**	**-**	**31,594.46**
Financial liabilities:						
Trade payables	-	-	846.89	-	-	639.08
Borrowings	-	-	15,086.02	-	-	15,223.01
Lease liability	-	-	1,494.33	-	-	1,251.92
Other financial liabilities	54.25	-	9,727.11	55.16	-	8,519.01
Total financial liabilities	**54.25**	**-**	**27,154.35**	**55.16**	**-**	**25,633.02**

value hierarchy

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

Particulars	March 31, 2024			March 31, 2023		
	Level 1 inputs	Level 2 inputs	Level 3 inputs	Level 1 inputs	Level 2 inputs	Level 3 inputs
Financial assets:						
Investments carried at FVTPL	5.55	-	276.26	3.22	-	241.27
Other financial assets	-	-	24.66	-	-	24.66
Total financial assets	**5.55**	**-**	**300.92**	**3.22**	**-**	**265.93**
Other financial liabilities	-	-	54.25	-	-	55.16
Total financial liabilities	**-**	**-**	**54.25**	**-**	**-**	**55.16**

Valuation methodologies

Investments in equity / preference instruments: The Group's investments consist primarily of investment in equity / preference shares of unquoted companies. Management has considered cost to be approximating to the fair value of certain investments and valued other investments using fair valuation techniques as mentioned below.

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

All amounts in ₹ Million, unless stated otherwise

19. Financial instruments by category (Contd.)

The following table presents the change in Level 3 items for the periods ended March 31, 2024 and March 31, 2023:

	Unquoted Investments	Indemnification asset	Liability for forward contract for purchase of non-controlling interests	Contingent consideration
As at April 1, 2022	**177.82**	**24.66**	**-**	**-**
Additions	63.45	-	-	56.60
Unwinding of present value discount	-	-	-	0.40
Translation adjustments	-	-	-	(1.84)
As at March 31, 2023	**241.27**	**24.66**	**-**	**55.16**
Additions	34.99	-	-	-
Unwinding of present value discount	-	-	-	2.20
Discharge of liability	-	-	-	(4.51)
Translation adjustments	-	-	-	1.40
As at March 31, 2024	**276.26**	**24.66**	**-**	**54.25**
Unrealised fair value (gains) / losses recognized in statement of profit and loss related to assets and liabilities held as on reporting date:				
March 31, 2024	**-**	**-**	**-**	**-**
March 31, 2023	**-**	**-**	**-**	**-**

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

Particulars	Fair value hierarchy	March 31, 2024		March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets:					
Investments	Level 2	125.00	126.38	225.00	232.59
Trade receivables		18,858.46	18,858.46	16,777.06	16,777.06
Cash and cash equivalents		6,514.82	6,514.82	6,656.18	6,656.18
Other bank balances		890.41	890.41	853.50	853.50
Loans		17.00	17.00	17.00	17.00
Other financial assets		8,100.19	8,100.19	7,065.72	7,065.72
Total financial assets		**34,505.88**	**34,507.26**	**31,594.46**	**31,602.05**
Financial liabilities:					
Trade payables		846.89	846.89	639.08	639.08
Borrowings - floating rate		14,272.23	14,272.23	14,585.56	14,585.56
Borrowings - fixed rate	Level 2	813.79	801.23	637.45	628.23
Lease liability		1,494.33	1,494.33	1,251.92	1,251.92
Other financial liabilities		9,727.11	9,727.11	8,519.01	8,519.01
Total financial liabilities		**27,154.35**	**27,141.79**	**25,633.02**	**25,623.80**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

19. Financial instruments by category (Contd.)

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

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

Valuation inputs and relationships to fair value

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

Particulars	Fair value as at		Significant unobservable inputs	Sensitivity
	March 31, 2024	March 31, 2023		
Unquoted Investments	276.26	241.27	Fair Value / Cost	Management has considered fair value / cost to be approximating to fair value of such investments.
Indemnification asset recognised on business combination	24.66	24.66	Probability of outcome of litigation	Change in estimates by 10% results in increase/decrease in fair value by: March 31, 2024: ₹ 2.47 million March 31, 2023: ₹ 2.47 million
Contingent consideration	54.25	55.16	Probability of achieving financial projections	Change in estimates by 5% results in increase/decrease in fair value by: March 31, 2024: ₹ 2.71 million March 31, 2023: ₹ 2.76 million

Valuation processes

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

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

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

All amounts in ₹ Million, unless stated otherwise

20. Provisions

Particulars	March 31, 2024		March 31, 2023	
	Non-current	Current	Non-current	Current
Provision for employee benefits (refer note 28)				
Gratuity	1,482.73	432.61	1,297.46	361.80
Compensated absences	455.13	3,558.60	432.53	3,504.44
Other provisions				
IBNR	-	61.12	-	61.87
Others	33.47	38.70	19.65	30.10
Total	**1,971.33**	**4,091.03**	**1,749.64**	**3,958.21**

IBNR

The IBNR, which is the abbreviated form of incurred but not reported (IBNR), are the reserves for claims that become due with the occurrence of the events covered under the insurance policy but have not been reported yet. The sum of IBNR losses plus reported losses yields an estimate of the total eventual liabilities the insurer will cover, known as ultimate losses.

21. Other liabilities

Particulars	March 31, 2024	March 31, 2023
Other non-current liabilities	**-**	**-**
Other current liabilities		
Statutory dues payable	1,955.92	1,953.09
Unearned income (refer note 23)	1.90	3.08
Others	9.68	8.69
Total other current liabilities	**1,967.50**	**1,964.86**
Total other liabilities	**1,967.50**	**1,964.86**

22. Government grants

Particulars	March 31, 2024	March 31, 2023
As at the beginning of the year	**-**	**-**
Received during the year	1.32	3.13
Released to the statement of profit and loss	(1.32)	(3.13)
As at the end of the year	**-**	**-**
Current	-	-
Non-current	-	-

During the year ended March 31, 2023, one of the subsidiaries avail the benefit under National Apprenticeship Promotion Scheme (NAPS) launched on August 19, 2016 wherein the Government of India provides the financial support to establishments undertaking the apprenticeship training in the following ways:

1. Reimbursement of 25% of prescribed stipend subject to a maximum of ₹ 1500/- per month per apprentice by the Government of India to all employers who engage apprentices.
2. Reimbursement of cost of basic training (up to a limit of ₹ 7500/- for a maximum of 500 hours= ₹ 15/hour) by the Government of India to Basic Training Providers (BTPs) in respect of apprentices who come directly for apprenticeship training without any formal training.

Accordingly, such Government Grant is taken to profit or loss when the conditions are met.

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

23. Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Sale of products (traded goods)		
Revenue from sale of electronic security devices	539.66	228.78
Total (A)	**539.66**	**228.78**
Rendering of services		
Security services		
From guarding and other security services	100,103.70	92,996.25
Facility management services		
From Housekeeping, Cleaning, Facility operation & management services	20,507.36	18,569.75
From pest control services	324.47	322.28
Other services		
From training fees	124.03	122.29
Total rendering of services (B)	**121,059.56**	**112,010.57**
Other operating revenues*	1,015.03	1,218.45
Total (C)	**1,015.03**	**1,218.45**
Revenue from operations (A+B+C)	**122,614.25**	**113,457.80**

Includes revenue from the sale of uniforms to employees.

Disaggregate revenue information

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2024.

Particulars	Security Services - India	Security Services - International	Facility Management	Inter-segment eliminations	Total
Revenue by time of recognition					
At a point in time (sale of equipments)	523.14	16.52	-	-	539.66
Over the period of time	51,061.60	50,673.84	20,921.02	(581.87)	122,074.59
Total	**51,584.74**	**50,690.36**	**20,921.02**	**(581.87)**	**122,614.25**
Revenue by geographical markets					
India	51,584.74	-	20,921.02	(581.87)	71,923.89
Outside India	-	50,690.36	-	-	50,690.36
Total	**51,584.74**	**50,690.36**	**20,921.02**	**(581.87)**	**122,614.25**

The following table presents the disaggregated revenue from contracts with customers for the year ended March 31, 2023.

Particulars	Security Services - India	Security Services - International	Facility Management	Inter-segment eliminations	Total
Revenue by time of recognition					
At a point in time (sale of equipments)	201.74	27.04	-	-	228.78
Over the period of time	46,059.29	48,732.13	18,998.28	(560.68)	113,229.02
Total	**46,261.03**	**48,759.17**	**18,998.28**	**(560.68)**	**113,457.80**
Revenue by geographical markets					
India	46,261.03	-	18,998.28	(560.68)	64,698.63
Outside India	-	48,759.17	-	-	48,759.17
Total	**46,261.03**	**48,759.17**	**18,998.28**	**(560.68)**	**113,457.80**

All amounts in ₹ Million, unless stated otherwise

23. Revenue from operations (Contd.)

Contract balances:

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

Particulars	March 31, 2024		March 31, 2023	
	Unbilled revenue	Unearned income	Unbilled revenue	Unearned income
Opening balance	**5,990.05**	**3.08**	**4,867.30**	**11.71**
Revenue recognised that was included in unearned income at the beginning of the year	-	(24.76)	-	(46.57)
Increase due to cash received, excluding amounts recognised as revenue during the year	-	23.58	-	37.94
Transfers from unbilled revenue, recognised at the beginning of the year, to receivables	(5,990.05)	-	(4,867.30)	-
Increase due to revenue recognised during the year, excluding amounts billed during the year	7,060.57	-	5,990.05	-
Closing balance	**7,060.57**	**1.90**	**5,990.05**	**3.08**

Cost to obtain or fulfil a contract with a customer

Particulars	March 31, 2024	March 31, 2023
Opening balance	**5.54**	**17.73**
Costs incurred and deferred	3.97	29.45
Less: Cost amortised	(9.51)	(41.64)
Closing balance	**-**	**5.54**

24. Other income

Particulars	March 31, 2024	March 31, 2023
Interest income *	399.50	264.68
Total	**399.50**	**264.68**

**Includes interest income on income tax refund*

25. Other gain / (loss)

Particulars	March 31, 2024	March 31, 2023
Net gain / (loss) on sale of property, plant and equipment*	36.37	38.64
Foreign exchange gain/(loss)	(4.61)	23.54
Other items	(4.59)	0.56
Total	**27.17**	**62.74**

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

26. Cost of materials consumed

Particulars	March 31, 2024	March 31, 2023
Purchases of chemicals, consumables, and others	572.35	506.88
Uniforms and related inventories	39.78	76.50
Total	**612.13**	**583.38**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

27. Changes in inventory

Particulars	March 31, 2024	March 31, 2023
Inventory at the beginning of the year	314.28	340.25
Inventory transferred to property, plant and equipment	-	1.26
Inventory at the end of the year	309.03	314.28
Changes in inventory - (increase)/decrease	**5.25**	**24.71**

28. Employee benefits expense

a) Employee benefits expense include

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	89,735.63	82,076.17
Contribution to provident and other funds	8,656.82	7,984.10
Government grants (Note 22)	(1.32)	(3.13)
Employee share-based payment expense	70.68	135.54
Gratuity expense	495.53	421.14
Leave compensation	702.26	569.85
Staff welfare expenses	835.89	828.72
Total	**100,495.49**	**92,012.39**

b) Unfunded Scheme – leave obligations

The below leave obligations cover liability for sick and earned leave in certain subsidiaries of the Group located in India.

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

Particulars	March 31, 2024	March 31, 2023
Leave obligation not expected to be settled within next 12 months	124.15	72.31

Unfunded Schemes:

Particulars	March 31, 2024	March 31, 2023
Present value of unfunded obligations	245.60	182.32
Expenses to be recognized in the statement of profit and loss	702.26	569.85
Discount rate (per annum)	7.15%	7.20%
Salary escalation rate (per annum)	8.00%	8.00%

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

c) Defined contribution plans

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

All amounts in ₹ Million, unless stated otherwise

28. Employee benefits expense (Contd.)

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

In outside India, the entities of the Group provide post-employment benefits through accumulation fund and central provident fund. The entities of the Group pay a fixed contribution at the rate of 9.5% of the basic salary into employee nominated independent superannuation (annuity) funds in relation to several state plans and insurance for individual employees. The central provident fund is an employment-based savings scheme with employers and employees contributing a mandated amount to the Fund at the rate from 7.5% to 17%. The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

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

Particulars	March 31, 2024	March 31, 2023
Expense recognised during the period towards defined contribution plans	8,656.82	7,984.10

d) Defined benefit plans

In accordance with the Payment of Gratuity Act, 1972, applicable for Indian companies, the entities of the Group provide for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the entities of the Group subject to completion of five years of service and other conditions. The gratuity plan is a partly funded plan for the Parent and certain subsidiaries in the Group, and those entities make contributions to Group's gratuity policies managed by insurance companies. The gratuity plan is an unfunded plan for certain subsidiaries in the Group. The Group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no foreign defined benefit plans. Certain entities of the Group have invested the plan assets in the insurer managed funds.

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

Expenditure to be recognised during the year:

Particulars	March 31, 2024	March 31, 2023
Current service cost	386.34	348.84
Interest cost	109.19	72.30
Total amount recognised in profit or loss	**495.53**	**421.14**
Remeasurements		
Return on plan assets, excluding amounts included in interest income	(8.04)	(5.15)
Loss / (gain) from changes in financial assumptions	3.53	(126.93)
Experience loss / (gain)	(64.56)	8.20
Total loss / (gain) recognised in other comprehensive income	**(69.07)**	**(123.88)**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

28. Employee benefits expense (Contd.)

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

Reconciliation of opening and closing balances of Defined Benefit Obligation	March 31, 2024	March 31, 2023
Defined benefit obligation at the beginning of year	**1,844.48**	**1,655.68**
Current service cost	386.34	348.84
Interest cost	113.00	76.40
Remeasurements	(61.03)	(118.73)
Benefits paid	(170.69)	(117.71)
Liabilities assumed / (settled)	0.12	-
Defined benefit obligation at the end of year	**2,112.22**	**1,844.48**

Reconciliation of fair value of plan assets:

Reconciliation of opening and closing balances of fair value of plan assets	March 31, 2024	March 31, 2023
Fair value of plan assets at the beginning of the year	**185.22**	**174.82**
Interest income	3.81	4.10
Remeasurements	8.04	5.15
Contribution by employer	170.50	118.86
Benefits paid	(170.69)	(117.71)
Fair value of plan assets at the closing of the year	**196.88**	**185.22**

Reconciliation of fair value of Assets and obligations:

Reconciliation of fair value of assets and obligations	March 31, 2024	March 31, 2023
Fair value of plan assets	196.88	185.22
Present value of obligation	(2,112.22)	(1,844.48)
Asset / (liability) recognized in balance Sheet	**(1,915.34)**	**(1,659.26)**

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

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

All amounts in ₹ Million, unless stated otherwise

28. Employee benefits expense (Contd.)

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

Principal assumptions:

Principal actuarial assumptions	March 31, 2024	March 31, 2023
Discount rate	7.15%	7.20%
Future salary increase		
- Non-billing / indirect employees	8.00%	8.00%
- Billing /direct employees	5.00-7.00%	5.00-7.00%
Attrition rate		
Billing employees		
- Age from 21-30 years	39-52%	39-52%
- 31-40	28-42%	28-42%
- 41-50	28-40%	28-40%
- 51 & above	28-43%	28-43%
Non billing employees		
- Age from 21-30 years	24-27%	24-27%
- 31-40	16-21%	16-21%
- 41-50	12-24%	12-24%
- 51 & above	11-16%	11-16%

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

Assumptions	March 31, 2024	March 31, 2023
Discount rate		
0.5% increase	(1.92%)	(1.90%)
0.5% decrease	2.00%	1.98%
Future salary increases		
0.5% increase	1.92%	1.92%
0.5% decrease	(1.86%)	(1.86%)

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

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

Risk Exposure

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

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

28. Employee benefits expense (Contd.)

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

Defined benefit liability and employer contributions

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

Particulars	March 31, 2024	March 31, 2023
The weighted average duration of the post-employment benefit plan obligations (in years)	3.33	3.38
Expected contribution to the fund during the next year	377.31	271.52

Maturity profile:	March 31, 2024	March 31, 2023
Less than a year	626.35	543.83
Between 1-2 years	477.65	417.31
Between 2-5 years	924.54	800.62
Over 5 Years	752.23	684.01
Total	**2,780.77**	**2,445.77**

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

f) Share-based payments

The Parent has Employee Stock Option plan namely ESOP 2016 as on March 31, 2024 and March 31, 2023.

a) Under ESOP 2016, the Parent has granted 2,432,000 options, 64,830 options, 21,000 options in the financial year 2016, 2018 and 2019, respectively. All such options granted, have been either exercised or lapsed in accordance with the terms of the respective plan as on March 31, 2023.

b) During the year ended March 31, 2022, the Parent issued a further 1,421,973 options to eligible employees which will vest over next four financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025, except as approved otherwise. Out of such options;

   i. 207,379 options have been forfeited/lapsed till March 31, 2024

   ii. 18,511 options have been exercised up till March 31, 2024

   iii. 478,433 options have been vested and not exercised/exercisable as on March 31, 2024

c) During the year ended March 31, 2023, the Parent issued a further 35,700 options to eligible employees which will vest over next three financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025, except as approved otherwise. Out of such options:

   i 21,800 options have been forfeited/lapsed on account of the respective employees no longer in employment till March 31, 2024.

   ii 11,300 options have been vested and not exercised/exercisable as on March 31, 2024

All amounts in ₹ Million, unless stated otherwise

28. Employee benefits expense (Contd.)

d) During the year ended March 31, 2024, the Parent issued a further 10,000 options to eligible employees which will vest over next two financial years and be eligible for exercise, subject to certain conditions, after June 1, 2025, except as approved otherwise. Out of such options:

i No options have been forfeited/lapsed till March 31,2024.

ii No options have been vested and not exercised/exercisable as on March 31, 2024

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

Movements during the year

Year ended March 31, 2023

Particulars	ESOP 2016					Total
	ESOPs granted in					
	2016-17	2017-18	2021-22	2022-23	2023-24	
Outstanding stock options as on April 1, 2022	**131,044**	**13,680**	**1,360,116**	**-**	**-**	**1,504,840**
Exercise price	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-	-	₹ 5/-
Options granted during the year	-	-	-	35,700	-	35,700
Options exercised during the year*	129,400	13,680	9,856	-	-	152,936
Options forfeited/lapsed during the year	1,644	-	55,972	1,800	-	59,416
Outstanding stock options as at March 31, 2023	**-**	**-**	**1,294,288**	**33,900**	**-**	**1,328,188**
Exercisable stock options as at March 31, 2023	**-**	**-**	**-**	**-**	**-**	**-**

Year ended March 31, 2024

Particulars	ESOP 2016					Total
	ESOPs granted in					
	2016-17	2017-18	2021-22	2022-23	2023-24	
Outstanding stock options as on April 1, 2023	**-**	**-**	**1,294,288**	**33,900**	**-**	**1,328,188**
Exercise price	-	-	₹ 5/-	₹ 5/-	₹ 5/-	₹ 5/-
Options granted during the year	-	-	-	-	10,000	10,000
Options exercised during the year*	-	-	7,312	-	-	7,312
Options forfeited/lapsed during the year	-	-	90,893	20,000	-	110,893
Outstanding stock options as at March 31, 2024	**-**	**-**	**1,196,083**	**13,900**	**10,000**	**1,219,983**
Exercisable stock options as at March 31, 2024	**-**	**-**	**-**	**-**	**-**	**-**

** The weighted average share price at the date of exercise of options during the year ended March 31, 2024 was ₹ 440.23 (March 31, 2023: ₹ 458.09)*

There were no cancellations or modifications to the awards in March 31, 2024 or March 31, 2023.

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

28. Employee benefits expense (Contd.)

Stock options outstanding at the end of the year have the following details:

Grant	Tranche	Grant date	Vesting date	Expiry date	Exercise price (₹)	Fair value (₹)	Stock options outstanding March 31, 2024	Stock options outstanding March 31, 2023
Plan II (ESOP 2016): Grant V	I	20-Apr-21	01-Jun-22	01-Jun-27	5.00	357.19	239,217	258,858
Plan II (ESOP 2016): Grant V	II	20-Apr-21	01-Jun-23	01-Jun-27	5.00	357.19	239,216	258,858
Plan II (ESOP 2016): Grant V	III	20-Apr-21	01-Jun-24	01-Jun-27	5.00	357.19	358,825	388,286
Plan II (ESOP 2016): Grant V	IV	20-Apr-21	01-Jun-25	01-Jun-27	5.00	357.19	358,825	388,286
Plan II (ESOP 2016): Grant V	I	20-Oct-22	21-Oct-23	01-Jun-27	5.00	411.65	4,633	11,299
Plan II (ESOP 2016): Grant V	II	20-Oct-22	01-Jun-24	01-Jun-27	5.00	411.65	4,633	11,299
Plan II (ESOP 2016): Grant V	III	20-Oct-22	01-Jun-25	01-Jun-27	5.00	411.65	4,634	11,302
Plan II (ESOP 2016): Grant V	I	12-Dec-23	12-Dec-24	01-Jun-27	5.00	450.98	5,000	-
Plan II (ESOP 2016): Grant V	II	12-Dec-23	01-Jun-25	01-Jun-27	5.00	450.98	5,000	-
Total							**1,219,983**	**1,328,188**

Fair value of options granted

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

Grant date	Volatility	Market price (₹)	Average life of the options (in years)	Risk-free interest rate	Dividend yield
20-Apr-21	46.02%	360.95	5.12	5.55%	0.00%
20-Oct-22	39.02%	415.60	3.62	7.39%	0.00%
12-Dec-23	34.06%	455.35	2.21	7.28%	0.00%

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

Particulars	March 31, 2024	March 31, 2023
Employee stock option plan	70.68	135.54
Total employee share-based payment expense	**70.68**	**135.54**

29. Finance costs

Particulars	March 31, 2024	March 31, 2023
Interest expenses	1,350.28	1,006.63
Interest on lease liability	114.05	114.12
Other finance costs *	17.26	28.16
Total	**1,481.59**	**1,148.91**

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

All amounts in ₹ Million, unless stated otherwise

30. Depreciation and amortization expense

Particulars	March 31, 2024	March 31, 2023
Depreciation on property, plant and equipment including ROU (Note 4)	1,336.88	1,113.92
Amortization of intangible assets (Note 5)	326.40	232.89
Total	**1,663.28**	**1,346.81**

31. Other expenses

Particulars	March 31, 2024	March 31, 2023
Training expenses	171.18	223.84
Uniform and kit items	163.75	190.43
Selling expenses	162.30	150.77
Administrative expenses:		
Travelling and conveyance	1,027.17	1,012.88
Postage and telephone	280.90	291.18
Rent*	616.65	553.24
Rates & taxes	116.73	82.56
Insurance	280.07	299.13
Repairs and maintenance:		
- Buildings	12.87	17.87
- Machinery	76.87	98.06
- Others	206.20	150.70
Vehicle hire charges	171.25	160.05
Payments to auditors	38.18	46.42
Legal and professional fees	709.28	571.31
Allowance for expected credit loss	244.82	269.31
Expense towards corporate social responsibility	31.99	25.23
Direct operating cost	9,684.42	10,699.98
Other administration and general expenses	831.22	618.52
Total	**14,825.85**	**15,461.48**

** Refer note 16.*

32. Earnings per share (EPS)

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

Particulars	March 31, 2024	March 31, 2023
Profit attributable to equity holders of the Parent :		
Continuing operations	1,900.40	3,463.89
Profit attributable to equity holders of the Parent for basic earnings	**1,900.40**	**3,463.89**
Profit attributable to equity holders of the Parent adjusted for the effect of dilution	**1,900.40**	**3,463.89**
Weighted average number of equity shares for basic EPS (Numbers)	145,344,093	146,537,510
Effect of dilution:		
Stock options (Numbers)	1,205,991	1,312,489
Weighted average number of Equity shares adjusted for the effect of dilution	**146,550,084**	**147,849,999**
Nominal value of equity shares (₹)	5.00	5.00
Earnings per share		
- Basic (₹)	13.08	23.64
- Diluted (₹)	12.97	23.43

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

33. Distributions made and proposed

Particulars	March 31, 2024	March 31, 2023
Cash dividends on Equity shares declared and paid:		
Final dividend @ ₹ Nil per share (March 31, 2023: ₹ Nil per share)	-	-
Dividend distribution tax on proposed dividend	-	-

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

34. Commitments and contingencies

a) Capital commitment

Particulars	March 31, 2024	March 31, 2023
Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	15.44	7.31

b) Commitment towards forward contract/ put and call option to purchase non-controlling interests

Particulars	March 31, 2024	March 31, 2023
Sentry Security	-	0.83
Fortitude Security	-	1.65
Security One	-	2.03
Safety Direct Solutions Pty Ltd	54.25	50.65
Total	**54.25**	**55.16**

c) Contingent liabilities

Particulars	March 31, 2024	March 31, 2023
Claims against the Group not acknowledged as debt:		
- Litigation matters with respect to direct taxes	711.31	592.33
- Litigation matters with respect indirect taxes	167.50	152.68
Other money for which the Group is contingently liable	67.81	69.27
Total	**946.62**	**814.28**

The Group records a liability when it is both probable that a loss has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount. The Group reviews these provisions periodically and adjusts these provisions accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. The Group believes that the amount or estimable range of reasonably possible loss, will not, either individually or in the aggregate, have a material adverse effect on its business, financial position, results of the Group, or cash flows with respect to loss contingencies for legal and other contingencies as at March 31, 2024.

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

35. Events occurring after the Balance Sheet date

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

All amounts in ₹ Million, unless stated otherwise

36. Segment information

The Group is currently focused on three business groups: Security Services (India), Security Services (International) and Facility Management. The Group's organizational structure and governance processes are designed to support effective management of multiple businesses while retaining focus on each one of them. The Operating Segments have been reported in a manner consistent with the internal reporting provided to the Group Management Committee, which is the Chief Operating Decision Maker ("CODM").

The Group operates primarily in 4 geographies, viz., India, Australia, Singapore and New Zealand. Outside India, the Group's business consists only of Manned Guarding and the risk and returns are similar to the business and geography in which they operate, hence segment results of these geographies are presented as International segment. Given the risks and returns of each business and geography in India and outside India in which they operate are different, the segment results of the Group are presented geographically for each the Group's business across India and International to enable better appreciation of the risks and returns of the Group across its various businesses and geographies in which they operate.

The business groups comprise the following:

- Security Services (India) – Guarding, Electronic security and home alarm monitoring and response services
- Security Services (International) – Guarding, Mobile patrols, Emergency medical response and rescue, Loss prevention and allied services
- Facility Management – Housekeeping, Cleaning, Facility operation & management and Pest control services

Particulars	March 31, 2024			March 31, 2023		
	External	Inter-segment	Total	External	Inter-segment	Total
Revenue						
Security services – India	51,173.57	411.17	51,584.74	45,876.26	384.77	46,261.03
Security services – International	50,690.36	-	50,690.36	48,759.17	-	48,759.17
Facility Management	20,750.32	170.70	20,921.02	18,822.37	175.91	18,998.28
	122,614.25	**581.87**	**123,196.12**	**113,457.80**	**560.68**	**114,018.48**
Inter.co / inter-segment elimination			(581.87)			(560.68)
			122,614.25			**113,457.80**
Earning before interest, tax, depreciation and amortisation (EBITDA)*						
Security services – India	2,838.61	79.54	2,918.15	1,935.37	183.50	2,118.87
Security services - International	2,061.88	-	2,061.88	1,980.09	-	1,980.09
Facility Management	947.91	(82.87)	865.04	1,004.86	(187.04)	817.82
	5,848.40	**(3.33)**	**5,845.07**	**4,920.32**	**(3.54)**	**4,916.78**
Inter.co / inter-segment elimination			(0.54)			(1.51)
			5,844.53			**4,915.27**
Finance costs			(1,479.39)			(1,148.51)
Depreciation and amortisation			(1,564.27)			(1,271.37)
Other income and gains			426.67			327.42
Share of profit/(loss) from associates/joint ventures			248.87			102.13
Profit before tax reported to CODM			**3,476.41**			**2,924.94**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

36. Segment information (Contd.)

Particulars	March 31, 2024			March 31, 2023		
	External	Inter-segment	Total	External	Inter-segment	Total
Other gains/ (losses) and effect of entries resulting from consolidation and business combination accounting			(101.21)			(75.84)
Impairment of goodwill			(656.05)			-
Profit before tax			**2,719.15**			**2,849.10**
Other information						
Trade receivables			18,858.46			16,777.06
Gross debt			16,580.35			16,474.93
Net debt			8,893.20			8,615.77
Capital expenditure			1,535.88			1,567.67

**Excluding other income and other gain/(loss).*

The total of non-current assets other than financial instruments and deferred tax assets by geographical location:

Particulars	March 31, 2024	March 31, 2023
India	9,086.20	8,047.95
International	10,766.99	11,663.61
Total	**19,853.19**	**19,711.56**

37. Business combinations and acquisition of non-controlling interests

I. Acquisition of Safety Direct Solutions Pty Ltd ('SDS')

On 1 September 2022, SIS Australia Group Pty Limited, a subsidiary of the Group acquired 85% of the voting shares of Safety Direct Solutions Pty Limited (SDS), a non-listed company based in Australia and New Zealand specializing in providing critical risk, medical, training and security services to a diversified portfolio of customers comprising the defence, mining and resource sectors for cash consideration of ₹ 270.50 million (AUD 4.95 million). The Group acquired SDS because of the continue building along with SMR the largest Paramedic business in Australia, and to increase the SIS Group's overall margin profile. The Group has put/ call options to buy the remaining 15% of the shares of SDS on or before 30 June 2024.

Details of the net assets acquired and purchase consideration as follows:

Particulars	SDS
Assets	
Property, plant and equipment	181.53
Cash and cash equivalents	5.99
Trade and other receivables	174.54
Deferred tax assets	10.90
Other assets	96.43
Total Assets (A)	**469.39**
Liabilities	
Trade and other payables	13.86
Current tax liability	5.42
Borrowings	76.32

All amounts in ₹ Million, unless stated otherwise

37. Business combinations and acquisition of non-controlling interests (Contd.)

Details of the net assets acquired and purchase consideration as follows: (Contd.)

Particulars	SDS
Provisions	46.78
Other Liabilities	204.65
Total liabilities (B)	**347.03**
Total identifiable net assets at fair value (A-B)	**122.36**
Goodwill arising on acquisition	50.53
Acquired contracts on acquisition	148.74
Purchase consideration transferred	**321.63**

Purchase consideration – cash outflow

Purchase Consideration	SDS
Amount settled in cash	270.50
Contingent consideration payable	51.13
Total consideration	321.63

Transaction costs of ₹ 9.90 million have been expensed and are included in other expenses.

II. Asset Acquisition of Sentry Security, Fortitude Security, Protection Plus Security and Security One

During the year ended March 31, 2023, the Group acquired the assets of the following entities through its subsidiaries as below:

Particulars	Sentry Security	Fortitude Security	Protection Plus Security	Security One
Acquiring entity	Southern Cross Protection	Southern Cross Protection	Southern Cross Protection	Platform 4 Group
Effective date of acquisition	December 20, 2022	February 01, 2023	September 29, 2022	August 15, 2022
Nature of business	Patrols	Patrols	Cash-in transit	Monitoring
Fair value of consideration transferred				
Amount settled in cash	2.50	6.80	10.74	20.57
Deferred consideration	0.84	1.70	-	2.05
Total fair value of consideration	**3.34**	**8.50**	**10.74**	**22.62**
Identifiable net assets				
Property, plant and equipment	-	-	10.15	-
Employee entitlements	-	-	(4.45)	-
Lease liabilities	-	-	(9.14)	-
Customer contracts	4.77	12.14	1.97	31.38
Deferred Tax liability on above	(1.43)	(3.64)	(0.59)	(8.76)
Identifiable net assets	**3.34**	**8.50**	**(2.06)**	**22.62**
Goodwill on purchase	**-**	**-**	**12.80**	**-**

III. Acquisition of Terminix SIS India Private Limited ('Terminix')

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

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

37a. Assets and Liabilities classified as held for distribution to shareholders of subsidiary

As per the Shareholders' Agreement between SIS and the existing shareholders of SLV Security Services Private Limited ('SLV'), the Training Center business will be transferred from the SLV to a separate legal entity (owned and controlled by Promoters), by way of slump sale under a business transfer agreement. The assets and liabilities mentioned in below table represent assets and liability in the training center business:

Particulars	March 31, 2024	March 31, 2023
Assets:		
Advance to Suppliers	0.60	0.60
Other	1.62	1.62
Total assets classified as held for distribution to shareholders of subsidiary	**2.22**	**2.22**
Liabilities:		
Trade payable	1.15	1.15
Other	1.67	1.67
Total liabilities classified as held for distribution to shareholders of subsidiary	**2.82**	**2.82**

38. Group information

Information about subsidiaries

The subsidiaries (which along with SIS Limited, the Parent, constitute the Group) considered in the preparation of these Consolidated Financial Statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
1	SMC Integrated Facility Management Solutions Limited (formely known as Service Master Clean Limited)*	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
2	Tech SIS Limited	India	Trading and installation of electronic security devices and systems	100.00%	100.00%	0.00%	0.00%
3	Terminix SIS India Private Limited	India	Pest Control Management Services	100.00%	100.00%	0.00%	0.00%
4	Dusters Total Solutions Services Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
5	SIS Business Support Services and Solutions Private Limited	India	Rendering business support services including guarding, parking services, pest control services	100.00%	100.00%	0.00%	0.00%
6	SIS Synergistic Adjacencies Ventures Private Limited	India	Rendering security and related services in areas of manned guarding	100.00%	100.00%	0.00%	0.00%
7	SLV Security Services Private Limited	India	Providing manned guarding, facilities management and business process outsourcing.	100.00%	100.00%	0.00%	0.00%

All amounts in ₹ Million, unless stated otherwise

38. Group information (Contd.)

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
8	Rare Hospitality and Services Private Limited	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
9	Uniq Security Solutions Private Limited	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
10	Uniq Detective and Security Services (AP) Pvt. Ltd.**	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
11	Uniq Detective and Security Services (Tamilnadu) Private Limited**	India	Providing Security Services.	100.00%	100.00%	0.00%	0.00%
12	Uniq Facility Services Private Limited**	India	Providing facility management services.	100.00%	100.00%	0.00%	0.00%
13	SIS Alarm Monitoring and Response Services Private Limited	India	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
14	ADIS Enterprises Private Limited	India	Providing facility management services	100.00%	100.00%	0.00%	0.00%
15	ONE SIS Solutions Private Limited	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	100.00%	0.00%	0.00%
16	ONE SIS Residential Solutions Private Limited$	India	Providing Security Services, facility management, pest control, alarm monitoring and response services	100.00%	NA	0.00%	NA
17	SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
18	SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
19	SIS Australia Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
20	SIS Australia Group Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
21	SIS Group International Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
22	MSS Strategic Medical and Rescue Pty Ltd	Australia	Provision of paramedic and emergency response services	100.00%	100.00%	0.00%	0.00%
23	SIS MSS Security Holdings Pty Ltd	Australia	Holding company	100.00%	100.00%	0.00%	0.00%
24	MSS Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
25	Australian Security Connections Pty Ltd	Australia	Provision of services relating to all aspects of physical security	100.00%	100.00%	0.00%	0.00%
26	Southern Cross Protection Pty. Ltd.	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
27	Askara Pty Ltd***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

38. Group information (Contd.)

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
				March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
28	Charter Security Protective Services Pty Ltd***	Australia	Loss prevention, asset protection and security services	100.00%	100.00%	0.00%	0.00%
29	Platform 4 Group Limited	New Zealand	Guard services, patrols and monitoring services and event services	100.00%	100.00%	0.00%	0.00%
30	Triton Security Services Limited	New Zealand	Alarm Monitoring and Response Services	100.00%	100.00%	0.00%	0.00%
31	SIS Henderson Holdings Pte Ltd	Singapore	Holding company	100.00%	100.00%	0.00%	0.00%
32	Henderson Security Services Pte Ltd	Singapore	Manned Guarding Services	100.00%	100.00%	0.00%	0.00%
33	Henderson Technologies Pte Ltd	Singapore	Building a building mechanical & electrical services	100.00%	100.00%	0.00%	0.00%
34	Safety Direct Solutions Pty Ltd	Australia	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	85.00%	15.00%	15.00%
35	Safety Direct Solutions Pty Ltd NZ	New Zealand	Provision of emergency services personnel, industrial safety, fire rescue and medical training	85.00%	85.00%	15.00%	15.00%

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

***Wholly owned subsidiaries of Uniq Security Solutions Private Limited.*

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

$ Incorporated during the year ended March 31, 2024.

Joint ventures in which the Group is a joint venturer

The joint ventures considered in the preparation of these Consolidated financial statements are:

	Name	Principal place of business and country of incorporation	Principal activities	Ownership interest held by the Group	
				March 31, 2024	March 31, 2023
1	SIS Cash Services Private Limited	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
2	SIS Prosegur Holdings Private Limited*	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
3	SIS Prosegur Cash Logistics Private Limited**	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	49.00%
4	SIS-Prosegur Cash Services Private Limited*	India	Cash-in-transit, ATM cash replenishment activities and secure transportation of precious items and bullion	49.00%	
5	Habitat Security Pty Ltd	Australia	Provision of services relating to all aspects of physical security	49.00%	49.00%

** Wholly owned subsidiary of SIS Cash Services Private Limited*

*** Wholly owned subsidiary of SIS Prosegur Holdings Private Limited*

All amounts in ₹ Million, unless stated otherwise

38. Group information (Contd.)

Additional information under General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013:

	Name	Net assets i.e. total assets minus total liabilities		Share in profit/(loss) for the year ('PAT')		Share in other comprehensive income/ (loss) for the year ('OCI')		Share in total comprehensive income/ (loss) for the year ('TCI')	
		As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated PAT	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of TCI	Amount (₹ million)
	Parent								
1	SIS Limited	42.6%	10,289.82	98.4%	1,870.89	(5.4%)	2.60	101.1%	1,873.49
	Subsidiaries - Indian								
2	SMC Integrated Facility Management Solutions Limited (formely known as Service Master Clean Limited)	7.0%	1,685.68	2.9%	55.40	(6.8%)	3.27	3.2%	58.67
3	Tech SIS Limited	0.1%	31.20	(0.4%)	(7.13)	(0.1%)	0.04	(0.4%)	(7.09)
4	Terminix SIS India Private Limited	(0.0%)	(6.00)	(3.9%)	(73.26)	(1.0%)	0.48	(3.9%)	(72.78)
5	Dusters Total Solutions Services Private Limited	10.6%	2,557.37	10.5%	200.38	(26.9%)	12.85	11.5%	213.23
6	SIS Business Support Services and Solutions Private Limited	0.0%	4.98	0.2%	3.92	0.0%	(0.02)	0.2%	3.90
7	SIS Synergistic Adjacencies Ventures Private Limited	0.0%	0.14	(0.0%)	(0.01)	0.0%	-	(0.0%)	(0.01)
8	SLV Security Services Private Limited	0.8%	187.70	2.0%	38.47	(43.2%)	20.62	3.2%	59.09
9	Rare Hospitality and Services Private Limited	0.6%	151.12	0.2%	3.43	1.9%	(0.89)	0.1%	2.54
10	Uniq Security Solutions Private Limited	2.9%	695.78	3.0%	57.40	(21.2%)	10.11	3.6%	67.51
11	Uniq Detective and Security Services (AP) Pvt. Ltd.	0.0%	6.97	(0.0%)	(0.56)	(2.5%)	1.20	0.0%	0.64
12	Uniq Detective and Security Services (Tamilnadu) Private Limited	(0.0%)	(2.71)	(0.0%)	(0.63)	(0.0%)	0.02	(0.0%)	(0.61)
13	Uniq Facility Services Private Limited	0.1%	17.62	0.1%	2.23	(3.0%)	1.44	0.2%	3.67
14	SIS Alarm Monitoring and Response Services Private Limited	(0.0%)	(10.51)	(0.6%)	(11.42)	(0.1%)	0.04	(0.6%)	(11.38)
15	Adis Enterprises Private Limited	0.1%	13.10	0.1%	1.77	0.1%	(0.07)	0.1%	1.70
15	One SIS Solutions Private Limited	0.0%	2.27	(0.1%)	(1.90)	0.0%	(0.01)	(0.1%)	(1.91)
16	ONE SIS Residential Solutions Private Limited	0.0%	0.10	0.0%	-	0.0%	-	0.0%	-
	Subsidiaries - Foreign								
17	SIS Security International Holdings Pte. Ltd. (formerly known as SIS International Holdings Limited)	0.9%	217.55	3.0%	56.49	0.0%	-	3.0%	56.49
18	SIS Security Asia Pacific Holdings Pte. Limited (formerly known as SIS Asia Pacific Holdings Limited)	0.9%	217.56	3.0%	56.43	0.0%	-	3.0%	56.43
19	SIS Australia Holdings Pty Ltd	1.5%	351.53	4.8%	91.86	0.0%	-	5.0%	91.86
20	SIS Australia Group Pty Ltd	8.8%	2,128.00	15.1%	286.31	0.0%	-	15.5%	286.31

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

38. Group information (Contd.)

	Name	Net assets i.e. total assets minus total liabilities		Share in profit/(loss) for the year ('PAT')		Share in other comprehensive income/(loss) for the year ('OCI')		Share in total comprehensive income/(loss) for the year ('TCI')	
		As a % of consolidated net assets	Amount (₹ million)	As a % of consolidated PAT	Amount (₹ million)	As a % of consolidated OCI	Amount (₹ million)	As a % of TCI	Amount (₹ million)
21	SIS Group International Holdings Pty Ltd	(6.6%)	(1,586.21)	(30.9%)	(586.87)	0.0%	-	(31.7%)	(586.87)
22	MSS Strategic Medical and Rescue Pty Ltd	0.9%	210.13	1.1%	20.84	0.0%	-	1.1%	20.84
23	SIS MSS Security Holdings Pty Ltd	6.0%	1,448.62	22.0%	417.70	0.0%	-	22.5%	417.70
24	MSS Security Pty Ltd	34.6%	8,362.02	43.9%	835.13	0.0%	-	45.1%	835.13
25	Australian Security Connections Pty Ltd	0.0%	0.54	0.0%	-	0.0%	-	0.0%	-
26	Southern Cross Protection Pty. Ltd.	7.8%	1,882.15	10.3%	196.56	0.0%	-	10.6%	196.56
27	Askara Pty Ltd	(0.1%)	(33.50)	(0.6%)	(11.90)	0.0%	-	(0.6%)	(11.90)
28	Charter Security Protective Services Pty Ltd	0.8%	185.80	(0.8%)	(14.93)	0.0%	-	(0.8%)	(14.93)
29	Platform 4 Group Limited	0.5%	124.44	1.3%	25.42	0.0%	-	1.4%	25.42
30	Triton Security Services Limited	0.9%	208.15	1.5%	29.01	0.0%	-	1.6%	29.01
31	SIS Henderson Holdings Pte Ltd	11.5%	2,787.26	2.5%	47.31	0.0%	-	2.6%	47.31
32	Henderson Security Services Pte Ltd	1.1%	261.91	0.7%	13.07	0.0%	-	0.7%	13.07
33	Henderson Technologies Pte Ltd	0.2%	46.31	(0.3%)	(5.93)	0.0%	-	(0.3%)	(5.93)
34	Safety Direct Solutions Pty Ltd	0.4%	101.39	(1.1%)	(20.59)	0.0%	-	(1.1%)	(20.59)
35	Safety Direct Solutions Pty Ltd NZ	0.0%	4.83	(0.3%)	(5.25)	0.0%	-	(0.3%)	(5.25)
	Joint ventures - Indian								
1	SIS Cash Services Private Limited	4.1%	997.23	9.7%	183.62	3.3%	(1.59)	9.8%	182.03
2	SIS Prosegur Holdings Private Limited	2.8%	677.72	3.2%	60.46	(1.2%)	0.56	3.3%	61.02
3	SIS Prosegur Cash Logistics Private Limited	1.2%	294.17	0.1%	2.23	0.5%	(0.26)	0.1%	1.97
4	SIS-Prosegur Cash Services Private Limited	0.0%	0.01	(0.0%)	(0.03)	0.0%	-	(0.0%)	(0.03)
	Joint ventures - Foreign								
5	Habitat Security Pty Ltd	0.0%	4.09	0.1%	2.59	0.0%	-	0.1%	2.59
	Others								
	Adjustments arising out of consolidation/translation adjustments		(10,380.96)		(1,918.11)		(98.16)		(2,016.27)
	Non-controlling interests		-		-		-		-
	Total		**24,135.37**		**1,900.40**		**(47.77)**		**1,852.63**

All amounts in ₹ Million, unless stated otherwise

39. Interests in other entities

a) Non-controlling interests (NCI)

Particulars	March 31, 2024	March 31, 2023
Share capital / investment	-	-
Other equity	-	-
Total non-controlling interests	**-**	**-**

Refer note 37.

b) Interest in joint ventures

Joint ventures

The Group holds 49% interest in SIS Cash Services Pvt. Ltd., SIS Prosegur Cash Logistics Pvt. Ltd., SIS Prosegur Holdings Pvt. Ltd, SIS-Prosegur Cash Services Pvt. Ltd and Habitat Security Pty Ltd. SIS Cash Services Pvt. Ltd is holding/ultimate holding company of SIS Prosegur Cash Logistics Pvt. Ltd., SIS Prosegur Holdings Pvt. Ltd. and SIS-Prosegur Cash Services Pvt. Ltd. The Group's interest in these entities are accounted for using the equity method in the consolidated financial statements.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2024	March 31, 2023
SIS Cash Services Private Limited	India	49.00%	Joint venture	Equity method	753.88	508.89
Habitat Security Pty Ltd.	Australia	49.00%	Joint venture	Equity method	3.13	4.60
Total equity accounted investments					**757.01**	**513.49**

The share of profits from joint ventures recognised by the Group is given below:

Aggregate amount of share of joint ventures	Joint ventures	
	March 31, 2024	March 31, 2023
(a) Profit or loss from continuing operations	248.87	102.13
(b) Other comprehensive income	(1.29)	2.57
(c) Total comprehensive income	247.58	104.70

40. Related party transactions

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

Names of related parties

Key Management Personnel and their relatives	Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group
- Mr. Ravindra Kishore Sinha (Chairman)	- SIS Cash Services Private Limited	- Saksham Bharat Skills Limited
- Mr. Rituraj Kishore Sinha (Managing Director)	- SIS Prosegur Holdings Private Limited	- Security Skills Council India Limited
- Mr. Uday Singh (Appointed as Independent director and ceased to be non executive director w.e.f July 26, 2022)	- SIS Prosegur Cash Logistics Private Limited	- SIS Group Enterprises Limited

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

40. Related party transactions (Contd.)

Key Management Personnel and their relatives	Joint Venture entities	Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group
- Mr. Arvind Kumar Prasad (Director - Finance)	- SIS-Prosegur Cash Services Private Limited	- Sunrays Overseas Private Limited
- Mrs. Rita Kishore Sinha – Non-Executive Director	- Habitat Security Pty Ltd.	- Vardan Overseas Private Limited
- Mr. Amrendra Prasad Verma – Independent Director (retired w.e.f. September 24, 2022)		- SIS Asset Management Limited
- Mr. T C A Ranganathan – Independent Director		- Lotus Learning Private Limited
- Mr. Devdas Apte – Independent Director (retired w.e.f. September 24, 2022)		- The Indian Public School Educational Foundation Society
- Mr. Rajan Krishnanath Medhekar – Independent Director (retired w.e.f. September 24, 2022)		- International Institute of Security & Safety Management
- Ms. Renu Mattoo – Independent Director (retired w.e.f. January 28, 2023)		- Annapurna S.P, Sinha Welfare Activities & Social Awareness Reforms Charitable Trust
- Mr. Rajan Verma - Independent Director (appointed w.e.f. July 28, 2021)		- RSYA Dhanbad Auto Private Limited
- Mr. Upendra Kumar Sinha - Independent Director (appointed w.e.f. June 29, 2022)		- RSYA Durgapur Private Limited
- Ms. Rivoli Sinha - Non-Executive Director (appointed w.e.f. November 2, 2022)		- Adi Chitragupta Finance Limited
- Mr. Sunil Srivastav - Independent director		
- Ms. Vrinda Sarup - Independent Director (appointed w.e.f. June 20, 2023)		
- Mr. Brajesh Kumar (Chief Financial Officer – India)		
- Mr. Devesh Desai (Chief Financial Officer)		
- Ms. Pushpalatha Katkuri (Company Secretary)		

All amounts in ₹ Million, unless stated otherwise

40. Related party transactions (Contd.)

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

Particulars	Joint venture		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Property, plant and equipment purchased/ Intangible assets acquired	8.72	-	-	-	102.38	3.27	**111.10**	**3.27**
Purchase of goods / receiving of services / expenses reimbursed to related parties	3.50	2.72	-	-	8.75	8.03	**12.25**	**10.75**
Sale of goods / rendering of services / expenses reimbursed by related parties	175.90	151.64	-	-	120.61	130.02	**296.51**	**281.66**
Redemption of investment in bonds/debentures	100.00	147.00	-	-	-	-	**100.00**	**147.00**
Interest income on bonds or debentures or loans	18.54	39.57	-	-	1.70	1.70	**20.24**	**41.27**
Salary & remuneration paid *#	-	-	92.29	86.80	-	-	**92.29**	**86.80**
Rent paid	-	-	18.34	17.16	100.74	79.06	**119.08**	**96.22**
Contribution to CSR expenditure	-	-	-	-	18.41	16.07	**18.41**	**16.07**

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

 # Includes sitting fees and commission paid.

Balances outstanding at end of the year

Particulars	Joint venture		Key management personnel and their relatives		Enterprises owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Group		Total	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Trade payables / Other payables	8.74	0.31	2.50	-	6.80	1.46	**18.04**	**1.77**
Trade receivables / Other receivables	50.13	91.70	-	-	100.00	83.81	**150.13**	**175.51**
Loans to related party	-	-	-	-	17.00	17.00	**17.00**	**17.00**
Investment in bonds / debentures	125.00	225.00	-	-	-	-	**125.00**	**225.00**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

40. Related party transactions (Contd.)

Terms and conditions of transactions with related parties

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

The sales to, and purchases from, related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances at the year-end are unsecured and carry interest equivalent to market rate, where specified, in terms of the transactions and settlement occurs in cash. For the year ended March 31, 2024, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (March 31, 2023: ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

There is no allowance account for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

Information regarding significant transactions

S No	Particulars	Relationship	March 31, 2024	March 31, 2023
a)	**Property, plant and equipment purchased/ Intangible assets acquired**			
	RSYA Dhanbad Auto Private Limited	Others*	60.30	3.27
	RSYA Durgapur Private Limited	Others*	42.08	-
b)	**Sale of goods / rendering of services / expenses reimbursed by related parties**			
	SIS Cash Services Private Limited	Joint Venture	14.57	19.35
	Habitat Security Pty Ltd.	Joint Venture	156.77	129.10
	Security Skills Council India Limited	Others*	95.43	115.27
c)	**Redemption of investment in bonds/debentures**			
	SIS Cash Services Private Limited	Joint Venture	100.00	147.00
d)	**Interest income on bonds / debentures / loans given**			
	SIS Cash Services Private Limited	Joint Venture	18.54	39.57
e)	**Salary & remuneration**			
	Ravindra Kishore Sinha	KMP **	25.27	22.71
	Devesh Desai	KMP **	15.13	14.94
	Rituraj Kishore Sinha	KMP **	12.77	9.69
	Arvind Kumar Prasad	KMP **	7.03	5.68
	Brajesh Kumar#	KMP **	8.97	11.52
	Pushpalatha Katkuri	KMP **	4.67	4.45
	Director sitting fees	KMP **	8.90	12.00
f)	**Rent paid**			
	SIS Asset Management Limited	Others*	79.31	58.38
g)	**Contribution to CSR expenditure**			
	Annapurna S.P, Sinha Welfare Activities & Social Awareness Reforms Charitable Trust	Others*	18.41	16.07

 # Includes an amount of Nil (March 31, 2023: ₹ 2.86 million) towards share based payments for the options exercised during the year.

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

*** Key management personnel and their relatives.*

All amounts in ₹ Million, unless stated otherwise

40. Related party transactions (Contd.)

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

Particulars	March 31, 2024		March 31, 2023	
	Outstanding balance	Maximum amount outstanding during the year	Outstanding balance	Maximum amount outstanding during the year
Lotus Learning Private Limited	17.00	17.00	17.00	17.00
Total	**17.00**	**17.00**	**17.00**	**17.00**

41. Financial risk management

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

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

Market risk

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

Foreign currency risk

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

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

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

Particulars	Financial liabilities	
	March 31, 2024	March 31, 2023
Foreign currency risk in ₹		
USD	1.94	5.36
EURO	0.03	0.06
Net exposure to foreign currency risk	**1.97**	**5.42**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

41. Financial risk management (Contd.)

Sensitivity

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

Particulars	Impact on profit after tax	
	March 31, 2024	March 31, 2023
Sensitivity		
Increase by 5%	0.10	0.27
Decrease by 5%	(0.10)	(0.27)

Interest rate risk

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

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

Particulars	March 31, 2024	March 31, 2023
Variable rate borrowings:		
- Loan repayable on demand	7,037.40	6,654.24
- Term Loans	7,234.83	7,931.32
Fixed rate borrowings		
- Vehicle loan	813.79	637.45
Total	**15,086.02**	**15,223.01**

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

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

Particulars	March 31, 2024	March 31, 2023
Interest rates - increase by 25 basis points *	35.68	36.46
Interest rates - decrease by 25 basis points *	(35.68)	(36.46)

**Holding all other variables constant*

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle their obligations as agreed resulting in a financial loss. The primary exposure to credit risk arises from Trade receivables and Unbilled revenue (refer note 11 & 7 respectively). These are unsecured and are managed by the Group through a system of periodically assessing the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivables. No single customer accounted for more than 10% of the accounts receivable as of March 31, 2024 and March 31, 2023, respectively and revenues for the year ended March 31, 2024 and March 31, 2023, respectively. There is no significant concentration of credit risk. The Group uses the expected credit loss ("ECL") method to assess the loss allowance for Trade receivables and Unbilled revenue taking into account primarily the historical trends and analysis of bad debts. The Group does not expect any credit risk or impairment in respect of amounts lent to its subsidiaries, associates and joint ventures, if any.

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

All amounts in ₹ Million, unless stated otherwise

41. Financial risk management (Contd.)

Significant estimates and judgements

Impairment of financial assets

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

Financial instruments and cash deposits

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

Liquidity risk

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

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

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

Particulars	March 31, 2024	March 31, 2023
Group's long-term debt	8,048.62	8,568.77
Group's long-term debt that will mature in less than one year from reporting period	5,748.12	536.93
	71.42%	**6.27%**

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

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

Year ended March 31, 2024

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	7,037.40	470.91	5,728.33	2,298.10	0.05	**15,534.79**
Lease liabilities	-	125.74	384.30	1,209.30	199.32	**1,918.66**
Other financial liabilities	-	9,582.11	68.29	4.48	-	**9,654.88**
Trade payables	-	846.89	-	-	-	**846.89**
Contingent consideration	-	-	54.25	-	-	**54.25**

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

41. Financial risk management (Contd.)

Year ended March 31, 2023

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings	6,654.24	231.48	709.70	8,296.72	3.25	**15,895.39**
Lease liabilities	-	104.61	310.05	1,072.17	91.93	**1,578.76**
Other financial liabilities	-	8,120.72	162.15	-	-	**8,282.87**
Trade payables	-	639.08	-	-	-	**639.08**
Contingent consideration	-	-	2.47	52.69	-	**55.16**

As a matter of policy, the Group does not carry out any hedging activities.

There has been no default in servicing borrowings and/ or breaches in loan covenants.

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

Particulars	March 31, 2024	March 31, 2023
Financial Assets:		
Investments	125.00	225.00
Loans	17.00	17.00
Other financial assets	8,100.19	7,065.72
Total	**8,242.19**	**7,307.72**

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

Year ended March 31, 2024

Balance sheet caption	As at April 1, 2023	Cash flow	Finance/ Transaction cost/others	Exchange translation	As at March 31, 2024
Borrowings*	8,568.77	(380.63)	(71.24)	(68.28)	8,048.62
Interest accrued	236.14	(1,405.02)	1,244.92	(3.81)	72.23

Year ended March 31, 2023

Balance sheet caption	As at April 1, 2022	Cash flow	Finance/ Transaction cost/others	Exchange translation	As at March 31, 2023
Borrowings*	8,394.84	190.83	81.14	(98.04)	8,568.77
Interest accrued	231.97	(1,065.73)	1,075.27	(5.37)	236.14

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

All amounts in ₹ Million, unless stated otherwise

42. Additional capital disclosures

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

The Group's objectives when managing capital are to:

a) safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and

b) maintain an optimal capital structure to optimise the cost of capital.

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

Particulars	March 31, 2024	March 31, 2023
Borrowings (Note 15)	15,086.02	15,223.01
Lease liabilities (Note 16)	1,494.33	1,251.92
Cash and cash equivalents (Note 12), other bank balances and deposits (including margin money)	(7,687.15)	(7,859.16)
Net Debt	**8,893.20**	**8,615.77**
EBITDA	**5,844.53**	**4,915.27**
Net debt to EBITDA ratio	1.52	1.75

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

Dividends

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

The Parent's Board, at its meeting dated May 01, 2024, has not proposed final dividend for the year ended March 31, 2024 (March 31, 2023: ₹ Nil per share).

Notes to the Financial Statements (Contd.)

All amounts in ₹ Million, unless stated otherwise

43. Additional regulatory disclosures

a) Relationship with Struck off Companies:

Relationship with struck off companies	Nature of transactions	Name of Struck off Companies	March 31, 2024	March 31, 2023
Companies with outstanding balance				
Customers	Receivables	Bateshwarnath Construction and Developers (Opc) Private Limited; Brij Packaging; Knorr-Bremse India Private Limited; MGF Developers Private Limited; Orient Micro Abrasive Limited; K M Memorial Hospital and Research Centre Private Limited; B. P. Food Products Private Limited; Koppal Steels Private Limited; Neel Industries P- Ltd; Protectron Electromech Pvt Ltd; Rudra Alloys Privite Limited; Sky Automobiles; CG Foods India Private Limited; Panacea Biotec Limited; Jubilant Biosys Limited; Knorr-Bremse India Private Limited; Bennett Coleman And Company Limited; Schwing Stetter (India) Private Limited; Panacea Biotec Limited;Amtek Packaging Pvt Ltd; OSG India Pvt Ltd; Faith Machines Pvt Ltd; Transtel Engineering Pvt Ltd; Interface Microsystems	9.96	1.44
Companies with Nil outstanding balance				
Customer	Receivables	Nirmal Industries Ltd.	-	-
Supplier	Payable	Johnson Controls India Pvt. Ltd	-	-

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

The accompanying notes 1 to 43 form an integral part of these consolidated financial statements.
As per our report of even date

For **S S Kothari Mehta & Co.LLP**
Chartered Accountants
Firm's Registration: 000756N/N500441

Naveen Aggarwal
Partner
Membership No. 094380

Place: New Delhi
Date: May 01, 2024

For and on behalf of Board of Directors

Ravindra Kishore Sinha
Chairman
(DIN: 00945635)

Rituraj Kishore Sinha
Managing Director
(DIN: 00477256)

Arvind Kumar Prasad
Director – Finance
(DIN: 02865273)

Devesh Desai
Chief Financial Officer

Brajesh Kumar
Chief Financial Officer (India)

Pushpalatha Katkuri
Company Secretary

A Market Leader in
Security, Cash Logistics
& Facility Management

Group Enterprises

Registered Office
Annapoorna Bhawan, Telephone Exchange
Road, Kurji, Patna, Bihar-800010

Corporate Office
A-28 & 29, Okhla Industrial Area, Phase-1,
New Delhi - 110020