

SECURITY SERVICES



CASH LOGISTICS



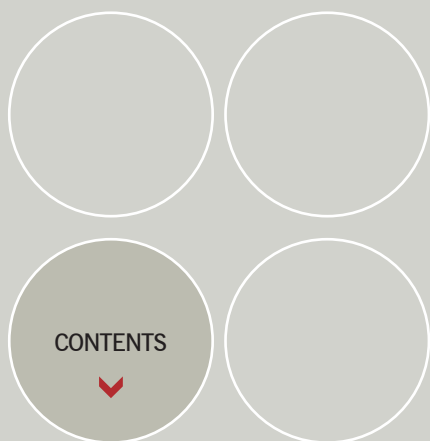
FACILITY MANAGEMENT



Group Enterprises

A Market Leader in
Security, Cash Logistics
& Facility Management

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INDIA'S LARGEST BUSINESS
SERVICES ORGANISATION

2ND LARGEST AND FASTEST
GROWING SECURITY
SERVICES COMPANY IN INDIA

2ND LARGEST AND FASTEST
GROWING CASH LOGISTICS
COMPANY IN INDIA



4TH LARGEST AND FASTEST
GROWING FACILITY
MANAGEMENT COMPANY
IN INDIA

MARKET LEADING POSITIONS
IN THE FASTEST GROWING
MARKET FOR SECURITY,
CASH LOGISTICS AND
FACILITY MANAGEMENT



SIS IS THE MOST
ENTERPRISING PROXY FOR
THE INDIAN SECURITY,
FACILITY MANAGEMENT AND
CASH LOGISTICS SECTORS

251
Branches

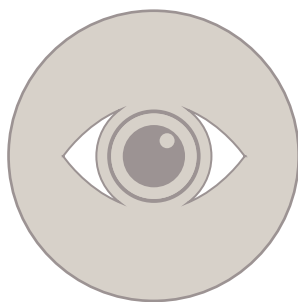
154,432
Employees

45,670
Revenues
(₹/million)

11,869
Sites

BRAND SIS
STARTS WITH
A VISION.

CHAIRMAN'S OVERVIEW



THE VISION OF
THE MAN WHO
FOUNDED THE
COMPANY.



As SIS Group grows larger, we will not lose sight of what has brought us to this position – our employees and customers.

We finished a momentous 2016-17 at the SIS Group.

During the year, we crossed the milestone of 150,000 employees.

We started from a 200 sq. ft. office in 1974; today, we have reinforced our position as a sectoral pioneer, defining its multi-decade progress. We introduced a number of industry best practices, created industry associations and enhanced sectoral visibility through government collaboration. From CAPSI (Central Association of Private Security Industry) to PSARA (The Private Security Agencies (Regulation) Act, 2005), we have made the voice of the industry heard across various forums.

During the course of our journey, SIS Group was joined by dynamic managers leaders who have now become our backbone. These professionals have charted goals, embraced stretch targets, incorporated protocols and spurred our Group to a pre-eminent sectoral position. Each SIS employee typifies our operating culture: a service passion, risk-taking, humility and mutual respect.

We are proud to have created livelihood sources for thousands of individuals who carry the flag of SIS forward. Over the years, we diversified across two levels: we extended operations to Australia; we

extended beyond security services to adjacent sectors (cash logistics and facility management). Thanks to our early-mover advantage, we have reached leadership positions in each. The idea that was germinated in a small Patna office is now an Asia-Pacific force to reckon with. Going ahead, we aim to emerge as the largest in all the segments in which we operate - security, facility, management and cash logistics.

As SIS Group grows larger, we will not lose sight of what has brought us to this position – our employees and customers. We will exhibit the same employee commitment leading to customer delight. Being a people's business, strategic recruitment, training and performance measurement will continue to translate into fulfilling careers.

During the course of the journey, SIS Group was joined by dynamic managers leaders who have now become our backbone.

Even as we continuously invest in technologies to manage our operations better, we seek to never lose the personal touch whether in managing our employees or retaining our customers. Besides, we will continue benchmarking operations around cutting-edge technologies.

The coming years will be important in the evolution of the Indian economy; SIS Group is confident of addressing growing requirements. Our aim is to retain our APAC leadership in the security and business support services space. This will require us to demonstrate our prevailing multi-decade standards of ethics, risk management, ambition, quality-consciousness and client concern.

I would like to take this opportunity to thank our employees and all our partners – customers, banks, vendors and advisors, among others - who have catalysed our journey.

With their continuing support, we are well-placed to venture forth with courage and confidence.

With my best wishes,

R.K. Sinha
Chairman



WHAT MAKES THE SIS GROWTH STORY COMPELLING?

GROUP MANAGING
DIRECTOR'S REVIEW



THAT SIS IS A
MARKET LEADER
ACROSS THREE
LUCRATIVE
SEGMENTS
UNDER COMMON
OWNERSHIP IN THE
FASTEST GROWING
MAJOR MARKET IN
THE WORLD.

"WE HAVE A VISION TO BECOME THE LARGEST COMPANY IN THE INDIAN SECURITY, CASH LOGISTICS AND FACILITY MANAGEMENT SPACE BY 2020 AND THIS CAN BE DONE ONLY BY SERVING OUR CUSTOMERS, INVESTORS AND EMPLOYEES WITH INTEGRITY, DEDICATION AND PASSION."

RITURAJ SINHA,
GROUP MANAGING
DIRECTOR

Q. What are the prospects of the security and business services sector in India?

India is the fastest growing major economy in the world. Our businesses will continue to ride on the back of this strong economic growth.

The security services sector is largely recession-resistant and predictable. This is visible in our continuous growth over the last decade and more: we continued to grow even during steep economic slowdowns. In the security services business, we are positioning ourselves for the future through our Tech SIS business that we incubated a few years ago that is now acquiring scale. We offer bundled man-tech solutions through Tech SIS, which is the future of the security industry.

Facility management is the next big opportunity and housekeeping duties are increasingly being outsourced to professional outfits, a trend likely to accelerate. Following are acquisition of DTSS, our DTSS + SMC + Terminix SIS represents a solid offering that offers unmatched pan-India coverage.

Cash logistics is a small part of our overall revenues and because of the JV with Prosegur, we enjoy access to the technical and business knowhow and also reduces the risk exposure of the SIS Group.



We expect significant PAT and EPS correction post deployment of IPO proceeds in reducing debt on books

The public sector is just waking up to outsourcing security and housekeeping duties, which represents a large growth opportunity. We believe that the 'Make-in-India', 'Swachh Bharat' and 'Skill India' initiatives will further catalyse our sectoral growth. SIS is ideally placed to capitalize on all these trends.

I am convinced that the Indian security and business services market is placed at an inflection point with the right mix of outsourcing growth and socio-economic factors.

Q. What role does Australia play in your overall portfolio?
Our Australia business is a unique asset that offers a high return on capital employed and generates significant cash that is utilized in India for organic and inorganic growth needs. However, due to the faster growth of the Indian business vis-à-vis Australia, the share of Australia in our overall revenues and profits is declining. In FY13, the share of Australia in our consolidated EBITDA was around 64% and in FY17 it was 49%, a trend we expect will continue.

Q. Are there any fiscal benefits available to the company?
In the Finance Bill 2016, the government extended the applicability of Section

80JJAA of the Income Tax Act to non-manufacturing companies. This provision is intended to spur employment creation. Under this clause, an additional deduction of 30% of the salaries paid to incremental employees hired during the year is available, provided the salary per month is less than ₹25,000 per month for each such individual and they have worked for more than 240 days in the year with the company. Besides, this benefit is available only for companies that are compliant with the Provident Fund requirement and pay their salaries through bank transfers or cheques. All these significantly benefit compliant players like SIS. Because of our massive employment creation, we benefited through this clause to the extent of ₹11.37 crores in FY17.

Q. Can you describe your acquisition strategy?
We have a strong Balance Sheet that provides us the flexibility for inorganic growth, a likelihood that will be strengthened by our proposed IPO. We will continue to seek opportunities; we possess a successful track record of acquiring companies compatible with our strategic vision that makes it possible to rapidly gain market leadership. I must indicate that we intend to stay disciplined and acquire only

if that target is synergistic and value-accretive. We have an IRR hurdle rate of 25% for all our acquisitions and underpinning all our deals is a solid strategic rationale and synergy plan.

Over the years, we have invested considerably in target and market evaluation on the one hand and target integration on the other. The result is that we possess the financial and managerial competence to acquire and integrate companies to subsequently grow faster.

Q. How do you see life after your upcoming IPO?
The IPO will help us recapitalize our Balance Sheet and make us ready for the next phase of organic and inorganic growth. We will also reduce our debt and interest burden with the proceeds of the issue. This should increase our net profit and consequently our Return on Equity.

We will be the first in this space to go public and this will increase the visibility of SIS and also provide us with valuable currency for acquisitions and rewarding employees.

Q. What is your medium/long-term vision for the SIS Group?

We have charted out a Vision 2020 for the Group where we aim to be number one in each of our verticals – Security, Facility Management and Cash Logistics. Our Vision 2020 plan breaks down these goals into actionable points for each key pillar that makes up SIS – Customers, Shareholders and Employees. We monitor these regularly to ensure that we are on track to achieve our goals. We believe that our regular Vision documents give everyone within our organization a clear direction and sense of purpose, energising our employees.

Q. What are the key financial metrics that you track?

SIS is essentially a growth and returns story. We have always held a balanced view on both so that we do not compromise returns in the pursuit of growth. We constantly focus on Return on Capital Employed and Return on Net Worth; all our business leaders have KPIs linked to capital efficiency. In future, we will maintain the same capital efficiency discipline as we have done in the past, strengthening stakeholder value.





THE SIS GROUP
IS ENGAGED
IN BUSINESSES
CONSIDERED
INCREASINGLY
INDISPENSABLE.
**CATALYSING A
MODERNISING
INDIA.**





- Multiple businesses.

- Multiple locations.

- Multiple brands.

Centred around a high standard of service quality, customer orientation and passion.

All what SIS is respected for.

Our key businesses

Security services

01 India security services

SIS is the second-largest and fastest-growing security services company in India.

More than 94,000 well-trained security personnel provide physical protection (security guards) and related services (fire squads, dog squads and bodyguards).

These services are offered to clients in sectors like banking and financial services, manufacturing, cement, chemical and industrial gases, construction, educational institutions, FMCG, food and beverages, healthcare, hospitality, real estate and townships, insurance, IT/ITeS, media, retail and entertainment, telecom, airports, metals, mining and other heavy industries.



FINANCIAL
HIGHLIGHTS, 2016-17**45,670**Turnover
[₹ million]

02 Australia security services
MSS Security is the largest security service company in Australia with a presence in every state and one of only two nationwide players.

The SIS Group expanded operations beyond India in 2008 through the acquisition of Chubb Security Personnel Pty Ltd. which was renamed and rebranded MSS Security, post-acquisition. MSS Security is now the market leader in providing physical security solutions in Australia, 100% owned by the SIS Group.

The company employs more than 5,700 security officers, offering a range of services: static guarding, alarm response, first aid support, concierge support,

FINANCIAL
HIGHLIGHTS, 2016-17**2,223.5**EBIDTA
[₹ million]

VIP protection, aviation security, emergency response and rescue and paramedical services for remote mining sites.

The company services a variety of sectors (aviation, mining and resources, maritime (ports), construction, Defence, consumer, finance, healthcare, education, government establishments, industrials, transport, utilities, commercial facilities, healthcare, retail and major events including sporting events).

03 Tech SIS

The electronic security services division of SIS was spun off in 2010 into Tech SIS Limited, a 100%-subsidiary, to position

FINANCIAL
HIGHLIGHTS, 2016-17**906**Net profit
[₹ million]

it as an independent entity that focuses on technology changes galvanising the security services industry.

Tech SIS works in close association with strategic partners, reputed system integrators and installers to provide integrated and turnkey electronic security and surveillance solutions to a wide customer range. Tech SIS has pioneered man-tech solutions, integrating physical security with technology that makes it a one-stop end-to-end security services provider.

04 VProtect

VProtect, from SIS Prosegur Alarms (joint venture between SIS Group and Prosegur), is a first-of-its-kind alarm monitoring and

FINANCIAL
HIGHLIGHTS, 2016-17**25.21**ROCE
[%]

response service for homes, offices and retail spaces.

05 Consulting and investigation

SIS' investigation division has been operating independently since 1998. It comprises a team of over 40 full-time investigators across several Indian cities. The division enjoys long-term strategic partnerships and alliances with internationally-renowned investigation companies in the US, Europe and Singapore. It provides a wide range of services - pre-employment verification, fraud investigation, due diligence, surveillance, infringement of patents and trademarks, corporate investigation and personal protection, among others.

Facility management services**01 Facility operations and maintenance**

In 2008, the SIS Group entered the facility management business by obtaining an exclusive master franchise license from The ServiceMaster Corporation, the US, to operate the ServiceMaster Clean (SMC) brand in India. This collaboration provides SIS with the necessary technology and procedural knowledge for offering a wide variety of cleaning and janitorial services to customers operating in the commercial, hospital, institutional and industrial

spaces. The company was spun off into a subsidiary in 2009 with a separate management and operating team.

In August 2016, we acquired 78.72% of Dusters Total Solutions Services Limited (DTSS), which has been among pioneering providers of facility management services, especially strong in Karnataka and Maharashtra. The acquired company possesses a strong and reputed client base comprising blue-chip Indian and international clients.

Together with DTSS, our facility management business has a national footprint with

services close to 2,500 customer locations through a team of more than 37,000 employees. It focuses on segments where high standards of cleanliness are required including IT/ITeS, retail chains, large commercial spaces, hospitals, hotels, institutions and industries.

02 Pest and termite control

Terminix SIS was formed in September 2011 through a joint venture between the SIS Group and Terminix International Company, Memphis, the US, the world's largest pest management services company.

Terminix SIS offers a comprehensive range of pest and termite solutions for homes, businesses and industrial establishments where there is a need for affordable pest management services including for the termination of termites, cockroaches, rats, mosquitoes, flies and other common pests that are considered to be health hazards.

The company's key customer segments include restaurants, food processing, healthcare facilities, lodging and hospitality, manufacturing and warehouses, offices, educational facilities and residences.

