

**INDEPENDENT AUDITORS' REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS  
TO THE BOARD OF DIRECTORS OF  
STANDARD CHARTERED INVESTMENTS AND LOANS (INDIA) LIMITED**

**Opinion**

We have audited the Financial Results for the year ended March 31, 2020 included in the accompanying "Statement of Financial Results for the Half Year and Year Ended March 31, 2020" ("the Statement"), of **STANDARD CHARTERED INVESTMENTS AND LOANS (INDIA) LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2020:

- (i) is presented in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in Auditors' Responsibilities for audit of the Annual Financial Results section below. 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 Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



### **Emphasis of Matter**

We draw attention to Note 9 to the Statement, which fully describes that the Company has recognised impairment on financial assets to reflect the adverse business impact and uncertainties arising from the COVID 19 pandemic. Such estimates are based on current facts and circumstances and may not necessarily reflect the future uncertainties and events arising from the full impact of the COVID 19 pandemic.

Our opinion is not modified in respect of this matter.

### **Management's Responsibilities for the Statement**

This Statement, which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Statement has been compiled from the related audited financial statements for the year ended March 31, 2020. This responsibility includes the preparation and presentation of the Financial Results for the year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. 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 the 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 Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.



### **Auditors' Responsibilities for audit of Annual Financial Results**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 this Financial Results.

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 Annual Financial Results, 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 52 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' 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 Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Statement 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 auditors' 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 Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.



**Deloitte  
Haskins & Sells**

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results 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 Annual Financial Results.

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.

**Other Matter**

The Statement includes the results for the half year ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the half year ended September 30, 2019 which were subject to limited review by us. Our Opinion on the Statement is not modified in respect of this matter.

For DELOITTE HASKINS & SELLS  
Chartered Accountants  
(Firm's Registration No. 117365W)



Pallavi A. Gorakshakar  
Partner  
Membership No. 105035  
(UDIN: 20105035AAAADP2225)

Mumbai, June 15, 2020

(INR Lacs)

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020					
S.No.	Particulars	Half Year Ended	Half Year Ended	Year Ended	Year Ended
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
(I)	Revenue from operations				
	(i) Interest income	13,131	6,671	25,883	12,484
	(ii) Fee income	120	1,054	696	1,219
	Total revenue from operations	13,251	7,725	26,579	13,703
(II)	Other income	154	1,396	439	1,614
(III)	Total Income (I+II)	13,405	9,121	27,018	15,317
(IV)	Expenses				
	(i) Finance costs	6,850	3,170	14,304	5,386
	(ii) Employee benefit expenses	643	888	1,647	1,756
	(iii) Depreciation and amortisation	206	189	506	383
	(iv) Impairment on financial instruments	1,333	322	1,297	254
	(v) Other expenses	518	687	953	1,273
	Total Expenses	9,550	5,256	18,707	9,052
(V)	Profit before exceptional item and tax (III-IV)	3,855	3,865	8,311	6,265
(VI)	Exceptional Items (Refer note 6)	1,773	-	1,773	-
(VII)	Profit before tax (V+VI)	5,628	3,865	10,084	6,265
(VIII)	Tax Expense :				
	(1) Current Tax	1,396	621	2,739	1,006
	(2) Deferred Tax	(148)	531	(378)	861
(IX)	Profit for the period (VII-VIII)	4,380	2,713	7,723	4,398
(X)	Other Comprehensive Income				
A	(i) Items that will not be reclassified to profit or loss	(12)	(40)	(12)	(40)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	3	5	3	5
	Subtotal (A)	(9)	(35)	(9)	(35)
B	(i) Items that will be reclassified to profit or loss	-	-	-	-
	(ii) Income Tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other Comprehensive Income (A + B)	(9)	(35)	(9)	(35)
(XI)	Total Comprehensive Income (IX+X)	4,371	2,678	7,714	4,363
(XII)	Earnings per share of face value of Rs 10 each (Half year ended numbers are not annualised):				
	(a) Basic (Rs.)	0.96	0.59	1.70	0.97
	(b) Diluted (Rs.)	0.96	0.59	1.70	0.97



*Elash PKumar*

**Standard Chartered Investments and Loans (India) Limited**  
**(A wholly owned subsidiary of Standard Chartered Bank, United Kingdom)**  
**CIN: U65990MH2003PLC142829**  
**Crescenzo, 6th Floor, G Block, C 38/39, BKC, Bandra (E), Mumbai - 400051, India**  
**Website :www.standardcharteredinvestmentsloans.co.in**  
**Email : scilcustomer.care@sc.com**

**Notes:**

**1 Statement of Assets and Liabilities**

**(INR Lacs)**

Sr. No.	Particulars	As at March 31, 2020 (Audited)	As at March 31, 2019 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
	(a) Cash & cash equivalents	18,652	18,925
	(c) Receivables: Trade Receivables	69	235
	(d) Loans	205,754	184,723
	(e) Investments	11,468	14,808
	(f) Other financial assets	1,144	106
<b>2</b>	<b>Non-financial Assets</b>		
	(a) Current tax assets(net)	11,318	15,204
	(b) Deferred tax asset (net)	837	460
	(c) Property, plant and equipment	442	313
	(d) Capital Work-in-Progress	366	650
	(e) Other Intangible assets	381	368
	(f) Other non-financial assets	134	194
	<b>TOTAL ASSETS</b>	<b>250,565</b>	<b>235,986</b>
<b>B</b>	<b>LIABILITIES AND EQUITY</b>		
<b>1</b>	<b>Financial Liabilities</b>		
	<b>(a) Trade Payables</b>		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(b) Debt Securities	117,742	127,338
	(c) Borrowings (Other than debt securities)	30,938	19,500
	(d) Inter Corporate Deposits	4,900	-
	(e) Subordinated Liabilities	-	-
	(f) Other financial liabilities	2,151	2,100
<b>2</b>	<b>Non-Financial Liabilities</b>		
	(a) Current tax liabilities (net)	3,229	3,229
	(b) Provisions	324	203
	(c) Other non-financial liabilities	158	207
<b>3</b>	<b>Equity</b>		
	(a) Equity share capital	45,439	45,439
	(b) Other equity	45,684	37,970
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>250,565</b>	<b>235,986</b>



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**Notes :-**

- 1 These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other accounting principles generally accepted in India.
- 2 These financial results have been prepared in accordance with the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, which has become applicable to the Company from the current year.
- 3 The above audited financial results for the year ended March 31, 2020 and unaudited financial results for half year ended March 31, 2020 have been reviewed by the Audit Committee and recommended for approval and approved by the Board of Directors at its meeting held on June 15 2020. The Statutory Auditors of the Company have carried out audit of financial results for the year ended March 31, 2020 as required under Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended and have issued an unmodified report.
- 4 The Statement includes the results for the half year ended March 31, 2020 and half year ended March 31, 2019 being the balancing figure between the audited figures in respect of the full financial year and the published year to date figures up to the half year of the current financial year which were subjected to limited review. The figures for half year ended March 31, 2019 are not subject to review / audit.
- 5 The Company's main business is Financing and Investing activities. All other activities revolve around the main business. Further all activities are carried out within India. As such there are no separate reportable segments as per the provisions of Ind AS 108 on Operating Segment.
- 6 The Company at its meeting of the Board of Directors dated May 16, 2019 approved sale of investments in Standard Chartered Finance Private Limited (SCFPL) and Standard Chartered (India) Modeling And Analytics Centre Private Limited (SCMAC) to its holding Company Standard Chartered Bank, United Kingdom (SCB UK). The Sale was made at the Sale consideration approved by the Board based on Valuation by an external Management's expert and the sale transaction was completed in December 2019 with the receipt of sale consideration and transfer of the shares held to SCB (UK). The profit on Sale of SCMAC (an associate of the Company held at carrying cost) Rs. 1,773 lacs is disclosed as an exceptional item. SCFPL was held at FVOCI and the sale consideration was equal to the fair value, on transfer the balance held in FVOCI Reserve amounting to Rs.1,526 was transferred to Retained Earnings within Equity without being transferred to the Statement of Profit and Loss.
- 7 During the year ended March 31, 2020 the Company has adopted Ind AS 116 – "Leases" with effect from April 01, 2019 and applied the modified retrospective approach. In accordance with the requirements of the standard, the lease liability at the present value of remaining lease payments at the date of initial application i.e. April 01, 2019 has been recognised and "Right to use assets" has been recognised at an amount equal to the "Lease liability" as at that date. In the Statement of Financial Results for the current period, the nature of expenses in respect of leases has changed from lease rent in previous periods to depreciation cost for "Right to use lease assets" and interest accrued on "Lease liability". The Company has not restated the comparative information in this respect.
- 8 The Government of India vide Ordinance No. 15 of 2019 dated March 31, 2020 amended the income tax provisions by inserting section 115BAA. As per the amended provisions, the Company has opted to pay tax at rate of 22% plus applicable surcharge and cess subject to the conditions mentioned under the amended provisions and recognised the effect of change by revising the annual effective income tax rate. Due to reduced tax rate, the Company has re-measured its Net Deferred Tax Assets as at April 1, 2019 and the impact of this change has been fully recognised in the Statement of Financial Results under "Tax expense" for the financial results of the year ended March 31, 2020.
- 9 The Impact of COVID-19 pandemic has been unprecedented and disruptive across the World, including India. The current Business environment is grim for major companies in India who are faced with challenges and are struggling to continue their operations. Non-banking finance companies (NBFCs) support the financing needs of mainly MSMEs, infrastructure, real estate sectors and offer special structured financing solutions to corporate clients. The NBFC Industry has been hit hard due to lockdown resulting in slowdown/stalling of business momentum, disruption caused due to collection delays and moratorium. The Government of India (GoI) and the Reserve Bank of India (RBI) have provided liquidity support through multi-level intervention for the impacted industries / individuals and are also striving to extend financial stimulus; the impact and benefit of these measures will be realised only in the mid to long term period. The Company's business and operations have also been impacted from the last week of March 2020. In terms of the policy approved by the Board pursuant to Reserve Bank of India (RBI) Circular dated March 27, 2020 and April 17, 2020 relating to 'COVID-19 – Regulatory Package', the Company has granted EMI moratorium to eligible borrowers for a period upto 3 months with regards to the payment falling due between March 1, 2020 and May 31, 2020. Further, in relation to the accounts overdue but standard as at February 29, 2020 where moratorium benefit has been extended in terms of aforesaid RBI guidelines, the staging of those accounts at March 31, 2020 is based on the days past due status as on February 29, 2020. Based on the Company's assessment, this relaxation has not been deemed to be automatically triggering significant increase in credit risk. On May 22, 2020, the RBI has announced further extension of the Moratorium Period by three months; the Company is currently in the process of rolling out client communications extending the moratorium to eligible borrowers. As on March 31, 2020 - 22 % of the book is under Moratorium. The impact on the Global & Indian economy, businesses and customers response thereon continues to be uncertain amidst the pandemic. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans which have been subjected to a number of management judgments and estimates. In relation to COVID-19 judgments and assumptions include the extent and duration of the pandemic, the impacts of actions of governments and other authorities and the responses of businesses and consumers in different industries. While the methodologies and assumptions applied in the impairment loss allowance calculations remained unchanged from prior year, the Company has separately incorporated estimates, assumptions and judgments specific to the COVID-19 impact based on early indicators of moratorium and delayed payments metrics observed along with an estimation of potential stress on probability of defaults. Accordingly, the Company has measured additional impairment loss allowance and recognised total provision for Rs.1,297 Lacs in the Statement of Financial Results. In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to repayments of loan assets and undrawn committed lines of credit, borrowing limits based on its past experience which have been adjusted for the current events. Given the dynamic nature of the pandemic situation, the extent of impact on the Company's impairment loss allowance on assets and its future results will depend on the severity, duration and impending developments in relation to the pandemic situation, which are highly uncertain and thus the Company will continue to assess and closely monitor the same.

For and on behalf of the Board of Directors  
Standard Chartered Investments and Loans (India) Limited

*Prashant Kumar*

Prashant Kumar  
MD & CEO  
DIN No. 08584379

Place: Mumbai  
Date: 15 June 2020

