

Independent Auditor's Review Report on the Unaudited Financial Information for the three months period ended June 30, 2021

**Review Report to
The Board of Directors
Standard Chartered Investments and Loans (India) Limited**

1. We have reviewed the accompanying statement of unaudited financial information of Standard Chartered Investments and Loans (India) Limited (the "Company") for the three months period ended June 30, 2021 (the "Statement") attached herewith, pursuant to the requirements of SEBI circular number SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, as amended, being submitted by the Company to include in disclosure documents for the private placement of the Commercial Papers (CPs).
2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, has not been prepared in accordance with the recognition and measurement principles laid down in the aforesaid Ind AS 34 specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, or that it contains any material misstatement.
5. **Emphasis of Matter**
 - a) We draw attention to Note No.6 to the Statement, which describes the economic and social disruption, continued to be caused by COVID-19 pandemic, of the Company's business and financial performance which is dependent on future developments, which are highly uncertain.
 - b) The comparative Ind AS financial information of the Company for the corresponding period ended June 30, 2020 included in the Statement of the Company has not been subjected to a review and has been prepared and presented as certified by the management.



Our conclusion is not modified in respect of these matters.

For **S.R. BATLIBOI & Co. LLP**

Chartered Accountants

ICAI Firm registration number: 301003E/E300005

R.P.

per **Rutushtra Patell**

Partner

Membership No.:123596

UDIN: 21123596AAAALP5123

Place: Mumbai

Date: September 22, 2021



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
 Phone : +91 22 61158495 Fax : 022-61157825

Statement of Assets and Liabilities

(INR Lacs)

Sr. No.	Particulars	As at June 30, 2021 (Unaudited)	As at March 31, 2021 (Audited)
A	ASSETS		
1	Financial Assets		
	(a) Cash & cash equivalents	4,692	7,763
	(b) Receivables: Trade Receivables	18	3
	(c) Loans	3,34,007	2,98,140
	(d) Investments	5,362	5,252
	(e) Other financial assets	171	171
2	Non-financial Assets		
	(a) Current tax assets(net)	13,510	13,510
	(b) Deferred tax asset (net)	991	973
	(c) Property, plant and equipment	349	346
	(d) Intangible assets under development	548	623
	(e) Other Intangible assets	149	192
	(f) Other non-financial assets	128	137
	TOTAL ASSETS	3,59,925	3,27,110
B	LIABILITIES AND EQUITY		
1	Financial Liabilities		
	(a) Trade Payables		
	Total outstanding dues of micro enterprises and small enterprises	-	-
	Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-
	(b) Debt Securities	1,91,410	1,75,201
	(c) Borrowings (Other than debt securities)	57,109	42,765
	(d) Inter Corporate Deposits	3,133	3,097
	(e) Subordinated Liabilities	-	-
	(f) Other financial liabilities	2,239	1,860
2	Non-Financial Liabilities		
	(a) Current tax liabilities (net)	6,492	6,214
	(b) Provisions	358	273
	(c) Other non-financial liabilities	59	159
3	Equity		
	(a) Equity share capital	45,439	45,439
	(b) Other equity	53,686	52,102
	TOTAL LIABILITIES AND EQUITY	3,59,925	3,27,110

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(INR Lacs)

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THREE MONTHS ENDED JUNE 30, 2021				
S.No.	Particulars	Three Months	Three Months	Year Ended
		June 30, 2021	June 30, 2020	March 31, 2021
		(Unaudited)	(Unaudited)	(Audited)
(I)	Revenue from operations			
	(i) Interest income	6,228	6,365	25,417
	Total revenue from operations	6,228	6,365	25,417
(II)	Other income	4	29	98
(III)	Total Income (I+II)	6,232	6,394	25,515
(IV)	Expenses			
	(i) Finance costs	3,046	3,299	12,225
	(ii) Employee benefit expenses	590	432	1,894
	(iii) Depreciation and amortisation	67	59	258
	(iv) Impairment on financial instruments	26	544	1,355
	(v) Other expenses	368	368	1,174
	Total Expenses	4,097	4,702	16,906
(V)	Profit before tax (III-IV)	2,135	1,692	8,609
(VI)	Tax Expense :			
	(1) Current Tax	570	419	2,358
	(2) Deferred Tax	(18)	9	(145)
(VII)	Profit for the period (V-VI)	1,583	1,264	6,396
(VIII)	Other Comprehensive Income			
A	(i) Items that will not be reclassified to profit or loss	-	-	31
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	-	-	-9
	Subtotal (A)	-	-	22
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)	-	-	22
(IX)	Total Comprehensive Income (VII+VIII)	1,583	1,264	6,418
(X)	Earnings per share of face value of Rs 10 each (Quarter ended numbers are not annualised):			
	(a) Basic (Rs.)	0.35	0.28	1.41
	(b) Diluted (Rs.)	0.35	0.28	1.41



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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 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on September 22, 2021, in accordance with the requirements of SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2019/115 dated October 22, 2019, as amended. The Statutory Auditors of the Company have carried out limited review of financial results for the three months ended June 30, 2021.
- 3 There is no Debenture Redemption Reserve (DRR) created as the Non Banking Financial Companies registered with Reserve Bank of India are not required to create DRR for the privately placed debentures.
- 4 The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020 and has invited suggestions from stakeholders which are under active consideration of the Ministry. The Company will assess the impact once the subject rules are notified and will give appropriate impact in the financial statements in the period in which the Code becomes effective and the related rules to determine the financial impact are published.
- 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 impact of COVID-19 pandemic has been unprecedented and disruptive across the World, including India. The second wave of COVID at the end of March 2021 was even more unsettling and 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 impact on the Global & Indian economy, businesses and customers response thereon continues to be uncertain amidst the COVID-19 pandemic. This uncertainty is reflected in the Company's assessment of impairment loss allowance on its loans and investments 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 INR 3,658 lacs in the financial results as at June 30, 2021. Further, the Company has reversed interest accrued of INR 336.6 lacs for the quarter and INR 1,120.68 lacs as on date in respect of loans under the one-time restructuring framework as described in note no.7 based on its expectation of ultimate recoveries. In addition, while assessing the liquidity situation, the Company has taken into consideration certain assumptions with respect to repayments of loan / investment 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.
- 7 Disclosure on 'Resolution Framework for COVID-19 related Stress' announced by RBI vide circular DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020.

Type of borrower	(A)	(B)	(C)	(D)	(E)
	Number of accounts where resolution plan has been implemented under this window	Exposure to accounts mentioned at (A) before implementation of the plan	Of (B), aggregate amount of debt that was converted into other securities	Additional funding sanctioned, if any, including between invocation of the plan and implementation	Increase in provisions on account of the implementation of the resolution plan
Personal Loans	-	-	-	-	-
Corporate persons*	1	10,000	10,000	1,461	-
MSMEs	-	-	-	-	-
Others	-	-	-	-	-
Total	1	10,000	10,000	1,461	-

*As defined in Section 3(7) of the Insolvency and Bankruptcy Code, 2016

There were no borrower accounts where resolution plans had been implemented under OTR 1.0 and were modified under RBI's Resolution Framework 2.0 dated 5 May 2021.

- 8 Figures for the quarter ended June 30, 2020 were not subjected to review or audit by the statutory auditors of the Company. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of the Company's affairs.
- 9 The figures for previous period/year have been regrouped wherever required, to correspond with those of the current period.

In terms of our report attached.
For S. R. Batliboi & Co. LLP
Chartered Accountants
Firm's Registration No: 301003E/E300005


Rutushtra Patell
Partner
Membership No: 123596

Place: Mumbai
Date : September 22, 2021

We, S.R. Batliboi & Co. LLP, have signed this financial result for identification purposes only and this result should be read in conjunction with our report dated September 22, 2021.



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


Prashant Kumar
MD & CEO
DIN : 08584379

Place: Mumbai
Date : September 22, 2021

