

Independent Auditor's Report On the Financial Results of the Company Pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

To  
The Board of Directors of  
Standard Chartered Investments and Loans (India) Limited

Report on the audit of the Financial Results

Opinion

We have audited the accompanying statement of financial results of Standard Chartered Investments and Loans (India) Limited (the "Company"), for the year March 31, 2021 ("Statement"), attached herewith, 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 Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the Company for the year ended March 31, 2021.

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, as amended ("the Act"). Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Results" 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 together with the ethical requirements that are relevant to our audit of the financial statements 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter paragraph

We draw attention to Note 12 of 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. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Financial Results

The Statement has been prepared on the basis of the annual financial statements. The Board of Directors of the Company are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the Company and other financial information in accordance with the applicable accounting standards 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 of 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 Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Statement, 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 Company's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Results

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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. 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 with reference to financial statements 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 Board of Directors.
- 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 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 financial results 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.

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

Chartered Accountants

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.

The comparative financial information of the Company for the year ended March 31, 2020, included in these financial results, have been audited by the predecessor auditor. The report of the predecessor auditor on the comparative financial information dated June 15, 2020 expressed an unmodified opinion.

Further, we report that the figures for the half year ended March 31, 2021 represent the derived figures between the audited figures in respect of the financial year ended March 31, 2021 and the published unaudited figures for the half year ended September 30, 2020, which were subjected to a limited review by us, as required under the Listing Regulations.

For S.R. BATLIBOI & Co. LLP  
Chartered Accountants  
ICAI Firm registration number: 301003E/E300005

per Rutushtra Patell  
Partner  
Membership No.: 123596  
UDIN: 21123596AAAACU2895  
Mumbai  
June 14, 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**

(INR Lacs)

<b>STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2021</b>					
S.No.	Particulars	Half Year Ended	Half Year Ended	Year Ended	Year Ended
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
		(Unaudited)	(Unaudited)	(Audited)	(Audited)
(I)	<b>Revenue from operations</b>				
	(i) Interest income	11,311	13,281	24,824	26,137
	(ii) Fee income	392	120	593	696
	<b>Total revenue from operations</b>	<b>11,703</b>	<b>13,401</b>	<b>25,417</b>	<b>26,833</b>
(II)	<b>Other income</b>	13	4	98	185
(III)	<b>Total Income (I+II)</b>	<b>11,716</b>	<b>13,405</b>	<b>25,515</b>	<b>27,018</b>
(IV)	<b>Expenses</b>				
	(i) Finance costs	5,465	6,850	12,225	14,304
	(ii) Employee benefit expenses	985	643	1,894	1,647
	(iii) Depreciation and amortisation	127	206	258	506
	(iv) Impairment on financial instruments	390	1,333	1,355	1,297
	(v) Other expenses	435	518	1,174	953
	<b>Total Expenses</b>	<b>7,402</b>	<b>9,550</b>	<b>16,906</b>	<b>18,707</b>
(V)	<b>Profit before exceptional item and tax (III-IV)</b>	<b>4,314</b>	<b>3,855</b>	<b>8,609</b>	<b>8,311</b>
(VI)	<b>Exceptional Items (Refer note 6)</b>	-	1,773	-	1,773
(VII)	<b>Profit before tax (V+VI)</b>	<b>4,314</b>	<b>5,628</b>	<b>8,609</b>	<b>10,084</b>
(VIII)	<b>Tax Expense :</b>				
	(1) Current Tax	1,244	1,396	2,358	2,739
	(2) Deferred Tax	(132)	(148)	(145)	(378)
(IX)	<b>Profit for the period (VII-VIII)</b>	<b>3,202</b>	<b>4,380</b>	<b>6,396</b>	<b>7,723</b>
(X)	<b>Other Comprehensive Income</b>				
A	(i) Items that will not be reclassified to profit or loss	31	(12)	31	(12)
	(ii) Income Tax relating to items that will not be reclassified to profit or loss	(9)	3	(9)	3
	<b>Subtotal (A)</b>	<b>22</b>	<b>(9)</b>	<b>22</b>	<b>(9)</b>
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	-	-	-	-
	<b>Subtotal (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Other Comprehensive Income (A + B)</b>	<b>22</b>	<b>(9)</b>	<b>22</b>	<b>(9)</b>
(XI)	<b>Total Comprehensive Income (IX+X)</b>	<b>3,224</b>	<b>4,371</b>	<b>6,418</b>	<b>7,714</b>
(XII)	<b>Earnings per share of face value of Rs 10 each</b>				
	<b>(Half year ended numbers are not annualised):</b>				
	(a) Basic (Rs.)	0.71	0.96	1.41	1.70
	(b) Diluted (Rs.)	0.71	0.96	1.41	1.70

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Notes:

**1 Statement of Assets and Liabilities (INR Lacs)**

Sr. No.	Particulars	As at March 31, 2021 (Audited)	As at March 31, 2020 (Audited)
<b>A</b>	<b>ASSETS</b>		
<b>1</b>	<b>Financial Assets</b>		
	(a) Cash & cash equivalents	7,763	18,652
	(c) Receivables: Trade Receivables	3	69
	(d) Loans	298,140	205,754
	(e) Investments	5,252	11,468
	(f) Other financial assets	171	1,144
<b>2</b>	<b>Non-financial Assets</b>		
	(a) Current tax assets(net)	13,510	11,318
	(b) Deferred tax asset (net)	973	837
	(c) Property, plant and equipment	346	442
	(d) Capital Work-in-Progress	623	366
	(e) Other Intangible assets	192	381
	(f) Other non-financial assets	265	134
	<b>TOTAL ASSETS</b>	<b>327,238</b>	<b>250,565</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	175,405	118,634
	(c) Borrowings (Other than debt securities)	42,786	30,946
	(d) Inter Corporate Deposits	3,000	4,926
	(e) Subordinated Liabilities	-	-
	(f) Other financial liabilities	1,860	1,226
<b>2</b>	<b>Non-Financial Liabilities</b>		
	(a) Current tax liabilities (net)	6,214	3,229
	(b) Provisions	273	324
	(c) Other non-financial liabilities	159	158
<b>3</b>	<b>Equity</b>		
	(a) Equity share capital	45,439	45,439
	(b) Other equity	52,102	45,684
	<b>TOTAL LIABILITIES AND EQUITY</b>	<b>327,238</b>	<b>250,565</b>

**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 results have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on Jun 14, 2021, in accordance with the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 4 The figures of the half year ended March 31, 2021 and March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2021 and March 31, 2020 and published year to date figures up to the half year ended September 30, 2020 and September 30, 2019 respectively and which were subject to limited review. The figures for previous period/year have been regrouped wherever required, to correspond with those of the current period/year.
- 5 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.
- 6 In accordance with the instructions as per RBI circular dated April 07, 2021, the Company shall refund/adjust "Interest on interest" to all borrowers during the moratorium period, irrespective of whether moratorium has been fully or partially availed, or not availed. Pursuant to this instructions, and as per the methodology for calculation of the amount such "interest on interest", the Company has recognised a charge in its Statement of Profit and Loss for the year ended March 31, 2021 and provided for amount of INR 45.85 lakhs to be credited or adjusted against customer balance, in case customers account has been closed with the Company, the same shall be refunded to the customers in due course of time.
- 7 Earnings per equity share for half year ended March 31, 2021 & March 31, 2020 are not annualised.
- 8 Comparative numbers of March 2020 was audited by another firm of Chartered Accountants.
- 9 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.
- 10 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.
- 11 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.

In order to mitigate the burden of debt servicing brought about by disruptions on account of COVID-19 pandemic and to ensure the continuity of viable businesses, RBI through its circulars dated March 27, 2020 and April 17, 2020, permitted lending institutions to grant a moratorium, on the payment of instalments and / or interest, falling due between March 1, 2020 and May 31, 2020, to their borrowers classified as standard even if overdue, as on February 29, 2020. This period was extended by RBI till August 31, 2020 through its circular dated May 23, 2020. The Company accordingly extended the moratorium option to its borrowers in accordance with its Board approved policies. For all such accounts where the moratorium is granted, the asset classification shall remain standard during the moratorium period.

The disclosure as required by RBI circular dated April 17, 2020 is given below:

S No	Particulars	INR Lacs
(i)	Amount in SMA categories as of 29th Feb 2020	4,590
(ii)	Respective amounts in SMA categories, where the moratorium/deferment was extended, in terms of Paragraph 2 and 3 of the circular (as on 29th Feb 2020)	4,590
(iii)	Respective amount where asset classification benefit is extended (outstanding as of 29th Feb 2020)*	4,590
(iv)	Provisions made in term of paragraph 5 of the circular as at the moratorium (As per para 4, applicable to NBFC's covered under Ind AS)	174
(v)	Provisions adjusted against slippages in terms of Paragraph 6 of the circular	174
(vi)	Residual Provisions as on 31st March 2021 in terms of Paragraph 6 of the circular	-

- 12 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.1,355 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.

In terms of our report attached.

**For S. R. Batliboi & Co. LLP**  
Chartered Accountants

Firm's Registration No: 301003E/E300005

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

**Rutushtra Patell**  
Partner  
Membership No: 123596

Place: Mumbai  
Date : 14 Jun 2021

**Prashant Kumar**  
MD & CEO  
DIN : 08584379

Place: Mumbai  
Date : 14 Jun 2021