



**INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS
TO THE MEMBERS OF SCM INVESTMENT AND TRADING COMPANY LIMITED**

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **SCM INVESTMENT AND TRADING COMPANY LIMITED** ("the Company"), which comprises the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, its Profit including other comprehensive income, its cash flows and the changes in Equity for the year ended on that date.

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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Information Other than the Standalone Ind AS 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 Board's Report including Annexure to Board's Report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

Our opinion on the standalone Ind AS 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 Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. 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 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 Ind AS 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 Ind AS 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS 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 Ind AS financial statements.

Report on Other Legal and Regulatory Requirements

1. As required by the companies (Auditor's Report) Order 2016 (" The Order ") issued by the Central Government of India in terms of sub-section (11) of the section 143 of the Act, we give in the Annexure 'A' a statement on the matter specified in paragraph 3 and 4 of the Order , to the extent applicable.
2. As required by Section 143 (3) of the Act, 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 the Statement of Other Comprehensive Income, the statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 of the Company and the operative effectiveness of such controls, refer to our separate report in Annexure 'B'.
- (g) 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S.N.ROY & CO
Chartered Accountants
Firm Registration No - 313054E

(Ranajit Majumdar)
Partner
Membership No - 060098
UDIN:20060098AAAACX6485



Place : Kolkata
Date : 19th June, 2020

Annexure - A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to statutory audit of SCM INVESTMENT AND TRADING COMPANY LIMITED for the year ended 31st March 2020, we report that :

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipment.

(b) The management has physically verified the Property, Plant & Equipment of the company to cover the entire block of assets once in a year and no material discrepancies were noticed. The procedure adopted by the management is reasonable in our opinion having regard to the size of the Company and nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The company has no manufacturing and / or trading activities and as such the question of having any stock and maintenance of records in respect thereof and physical verification of inventory does not arise. Thus, paragraph 3(ii) of the order is not applicable.
- iii. The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the order is not applicable.
- iv. The company has neither given any loan nor have made any investment during the year and thus paragraph 3(iv) of the order is not applicable.
- v. The Company has not accepted any deposits from the public during the year. Thus, paragraph 3(v) of the Order is not applicable.
- vi. The Company is not required to maintain any cost records under section 148(1) of the Act. Thus, paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the amounts deducted/accrued in the books of account in respect of undisputed statutory dues including provident fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Excise Duty, Duty of Customs, Value Added Tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, VAT, Cess and other material statutory dues were in arrears as at 31st March, 2020 for the period of more than six months from the date they become payable.

(b) According to the information and explanations given to us, there are no material dues of Income Tax, Sales Tax, Service Tax, Goods and Service Tax, Duty of Customs, Duty of Excise, Value Added Tax which have not been deposited with the appropriate authorities on account of any dispute.



- viii. The Company has not borrowed from financial institutions or Banks or Government issued Debentures during the year. Thus, paragraph 3(viii) of the Order is not applicable.
- ix. The Company has not raised any money by way of initial public offer or further public offer including debt instruments and term loans during the year. Thus, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given by the management, we report that no fraud on the Company by its officers or employees has been noticed or reported during the course of our Audit.
- xi. The Company has no whole time Director or manager in the financial year. Hence, paragraph 3(xi) of the Order is not applicable.
- xii. The Company is not a Nidhi Company. Hence, paragraph 3(xii) of the Order is not applicable.
- xiii. The Company has not entered into any transactions with related party as defined in Section 177 and Section 188 of the Companies Act, 2013 and thus paragraph 3(xiii) of the Order is not applicable.
- xiv. According to the information and explanations given by the management and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Thus, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given by the management and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 as it is governed by another regulator. Thus, paragraph 3(xvi) of the Order is not applicable.

For S.N.ROY & CO
Chartered Accountants
Firm Registration No – 313054E

(Ranajit Majumdar)
Partner

Membership No – 060098
UDIN:20060098AAAACX6485

Place : Kolkata
Date : 19th June, 2020



Annexure – B to the Independent Auditor's Report

The Annexure referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our Independent Auditors' Report of even date in respect to internal financial control under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 of **SCM INVESTMENT AND TRADING COMPANY LIMITED** for the year ended 31st March 2020, we report that :

We have audited the internal financial controls over financial reporting of **SCM INVESTMENT AND TRADING COMPANY LIMITED** ("the Company") as of 31st March 2020 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 Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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. 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 Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting with reference to these Standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS 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 Standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS financial statements.



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting with reference to these Standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS 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 Standalone 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 Standalone financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting with reference to these Standalone Ind AS financial statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS 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 over financial reporting with reference to these Standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS 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, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these Standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS financial statements were operating effectively as at 31st March 2020, based on the internal control over financial reporting 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.

For S.N.ROY & CO
Chartered Accountants
Firm Registration No – 313054E

(Ranajit Majumdar)
Partner
Membership No – 060098
UDIN:20060098AAAACX6485

Place : Kolkata
Date : 19th June, 2020



SCM INVESTMENT & TRADING COMPANY LIMITED
Balance Sheet as at 31st March, 2020

(Amount in ₹ Lakhs)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	2	220.12	92.10	12.84
(b)	Loans	3	750.00	750.00	2,673.00
(c)	Investments	4	4,539.51	7,446.44	7,994.11
(d)	Other Financial Assets	5	22.76	1.02	21.55
	Total Financial Assets		5,532.39	8,289.56	10,701.50
2	Non-financial Assets				
(a)	Current tax assets (Net)	6	1.61	9.16	8.41
(b)	Deferred tax assets (Net)	7	6.21	6.21	8.35
	Total Non-Financial Assets		7.82	15.37	16.76
	Total Assets		5,540.21	8,304.93	10,718.26
	LIABILITIES AND EQUITY				
	Liabilities				
1	Financial Liabilities				
(a)	Borrowings (other than debt securities)	8	-	-	1950.00
(b)	Trade Payables	9	-	-	-
	(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		0.13	0.21	0.13
(c)	Other financial liabilities	10	-	-	13.69
	Total Financial Liabilities		0.13	0.21	1963.82
2	Non-Financial Liabilities				
(a)	Provisions	11	3.00	3.00	10.78
(b)	Other non-financial liabilities	12	0.17	0.17	3.43
	Total Non-Financial liabilities		3.17	3.17	14.21
3	Equity				
(a)	Equity Share capital	13	1,925.92	1925.92	1925.92
(b)	Other Equity	14	3,610.99	6375.63	6814.31
	Total Equity		5,536.91	8,301.55	8,740.23
	Total Liabilities and Equity		5,540.21	8,304.93	10,718.26

Summary of significant accounting policies and other notes on financial statement

1-33

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date attached.

For and on behalf of Board of Directors of
SCM Investment & Trading Company Limited

For S.N.ROY & Co.
Chartered Accountants
Firm Reg. No. -313054E

Ranajit Majumdar
Partner
Membership No. 060098
UDIN:20060098AAACX6485
Place: Kolkata
Date: 19 June 2020



Brij Mohan Agarwal
Director
DIN:03101758

Dilip Patodia
Managing Director
DIN : 00482435

A. K. Daga
Ashok Kumar Daga
Chief Financial Officer

Place: Kolkata
Date: 19 June 2020

SCM INVESTMENT & TRADING COMPANY LIMITED
Statement of Profit and Loss for the year ended March 31, 2020

(Amount in ₹ Lakhs except EPS)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operations			
(i)	Interest Income	15	86.23	170.81
(ii)	Dividend Income	16	75.24	46.40
(I)	Total Revenue from operations		161.47	217.21
(II)	Other Income	17	-	7.78
(III)	Total Income (I+II)		161.47	224.99
(IV)	Expenses			
	Finance Cost	18	0.03	92.57
	Others expenses	19	5.70	5.28
	Total Expenses (IV)		5.73	97.85
(V)	Profit/(loss) before tax (III - IV)		155.74	127.14
(VI)	Tax Expense:			
	(1) Current tax	20	13.44	16.01
	(2) Deferred tax	7	-	-
(VII)	Profit/(loss) for the year (V - VI)		142.29	111.13
(VIII)	Other Comprehensive Income			
(A)	(i) Items that will not be reclassified to profit or loss			
	- Gain/(loss) on fair valuation of equity instruments		-2906.93	(547.68)
	(ii) Income tax relating to items that will not be reclassified to profit or loss		-	(2.14)
(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		-	-
	Other Comprehensive Income (A+B)		-2906.93	-549.82
(IX)	Total Comprehensive Income for the year (VII+VIII)		-2764.63	-438.69
(X)	Earnings per equity share (Face Value of ₹ 10 each)	21		
	Basic (₹)		0.74	0.58
	Diluted (₹)		0.74	0.58

Summary of significant accounting policies and other notes on
on financial statement

1-33

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date attached.

For and on behalf of Board of Directors of
SCM Investment & Trading Company Limited

For S.N.ROY & Co.
Chartered Accountants
Firm Reg. No. -313054E

Ranajit Majumdar
Partner
Membership No. 060098
UDIN:20060098AAACX6485
Place: Kolkata
Date: 19 June 2020



Brij Mohan Agarwal
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DIN : 00482435

A.K. Daga
Ashok Kumar Daga
Chief Financial Officer

Place: Kolkata
Date: 19 June 2020

SCM INVESTMENT & TRADING COMPANY LIMITED
Statement of changes in equity for the year ended March 31, 2020

(Amount in ₹ Lakhs)

A Equity share capital

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Equity Shares of ₹ 10 each, fully paid up			
At the beginning of the year	1,925.92	1,925.92	1,925.92
Changes in Equity share capital during the year	-	-	-
At the end of the year	1,925.92	1,925.92	1,925.92

B. Other equity

Particulars	Reserve & Surplus				Other Comprehensive Income	Total other equity
	Security Premium	General Reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Retained earnings	Equity instruments at fair value through other comprehensive income	
Restated balance at the April 1, 2018	694.14	90.00	418.54	1,520.13	4,091.50	6,814.31
Profit for the year	-	-	-	111.13	-	111.13
Other Comprehensive Income (net of tax)	-	-	-	-	(549.82)	(549.82)
Total Comprehensive Income for the year	-	-	-	111.13	(549.82)	(438.69)
Transfer to Reserve fund in terms of section 45- IC(1) of the Reserve Bank of India Act, 1934	-	-	22.25	(22.25)	-	-
Balance as at 31 March 2019	694.14	90.00	440.79	1,609.01	3,541.68	6,375.63
Profit for the year	-	-	-	142.29	-	142.29
Other Comprehensive Income (net of tax)	-	-	-	-	(2,906.93)	(2,906.93)
Total Comprehensive Income for the year	-	-	-	142.29	(2,906.93)	(2,764.63)
Transfer to Reserve fund in terms of section 45- IC(1) of the Reserve Bank of India Act, 1934	-	-	28.46	(28.46)	-	-
Balance as at March 31, 2020	694.14	90.00	469.25	1,722.85	634.75	3,610.99

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date attached.

For S.N.ROY & Co.
Chartered Accountants
Firm Reg. No. -313054E

Ranajit Majumdar
Partner
Membership No.
UDIN:20060098AACX6485
Place: Kolkata
Date: 19 June 2020



For and on behalf of Board of Directors of
SCM Investment & Trading Company Limited

Brij Mohan Agarwal
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Chief Financial Officer

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Managing Director
DIN : 00482435

Place: Kolkata
Date: 19 June 2020

SCM INVESTMENT & TRADING COMPANY LIMITED
Statement of Cash Flow Statement for year ended March 31, 2020

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
A Cash flow from Operating Activities		
Profit/(Loss) before Tax	155.74	127.14
Adjustments for:		
Reversal of Impairment of Financial Assets	-	-7.78
Operating Profit Before Working Capital	155.74	119.36
Adjustments for:		
(Increase)/ Decrease in Loans	-	1,930.78
(Increase)/ Decrease in Other Financial assets	(21.74)	20.53
Increase/ (Decrease) in Provisions & Liabilities	-	(24.75)
Increase/ (Decrease) in Trade Payables	(0.08)	0.08
Cash Generated from operations	133.92	2,046.00
Direct Taxes Paid	(5.89)	(16.76)
Net Cash flow from Operating Activities	128.02	2,029.24
B Cash flow from Investing Activities		
Net Cash flow from Investing Activities	-	-
C Cash flow from Financing Activities		
Borrowings	-	(1,950.00)
Net Cash flow from Financing Activities	-	(1,950.00)
Net Increase/(Decrease) in cash & equivalents	128.02	79.25
Cash and cash equivalents at the beginning of the year	92.10	12.84
Closing cash and cash equivalents	220.12	92.10

- I The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7.
- II As per Ind AS 7, the Company is required to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. The Company did not have impact on the Statement of Cash Flows therefore reconciliation has not been given.

The accompanying notes are an integral part of the standalone financial statements.

In terms of our report of even date attached.

For and on behalf of Board of Directors of
SCM Investment & Trading Company Limited

For S.N.ROY & Co.
Chartered Accountants
Firm Reg. No. -313054E

Ranajit Majumdar
Partner
Membership No. 060098
UDIN:20060098AACX6485
Place: Kolkata
Date: 19 June 2020



Brij Mohan Agarwal
Director
DIN:03101758

Ashok Kumar Daga
Chief Financial Officer

Place: Kolkata
Date: 19 June 2020

Dilip Patodia
Managing Director
DIN : 00482435

SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

1 Company Overview, Basis of Preparation & Significant Accounting Policies
1.1 Reporting Entity

SCM Investments & Trading Limited is a public unlisted Company Incorporated under the Companies Act, 2013. The Company is a Non Deposit Taking-Systemically Important (ND-SI) registered with the Reserve Bank of India (RBI) and is involved in Activities auxiliary to financial intermediation, except insurance and pension funding. The registered office of the Company is located at 9/1, RN Mukherjee Rd, Kolkata - 700001 West Bengal, India.

1.2 Significant Accounting Policies

a) Basis of Presentation

These financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of the Companies Act, 2013, (the 'Act') and other relevant provisions of the Act, as amended from time to time and other accounting principles generally accepted in India along with other relevant provisions of the Act and the Master Direction - Non-Banking Financial Company- Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 ('the NBFC Master Directions') issued by RBI.

The Company's standalone financial statements up to and for the year ended March 31, 2019 were prepared in accordance with Rule 7 of the Companies (Accounts) Rules, 2014, notified under Section 133 of the Act, other relevant provisions of the Act and other accounting principles generally accepted in India, to the extent applicable including the NBFC Master Directions (Previous GAAP).

The financial statements for the year ended March 31, 2020 are the first financial statements of the Company prepared under Ind AS. The Company followed the provisions of Ind-AS 101 in preparing its opening Ind AS Balance Sheet as of the date of transition i.e April 1, 2018. Some of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its policies applied under Indian GAAP as at March 31, 2018 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arose from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at April 1, 2018 as required by Ind-AS 101. An explanation of how the transition to Ind AS has affected the reported financial position, financial performance and cash flows of the Company is provided in Note 31.

These financial statements were authorised for issue by the Board of Directors on their meeting held on June 19, 2020

The Company presents its balance sheet in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the reporting date is presented in Note 33.

b) Basis of measurement

These standalone financial statements have been prepared on a historical cost basis except for following assets and liabilities which have

- i) financial instruments - fair value through other comprehensive income (FVOCI) ;
- ii) financial instruments - fair value through profit and loss (FVTPL).

Fair value is the price that would be received to sell of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company take into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in the financial statements is determined on such a basis, except measurements that have some similarities to fair value but are not fair value, such as value in use in Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the company can access at the measurement date;
- Level 2 inputs other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

c) Functional and presentation currency

Indian Rupee (₹) is the Company's functional currency and the currency of the primary economic environment in which the Company operates. Accordingly, the management has determined that financial statements are presented in Indian Rupees (₹). All amounts have been rounded-off to the nearest lakhs upto two decimal places, unless otherwise indicated.



- d) **Property, Plant and Equipment**
Recognition and measurement
Property, plant and equipment ('PPE') are stated at acquisition or construction cost less accumulated depreciation and impairment loss. Cost comprises the purchase price and any attributable cost of bringing the asset to its location and working condition for its intended use, including relevant borrowing costs and any expected costs of decommissioning.
If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE.
The cost of an item of PPE is recognised as an asset if, and only if, it is probable that the economic benefits associated with the item will flow to the Company in future periods and the cost of the item can be measured reliably.
Expenditure incurred after the PPE have been put into operations, such as repair and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred.
Capital work in progress includes cost of assets at sites, construction expenditure and interest on the funds deployed less any impairment loss, if any.
- The estimated useful lives and residual values of the PPE are reviewed at the end of each financial year.
PPE, individually costing less than Rupees five thousand, are fully depreciated in the year of purchase.
Gains or losses arising from the retirement or disposal of PPE are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognised as income or expense in the Statement of Profit and Loss.
- Subsequent Measurement**
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.
- Depreciation**
Depreciation on property, plant and equipment is provided on Straight Line Method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013. Depreciation on the Property Plant and Equipment added/disposed off/discarded during the year is provided from/upto the date when added/disposed off/discarded.
- Transition to ind AS**
The Company has elected to continue with the carrying value of all its property plant and equipment recognised as at April 01, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the property, plant and equipment.
- e) **Other Intangible assets**
Recognition and measurement
Intangible assets, representing softwares are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment. The cost of assets comprises of purchase price and directly attributable cost of bringing the assets to working condition for its intended use including borrowing cost and incidental expenditure during construction incurred upto the date when the assets are ready to use. The intangible assets are amortised using the straight line method over a period of three years, which is the Management's estimate of its useful life. The useful lives of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.
- Subsequent Measurement**
Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.
- Amortisation**
The intangible assets are amortised using the straight line method over a period of three years, which is the management's estimate of its useful life. Depreciation on the intangible asset disposed off during the year is provided on pro-rata basis with reference to the date of disposal.
- Transition to ind AS**
The Company has elected to continue with the carrying value of all its property plant and equipment recognised as at April 01, 2018 measured as per the previous GAAP, and use that carrying value as the deemed cost of the Other Intangible assets.
- f) **Impairment of non-financial assets**
At the end of each reporting period, the Company reviews the carrying amounts of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.
Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication then the asset may be impaired.
- g) **Revenue Recognition**
Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.
- Interest Income**
Interest income is accounted for all financial instruments measured at amortised cost. Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset.
- Interest income on all financial assets mandatorily required to be measured at FVTPL is recognised using the contractual interest rate in net gain on fair value changes.
- Dividend Income**
Dividend income is accounted for when the right to receive the income is established, which generally when the shareholders approves the dividend.
- Net Gain/ Loss on Fair Value Changes**
Any differences between the fair values of the investment in debt oriented mutual funds classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under revenue from operations and if there is a net loss the same is disclosed "Expenses", in the statement of profit and loss.
- h) **Borrowing Costs**
Borrowing cost attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such assets up to the date when such assets are ready for its intended use. Ancillary costs incurred in connection with the arrangement of borrowings are adjusted with the proceeds of the borrowings and recognised using the Effective Interest Rate (EIR) method. Other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.



i)

Retirement Benefits

Short-Term Employee Benefits

Liabilities for salaries and bonus, including non-monetary benefits, if any and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed) and are measured at the amounts expected to be paid when the liabilities are settled.

Defined Contribution Plan and Defined Benefit Plan (gratuity obligation)

Retirement benefits in the form of Provident Fund is not applicable to the Company as the total number of employees are below the minimum required number of employees under payment of Employees Provident Fund (Misc. Provisions) Act, 1952. Gratuity has not been provided as the Payment of Gratuity Act is not applicable to the Company as total number of employees are below the minimum required number of employees under Payment of Gratuity Act, 1972.

Other Long-Term Benefits

The expected costs of other long-term employee benefits such as accumulated leaves are accrued over the period of employment.

j)

Income tax

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and liabilities are offset only if, the Company:

- has a legally enforceable right to set off the recognised amounts; and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

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. Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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 and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternative Tax (MAT) is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and recognise MAT entitlement to the extent it will be utilised. The said asset is created by way of credit to the statement of profit and loss and included in deferred tax assets.

k)

Leases

Company as a lessee

The Company assesses if a contract is or contains a lease at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the commencement date, except for short-term leases of twelve months or less and leases for which the underlying asset is of low value, which are expensed in the statement of operations on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or, if not readily determinable, the incremental borrowing rate specific to the country, term and currency of the contract.

Lease payments can include fixed payments, variable payments that depend on an index or rate known at the commencement date, as well as any extension or purchase options, if the Company is reasonably certain to exercise these options. The lease liability is subsequently measured at amortized cost using the effective interest method and remeasured with a corresponding adjustment to the related right-of-use asset when there is a change in future lease payments in case of renegotiation, changes of an index or rate or in case of reassessments of options.

The right-of-use asset comprises, at inception, the initial lease liability, any initial direct costs and, when applicable, the obligations to refurbish the asset, less any incentives granted by the lessors. The right-of-use asset is subsequently depreciated, on a straight-line basis, over the lease term, if the lease transfers the ownership of the underlying asset to the Company at the end of the lease term or, if the cost of the right-of-use asset reflects that the lessee will exercise a purchase option, over the estimated useful life of the underlying asset. Right-of-use assets are also subject to testing for impairment if there is an indicator for impairment. Variable lease payments not included in the measurement of the lease liabilities are expensed to the statement of operations in the period in which the events or conditions which trigger those payments occur. In the statement of financial position right-of-use assets and lease liabilities are classified respectively as part of property, plant and equipment and short-term/long-term debt.

Company as a lessor

When the Company is the lessor, the lease are classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

Amounts due from lessees under finance leases are recorded as receivables. 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.

l)

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.

(i) Initial recognition and measurement

All financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability which is not recognised at Fair Value Through Profit and Loss, is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue.

(ii) Subsequent recognition

A. Financial Assets

On initial recognition, a financial asset is classified and measured at - Amortised Cost:



- Fair Value Through Other Comprehensive Income (FVOCI); or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not recognised as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the

Assessment whether contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets.

Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolios. If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated financial assets going forward.

Financial assets: Subsequent measurement and gains and losses

Financial assets measured at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the Statement of Profit and Loss.
Financial assets measured at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.
Financial assets measured at Amortised Cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Financial assets measured at Amortised Cost	These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is recognised in the Statement of Profit and Loss.
Investment in subsidiaries and step down subsidiaries (Others)	These assets are recognised at cost and are not adjusted to fair value at the end of each reporting period. Cost of investment represents amount paid for acquisition of the said investment. The Company assesses at the end of each reporting period, if there are any indications that the said investment may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss. Any gain or loss on derecognition is also recognised as profit or loss respectively.

(iii) Derecognition

Financial Assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial Liabilities

(iv) Impairment of financial instruments

The Company recognises loss allowances using the expected credit loss (ECL) model for the financial assets which are not Fair Value Through Profit and Loss. Expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk or the assets have become credit impaired from initial recognition in which case, those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognised as an impairment gain or loss in the Statement of Profit and Loss.

Measurement of expected credit loss

Write off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the counter party does not have assets or sources of income that could generate cash flows to repay the amounts. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(v) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there financial assets and financial liabilities are offset and the net amount is reported in the Balance Sheet only if there the assets and settle the liabilities simultaneously.

m) Asset Classification and Provisioning

Loan asset classification and requisite provision made under RBI prudential norms are given below:

Particulars	Criteria	Provision
Standard asset	The asset in respect of which, no default in repayment of principal or payment of interest is perceived and which does not disclose any problem nor carry more than normal risk attached to the business.	0.40% of the outstanding loan portfolio of standard assets



Sub-standard assets	An asset for which, interest/principal payment has remained overdue for more than 3 months and less than 12 months.	10% of the outstanding loan portfolio of standard assets
Loss assets	An asset for which, interest/principal payment has remained overdue for a period of 12 months or more.	100% of the outstanding loan portfolio of standard assets.

n) **Foreign Currency Transactions**

Transactions in foreign currencies are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated. Exchange differences on monetary items are recognised in the Statement of Profit and Loss in the period in which these arise, except for exchange difference arising on re-statement of long-term monetary items that in substance forms part of Company's net investment in foreign operations, is accumulated in Foreign Currency Translation Reserve (component of OCI) until the disposal of the investment, at which time such exchange difference is recognised in the Statement of Profit and Loss.

o) **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, cash at bank and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in financial liabilities.

p) **Provisions, contingent liabilities and contingent assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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, is disclosed as a contingent liability. Contingent liabilities are also 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. Claims against the Company, where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

q) **Segment Reporting**

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "investment and lending activities".

r) **Earnings Per Share**

The basic EPS is computed by dividing the profit after tax for the year attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted EPS, profit after tax for the year attributable to the equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. In computing the dilutive earnings per share, only potential equity shares that are dilutive and that either reduces the earnings per share or increases loss per share are included.

s) **Standards issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.



SCM INVESTMENT & TRADING COMPANY LIMITED
Notes forming part of Balance Sheet as at 31st March, 2020

(Amount in ₹ Lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
2 Cash & Cash equivalents			
Cash Balance in Hand	0.59	0.65	0.66
Balance with banks :			
On current accounts	5.63	41.45	12.18
Fixed deposits with maturity of less than three months from date of acquisition	213.90	50.00	-
	220.12	92.10	12.84
3 Loans [Unsecured, Considered Good]			
Term loans in India to subsidiary companies	-	-	98.00
Term loans in India to body corporate	750.00	750.00	2,575.00
Less:- Impairment loss provided	-	-	-
	750.00	750.00	2,673.00

Loan to Body Corporates	Basis of Classification	Particulars	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Standard assets	Less than or equal to 3 Months	-Portfolio and Int. accrued	750.00	750.00	2,673.00
		-Provision	3.00	3.00	10.78

3.01 Additional disclosure under RBI circular RBI/2019-20/170 DOR (NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020

The Company's portfolio is classified under stage 1 and there is no difference in provision made as per RBI prudential norm and IndAS-109 hence requisite disclosure has not given.

5 Other financial assets [Unsecured, Considered Good]			
Accrued interest	21.86	0.12	21.55
Security Deposit	0.90	0.90	-
	22.76	1.02	21.55
6 Current Tax Assets (Net)			
Income Tax Refund Receivables (Net)	1.61	9.16	8.41
	1.61	9.16	8.41
7 Deferred Tax Assets (Net)			
Fair value gains / losses and impairment on Investments	6.21	6.21	8.35
	6.21	6.21	8.35
8 Borrowings (Other than Debt securities)			
Loan in India from holding Company	-	-	1,950.00
	-	-	1,950.00
9 Trade Payables			
Total outstanding dues of micro enterprises and small enterprises			
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.13	0.21	0.13
	0.13	0.21	0.13
10 Other financial liabilities			
Others		-	13.69
	-	-	13.69
11 Provisions			
Contingent Provisions against Standard Assets	3.00	3.00	10.78
	3.00	3.00	10.78
12 Other non financial liabilities			
Statutory dues	0.17	0.17	3.43
	0.17	0.17	3.43



SCM INVESTMENT & TRADING COMPANY LIMITED
Notes forming part of Balance Sheet as at 31st March, 2020

(Amount in ₹ Lakhs)

Particulars	Face Value	No. of Shares/ Units	As at March 31, 2020	No. of Shares/ Units	As at March 31, 2019	No. of Shares/ Units	As at April 01, 2018
4 Investments							
A QUOTED (Fully paid-up)							
Measured at Fair Value other comprehensive income							
Avadh Sugar & Energy Ltd.	10	1499890	1,772.12	749945	3,577.24	749945	3,390.88
Palash Securities Ltd.	10	1078958	199.07	1078958	462.33	1078958	539.48
Ganges Securities Ltd.	10	302784	65.40	302784	134.74	302784	209.53
Sutlej Textiles & Industries Ltd.	1	1829280	358.54	1829280	732.63	1829280	1,332.63
Chambal Fertilisers & Chemicals Ltd	10	561200	608.62	561200	937.48	561200	924.02
Magadh Sugar & Energy Ltd.	10	381562	250.30	272544	316.56	272544	322.42
Aggregate Quoted Investments (Total-A)			3,254.05		6,160.98		6,718.95
B. UNQUOTED							
Fully paid-up							
i) In Equity Shares of Subsidiary Companies:							
Others (At Cost)							
SIL Properties Limited	10	6430448	643.05	6430448	643.05	6430448	643.05
			643.05		643.05		643.05
ii) In Equity Shares of fellow subsidiary:							
Others (At Cost)							
RTM Investment & Trading Co. Ltd.	10	3500000	525.00	3500000	525.00	3500000	525.00
			525.00		525.00		525.00
iii) In Equity Shares of other Companies:							
Measured at Fair Value other comprehensive income							
Centre Stage Creations Private Ltd.	10	50000	-	50000	-	50000	0.59
Leas Communication Limited	10	21200	2.12	21200	2.12	21200	2.12
Less: Provision for impairment in investments			(2.12)		(2.12)		(2.12)
			-		-		-
New India Retailing & Investment Limited	10	132852	39.86	132852	39.86	132852	39.86
The Oudh Trading Company Pvt. Ltd.	100	150	0.04	150	0.04	150	0.04
Manbhawani Investment Limited	10	67500	6.75	67500	6.75	67500	6.75
Manavta Holdings Limited	10	155500	15.55	155500	15.55	155500	4.67
Sidh Enterprises Ltd.	10	330000	28.05	330000	28.05	330000	28.05
			90.24		90.24		79.95
Partly paid-up							
iv) In Equity Shares of other Companies:							
Measured at Fair Value other comprehensive income							
Modern DiaGen Services Ltd. (Paid up value is Rs. 2 per share)	10	806404	27.17	806404	27.17	806404	27.17
			27.17		27.17		27.17
Aggregate UnQuoted Investments (Total-B)			1,285.46		1,285.46		1,275.17
Aggregate value of Current Investments (Total A+B)			4,539.51		7,446.44		7,994.11
(i) Investments outside India			-		-		-
(ii) Investments in India			4,541.63		7,448.56		7,996.23
			4,541.63		7,448.56		7,996.23
Less: Allowance for Impairment loss			2.12		2.12		2.12
			4,539.51		7,446.44		7,994.11

4.01 Investment in Subsidiaries and fellow subsidiaries are measured at cost as per Ind AS 27.

4.02 The Company has given an undertaking to Darbhanga Mansion Co-operative Housing Society limited not to transfer, create any charge, pledge or encumbrance or otherwise dispose of 67,500 Equity Shares held by it in Manavta Holdings Ltd. without their written consent.

4.03 During the year 7,49,945 Equity Shares of Rs.10/- each have been allotted by Avadh Sugar & Energy Ltd. as fully paid-up Bonus Shares in the ratio of 1(one) Bonus Share for every 1 (one) existing Equity Share held as on the Record date i.e. 30th June,2019.

4.04 During the year 1,09,017 Equity Shares of Rs.10/- each have been allotted by Magadh Sugar & Energy Ltd. as fully paid-up Bonus Shares in the ratio of 4(four) Bonus Shares for every 10 (ten) existing Equity Shares held as on the Record date i.e. 30th June,2019.



SCM INVESTMENT & TRADING COMPANY LIMITED
Notes forming part of Balance Sheet as at 31st March, 2020

(Amount in ₹ Lakhs)

13	Share Capital	No of Shares	As at March 31, 2020	No of Shares	As at March 31, 2019	No of Shares	As at April 01, 2018
I	Authorised						
	Equity Shares of Rs 10 each	19990000	1,999.00	19990000	1,999.00	19990000	1,999.00
	Preference Shares of Rs 10 each	10000	1.00	10000	1.00	10000	1.00
			<u>2,000.00</u>		<u>2,000.00</u>		<u>2,000.00</u>
II	Issued shares						
	Equity Shares of Rs. 10/- each	19387484	1,938.75	19387484	1,938.75	19387484	1,938.75
			<u>1,938.75</u>		<u>1,938.75</u>		<u>1,938.75</u>
III	Subscribed and fully paid-up shares						
	Equity Shares of Rs. 10/- each	19259199	1,925.92	19259199	1,925.92	19259199	1,925.92
			<u>1,925.92</u>		<u>1,925.92</u>		<u>1,925.92</u>

13.01 Terms/ Rights attached to Equity Shares

Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive 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. There is no restriction on distribution of dividend. However, same is subject to the approval of the shareholders in the Annual General Meeting.

13.02 Reconciliation of the number of Equity Shares outstanding:

Equity shares outstanding at the beginning of the year
Equity shares allotted during the year
Equity shares outstanding at the end of the year

As at 31st March, 2020	As at 31st March, 2019	As at 1st April, 2018
1,92,59,199	1,92,59,199	1,92,59,199
-	-	-
<u>1,92,59,199</u>	<u>1,92,59,199</u>	<u>1,92,59,199</u>

13.03 Shareholder holding more than 5 percent equity shares of the Company:

S.No.	Name of Shareholders	As at March 31, 2020		As at March 31, 2019		As at April 01, 2018	
		No of Shares held	% of holding	No of Shares held	% of holding	No of Shares held	% of holding
1	SIL Investments Ltd.	1,55,09,199	80.52%	1,55,09,199	80.52%	1,55,09,199	80.52%
2	OSM Investment & Trading Co. Ltd.	18,75,000	9.74%	18,75,000	9.74%	18,75,000	9.74%
3	Hargaon Investment & Trading Co. Ltd.	18,75,000	9.74%	18,75,000	9.74%	18,75,000	9.74%



SCM INVESTMENT & TRADING COMPANY LIMITED
Notes forming part of Balance Sheet as at 31st March, 2020

Particulars	(Amount in ₹ Lakhs)		
	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
14 OTHER EQUITY			
(i) Securities Premium	694.14	694.14	694.14
(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	469.25	440.79	418.54
(iii) General Reserve	90.00	90.00	90.00
(iv) Retained Earnings	1,722.85	1,609.01	1,520.13
(v) Equity instruments at fair value through other comprehensive income	634.75	3,541.68	4,091.50
Total Reserves and Surplus (i to v)	3,610.99	6,375.63	6,814.31

(i) Securities Premium

Particulars	(Amount in ₹ Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance	694.14	694.14
Closing balance	694.14	694.14

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Particulars	(Amount in ₹ Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance	440.79	418.54
Add: Transfer from retained earnings	28.46	22.25
Closing balance	469.25	440.79

(iii) General Reserve

Particulars	(Amount in ₹ Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance	90.00	90.00
Closing balance	90.00	90.00

(iv) Retained Earnings

Particulars	(Amount in ₹ Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance	1,609.01	1,520.13
Add: Profit for the year	142.29	111.13
	1,751.31	1,631.26
Less:-		
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	(28.46)	(22.25)
Closing balance	1,722.85	1,609.01

(v) Equity instruments at fair value through other comprehensive income

Particulars	(Amount in ₹ Lakhs)	
	March 31, 2020	March 31, 2019
Opening balance	3,541.68	4,091.50
Add: Gain/ (Loss) on fair value of investment	(2,906.93)	(549.82)
Closing balance	634.75	3,541.68

14.01: Nature and purpose of reserve

(i) Security Premium

Securities Premium is used to record the premium (amount received in excess of face value of equity shares) on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

(ii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934

Reserve fund represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act"). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a Reserve Fund before declaring any dividend. Appropriation from this Reserve Fund is permitted only for the purposes specified by RBI.

(iii) General reserve

Pursuant to the provisions of Companies Act, 1956, the Company had transferred a portion of the net profit of the Company before declaring dividend to general reserve. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

(iv) Retained Earnings

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to the Shareholders, net of utilisation as permitted under applicable regulations.

(v) Equity instruments at fair value through other comprehensive income

The Company has elected to recognise changes in the fair value of investments in equity securities (other than investment in subsidiaries and fellow subsidiaries) in other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfer the amount from FVOCI equity investments reserve to retained earnings when relevant equity securities are derecognized.



SCM INVESTMENT & TRADING COMPANY LIMITED
Notes forming part of Statement of Profit and Loss for the period March 31, 2020

(Amount in ₹ Lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
15 Interest Income		
On Financial Assets measured at Amortised Cost		
Interest from Loan given to body corporate	76.50	170.68
Interest on deposits with bank and others	9.73	0.13
	86.23	170.81
16 Other Income		
Dividend on Investments	75.24	46.40
	75.24	46.40
17 Other Income		
Reversal of contingent provision against standard asset	-	7.78
	-	7.78
18 Finance costs		
On financial liabilities measured at amortised cost		
Interest Paid on Loans	-	92.57
Interest on income tax	0.03	-
	0.03	92.57
19 Other Expenses		
Rates and Taxes	0.08	0.08
Legal and Professional Fee	0.55	0.58
Bank Charges	0.05	0.06
Service Charges	3.89	3.89
Auditor's Remuneration:		
Audit Fee	0.13	0.13
Tax Audit	0.06	0.05
Certifications and other matters	0.23	0.21
Miscellaneous Expenses	0.72	0.30
	5.70	5.28
20 Current Tax		
Current Tax for the year	13.45	15.06
Current Tax adjustments for earlier year (Net)	(0.01)	0.95
	13.44	16.01
20.01 Components of Income Tax Expense		
(i) Amounts recognised in the Statement of Profit and Loss		
Current tax for the year	13.44	16.01
Deferred tax	-	-
(ii) Tax on amounts recognised in Other Comprehensive Income		
Income tax relating to items that will not be reclassified to profit or loss	-	(2.14)
Income Tax expense for the year	13.44	13.87
20.02 Reconciliation of Effective Tax		
Profit for the year	155.74	127.14
Company's domestic tax rate	26.00%	26.00%
Tax using the Company's domestic tax rate	40.49	33.06
Tax effect of / on:		
Incomes which are exempt from tax	(19.57)	(14.09)
Net expenses that are not deductible in determining taxable profit	1.48	1.69
MAT credit utilisation	(8.96)	(5.60)
Adjustment for current tax of prior periods	-	0.95
	13.44	16.01



SCM INVESTMENT & TRADING COMPANY LIMITED
Notes forming part of Balance Sheet as at 31st March, 2020

(Amount in ₹ Lakhs except EPS)

	For the year ended March 31, 2020	For the year ended March 31, 2019
21 Earning Per Share (EPS):		
Net Profit for the year	142.29	111.13
Face value per share (₹)	10	10
Equity shares outstanding at the beginning of the year	1,92,59,199	1,92,59,199
Equity shares allotted during the year	-	-
Equity shares outstanding at the end of the year	1,92,59,199	1,92,59,199
Weighted Avg. No. of Equity Shares	1,92,59,199	1,92,59,199
Basic EPS (₹)	0.74	0.58
Diluted EPS (₹)	0.74	0.58

22 Commitments (As certified by the management)	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Uncalled liability of shares and other investment partly paid up	64.51	64.51	64.51

23 Segment Reporting

According to Ind AS 108, identification of operating segments is based on Chief Operating Decision Maker (CODM) approach for making decisions about allocating resources to the segment and assessing its performance. The business activity of the company falls within one business segment viz. "investment and lending activities". Hence, the disclosure requirement of Ind AS 108 of 'Segment Reporting' is not considered applicable.

24 Loans and Advances pursuant to Regulation 34(3) and 53(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:-

Particulars	As at March 31, 2020		As at March 31, 2019	
	Oustanding amount	Maximum amount due	Oustanding amount	Maximum amount due
Others				
Magadh Sugar & Energy Ltd.	750.00	750.00	750.00	750.00

25 Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

Based on the information received by the Company from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, there are no amounts due to any suppliers covered under this Act as at the balance sheet date and hence, disclosures relating to amounts unpaid as at the year end together with interest paid / payable as required under the said Act have not been given. Auditors have relied on this.

26 Related parties as identified by the Company

A. Related parties and their relationships

I Where control exist:

- | | |
|-------------------------|-------------------------|
| (i) Holding Company | SIL Investments Limited |
| (ii) Subsidiary Company | SIL Properties Limited |

II. Other related parties with whom transactions have taken place during the year:

- (i) Entities under the control of SIL Investments Limited - Fellow Subsidiary
RTM Properties Limited - Subsidiary of fellow Subsidiary

III Key Management Personnel

Mrs. Shalini Nopany	Director
Sri Dilip Patodia	Managing Director
Sri Brij Mohan Agarwal	Director
Sri Ashok Kumar Daga	CFO
Sri C.S. Nopany	Relative of Key Management Personnel

IV Relatives of Key Management Personnel:

Sri C.S. Nopany

V Related Parties transactions

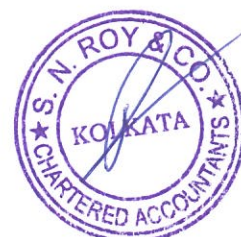
Transactions	For the year ended March 31, 2020	For the year ended March 31, 2019
Intercompany Loan paid back		
SIL Investments Limited	-	1,950.00
Interest expense		
SIL Investments Limited	-	92.57
Intercompany Loan given		
SIL Properties Limited	-	15.00
Intercompany Loan received back		
SIL Properties Limited	-	113.00
Interest income		
SIL Properties Limited	-	4.42

VI Outstanding balances

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Transactions	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
Intercompany Loan taken			
SIL Investments Limited	-	-	1,950.00
Intercompany Loan given			
SIL Properties Ltd.	-	-	98.00

26.01 The above information has been identified on the basis of information available with the Company and relied upon by the Auditors.



27 Financial Instruments

(Amount in ₹ Lakhs)

- (A) The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available. The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Particulars	As at March 31, 2020		As at March 31, 2019		As at April 1, 2018	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Measured at fair value through other comprehensive income						
Financial Assets						
Investments	3371.47	3371.47	6278.40	6278.40	6826.07	6826.07
	3371.47	3371.47	6278.40	6278.40	6826.07	6826.07
Measured at cost						
Financial Assets						
Investments in subsidiaries	1168.05	1168.05	1168.05	1168.05	1168.05	1168.05
	1168.05	1168.05	1168.05	1168.05	1168.05	1168.05
Measured at amortized cost						
Financial Assets						
Cash and cash equivalents	220.12	220.12	92.10	92.10	12.84	12.84
Loans	750.00	750.00	750.00	750.00	2,673.00	2,673.00
Other financial assets	22.76	22.76	1.02	1.02	21.55	21.55
	6,700.44	6,700.44	9,457.60	9,457.60	11,869.55	11,869.55
Financial Liabilities						
Borrowings (Other than debt securities)	-	-	-	-	1,950.00	1,950.00
Trade Payables	0.13	0.13	0.21	0.21	0.13	0.13
Other financial liabilities	-	-	-	-	13.69	13.69
	0.13	0.13	0.21	0.21	1,963.82	1,963.82

Fair value of cash and bank, loans, other receivables, other financial assets and other financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

(B) Fair value hierarchy

The fair value of financial instruments as referred to in note (A) above has been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities [Level 1] measurements] and lowest priority to unobservable inputs [Level 3 measurements].

The categories used are as follows:-

Level 1: Quoted prices for identical instruments in an active market;

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a net asset value or

(a) Financial assets and liabilities measured at fair value - recurring fair value measurements

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

(a) recognised and measured at fair value and

(b) measured at amortised cost.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(i) Financial Investments at FVOCI

	As at March 31, 2020			As at March 31, 2019		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Investments						
Quoted equity shares	3,254.05	-	-	6,160.98	-	-
Unquoted equity shares	-	-	117.41	-	-	117.41
	3,254.05	-	117.41	6,160.98	-	117.41

	As at March 31, 2020		
	Level 1	Level 2	Level 3
Investments			
Quoted equity shares	6,718.95	-	-
Unquoted equity shares	-	-	107.12
	6,718.95	-	107.12

Valuation technique used to determine fair value

- i) The fair value of investments in quoted equity shares is based on the current bid price of respective investment as at the balance sheet date.
ii) The use of net asset value in case of mutual funds on the basis of the statement received from investee party.
iii) In case of unquoted equity instruments, the company has used valuation reports of external valuer

During the year ended March 31, 2020 and March 31, 2019, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements, and no transfer into and out of Level 3 fair value measurements.

(b) Fair value of instruments measured at amortised cost

For the purpose of disclosing fair values of financial instruments measured at amortised cost, the management assessed that fair values of short term financial assets and liabilities approximate their respective carrying amounts largely due to the short-term maturities of these instruments. Further, the fair value of long term financial assets and financial liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

(Amount in ₹ Lakhs)

28 Financial Risk Management objectives and policies

Risk Management

The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The financial risks are managed in accordance with the Company's risk management policy which has been approved by its Board of Directors. The Company's Board of Directors has overall responsibility for managing the risk profile of the Company. The purpose of risk management is to identify potential problems before they occur, so that risk handling activities may be planned and invoked as needed to manage adverse impacts on achieving objectives.

The Audit Committee of the Company reviews the development and implementation of the risk management policy of the Company on periodic basis. The Audit Committee provides guidance on the risk management activities, review the results of the risk management process and reports to the Board of Directors on the status of the risk management initiatives. The Company has exposure to the following risks arising from Financial Instruments:

Risk	Exposure arising from
Credit Risk	Cash and cash equivalents, trade & other receivables, financial assets measured at amortised cost
Liquidity Risk	Financial liabilities
Market Risk - Foreign Exchange	Recognised financial assets not denominated in ₹
Market Risk - Interest Rate/ Dividend Coupon	Investments in debt securities and preference shares
Market Risk - Price	Investments in units of mutual funds measured at FVTPL

28.01 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's trade and other receivables, cash and cash equivalents, and financial assets measured at amortised cost. Exposure to credit risk is mitigated through regular monitoring of collections, counterparty's creditworthiness and diversification in exposure.

(i) Exposure to credit risk

The carrying amount of financial assets represents maximum amount of credit exposure. The maximum exposure to credit risk is as per the table below, it being total of carrying amount of cash and cash equivalent, trade and other receivables and financial assets measured at amortised cost.

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Maximum exposure to credit risk	6,700.44	9,457.60	11,869.55

(ii) Expected Credit Loss (ECL) on Financial Assets

The Company continuously monitors all financial assets subject to ECLs. In order to determine whether an instrument is subject to 12 month ECL (12m ECL) or life time ECL (LTECL), the Company assesses whether there has been a significant increase in credit risk or the asset has become credit impaired since initial recognition. The Company applies following quantitative and qualitative criteria to assess whether there is significant increase in credit risk or the asset has been credit impaired:

- Historical trend of collection from counterparty
- Company's contractual rights with respect to recovery of dues from counterparty
- Credit rating of counterparty and any relevant information available in public domain

ECL is a probability weighted estimate of credit losses. It is measured as the present value of cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with contract and the cash flows that the Company expects to receive). The Company has three types of financial assets that are subject to the expected credit loss:

- Cash and cash equivalent
- Other receivables
- Investment in debt securities measured at amortised cost

(iii) Other Receivables

Exposures of receivables are reviewed at the end of each reporting period by the Company to determine expected credit losses. Historical trends of collection from counterparties on timely basis reflects low level of credit risk. As the Company has a contractual right to such receivables as well as the control over such funds due from customers, the Company does not estimate any credit risk in relation to such receivables. Further, management believes that the unimpaired amounts that are past due by more than 180 days are still collectible in full, based on historical payment behaviour.

(iv) Cash and Cash Equivalents

The Company holds cash and cash equivalents and other bank balances as per note 2. The credit worthiness of such banks and financial institutions is evaluated by the management on an ongoing basis and is considered to be high.



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

28.02 Liquidity Risk

(Amount in ₹ Lakhs)

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to the Company on acceptable terms. To limit this risk, management has adopted a policy of managing assets with liquidity in mind and monitoring future cash flows and liquidity on a regular basis. The Company has developed internal control processes for managing liquidity risk.

The Company maintains a portfolio of highly marketable and diverse assets that are assumed to be easily liquidated in the event of an unforeseen interruption in cash flow. The Company assesses the liquidity position under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the company.

Exposure to Liquidity Risk

The table below analyses the Company's financial liabilities into relevant maturity pattern based on their contractual maturities for all financial liabilities.

As at March 31, 2020				
	Upto 12 months	1-5 years	More than 5 year	Total
Trade payables	0.13	-	-	0.13
Other financial liabilities	1,925.92	-	-	1,925.92

As at March 31, 2019				
	Upto 12 months	1-5 years	More than 5 year	Total
Trade payables	0.21	-	-	0.21
Other financial liabilities	1,925.92	-	-	1,925.92

As at April 01, 2018				
	Upto 12 months	1-5 years	More than 5 year	Total
Borrowings	1950.00	-	-	1950.00
Trade payables	0.13	-	-	0.13
Other financial liabilities	1,925.92	-	-	1,925.92

28.03 Market Risk

Market risk is the risk of loss of future earnings, fair values or future cash flows related to financial instrument that may result from adverse changes in market rates and prices (such as foreign exchange rates, interest rates, other prices). The Company is exposed to market risk primarily related to currency risk, interest rate risk and price risk.

(i) Currency Risk

The Company has insignificant amount of foreign currency denominated assets. Accordingly, the exposure to currency risk is insignificant.

(ii) Interest Rate Risk

The Company's investments are primarily in fixed rate interest / dividend bearing instruments. Accordingly, the exposure to interest rate risk is also insignificant.

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices and related market variables including interest rate for investments in debt oriented mutual funds whether caused by factors specific to an individual investment, its issuer or the market. The Company's exposure to price risk arises from investments in equity securities & preference securities are classified as financial assets at fair value through other comprehensive income whereas units of mutual funds are classified as financial assets at fair value through profit and loss and is as follows:

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Maximum exposure to price risk	3,371.47	6,278.40	6,826.07

To manage its price risk from investments in equity securities, debt securities, units of mutual funds, venture capital fund and alternative investment funds, the Company diversifies its portfolio.

Sensitivity Analysis

The table below sets out the effect on profit or loss and equity due to reasonable possible weakening / strengthening

Particulars	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
Effect on other comprehensive income			
5% increase in the prices	168.57	313.92	341.30
5% decrease in the prices	(168.57)	(313.92)	(341.30)

29 Capital Management

The Company is registered as a Non-Banking Financial (NBFC-ND-SI) with Reserve Bank of India (RBI). Equity share capital and other equity are considered for the purpose of Company's capital management. The Company manages its capital in a manner which enables it to safeguard its ability to continue as a going concern and to optimise returns to the Shareholders. The capital structure of the Company is based on management's judgement of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The funding requirements are met through operating cash flows and other equity. The management monitors the return on capital and the board of directors monitors the level of dividends paid to shareholders of the Company. The Company may take appropriate steps in order to maintain, or if necessary adjust, its capital structure.



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

(Amount in ₹ Lakhs)

- 30 a) The Company is a Non-Banking Financial Company (NBFC) registered with The Reserve Bank of India (RBI) vide certificate of Registration bearing No.05.02417 dated 18th May 1998.
- b) In terms of RBI regulations for "Non-Banking Financial Company - Systemically Important (Non Deposit Taking Company (Reserve Bank) Directions 2016"; Schedule to the Balance Sheet and other disclosure (as applicable) are as under.

SCHEDULE TO THE BALANCE SHEET OF NON -BANKING FINANCIAL COMPANY

PARTICULARS	Amount Outstanding			Amount Overdue		
	As on	As on	As on	As on	As on	As on
	31.03.2020	31.03.2019	01.04.2018	31.03.2020	31.03.2019	01.04.2018
Liabilities Side						
1) Loans and Advances availed by the NBFC'S inclusive of interest accrued thereon but not paid						
(a) Debentures: Secured	Nil	Nil	Nil	Nil	Nil	Nil
Unsecured	Nil	Nil	Nil	Nil	Nil	Nil
(Other than falling within the meaning of Public Deposits)						
(b) Deferred Credits	Nil	Nil	Nil	Nil	Nil	Nil
(c) Term Loans	Nil	Nil	Nil	Nil	Nil	Nil
(d) Inter-Corporate Loans and Borrowings (including interest accrued & due thereon)	Nil	Nil	1963.69	Nil	Nil	Nil
(e) Commercial Paper	Nil	Nil	Nil	Nil	Nil	Nil
(f) Other Loans (specify nature)	Nil	Nil	Nil	Nil	Nil	Nil
Assets Side						
2) Break-up of Loans and Advances including Bills receivables (other than those included in (3) below)						
(a) Secured	Nil	Nil	Nil	Nil	Nil	Nil
(b) Unsecured (including Interest accrued thereon)	766.98	750.00	2694.55	Nil	Nil	Nil
3) Break-up of Leased Assets and Stock on Hire and other assets counting towards AFC activities						
(i) Lease Assets including lease rentals under sundry debtors:						
(a) Financial Lease	Nil	Nil	Nil	Nil	Nil	Nil
(b) Operating Lease						
(ii) Stock on hire including hire charges under sundry debtors						
(a) Assets on Hire	Nil	Nil	Nil	Nil	Nil	Nil
(b) Repossessed Assets	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Other Loans counting towards AFC activities						
(a) Loans where assets have been repossessed	Nil	Nil	Nil	Nil	Nil	Nil
(b) Loans other than (a) above	Nil	Nil	Nil	Nil	Nil	Nil
4) Break-up of Investments:						
Current Investments:						
1. Quoted:						
(i) Shares (a) Equity	Nil	Nil	Nil	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (please specify)	Nil	Nil	Nil	Nil	Nil	Nil
2. Unquoted						
(i) Shares (a) Equity	Nil	Nil	Nil	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (please specify)	Nil	Nil	Nil	Nil	Nil	Nil
Long Term Investments						
1. Quoted:						
(i) Shares (a) Equity	3,254.05	6,160.98	6,718.95	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others (please specify)	Nil	Nil	Nil	Nil	Nil	Nil
2. Unquoted						
(i) Shares (a) Equity	1,285.46	1,285.46	1,275.17	Nil	Nil	Nil
(b) Preference	Nil	Nil	Nil	Nil	Nil	Nil
(ii) Debentures and Bonds	Nil	Nil	Nil	Nil	Nil	Nil
(iii) Units of Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
(iv) Government Securities	Nil	Nil	Nil	Nil	Nil	Nil
(v) Others - (please specify)	Nil	Nil	Nil	Nil	Nil	Nil

Footnotes

- The Company has adopted Ind AS w.e.f. 1 April 2019 with transition as at 1 April 2018. The value of all investments as at 31 March 2020 and comparable years is in line with Ind AS.
- Investments in equity shares of subsidiary is shown at cost.



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

5) Borrower group-wise classification of Assets financed as in (2) and (3) above

(Amount in ₹ Lakhs)

	Category	Amount net of provisions								
		Secured			Unsecured			Total		
		As on 31.03.2020	As on 31.03.2019	As on 01.04.2018	As on 31.03.2020	As on 31.03.2019	As on 01.04.2018	As on 31.03.2020	As on 31.03.2019	As on 01.04.2018
1.	Related Parties									
	(a) Subsidiaries	Nil	Nil	Nil	Nil	Nil	100.61	Nil	Nil	100.61
	(b) Companies in the same group	Nil	Nil	Nil	766.98	750.00	2593.94	766.98	750.00	2593.94
	(c) Other related parties	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Other than related parties	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total	Nil	Nil	Nil	766.98	750.00	2694.55	766.98	750.00	2694.55

6) Investor group-wise classification of all investments
(current and long term) in shares and securities both quoted and unquoted)

Category	Market Value/Break value or Fair Value or NAV*			Book Value (Net of Provisions)		
	As on 31.03.2020	As on 31.03.2019	As on 01.04.2018	As on 31.03.2020	As on 31.03.2019	As on 01.04.2018
1.	Related Parties					
	(a) Subsidiaries	643.05	643.05	643.05	643.05	643.05
	(b) Companies in the same group	3896.47	6803.40	3896.47	6803.40	7351.07
	(c) Other related parties	Nil	Nil	Nil	Nil	Nil
2.	Other than related parties	Nil	Nil	Nil	Nil	Nil
	Total	4,539.51	7,446.44	4,539.51	7,446.44	7,994.11

* Market value / Break-up value / Fair value / NAV of unquoted non-current investments is considered to be same as their book value (net of provisions).

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
7) Movement of non-performing assets			
Net NPA to net Advances (%)			
Movement of non-performing assets (Gross)			
(a) Opening balance	-	-	-
(b) Change during the year #	-	-	-
(c) Closing balance	-	-	-
Movement of net non-performing assets			
(a) Opening balance	-	-	-
(b) Change during the year #	-	-	-
(c) Closing balance	-	-	-
Movement of provisions for non-performing assets (excluding provisions on standard assets)			
(a) Opening balance	-	-	-
(b) Change during the year #	-	-	-
(c) Closing balance	-	-	-
# Change during the year includes addition, write-offs and recoveries.	-	-	-

8) Other Information

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
	Amount	Amount	Amount
i) Gross Non-Performing Assets			
(a) Related Parties	Nil	Nil	Nil
(b) Other than related parties	Nil	Nil	Nil
ii) Net Non-Performing Assets			
(a) Related Parties	Nil	Nil	Nil
(b) Other than related parties	Nil	Nil	Nil
iii) Assets acquired in satisfaction of debt	Nil	Nil	Nil

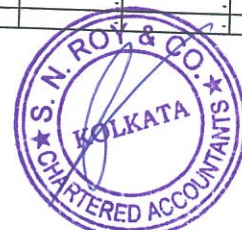
9) Exposures

(i) Exposure to Real Estate Sector

Nil Nil Nil

(ii) Exposure to Capital Market

Particulars	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;			
Others- Bonds & Debt oriented Mutual Fund	3,254.05	6,160.98	6,718.95
Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-	-
Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-	-
Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures or equity oriented mutual funds does not fully cover the advances;	-	-	-
Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-	-
Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-	-
Bridge loans to companies against expected equity flows / issues;	-	-	-
All exposures to Venture Capital Funds (both registered and unregistered)	-	-	-



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Notes forming part of the financial statements for the year ended March 31, 2020

10) Asset Liability Management

(Amount in ₹ Lakhs)

Maturity pattern of certain items of Assets and Liabilities

		1 day to 30/31 days one month	Over 1 month to 2 months	Over 2 months upto 3 months	Over 3 months upto 6 months	Over 6 months upto 1 year	Over 1 year to 3 years	Over 3 year to 5 years	Over 5 year	Total
Liabilities										
Borrowings from Banks	2019-2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018-2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017-2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Market Borrowings	2019-2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018-2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017-2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Assets										
Advances	2019-2020	Nil	Nil	Nil	Nil	766.98	Nil	Nil	Nil	766.98
	2018-2019	Nil	Nil	Nil	Nil	750.00	Nil	Nil	Nil	750.00
	2017-2018	Nil	Nil	Nil	Nil	2694.55	Nil	Nil	Nil	2694.55
Investments*	2019-2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	4539.51	4539.51
	2018-2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7446.44	7446.44
	2017-2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	7994.11	7994.11

*Maturity pattern for long term investments in equity shares cannot be identified, however, Company intend to keep it for long period.

11) Particulars

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Asset Classification			
(a). Standard Assets	766.98	750	2593.94
(b). Sub Standard Assets	Nil	Nil	Nil
(c). Doubtful	Nil	Nil	Nil
(d). Loss Assets	Nil	Nil	Nil

12) Disclosure of customer complaints

	For the year ended 31 March 2020	For the year ended 31 March 2019
a) No. of complaints pending at the beginning of the year	-	-
b) No. of complaints received during the year	-	-
c) No. of complaints redressed during the year	-	-
d) No. of complaints pending at the end of the year	-	-

13)

	For the year ended 31 March 2020	For the year ended 31 March 2019
Information on instances of fraud identified during the year		
cash embezzlement and snatching		
No. of cases	-	-
Amount of fraud	-	-
Amount provided for	-	-
Loans given against fictitious documents		
No. of cases	-	-
Amount of fraud	-	-
Recovery	-	-
Amount provided for	-	-
\$\$ as identified by the management	-	-



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

c) Additional disclosures pursuant to the RBI guidelines and notification:
1 Capital

(Amount in ₹ Lakhs)

Items	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Capital to risk / weighted assets ratio (CRAR) (%)*			
CRAR-Tier I capital (%)*	129.50	111.34	175.79
CRAR-Tier II capital (%)*	126.65	107.95	171.93
Amount of Subordinate debt raised as Tier-II capital	2.85	3.39	3.86
Amount raised by issue of perpetual debt instruments	-	-	-

* The above calculation has been as per RBI Notification No. DNBR.009/ CGM(CDS)-2015 dated March 27, 2015

2 Investments

A) Investment according to geographical location

i) Gross value of investments

(a) In India

(a) Outside India

4,539.51 7,446.44 7,994.11

ii) Provision for diminution on investments

(a) In India

(b) Outside India

- - -

iii) Net value of Investments

(a) In India

(a) Outside India

4,539.51 7,446.44 7,994.11

B) Movement of provisions held towards diminution on investments

i) Opening balance

ii) Add: Provisions made during the year

iii) Less: Write-off/ write-back of excess provisions during the year

iv) Closing balance

- - -
- - -
- - -
- - -

3 Derivatives

The Company does not have any derivatives exposure in the current and previous year

4 Disclosure relating to Securitisation

A) The Company does not have any Securitisation exposure in the current and previous year

B) Details of Financial assets sold to securitisation / reconstruction company for assets reconstruction

The company has not sold any financial assets to Securitisation / Reconstruction company for assets reconstruction during the current and previous year.

C) Details of Assignment transactions undertaken by applicable NBFCs

(i) No. of accounts

(ii) Aggregate value (net of provisions) of accounts sold

(iii) Aggregate consideration

(iv) Additional consideration realized in respect of accounts transferred in earlier years

(v) Aggregate (gain) / loss over net book value

	For the year ended 31 March 2020	For the year ended 31 March 2019
(i) No. of accounts	-	-
(ii) Aggregate value (net of provisions) of accounts sold	-	-
(iii) Aggregate consideration	-	-
(iv) Additional consideration realized in respect of accounts transferred in earlier years	-	-
(v) Aggregate (gain) / loss over net book value	-	-

D) Details of non performing financial assets purchased / sold

The company has not purchased / sold any non-performing financial assets (relating to securitisation) during the current and previous year

5 Miscellaneous

A) Registration obtained from other financial sector regulators

The Company is registered with following other financial sector regulators (Financial regulators as described by Ministry of Finance):
(i) Ministry of Corporate Affairs

B) Disclosures of penalties imposed by RBI and other regulators

No penalties imposed by RBI or other financial sector regulators during the current and previous year.

C) Related party transactions

Details of all material related party transactions are disclosed in note 26

D) Ratings assigned by credit rating agencies and migration of ratings during the year

No credit rating has been done by the company during the financial year.

E) Remuneration of directors

No remuneration has been paid to any director.

6 Additional Disclosures

A) Provisions and contingencies

Break up of 'provisions and contingencies' shown under the head expenditure in statement of Profit and Loss

Provisions for diminution on investment

Provision made towards income tax

Other provision and contingencies

Contingent provision against Standard Assets

	For the year ended 31 March 2020	For the year ended 31 March 2019
Provisions for diminution on investment	-	-
Provision made towards income tax	-	-
Other provision and contingencies	13.44	16.01
Contingent provision against Standard Assets	-	-

B) Draw down from reserves

There have been no instances of draw down from reserves by the company during the current and previous year.

C) Concentration of advances, exposures and NPAs

(to the extent identified by the management)

a. Concentration of advances

Total advances to twenty largest borrowers

Percentage of exposure to twenty largest borrowers as total exposure

	As at 31 March 2020	As at 31 March 2019	As at 1 April 2018
Total advances to twenty largest borrowers	750.00	750.00	2,673.00
Percentage of exposure to twenty largest borrowers as total exposure	100.00	100.00	100.00

b. Concentration of exposure

Total exposure to twenty largest borrowers

Percentage of exposure to twenty largest borrowers as total exposure

- - -

c. Concentration of non-performing assets

Total Exposure to top four non-performing accounts

- - -



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

(Amount in ₹ Lakhs)

D) Comparison between provisions required under Income Recognition, Asset Classification and Provisioning (IRACP) and

Asset Classification as per RBI Norms	Asset classification as per Ind AS 109	Gross Carrying Amount as per Ind AS	Loss Allowances (Provisions) as required under Ind AS 109	Net Carrying Amount	Provisions required as per IRACP norms	Difference between Ind AS 109 provisions and IRACP norms
(1)	(2)	(3)	(4)	(5) = (3) - (4)	(6)	(7) = (4) - (6)
As at 31 March 2020						
Performing Assets:						
Standard	Stage 1	750.00	3.00	747.00	3.00	-
	Stage 2	-	-	-	-	-
Sub-total for standard		750.00	3.00	747.00	3.00	-
Non-Performing Assets (NPA):						
Substandard	Stage 3	-	-	-	-	-
Doubtful -						
- upto 1 year	Stage 3	-	-	-	-	-
- 1 to 3 years	Stage 3	-	-	-	-	-
- more than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA		-	-	-	-	-
As at 31 March 2019						
Performing Assets:						
Other items such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current Income Recognition, Asset Classification and Provisioning (IRACP) norms	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Sub-total		-	-	-	-	-
Non-Performing Assets (NPA):						
Substandard	Stage 3	-	-	-	-	-
Doubtful -						
- upto 1 year	Stage 3	-	-	-	-	-
- 1 to 3 years	Stage 3	-	-	-	-	-
- more than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA		-	-	-	-	-
Total						
	Stage 1	750.00	3.00	747.00	3.00	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		750.00	3.00	747.00	3.00	-
As at 31 March 2019						
Performing Assets:						
Standard	Stage 1	750.00	3.00	747.00	3.00	-
	Stage 2	-	-	-	-	-
Sub-total for standard		750.00	3.00	747.00	3.00	-
Non-Performing Assets (NPA):						
Substandard	Stage 3	-	-	-	-	-
Doubtful -						
- upto 1 year	Stage 3	-	-	-	-	-
- 1 to 3 years	Stage 3	-	-	-	-	-
- more than 3 years	Stage 3	-	-	-	-	-
Sub-total for doubtful		-	-	-	-	-
Loss	Stage 3	-	-	-	-	-
Sub-total for NPA		-	-	-	-	-
Total						
	Stage 1	750.00	3.00	747.00	3.00	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Total		750.00	3.00	747.00	3.00	-



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

31 First-time Adoption of Ind AS

As stated in Note 1, these are the Company's first financial statements prepared in accordance with Ind AS. For the year ended March 31, 2019, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("Previous GAAP")

The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2020, the comparative information presented in these financial statements for the year ended March 31, 2019 and in the preparation of an opening Ind AS statement of financial position at April 01, 2018 (the Company's date of transition).

In preparing its opening Ind AS statement of financial position as at April 01, 2018, the Company has adjusted amounts reported previously in financial statements for the year ended March 31, 2019 prepared in accordance with Indian GAAP (previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables. Exemptions and exceptions availed set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A Ind AS optional exemptions

(ii) Investment in Subsidiaries & fellow Subsidiaries

As permitted by para D14 & D15 of Ind AS 101, the Company has elected to measure the investments in subsidiaries at deemed cost calculated at the previous GAAP carrying amount as on the date of transition, as the Company has elected to measure such investments at Cost under Ind AS 27 "Separate Financial Statements".

(iii) Designation of Previously recognised Financial Instruments

Under Ind AS, these investments are required to be measured at fair value by the company.

1. The Company has valued investment in Quoted Shares at FVOCI using Level-I hierarchy of fair value measurement of financial Assets
2. Unquoted Shares are fair valued at FVOCI by using Level-III hierarchy of fair value measurement of financial Assets.

B Ind AS mandatory exceptions

(i) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies. As per Ind AS, where application of Ind AS require an entity to make certain estimates that were not required under previous GAAP, those estimates should reflect condition that existed at the date of transition (for preparing opening Ind AS balance sheet or at the end of the comparative period (for presenting comparative information as per Ind-AS).

Ind AS estimates as at April 01, 2018 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(ii) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS

C Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP

(Amount in ₹ Lakhs)

	Particulars	Note to First-time adoption	As at April 1, 2018			As at March 31, 2019		
			Previous GAAP*	Adjustments	Ind AS	Previous GAAP*	Adjustments	Ind AS
1	ASSETS							
(a)	Financial Assets							
(a)	Cash and cash equivalents							
(b)	Loans		12.84	-	12.84	92.10	-	92.10
(c)	Investments		2,673.00	-	2,673.00	750.00	-	750.00
(d)	Other financial assets	1	3,910.97	4,083.14	7,994.11	3,910.97	3,535.47	7,446.44
2	Non-financial Assets		21.55	-	21.55	1.02	-	1.02
(a)	Current tax Asset (Net)							
(b)	Deferred tax assets (Net)		8.41	-	8.41	9.16	-	9.16
	Total Assets	2	-	8.35	8.35	-	6.21	6.21
			6,626.77	4,091.49	10,718.26	4,763.25	3,541.68	8,304.93
	LIABILITIES AND EQUITY							
	Liabilities							
1	Financial Liabilities							
(a)	Borrowings (Other than Debt securities)							
(b)	Trade Payables		1,950.00	-	1,950.00	-	-	-
(i)	total outstanding dues of micro enterprises and small enterprises							
(ii)	total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-	-	-	-
(c)	Other financial liabilities		0.13	-	0.13	0.21	-	0.21
			13.69	-	13.69	-	-	-
2	Non-Financial Liabilities							
(a)	Provisions		10.78	-	10.78	3.00	-	3.00
(b)	Other non-financial liabilities		3.43	-	3.43	0.17	-	0.17
3	Equity							
(a)	Equity Share capital		1,925.92	-	1,925.92	1,925.92	-	1,925.92
(b)	Other Equity		2,722.82	4,091.49	6,814.31	2,833.95	3,541.68	6,375.63
	Total Liabilities and Equity	1, 2	6,626.77	4,091.49	10,718.26	4,763.25	3,541.68	8,304.93

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

D Reconciliation of total comprehensive income for the year ended March 31, 2019

(Amount in ₹ Lakhs)

Particulars	Note to First-time adoption	Previous GAAP	Adjustments	Ind AS
Revenue from operations				
Dividend Income		46.40	-	46.40
Interest Income		170.81	-	170.81
Total Revenue from operations		217.21	-	217.21
Other Income		7.78	-	7.78
Total Income		224.99	-	224.99
Expenses				
Finance Costs		92.57	-	92.57
Others expenses		5.28	-	5.28
Total Expenses		97.85	-	97.85
Profit/(loss) before tax		127.14	-	127.14
Tax Expense:				
(1) Current Tax		16.01	-	16.01
(2) Deferred tax		-	-	-
Profit/(loss) for the period		111.13	-	111.13
Other Comprehensive Income				
A. (i) Items that will not be reclassified to profit or loss				
- Gain/(loss) on fair valuation of equity instruments	1	-	(547.68)	(547.68)
(ii) Income tax relating to items that will not be reclassified to profit or loss	2	-	(2.14)	(2.14)
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		-	-	-
Other Comprehensive Income		-	(549.82)	(549.82)
Total Comprehensive Income for the year		111.13	(549.82)	(438.69)

E Reconciliation of total equity as at March 31, 2019 and April 01, 2018

Particulars	Notes to first-time adoption	March 31, 2019	April 1, 2018
Total equity (shareholder's funds) as per previous GAAP		4,759.87	4,648.74
Adjustments:			
Impact of Fair valuation of Shares	1	3,535.47	4,083.14
Tax Effect on the above Adjustments	2	6.21	8.35
Total Adjustments		3,541.68	4,091.49
Total Equity as per Ind AS		8,301.55	8,740.23

F Reconciliation of total comprehensive income for the year ended March 31, 2019

Particulars	Notes to first-time adoption	Amount
Profit after tax under Previous GAAP		111.13
Adjustments:		
Profit after tax as per Ind AS		111.13
Equity instruments fair valued through other comprehensive Income (net of tax)	1, 2&3	(549.82)
Total Comprehensive Income for the year		(438.69)

G Cash Flow reconciliation :

There is no significant impact on cash flow from operating, investing and financing activities for the year ended March 31, 2019 on transition to Ind AS.

Notes to first-time adoption:

1 Fair valuation of investments

Under the previous GAAP, investments in equity instruments, mutual funds and debt instruments were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Profit and Loss for the year ended 31 March 2019.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in Equity instruments through other comprehensive income reserve (net of related deferred taxes) as at the date of transition and subsequently in the Statement of Other Comprehensive income for the year ended 31 March 2019.

2 Deferred Tax

Under previous GAAP, deferred tax was prepared using income statement approach. Under Ind AS, company has prepared deferred tax using balance sheet approach. Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

3 Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in the statement of profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes unrealised gain or loss on quoted and unquoted Shares are measured at fair valued through other comprehensive income. The concept of other comprehensive income did not exist under previous GAAP.



SCM INVESTMENT AND TRADING COMPANY LIMITED
Notes forming part of the financial statements for the year ended March 31, 2020

32 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

JUDGEMENTS

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractual, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence and potential quantum of contingencies inherently involves the exercise of significant judgement and the use of estimates regarding the outcome of future events.

ESTIMATES AND ASSUMPTIONS

The key assumptions concerning the future and other key sources of estimating the uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Impairment of non-financial asset

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. In such cases, the fair value less costs of disposal calculation is based on available data, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use for calculation in such cases is based on a discounted cash flow (DCF).

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.

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. 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. See Note No. 34 and 35 for further disclosures.

Estimation uncertainty relating to the global health pandemic on COVID-19

In assessing the recoverability of certain assets, the Company has considered internal and external information up to the date of approval of the financial statements including economic forecasts. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

33 Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled.

Particulars	(Amount in ₹ Lakhs)					
	As at March 31, 2020			As at March 31, 2019		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial Assets						
Cash and cash equivalents	220.12	-	220.12	92.10	-	92.10
Loans	750.00	-	750.00	750.00	-	750.00
Investments	-	4,539.51	4,539.51	-	7,446.44	7,446.44
Other Financial Assets	22.76	-	22.76	1.02	-	1.02
Total Financial Assets	772.76	4,539.51	5,312.27	751.02	7,446.44	8,197.46
Non-financial Assets						
Current tax assets (Net)	-	1.61	1.61	-	9.16	9.16
Deferred tax assets (Net)	-	6.21	6.21	-	6.21	6.21
Total Non-Financial Assets	-	7.82	7.82	-	15.37	15.37
Total Assets	772.76	4,547.33	5,320.09	751.02	7,461.81	8,212.83
LIABILITIES AND EQUITY						
Financial Liabilities						
Trade Payables	0.13	-	0.13	0.21	-	0.21
Total Financial Liabilities	0.13	-	0.13	0.21	-	0.21
Non-Financial Liabilities						
Provisions	3.00	-	3.00	3.00	-	3.00
Other non-financial liabilities	0.17	-	0.17	0.17	-	0.17
Total Liabilities and Equity	3.29	-	3.29	3.37	-	3.37

34 COVID - 19 pandemic has caused serious disruption on the global economic and business environment. There is a huge uncertainty with regard to its impact which cannot be reasonably determined at this stage. However, the Company has evaluated and considered to the extent possible the likely impact that may arise from COVID-19 pandemic as well as all event and circumstances upto the date of approval of these Financial results on the carrying value of its assets and liabilities as on 31.3.2020. Based on the current indicators of future economic conditions, the Company estimates to recover the carrying amount of these assets and adequate liquidity is available. These estimates are subject to uncertainty and may be affected by the severity and duration of the pandemic. The Company is continuously monitoring any material changes in future economic conditions.

35 The figure of the previous year has been regrouped / reclassified, wherever necessary, to conform to the classification for the year ended 31 March 2020.

The accompanying notes are an integral part of the financial statements.

In terms of our report of even date attached.

For and on behalf of Board of Directors of

For S.N.ROY & Co.
Chartered Accountants
Firm Reg. No. - 313054E

Ranajit Majumdar
Partner
Membership No. 060098
UDIN:20060098AACX6485
Place: Kolkata
Date: 19 June 2020



[Signature]

Brij Mohan Agarwal
Director
DIN:03101758

Dilip Patodia
Managing Director
DIN : 00482435

A. K. Daga
Ashok Kumar Daga
Chief Financial Officer

Place: Kolkata
Date: 19 June 2020