

**Standard Chartered Investments and Loans
(India) Ltd.**

**Financial Statements
for the year ended 31 March 2010
together with Auditor's Report**

Standard Chartered Investments and Loans (India) Limited

Financial statements together with Auditor's Report *for the year ended 31 March 2010*

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Auditors' Report

To the Members of Standard Chartered Investments and Loans (India) Limited

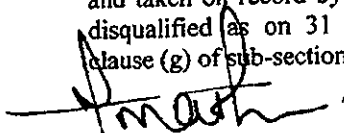
We have audited the attached balance sheet of Standard Chartered Investments and Loans (India) Limited ('the Company') as at 31 March 2010, the profit and loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of section 227(4A) of the Companies Act, 1956 ('the Act'), we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order, to the extent applicable to the Company.

Further to our comments in the Annexure referred to above, we report that:

- (i) we have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (iii) the balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
- (iv) in our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
- (v) on the basis of written representations received from the Directors, as on 31 March 2010, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2010 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;



BSR & Co.

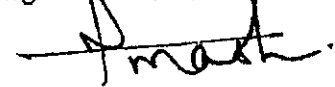
Auditors' Report (*Continued*)

Standard Chartered Investments and Loans (India) Limited

- (vi) in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- a) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2010;
 - b) in the case of the profit and loss account, of the profit for the year ended on that date; and
 - c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Mumbai
24 June 2010

For BSR & Co.
Chartered Accountants
Firm's Registration No: 101248W



Akeel Master
Partner
Membership No: 046768

Standard Chartered Investments and Loans (India) Limited

Annexure to Auditors' Report - 31 March 2010

(Referred to in our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
(b) The Company has a programme of physical verification of its fixed assets by which all fixed assets are verified on a yearly basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
(c) During the year, the Company has scaled down the number of branches and fixed assets including leasehold improvements related to these branches were disposed off. In our opinion and according to the information and explanations given to us, the aforesaid disposal has not affected the going concern assumption.
2. (a) The Company has conducted a physical verification of securities relating to the Company's current investments on the basis of actual verification or statement received from depository participants at reasonable intervals.
(b) The procedures for the physical verification of Company's current investments followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is maintaining proper records of Company's current investments. No material discrepancies have been noticed on physical verification of Current investments.
3. According to the information and explanations given to us, the Company has not given/taken any loans secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any major weakness in the internal control system during the course of our audit.
5. In our opinion, and according to the information and explanations given to us, there are no contracts and arrangements the particulars of which need to be entered into the register maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of Section 58A, Section 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under, apply.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the services rendered by the Company.

Standard Chartered Investments and Loans (India) Limited

Annexure to Auditors' Report - 31 March 2010 (Continued)

9. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including income-tax, service tax and other material statutory dues during the year with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, provident fund, sales tax, wealth tax, excise duty, customs duty and investor education and protection fund. There were no dues on account of cess under section 441A of the Companies Act, 1956 since the date from which the aforesaid section comes into force has not yet been notified by the Central Government.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income-tax, service tax, customs duty and other material statutory dues were in arrears as at 31 March 2010 for a period of more than six months from the date they became payable.

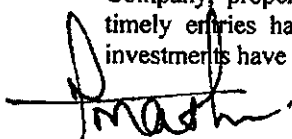
- (b) According to the information and explanations given to us, the following dues of Income tax have not been deposited by the Company on account of disputes.

Sr. No.	Amt (Rs '000)	Nature of dues	Period to which amount relates	Forum where dispute is pending
1	6,720*	Income tax	AY 2005-06	CIT(A) order received and appeal filed and pending before ITAT.
2	2,543**	Penalty	AY 2005-06	Penalty order received and appeal filed and pending before CIT(A).
3	48,766**	Income tax	AY 2006-07	Assessment order received and appeal filed and pending before CIT(A).

* The Company has made an application to adjust the demand against refund pending.

** The Company has made an application to keep the demand in abeyance till the disposal of appeal.

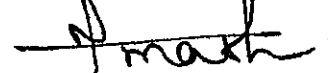
10. The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank.
12. In our opinion and according to the information and explanations given to us, the Company has maintained adequate records in cases where it has granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. To the best of our knowledge and as confirmed by management, no special statutes applicable to a chit fund, nidhi or mutual benefit society are applicable to the Company.
14. As explained and confirmed by management, in respect of investment activity of the Company, proper records have been maintained of the transactions and contracts and timely entries have been made therein. The shares, securities, debentures and other investments have been held by the Company in its own name.



Standard Chartered Investments and Loans (India) Limited
Annexure to Auditors' Report - 31 March 2010 (Continued)

15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Company did not have any term loans outstanding during the year.
17. In terms of the Guidelines of the Reserve Bank of India on Asset Liability Management System for Non Banking Financial Companies, the Company regularly carries out an analysis of its assets and liabilities on the basis of their residual maturity and repricing patterns. Our examination of the same indicates that maturity gaps observed in the asset liability management are within the limits prescribed by the Reserve Bank of India.
18. The Company has not made any preferential allotment of shares to companies/ firms/ parties covered in the register maintained under Section 301 of the Act.
19. According to the information and explanations given to us, the Company has created security in respect of the debentures issued during the year.
20. The Company has not raised any money by public issues during the year.
21. According to information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For BSR & Co.
Chartered Accountants
Firm's Registration No: 101248W



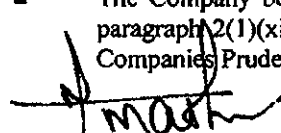
Akeel Master
Partner
Membership No: 046768

Mumbai
24 June 2010

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

In addition to the report made under section 227 of the Companies Act, 1956 on the financial statements of Standard Chartered Investments and Loans (India) Limited ('the Company') for the year ended 31 March 2010 and as required by the 'Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2008' vide notification No. DNBS (PD) CC No. 146 / 03.02.001 / 2009-10 dated 1 July 2009 ('the Notification'), we report as follows on the matters specified in paragraph 3 and 4 of the said directions to the extent applicable:

- The Company is engaged in the business of non-banking financial institution and it has obtained from Reserve Bank of India ('RBI') a certificate of registration No. N-13.01756 dated 14 February 2004, in pursuance of section 45-IA, of the RBI Act, 1934;
- The Company is entitled to continue to hold such certificate of registration in terms of its asset / income pattern as on 31 March 2010;
- Based on the criteria set forth by RBI in the Company Circular No. DNBS.CC No. 85 / 03.02.089 / 2006-07 dated 6 December 2007 for classification of Non-Banking Finance Companies as Asset Finance Company, the Company is not an AFC as defined in Non-Banking Financial Companies Acceptance of Public Deposit (Reserve Bank) Directions, 1998 with reference to the business carried on by it during the year ended 31 March 2010;
- The Board of Directors have passed a resolution not to accept deposits from the public at its board meeting dated 20 March 2009;
- The Company has not accepted public deposits during year ended 31 March 2010;
- In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with accounting standards and prudential norms prescribed by RBI relating to income recognition, asset classification and provision for bad and doubtful debts as applicable to the Company; and
- The Company being a Systemically Important Non-deposit taking NBFC as defined in paragraph 2(1)(xix) of the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007:



BSR & Co.

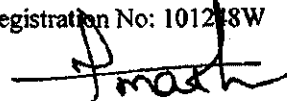
Report to the Board of Directors (*Continued*)

Standard Chartered Investments and Loans (India) Limited

- a) the Company is in the process of furnishing to RBI the annual statement of capital funds, risk assets / exposures and risk asset ratio (form NBS-7) within the stipulated period.

This report is issued to comply with the above mentioned Notification, and may not be suitable for any other purpose.

For BSR & Co.
Chartered Accountants
Firm's Registration No: 101248W



Akeel Master
Partner
Membership No: 046768

Mumbai
24 June 2010

Standard Chartered Investments and Loans (India) Limited

Balance sheet

as at 31 March 2010

(Indian Rupees in '000)

	Schedule	31 March 2010	31 March 2009
SOURCES OF FUNDS			
Shareholder's fund			
Share capital	1	4,543,850	4,543,850
Reserves and Surplus	2	127,562	99,504
Loan funds			
Secured loans	3	395,500	-
Unsecured loans	4	1,233,682	1,990,116
Deferred Tax Liability	14(E)(5)	18,930	8,793
TOTAL		6,319,524	6,642,263
APPLICATION OF FUNDS			
Fixed assets	5,14D(6)		
Gross block		57,763	101,706
Less: Accumulated Depreciation		(36,291)	(67,919)
Net block		21,472	33,787
Capital Work In progress/ Capital advances		-	-
Investments	6	1,124,306	526,081
Long Term Investments		784,306	179,915
Current Investments		340,000	346,166
Current assets, Loans and Advances			
Bank Balances	7	384,525	161,002
Other Current Assets	8	221,727	200,893
Loans and Advances	9	4,783,956	5,780,278
		5,390,208	6,142,173
Less: Current Liabilities and Provisions			
Current Liabilities	10	38,451	59,778
Provisions	11	178,011	-
		216,462	59,778
Net current assets		5,173,746	6,082,395
TOTAL		6,319,524	6,642,263
Contingent Liabilities	14(E)(8)	752,531	1,531,770
Significant accounting policies and notes to financial statements	14		

The accompanying schedules form an integral part of the Balance Sheet.

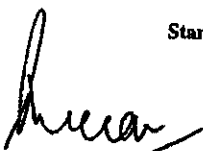
As per our report of even date.

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

Akeel Master
Partner
Membership No: 046768

Mumbai
24 June 2010

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


Sreeram Iyer
Chairman


Dhiren Parekh
Managing Director


Anurag Adlakha
Director


Magaram Suthar
Company Secretary

Standard Chartered Investments and Loans (India) Limited

Profit and loss account

for the year ended 31 March 2010

(Indian Rupees in '000)

	Schedule	31 March 2010	31 March 2009
INCOME			
Interest Income on Loans and Advances (TDS Rs. 80,737 Previous year Rs. 242,465)		638,960	1,304,602
Interest Income on Investments (TDS Rs. 6,801, Previous year Rs. 3,428)		40,133	47,205
Interest Income on Bank Deposits (TDS Rs. 558 Previous year Rs. 5,108)		3,193	21,555
Fee Income (TDS Rs 3612 Previous year Rs 4,567)		39,916	56,591
Other Income (TDS Rs. 255 Previous year Rs. 354)		61,257	86,585
Dividend Income		18,674	5,789
Income from Derivatives		2,236	-
Profit / (loss) on securitisation		9,293	(6,467)
		813,662	1,515,860
EXPENDITURE			
Interest and other Borrowing Costs	12	106,464	520,313
Depreciation on market to market of current Investment		6,166	(141)
Staff Costs	13,14(E)(13)	32,357	61,257
Administrative and Other Expenses	13	146,336	164,442
Loss on sale of Fixed Assets including write off		4,383	39,233
Depreciation on Fixed assets	5,14D(6)	7,116	31,803
Bad Debts (Net of recoveries Rs 46,830 (Previous year: Rs 57,115))		195,635	675,849
		498,457	1,492,756
PROFIT BEFORE TAX		315,205	23,104
Consist of :			
- Discontinuing Operations	14(E)(1)	(238,107)	(537,883)
- Continuing Operations		553,312	560,987
Provision for Taxation			
- Current Tax		99,000	2,200
- Deferred Tax Charge / (Credit)		10,136	18,349
- Fringe Benefit Tax		-	1,500
PROFIT AFTER TAX		206,069	1,055
Consist of :			
- Discontinuing Operations	14(E)(1)	(238,107)	(537,883)
- Continuing Operations		444,176	538,938
Balance in Profit and Loss Account brought forward		13,156	12,313
Amount available for Appropriation		219,225	13,368
APPROPRIATIONS			
Transfer to Statutory reserve fund		41,214	212
Profit carried to Balance Sheet		-	13,156
Proposed equity dividend (3.36% of paid up equity capital; Previous year : Nil)		152,656	-
Dividend distribution tax - equity shares		25,355	-
Total appropriations		219,225	13,368
Basic and diluted earnings per share of face value of Rs 10 each	14(E)(3)	0.45	0.002

Significant accounting policies and notes to financial statements

14

The accompanying schedules form an integral part of the Profit and Loss Account.

As per our report of even date.

For BSR & Co.
Chartered Accountants
Firm's Registration No: 101248W

Akeel Master
Partner
Membership No: 046768

Mumbai
24 June 2010

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

Sreeram Iyer
Chairman

Dhiren Parekh
Managing Director

Anurag Adlakha
Director

Mugaram Suthar
Company Secretary

Standard Chartered Investments and Loans (India) Limited

Cash flow statement

for the year ended 31 March 2010

(Indian Rupees in '000)

	31 March 2010	31 March 2009
Cash Flows from Operating activities		
Net Profit before tax	315,205	23,104
Adjustments :		
Add / (Less) :		
Depreciation on fixed assets	7,116	31,803
Loss on sale of Fixed Assets including write off	4,383	39,233
Discount amortised on commercial paper issued	88,716	490,447
Debt issue expenses	5,561	15,381
Bad debts	195,635	675,849
Provision/(write-back) for Service Tax (Input tax credit)	50,000	(22,000)
(Appreciation)/Depreciation on market to market of current investments	6,166	(141)
Profit / (Loss) on securitisation	(9,293)	6,467
Interest on Working Capital loan	1,409	7,706
Interest on Inter Corporate Deposits	8,975	6,779
Dividend Received	(18,674)	(5,789)
Trading income on Futures & Options	(2,236)	-
Amortised Premium on Pass Through Certificates (PTC)	618	-
Interest paid on Privately Placed Debentures (PPD)	1,185	-
Interest on tax refunds	(57,219)	(85,025)
Operating cash flow before working capital changes	282,342	1,160,710
Adjustments for :		
Increase/(decrease) in Current Liabilities & Provisions	(21,327)	(112,097)
(Increase)/decrease in Loans and Advances	667,541	3,739,641
Bad debts recovered	46,380	57,115
(Increase)/decrease in other Current Assets	(13,614)	81,173
(Increase)/decrease in Miscellaneous Expenditure	-	(335)
	678,980	3,765,497
Net Cash from Operating Activities before taxes	1,276,527	4,949,311
Less/Add : Tax Paid/Refund	(2,941)	(1,025)
Net Cash provided by Operating Activities	1,273,586	4,948,286
- of which discontinuing operations	(4,072)	109,149
Cash Flow from Investing Activities		
Purchase of Fixed Assets	-	(232)
Proceeds from sale of Fixed Assets	818	6,928
Dividend received	18,674	5,789
Decrease/(Increase) in Investments	(605,009)	725,747
Net Cash used in Investing Activities	(585,517)	738,232
- of which discontinuing operations	818	6,696

Standard Chartered Investments and Loans (India) Limited

Cash flow statement

for the year ended 31 March 2010

(Indian Rupees in '000)

	31 March 2010	31 March 2009
Cash Flow from Financing Activities		
Issue of Private Placed Debentures	395,500	-
Trading income on Futures & Options	2,236	-
Debt issue expenses	(5,561)	(15,381)
(Redemption) / purchase of Inter Corporate Deposits	(100,000)	(637,500)
Repayment of Commercial Paper	(745,151)	(5,232,315)
Interest Paid on Working Capital Loan	(1,409)	(7,706)
Interest paid on Inter Corporate Deposits	(8,975)	(6,779)
Interest on Private Placed Debentures	(1,186)	-
Net Cash used in Financing Activities	(C) (464,546)	(5,899,681)
Net Decrease in cash and cash equivalents	(D=A+B+C) 223,523	(213,163)
Cash and cash equivalents at the beginning of the year (E) (refer schedule 7)	161,002	374,165
Cash and cash equivalents at the end of the year (D+E) (refer schedule 7)	384,525	161,002

For B S R & Co.
Chartered Accountants
Firm's Registration No: 101248W

Akeel Master
Partner
Membership No: 046768

24 June 2010
Mumbai

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

Sreeram Iyer
Chairman

Anurag Adlakha
Director

Dhiren Parekh
Managing Director

Magaram Suthar
Company Secretary

Standard Chartered Investments and Loans (India) Limited

Schedules to financial statements

as at 31 March 2010

(Indian Rupees in '000)

31 March 2010 31 March 2009

Schedule -1

Share Capital

Authorised:

460,000,000 (Previous year: 460,000,000) Equity Shares of Rs.10/- each

4,600,000 4,600,000

Issued, Subscribed and Paid-up:

454,385,000 (Previous year : 454,385,000) Equity Shares of Rs.10/- each fully paid up

4,543,850 4,543,850

(All the above shares are held by the holding company,

Standard Chartered Bank United Kingdom and its nominees)

4,543,850 4,543,850

Schedule - 2

Reserves and Surplus

Statutory Reserve Fund

(Under section 45 IC of The Reserve Bank of India Act, 1934)

Opening Balance

86,348 86,136

Transfer from Profit and Loss Account

41,214 212

Closing Balance

127,562 86,348

Balance in Profit and Loss Account

- 13,156

127,562 99,504

Schedule - 3

SECURED LOANS

Privately Placed Debentures (PPD)

3,353 (Previous year Nil) PPD of face value of Rupees 1 lac each redeemable on 27 January 2011

335,300 -

357 (Previous year Nil) PPD of face value of Rupees 1 lac each redeemable on 28 April 2011

35,700 -

245 (Previous year Nil) PPD of face value of Rupees 1 lac each redeemable on 29 September 2011

24,500 -

[a. Secured by way of charge on Immovable property and Loan assets receivables]

395,500 -

Schedule - 4

Unsecured Loans (Short Term)

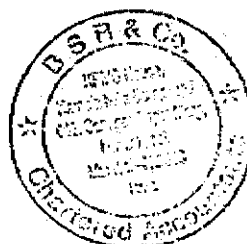
Commercial Papers (refer note 14(E)(16))

1,233,682 1,890,116

Inter Corporate deposits

- 100,000

1,233,682 1,990,116



Standard Chartered Investments and Loans (India) Limited

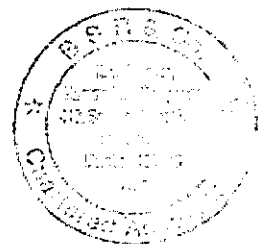
Schedules to financial statements (Continued)

as at 31 March 2010

(Indian Rupees in '000)

Schedule -5

Fixed asset DESCRIPTION	GROSS BLOCK AT COST			DEPRECIATION			NET BLOCK		
	As at 1 April 2009	As at 31 March 2010	As at 1 April 2009	For the Year Additions	Deletions	As at 31 March 2010	As at 31 March 2010	As at 31 March 2009	As at 31 March 2009
Computer Hardware	8,595	2,765	6,031	1,320	(4,691)	2,660	105	2,564	
Furniture and Fittings	9,312	1,535	6,184	301	(5,838)	647	888	3,128	
Office Equipment	9,601	2,214	4,311	1,336	(4,346)	1,301	913	5,290	
Premises	19,856	19,856	1,916	397	-	2,313	17,543	17,940	
Leasehold Improvements	26,753	3,804	23,418	2,430	(23,971)	1,877	1,927	3,335	
<i>Intangibles</i>									
Computer Software	27,589	27,589	26,059	1,332	102	27,493	96	1,531	
Total	101,706	57,763	67,919	7,116	(38,744)	36,291	21,472	33,787	
Previous Year	206,116	101,706	94,597	31,803	(58,481)	67,919	33,787		



Standard Chartered Investments and Loans (India) Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Indian Rupees in '000)

31 March 2010

31 March 2009

Schedule - 6

Investments

Long Term Investments

Unquoted

1,109,300 (Previous year: 1,109,300) Equity shares of face value of Rs 10 each of Standard Chartered Finance Limited fully paid up

2,855

2,855

13,000,000 (Previous year: 13,000,000) Equity shares of face value of Rs 10 each of Standard Chartered (India) Wealth Advisory Services Private Limited fully-paid up

177,060

177,060

29,40,000 (Previous year: Nil) Optionally Convertible Debentures of face value Rs.100 each for a tenor of 18 months maturing on 26 March 2011 (extendable by another 18 months)

294,000

25,00,000 (Previous year: Nil) Non Convertible Cumulative Preference Shares of Standard Chartered STCI Capital Markets Limited of face value 100 each for a tenor of 5 years maturing on 24 September 2014 (with an option to investee company to redeem after 18 months)

250,000

60 (Previous year: Nil) Pass Through Certificates of Rs 1,016,812 each maturing on 2 February 2011

61,009

Less: Premium amortised

618

60,391

Total long term investments (A)

784,306

179,915

Current Investments

Quoted

34 (Previous year: 34) 11.15% Non Convertible Debentures of Rs 10,000,000 each issued by Standard Chartered Bank

428,309

428,309

428,309

428,309

Less: Provision for depreciation on market to market of current investment

88,309

82,143

Total Current Investments (B)

340,000

346,166

Total (A +B)

1,124,306

526,081

Aggregate book value of quoted investments

428,309

428,309

Aggregate market value of quoted investments

340,000

346,166

Aggregate book value of unquoted investments

784,306

179,915

Schedule - 7

Bank Balances

Balance with Banks in Fixed deposits

250,000

67,500

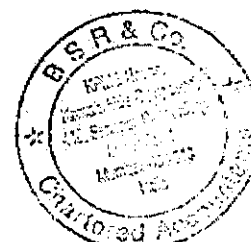
Balance with Scheduled Banks in Current account

134,525

93,502

384,525

161,002



Standard Chartered Investments and Loans (India) Limited

Schedules to financial statements (Continued)

as at 31 March 2010

(Indian Rupees in '000)

31 March 2010

31 March 2009

Schedule - 8

Other Current Assets

Interest accrued on Advances	9,490	17,716
Interest accrued on tax refunds	142,244	85,025
Interest accrued on Fixed deposits	150	118
Service tax credit (Net of provision Rs 50,000; Previous year: Nil)	57,862	98,034
Others	11,981	-
	<u>221,727</u>	<u>200,893</u>

Schedule - 9

Loans and Advances

Secured and considered good

Loans to Companies

1,490,000 1,910,000

Unsecured and considered good

Loans to Companies

2,377,934 2,469,286

Consumer Loans

87,416 546,987

Security Deposits

7,230 28,562

Advance Tax ((Net of provision for tax (including FBT) Rs 353,387)
(Previous year Rs 254,387))

821,376 824,951

Advances to be recovered in cash or kind

- 492

4,783,956 5,780,278

Schedule - 10

Current Liabilities

Sundry creditors

33,930 55,902

Accrued interest

- 1,157

Overdrawn bank balance

40 34

Provident fund

- 2

Others

4,481 2,683

38,451 59,778

Schedule - 11

Provisions

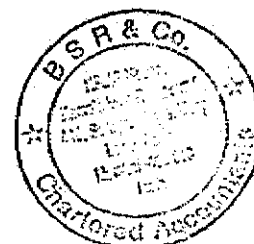
Proposed dividend

152,656

Dividend distribution tax

25,355

178,011



Standard Chartered Investments and Loans (India) Limited

Schedules to financial statements (Continued)

for the year ended 31 March 2010

(Indian Rupees in '000)

31 March 2010

31 March 2009

Schedule - 12

Interest and Other Borrowing Costs

Discount amortised on Commercial Paper issued	88,716	490,447
Interest on Private Placed Debentures	1,185	-
Debt Issue expenses amortised	5,561	15,381
Interest on Inter Corporate Deposits	8,975	6,779
Interest on Working Capital loan	1,409	7,706
Premium amortised on PTC	618	-
	<u>106,464</u>	<u>520,313</u>

Schedule - 13

Staff Costs (*)

Salaries, Bonus and Allowances	32,099	58,502
Contribution to Provident Fund and Other funds	-	1,421
Staff Welfare expenses	258	1,166
Other staff cost	-	168
	<u>32,357</u>	<u>61,257</u>

Schedule - 14

Administrative and Other Expenses

Collection charges	30,733	67,434
Brokerage & Other fee	14,657	-
Support service charges (*)	13,105	17,716
Outsourcing expenses	9,682	14,775
Rent, Rates and Taxes	7,198	23,696
Legal expenses	4,710	2,133
Repairs and Maintenance - Premises	2,955	15,629
System maintenance charges	1,497	-
Communication expenses	1,184	9,414
Travelling and Conveyance	697	3,191
Printing and Stationery	528	2,725
Repairs and Maintenance - others	70	461
Selling Agent's Cost	-	21,715
Auditors' remuneration		
- Statutory Audit	1,000	950
- Tax audit	250	200
- Others	425	200
	<u>1,675</u>	<u>1,350</u>
Bank charges	187	247
Provision for Service Tax (Input tax credit)	50,000	(22,000)
Other expenses	7,458	5,956
	<u>146,336</u>	<u>164,442</u>

(*) Refer note 14(E)(13)

Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements

A. Background

Standard Chartered Investments and Loans (India) Limited ('the Company') was incorporated under the Companies Act, 1956 on 22 October, 2003. The Company was issued a registration certificate dated 14 February, 2004, by the Reserve Bank of India ('RBI') to act as a Category B Non – Banking Financial Company ('NBFC') not accepting public deposits. The entire share capital of the Company is held by Standard Chartered Bank United Kingdom and its nominees. The primary activities of the Company involve Lending and Investments including small ticket Personal Loans. Effective July 2008, the Company has discontinued disbursement of fresh Personal Loans.

B. Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless as otherwise stated, and comply with the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 (to the extent applicable), and in accordance with the generally accepted accounting principles ('GAAP') and the relevant provisions of the Companies Act, 1956, and the guidelines issued by the RBI in respect of NBFCs, as adopted consistently by the Company to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest thousand, unless otherwise stated.

C. Use of estimates

The preparation of the financial statements in conformity with the GAAP requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

D. Significant accounting Policies

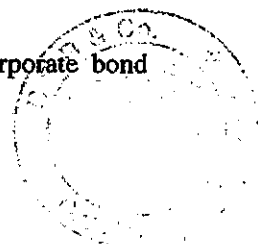
1. Investments

Investments are classified into Long term and Current investments based on managements intention at the time of purchase.

Long-term investments are carried at cost less diminution in value, if any, which is other than temporary, determined separately for each individual investment.

Current Investments are carried at cost or market value (book value in case of unquoted) whichever is lower. Current investments are valued scrip-wise. Net depreciation, if any, is provided for and net appreciation, if any, is ignored.

Investment in PTC has been valued by adopting base yield curve and corporate bond spread relative to residual maturity of the security.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

D. Significant accounting Policies (*Continued*)

1. Investments (*Continued*)

Broken period interest paid at the time of acquisition of the investment is charged to the Profit and Loss Account.

Brokerage, commission, etc. paid at the time of purchase / sale is charged to the Profit and Loss Account.

Profit or loss on sale of investments is determined on the basis of weighted average carrying cost of the investment.

Transfer between categories

Transfer of investments between categories, if any, is accounted at the acquisition cost/book value/ market value, whichever is lower, as at the date of transfer. Depreciation, if any, on such transfer is fully provided for.

2. Loans

Loans are classified into 'performing' and 'non-performing' and are stated after deduction of specific provisions and interest in suspense.

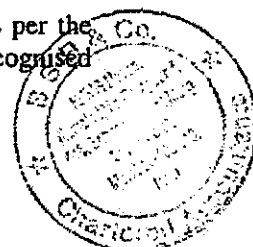
Non-performing loans are identified by periodic appraisals of the portfolio by management and appropriate provisions are made based on management's assessment of the degree of impairment of the loans, subject to minimum provisioning level prescribed by the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007, issued by RBI.

3. Derivative financial instruments

The Company issues non-convertible debentures, returns on which are linked to performance of specified equity indices over the period of the debentures. The embedded derivative component of the instrument is separated from host contract and accounted for at fair value, the changes in the fair value is recognised in the Profit and Loss Account. The host debt instrument is accounted at cost like any other regular fixed rate debenture. Mark to Market gains and losses on derivatives are recognised in the Profit and Loss Account. In case of scheduled redemption, the difference between the settlement value and the amortised book value of the debenture is recognised as interest cost.

Equity Index- Futures

Open trading futures positions at the balance sheet date are marked to market as per the rates declared by National Stock Exchange of India and unrealised loss / gain is recognised in the Profit and Loss account.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

D. Significant accounting Policies (*Continued*)

3. Derivative financial instruments (*Continued*)

Equity Index- Options

As on the balance sheet date premium paid/received on options purchased/sold are marked to market against the premium prevailing on that date. The gain/loss arising thereon is recognised in the Profit and Loss account.

When the option contracts are squared up before expiry of options, the premium prevailing on that date is recognised in Profit and Loss account. If more than one option contract in respect of the same index / stock with the same strike price and expiry date to which the squared up contract pertains is outstanding at the time of squaring up of the contract, weighted average method is followed for determining Profit or Loss. On expiry of the contracts and on exercising of the options, the difference between final settlement price and the strike price is recognised in the Profit and Loss account.

4. Securitisation

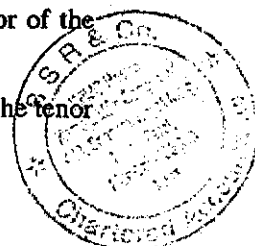
Securitisation transactions are accounted for in accordance with the guidance note on Accounting for Securitisation issued by ICAI and Guidelines on Securitisation of Standard Assets vide circular No. 2005-06/294 DBOD.No.BP.BC.60/21.04.048/2005-06 dated 1 February, 2006, issued by RBI.

Securitized assets are derecognised upon sale when the Company surrenders control over the contractual rights relating to the underlying assets. In respect of credit enhancements provided or recourse obligations accepted by the Company at the time of securitisation, appropriate provisions/ disclosures are made at the time of sale in accordance with AS 29 – "Provision's contingent liabilities and contingent assets".

Pursuant to the RBI guidelines, the Company amortises any profit/ premium arising on account of sale of assets over the life of the securities sold while any loss arising on account of sale is recognised in the Profit and Loss account in the period in which the sale occurs. Securitisation transactions that do not meet the criteria for surrender of control are accounted for as secured borrowing.

5. Income recognition

- Interest income is recognised on accrual basis of accounting except in case of interest on non- performing loans which is recognised as income on receipt.
- Facility/Origination fees on loans are recognised upfront except for amounts in excess of a threshold (Rs. 2,000 thousands), where they are accounted over the tenor of the loan when they are determined to be yield enhancing.
- Discounted instruments are amortised on a constant effective yield basis over the tenor of the underlying instrument.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

D. Significant accounting Policies (*Continued*)

5. Income recognition (*Continued*)

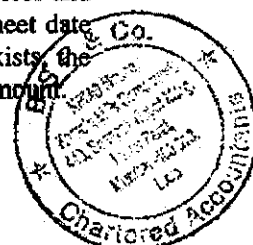
- Dividend is recognised as income as and when the right to receive the same is established.
- Other income is accrued as per contractual agreements.

6. Fixed assets and depreciation

- Fixed assets are carried at cost of acquisition less accumulated depreciation. Acquisition cost includes all direct cost related to acquisition and installation of the asset.
- As per the provisions of the Companies Act, 1956, individual fixed assets costing less than Rs. 5,000 are depreciated fully in the year of purchase.
- Depreciation is provided on the straight-line method over the useful life of the asset, subject to minimum rates of depreciation prescribed under Schedule XIV to the Companies Act, 1956. The depreciation rates are as follows:

Fixed Assets	Rate of Depreciation
Computer hardware	33.33%
Office Equipment	20%
Furniture and Fittings	10%
Premises	2%

- Intangible assets relating to software are capitalised on the basis of the cost incurred to acquire and bring to use. These costs are amortised over the expected useful lives, subject to maximum of three years.
- Improvements to owned and leasehold property are depreciated over the remaining lease period or useful life, whichever is earlier.
- On disposal of fixed assets, the profit or loss is calculated as the difference between net sales proceeds and the net carrying amount as on the date of sale.
- The Company assesses at each balance sheet date, or as and when significant event occurs whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs to is less than its carrying value, the carrying value is reduced to the recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss account for the year. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

D. Significant accounting Policies (*Continued*)

7. Discount and issue expenses

- Discount on commercial paper issued is amortised on a constant effective yield basis over the tenor.
- Debt issue expenses include stamp duty and fees paid to credit rating agencies relating to the issue of commercial paper, which are accounted for as follows:
 - Stamp duty expenses are amortised on a straight-line basis over the life of the instrument.
 - Fees paid to credit rating agencies are amortised on a straight-line basis over the period for which the instrument has been rated.

8. Accounting for Leases

Assets given/taken on lease are accounted in accordance with provisions of AS 19-Leases. Lease payments made under operating leases are recognised as an expense on a straight-line basis over the lease term.

9. Provisions and Contingencies

The Company recognises a provision when there is a present obligation as a result of past events that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

Contingent assets are not recognised in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an economic benefit will arise, the asset and related income are recognised in the period in which the change occurs.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

D. Significant accounting Policies (*Continued*)

10. Earnings per share (EPS)

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also weighted average number of equity shares, which would have been issued on the conversion of all dilutive potential shares. In computing diluted earnings per share only potential equity shares that are dilutive are included.

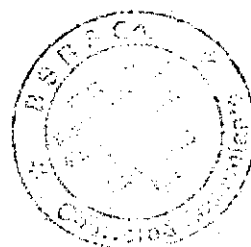
11. Taxation

Income tax comprises current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

Current tax expense is recognised on an annual basis under the taxes payable method based on the estimated liability computed after taking credit for allowances and exemption in accordance with the provision of Income Tax Act, 1961.

The Company accounts for deferred tax in accordance with the provisions of AS 22- "Accounting for Taxes on Income". The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that assets can be realised. In case there is unabsorbed depreciation and carried forward loss under taxation laws, the deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. These are reviewed for appropriateness of their carrying value at each balance sheet date.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

E Notes to financial statements

1. Discontinuing operations

The Company has discontinued fresh disbursements of consumer finance loans (personal loans) since July 2008. The Company has also closed down significant number of branches and disposed of fixed assets including leasehold improvements related to these branches were disposed off. The Company is concentrating on recovery of outstanding debts. Assets and Liabilities as at 31 March, 2010 and revenues and expenses for the year ended 31 March, 2010 contained following amounts relating to discontinuing operations pertaining to the consumer finance business.

(Rs in '000)		
Particulars	2009-10	2008-09
Gross Revenues	101,432	455,146
Expenditure (includes bad debts)	316,876	929,641
Loss before tax **	(238,107)	(537,883)
Loss after tax	(238,107)	(537,883)
Total assets	158,875	706,457
Total Liabilities	318,126	606,262

**Includes attributable earning on Capital and Reserves (Refer 14(E)(11) of Notes to financial statement)

2. Securitisation

a) Debenture's securitised

The Company has provided credit enhancement to the extent of Rs 168,903 thousands in the form of recourse obligation relating to securitisation of Debentures outstanding as on 31 March, 2010 for Rs 1,689,025 thousands (Previous year: Rs 3,879,700 thousand).

b) Loan Assignment

During the current year the Company has assigned one loan for Rs. 481,414 thousands (Book Value 481,414 thousands) at cost (Previous Year: assigned a loan for Rs 1,470,509 thousands (book value Rs 1,476,976 thousands at a loss of Rs 6,467 thousands))

c) Loans Securitised

The Company has provided credit enhancement to the extent of Rs 57,640 thousands in the form of recourse obligation relating to delay /shortfall on interest component on securitised loans (Previous year: Rs Nil).



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

2. Securitisation (Continued)

c) Loans Securitised (Continued)

The details of loans securitized during the year are as under:

Description	(Rs. in 000)	
	For the year ended 31 March 2010	For the year ended 31 March 2009
Book value of loans securitised	1,188,868	-
Number of loans securitised	2	-
Sale consideration received (net)	1,202,017	-
Profit on Securitisation **	13,149	-

** Of which Rs. 3,856 thousands remain unamortised as at 31 March 2010.

3. Earnings per share (EPS)

Earning per share has been calculated by dividing the net profit after taxation for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The computation of earnings per share is set out below:

Description	For the year ended 31 March 2010	For the year ended 31 March 2009
Net profit attributable to equity shareholders * (Rs in 000)	206,069	1,055
Weighted average number of equity shares (in '000) outstanding during the year for calculation of earnings per share	454,385	454,385
Basic and Diluted Earnings per share of face value of Rs 10 (Rs.)	0.45	0.002

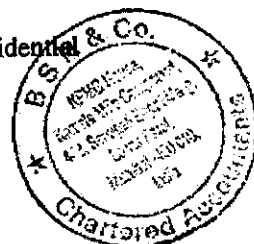
* Excludes transfer to statutory reserve

The Basic and Diluted Earnings per share is same as there are no potential dilutive equity shares.

4. Leases

Disclosures as required by Accounting Standard 19 - 'Leases', prescribed in the Companies (Accounting Standard) Rules, 2006 pertaining to lease arrangement entered into by the Company are given below:

- The assets taken and given on lease primarily relate to commercial and residential premises and are in the nature of "Operating" leases.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

4. Leases (Continued)

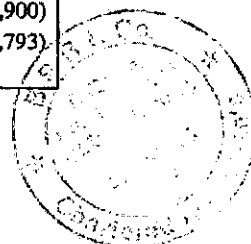
- All leases are cancellable leases. Rentals payable are as per the agreements. Lease agreements do not have any undue restrictive or onerous clauses; other than those normally prevalent in similar agreements, for use of assets, rental increases and lease renewals.
- Operating lease charges are recognised as an expense in the statement of Profit and Loss account on a straight-line basis over the lease term.
- Lease rent charged (net) to Profit and Loss account for the year ended 31 March, 2010 is Rs. 7,198 thousands (Previous year Rs. 23,696 thousands).
- Premises given on lease

Description	(Rs. in 000)	
	For the year ended 31 March 2010	For the year ended 31 March 2009
Gross carrying amount	19,856	19,856
Accumulated depreciation	2,313	1,916
Depreciation charge for the year	397	397

5. Deferred tax

Deferred tax assets/(liabilities) as per Accounting Standard 22 – Taxes on Income prescribed in the Companies (Accounting Standard) Rules, 2006 included in the balance sheet comprise of the following:

Description	(Rs. in 000)	
	Year ended 31 March 2010	Year ended 31 March 2009
Deferred tax assets		
Depreciation on fixed assets	10,782	8,764
Loss Carried Forward	-	10,867
Lease Rentals Provisions	-	476
Expenses on leasehold Improvements	100	-
Premium amortised on PTC	205	-
Unamortised Profit on securitisation	1,281	-
Provision for un-utilized Service Tax Credit	16,610	-
Total Deferred tax asset	28,978	20,107
Deferred tax liabilities		
Interest accrued on income tax refunds	(47,908)	(28,900)
Total Deferred tax liability	(47,908)	(28,900)
Net deferred tax asset/(liability)	(18,930)	(8,793)



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

6. Managerial remuneration (Continued)

Managerial remuneration has been paid in accordance with Section II Part II of Schedule XIII to the Companies Act, 1956 as per the details set out below.

Particulars	(Rs. in 000)	
	31 March 2010	31 March 2009
Salary	2,377	2,231
Performance linked incentive	750	575
Retirement benefits-Provident fund	94	82
Total	3,221	2,888

Managerial remuneration of Rs 3,221 thousands (Previous year: Rs 2,888 thousands) represents amounts reimbursed to Standard Chartered Bank- India branches ("the Bank") in respect of Staff Secondment and is included in schedule 12.

7. Prudential Credit Exposure Limits – Single/Group Borrower Exposure

The RBI has prescribed through circular DNBS(PD)CC.NO.117/03.02.001/2008-09 dated 1 July 2008, credit exposure norms for non deposit taking systemically important NBFCs in respect to their lending to a single/ group borrower. The exposure limits prescribed are 15% of the owned funds for lending to a single borrower and 25% of the owned funds in case of lending to Group borrower.

There are no exposures in excess of the prescribed limit as on the balance sheet date.

8. Capital Commitments and Contingent Liabilities

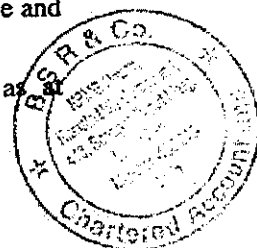
	(Rs. in 000)	
	31 March 2010	31 March 2009
Undisbursed sanctions (see Note 1)	-	690,000
Financial guarantees (see Note 2)	453,800	453,800
Taxation (see Note 3)	16,942	-
Credit enhancement on securitization (see Note E(2)(c))	57,640	-
Credit enhancement on Sub debt (see Note E(2)(a))	168,903	387,970
Open contracts (see Note 4)	55,246	-
Total	752,531	1,531,770

Note 1: Undisbursed sanctions represent sanctioned lines not drawn down by customer.

Note 2: Financial Guarantee represent guarantee provided by the Company on behalf of customers.

Note 3: Tax liabilities (including interest and penalty) of the Company for the assessment years 2005-06 and 2006-07 are pending final outcome of the rectification and appeals filed by the Company. The Company believes that these demands are largely unsustainable and accordingly, no provisions have been made.

Note 4: Open contracts represents the notional value of open future contract as at 31 March 2010.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (*Continued*)

9. Unexpired Equity Derivative Contracts

The detail of open position in Index Futures / Option as on 31 March, 2010 is given below (Previous year: Rs Nil);

Name of Derivative	No of contracts	Expiry Date	No of units	Notional amount (Rs. in '000)
S&P CNX Nifty - Long Option Call European	1	30-12-2010	200	960
S&P CNX Nifty Future	1	29-04-2010	10,550	55,246

(Rs. in 000)

Type of Instrument	Total Premium carried forward on 31-03-2010	Total Premium carried forward on 31-03-2009
S&P CNX Nifty- Long Option Call European	144	Nil

10. Expenditure in foreign currency (on actual basis)

There is no expenditure incurred in foreign currency during the year (Previous year Rs Nil).

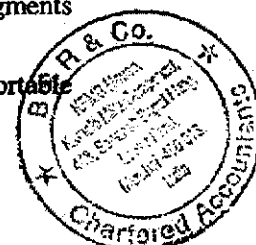
11. Segmental reporting

Segment descriptions

Segment Definition	Activities
Global Markets	Global market activities include fixed income and other asset liability management products
Origination and Client Coverage (OCC)	Client relationship primarily consists of loans to corporate customers
Consumer Finance	Small ticket Personal Loans to Retail customers
Unallocated	Primarily consists of corporate level items such as tax and income thereon, investment in group companies, fixed assets and related costs, such as depreciation

Notes:

1. The segment definition has been determined in line with Accounting Standard 17: Segment Reporting.
2. Segment results stated below are after considering Global Markets division's internal fund transfer pricing which it charges to other divisions for the funds mobilised by Global Markets and utilised by other divisions for lending purposes. Based on tenors of assets/ liabilities and market scenarios, Global Markets division calculates notional interest rates used for this purpose.
3. Capital, Reserves and attributable earnings thereon are allocated to individual segments based on average assets.
4. As the Company operates only in the Indian market, there are no reportable geographical segments.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

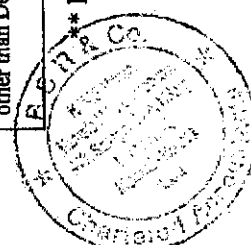
(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

11. Segmental reporting (Continued)

Description	OCC		Global Markets		Consumer Finance (Discontinued operation)		Unallocated		Total	
	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009	31 March 2010	31 March 2009
Segment Revenue										
Income from external Customers	589,214	906,048	45,562	68,901	101,432	455,146	-	-	736,208	1,430,095
Other Income	-	-	-	-	-	-	77,454	92,373	77,454	92,373
Total	589,214	906,048	45,562	68,901	101,432	455,146	77,454	92,373	813,662	1,522,468
Segment Results**										
Income Taxes	214,713	385,666	348,240	162,128	(238,107)	(537,883)	(9,641)	13,193	315,205	23,104
Current Tax	-	-	-	-	-	-	(99,000)	(2,200)	(99,000)	(2,200)
Deferred Tax	-	-	-	-	-	-	(10,136)	(18,349)	(10,136)	(18,349)
Fringe Benefits Tax	-	-	-	-	-	-	-	-	-	(1,500)
Profit After Tax									206,069	1,055
Other Information										
Carrying amount of Segment Assets	3,979,774	4,393,525	1,224,335	413,902	158,875	706,457	1,173,002	1,187,574	6,535,986	6,701,458
Carrying amount of Segment Liabilities**	2,969,112	3,088,845	2,215,422	2,402,799	318,126	606,262	1,033,325	603,552	6,535,986	6,701,458
Capital Expenditure	-	-	-	-	-	(232)	-	-	-	(232)
Depreciation	-	-	-	-	(6,497)	(31,160)	(619)	(643)	(7,116)	(31,803)
Non Cash Expenditure other than Depreciation	-	-	(87,219)	(500,658)	(250,018)	(693,082)	-	-	(337,237)	(119,374)

** Refer note 3 of Segmental reporting



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

12. Related party disclosure

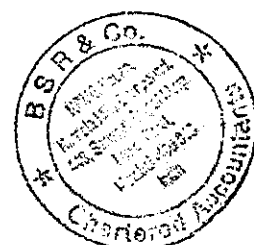
Name of Related Party	Nature of Relationship
Standard Chartered PLC	Ultimate Parent company
Standard Chartered Bank – UK	Holding company
Standard Chartered Bank – India Branches	Branch of holding company
Scope International Private Limited	Fellow subsidiary
Standard Chartered – STCI Capital Markets Ltd	Fellow subsidiary
Standard Chartered Finance Limited	Fellow subsidiary
Standard Chartered (India) Wealth Advisory Services Private Limited	Associate Enterprise

	(Rs in '000)	
Transactions with Standard Chartered Bank – India Branches	For the year ended 31 March 2010	For the year ended 31 March 2009
Leasing arrangements availed	2,932	4,385
Leasing arrangements provided	1,560	1,560
Receiving of services	46,396	60,522
Expenses recovered	-	170
Issue and Paying agent fees	620	630
Facility fee	-	6,000
Arranger fee	1,448	1,170
Interest on NCD	37,910	37,910
Other Expenses	210	-

	As at 31 March 2010	As at 31 March 2009
Sundry balances - net payable	16,448	29,866

Banking Transaction and Balances

	For the year ended 31 March 2010	For the year ended 31 March 2009
Discount amortised on Commercial Paper	21,198	20,462
Interest on Working Capital Loan	1,409	7,706
Bank Charges	82	247
Interest Received	2,964	21,555



Standard Chartered Investments and Loans (India) Limited

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for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

12. Related party disclosure (Continued)

	As at 31 March 2010	Maximum outstanding during the year	As at 31 March 2009	Maximum outstanding during the year
Non convertible Debentures	340,000	340,000	340,000	340,000
Bank balance	133,454	133,454	92,514	124,695
Working capital loan	-	650,000	-	160,000
Commercial paper	880,000	880,000	554,970	1,554,797
Fixed deposits	-	470,000	67,500	500,000

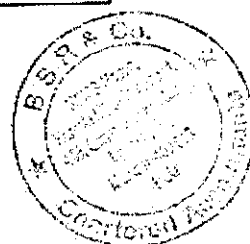
Transactions with Scope International Private Limited	For the year ended 31 March 2010	For the year ended 31 March 2009
Service charges – Consumer Finance Operations	3,357	4,950

	As at 31 March 2010	As at 31 March 2009
Sundry balances - net payable	748	705

Transactions with Standard Chartered Finance Limited	For the year ended 31 March 2010	For the year ended 31 March 2009
Dividend Income	13,977	1,109
Rental charges received	1,793	1,415
Rental charges paid	-	3,859
Service charges paid	2,360	2,557

	As at 31 March 2010	As at 31 March 2009
Sundry balances - net receivable	457	142

Transactions with Standard Chartered (India) Wealth Advisory Services Private Limited	For the year ended 31 March 2010	For the year ended 31 March 2009
Dividend Income	4,697	4,680



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

12. Related party disclosure (Continued)

Transactions with Standard Chartered – STCI Capital Markets Ltd	For the year ended 31 March 2010	For the year ended 31 March 2009
Brokerage Paid	12,957	-
Brokerage Payable	31	-
Investments in Preference Shares	250,000	-

Key Management Personnel

Dhiren Parekh, was the Managing Director from 1 April 2009 to 31 March 2010. Refer note 14 (E) (5) for details of transactions.

13. Staff Cost and Support Service charges

All employees of the Company are seconded from Standard Chartered Bank, India branches ('the Bank'). Related costs (including retirement benefits costs) are recovered by the Bank from the Company on a monthly basis. These costs are disclosed in Schedule 12 – 'Staff costs'

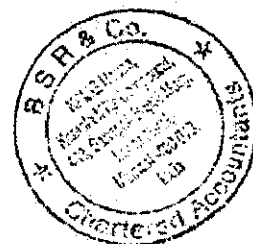
The Bank incurs expenditure on support functions like Corporate Real Estate Services, Human Resources, Finance, Legal, Compliance and Assurance, Information Technology, Corporate affairs etc., which is for the common benefit of the Bank and group companies in India. Such costs are recovered from other group companies based on the specific or identifiable criteria and these expenditure are shown as support charges under Schedule 13.

14. Transfer pricing

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under Sections 92-92F of the Income Tax Act, 1961.

15. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

On the basis of the information and records including confirmations sought from suppliers on registration with specified authority under MSMED; no amounts relating to principal and interest were due or remained outstanding as at 31 March 2010. There have been no reported cases of delay in payments in excess of 45 days to MSME or of interest payments due to delay in such payments.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

16. Unamortised Discount

The Company has unamortised discount on commercial papers to the extent of Rs 14,749 thousands as at 31 March 2010 (Previous year Rs 18,802 thousands) and these are netted off from Commercial papers under Schedule 4.

17. Schedule VI disclosures

Disclosures under Schedule VI to the Companies Act, 1956 have been made to the extent applicable to the Company.

The activities of the Company are not capable of being expressed in any generic unit and hence not possible to give the quantitative details under paragraph 3, 4(C) and 4(D) of part II of Schedule VI of Companies Act, 1956.

18. Comparatives

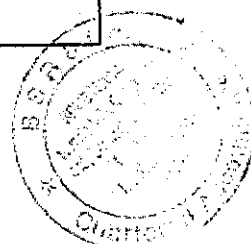
Prior period figures have been regrouped / reclassified wherever necessary to, conform to the current year's presentation.

F. NBFC disclosures

(i) In accordance with RBI notification No. DNBS 167/CGM (OPA)-2003 dated 29 March 2003, the following are the additional disclosures required under the format as prescribed vide paragraph 9BB of non-deposit taking non-banking financial company (as required in terms of Paragraph 13 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 1998.

Figures are as at 31 March 2010

(Rs in '000)		
Liabilities:	Amount Outstanding	Amount Overdue
(1) Loans and advances availed by the non banking financial company inclusive of interest accrued thereon but not paid::		
(a) Debentures : Secured		-
: Unsecured	395,500	-
(other than falling within the meaning of public deposits*)	-	-
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-Corporate Loans and Borrowing	-	-
(e) Commercial Paper	-	-
(f) Other Loans:	1,233,682	-
(Please see Note 1 below)	-	-



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

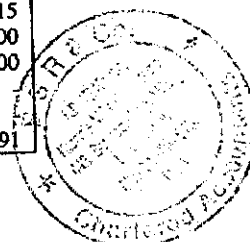
(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

F. NBFC disclosures (Continued)

Assets:	Amount Outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	1,490,000
(b) Unsecured	2,465,350
	Amount Outstanding
(3) (i) Lease assets including lease rentals under sundry debtors	-
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors:	-
(a) Assets on Hire	-
(b) Repossessed Assets	-
(iii) Other loans counting towards AFC activities:	-
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-

	Amount Outstanding
(4) <u>Break-up of Investments</u>	
Current Investments:	
1. <u>Quoted</u> :	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds (net of depreciation)	340,000
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
2. <u>Unquoted</u> :	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
Long Term investments:	
1. <u>Quoted</u> :	
(i) Shares: (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
2. <u>Unquoted</u> :	
(i) Shares: (a) Equity	179,915
(b) Preference	250,000
(ii) Debentures and Bonds	294,000
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others (PTC)	60,391



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

F. NBFC disclosures (Continued)

(5) Borrower group-wise classification of all Leased Assets, Stock on Hire and Loans and Advances: (Please see Note 2 below)			
Category	Amount (net of provisions)		Total
	Secured	Unsecured	
1. Related Parties**	-	-	-
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	1,490,000	2,465,350	3,955,350
TOTAL	1,490,000	2,465,350	3,955,350

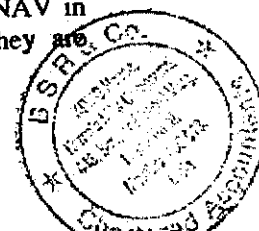
** As per Accounting Standard issued by ICAI (Please see Note 3 below)

(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted) (Please see Note 3 below):		
Category	Market Value / Break-up or fair value or NAV	Book Value (net of provisions)
1. Related Parties	-	-
(a) Subsidiaries	-	-
(b) Companies in the same group #	789,978	769,915
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	789,978	769,915

(7) Other information		Amount
Particulars		
(i) Gross Non-Performing Assets		-
(a) Related Party		-
(b) Other than Related Parties		-
(ii) Net Non-Performing Assets		-
(a) Related Party		-
(b) Other than Related Parties		-
(iii) Assets acquired in satisfaction of debts		-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
- Provisioning norms shall be applicable as prescribed in the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998.
- All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up/fair value/NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (5) above.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

14 Significant accounting policies and notes forming part of financial statements (Continued)

F. NBFC disclosures (Continued)

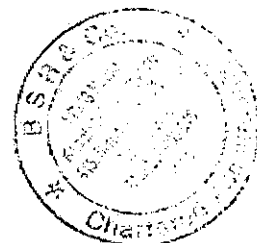
- # Investments being unquoted, net assets value has been calculated as per the last available audited financial statements of the investee company as at 31 March 2009 except Preference share which was taken at book value/cost.
- (ii) In accordance with RBI circular No DNBS(PD)CC No.125/03.05.002/2008 dated 1 August 2008 (Guidelines for NBFC-ND-SI as regards to capital adequacy, liquidity and disclosure norms following additional Disclosures are made in format as prescribed vide paragraph (5) of circular as regards to Capital Adequacy, Liquidity and Disclosure norms.

CRAR

Items	31 March 2010	31 March 2009
(i) CRAR (%)	77.95%	65.30%
(ii) CRAR - Tier I capital (%)	77.95%	65.30%
(iii) CRAR - Tier II Capital (%)	-	-

(Rs in '000)

Exposures		31 March 2010	31 March 2009
Exposure to Real Estate Sector			
Category		Nil	Nil
(a) Direct exposure			
(i) Residential Mortgages -		-	-
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented; (Individual housing loans up to Rs.15 lakh may be shown separately)		-	-
(ii) Commercial Real Estate -		690,000	160,000
Lending secured by mortgages on commercial real estates (office buildings, retail space, multipurpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.). Exposure would also include non-fund based (NFB) limits			
(iii) Investments in Mortgage Backed Securities (MBS) and other securitized exposures -		-	-
a. Residential		-	-
b. Commercial Real Estate		-	-
(b) Indirect Exposure		-	-
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs).		-	-



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2010

(Indian Rupees in '000)

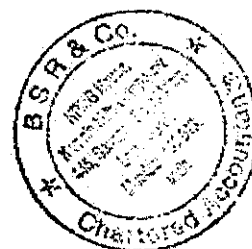
14 Significant accounting policies and notes forming part of financial statements (Continued)

(Rs in '000)

F. NBFC disclosures (Continued)

Maturity pattern of certain items of Assets and Liabilities

	1 Day to 30/31 days (one month)	Over one 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 upto 3 Years	Over 3 years upto 5 years	Over 5 years	Total
Fixed deposits with banks	250,000	-	-	-	-	483,573	-	-	250,000
Advances	2,212	2,399	893,704	777,455	1,796,007	294,000	250,000	179,915	3,955,350
Investments	-	340,000	-	-	60,391	-	-	-	1,124,306
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market borrowings	880,000	-	-	-	394,500	371,000	-	-	1,645,500



Standard Chartered Investments and Loans (India) Limited

Balance sheet abstract and the Company's general business profile

Additional information pursuant to Part IV of Schedule VI to the Act, to the extent applicable

I Registration details

Registration No

142829

State code

11

Balance sheet date

31 03 2010

II Capital raised during the year (Amount in Rs. '000)

Public issue

NIL

Rights issue

NIL

Bonus issue

NIL

Private placement

NIL

III Position of mobilisation and deployment of funds (Amount in Rs. '000)

Total liabilities

6,535,986

Total assets

6,535,986

Source of funds

Paid-up capital

4,543,850

Reserves and surplus

127,562

Net Deferred tax liability

18,930

Secured loans

395,500

Unsecured loans

1,233,682

Application of funds

Net fixed assets

21,472

Investments

1,124,306

Net current assets

5,173,746

Deferred tax asset

-

Profit and Loss account (Debit Balance)

-

Miscellaneous expenditure

-

Standard Chartered Investments and Loans (India) Limited

Balance sheet abstract and the Company's general business profile (Continued)

IV Performance of the Company (Amount in Rs. '000)

Turnover	Total expenditure
813,662	498,457
Profit before tax	Profit after tax
315,205	206,069
Earnings per share	Dividend rate
0.45	3.36%

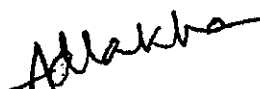
V Generic names of three principal products/ Services of the Company (as per monetary terms)

Item code No (ITC Code)	Not applicable
Product Description	Loans and Investments

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


Sreeram Iyer
Chairman


Dhiren Parekh
Managing Director


Anurag Adlakha
Director


Magaram Suthar
Company Secretary

Mumbai
24 June 2010