

**Standard Chartered Investments and Loans
(India) Limited**

Financial statements
together with the Auditors' Report
for the year ended 31 March 2011

Standard Chartered Investments and Loans (India) Limited

Financial statement together with Auditors' Report

for the year ended 31 March 2011

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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 2011, 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 2011, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on 31 March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Act;

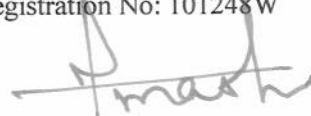


Auditors' Report (*Continued*)

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 2011;
 - 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.

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



Akeel Master
Partner

Membership No: 046768

27 May 2011

Standard Chartered Investments and Loans (India) Limited

Annexure to Auditors' Report - 31 March 2011

(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 2011 (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 2011 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.

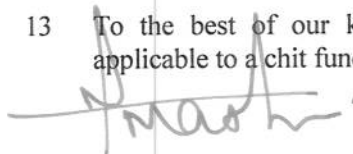
| Sr. No. | Amt (Rs '000) | Nature of dues | Period to which amount relates | Forum where dispute is pending |
|---------|---------------|----------------|--------------------------------|--|
| 1 | 169,277* | Income tax | AY 2005-06 | Reassessment order received and appeal filed and pending before CIT(A) |
| 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). |
| 4 | 7,261*** | Income tax | AY 2006-07 | Order u/s 201 received and appeal filed and pending before CIT(A). |
| 5 | 8,074*** | Income tax | AY 2008-09 | Order u/s 201 received and appeal filed and pending before CIT(A). |

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

** The demand raised in the assessment order will be kept in abeyance till the time order giving effect to CIT(A) order is received.

*** The Company is in the process of filing application to keep 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.



Standard Chartered Investments and Loans (India) Limited

Annexure to Auditors' Report - 31 March 2011 (*Continued*)

- 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.
- 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

27 May 2011

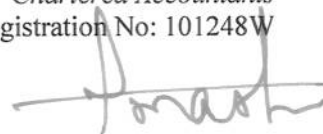
To the Board of Directors of Standard Chartered Investments and Loans (India) Limited

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 2011 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 2011;
- 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 ('AFC'), the Company is not classified as 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 2011;
- The Board of Directors have passed a resolution not to accept deposits from the public at its board meeting dated 25 March 2010;
- The Company has not accepted public deposits during year ended 31 March 2011;
- In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the prudential norms relation to income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as applicable to it in terms of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 in the preparation of financial statements for the year ended 31 March 2011;
- 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:
 - 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

27 May 2011

Standard Chartered Investments and Loans (India) Limited

Balance Sheet

as at 31 March 2011

(Currency : Indian rupees in '000's)

| | Schedule | 31 March 2011 | 31 March 2010 |
|--|-------------|------------------|------------------|
| SOURCES OF FUNDS | | | |
| Shareholder's Fund | | | |
| Share Capital | 1 | 4,543,850 | 4,543,850 |
| Reserves and Surplus | 2 | 167,213 | 127,562 |
| Loan Funds | | | |
| Secured Loans | 3 | 477,985 | 398,123 |
| Unsecured Loans | 4 | 1,071,214 | 1,235,253 |
| Deferred Tax Liability | 15 (E) (5) | - | 18,930 |
| TOTAL | | 6,260,262 | 6,323,718 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | 5, 15 D (6) | | |
| Gross Block | | 49,882 | 57,763 |
| Less : Accumulated Depreciation | | (32,428) | (36,291) |
| Net Block | | 17,454 | 21,472 |
| Investments | 6 | 723,915 | 1,124,306 |
| Long Term Investments | | 723,915 | 784,306 |
| Current Investments | | - | 340,000 |
| Deferred Tax Asset | 15 (E) (5) | 11,787 | - |
| Current assets, Loans and Advances | | | |
| Bank Balances | 7 | 370,069 | 384,485 |
| Other Current Assets | 8 | 242,203 | 210,394 |
| Loans and Advances | 9 | 5,145,735 | 4,795,288 |
| | | 5,758,007 | 5,390,167 |
| Less: Current Liabilities and Provisions | | | |
| Current Liabilities | 10 | 81,190 | 34,216 |
| Provisions | 11 | 169,711 | 178,011 |
| | | 250,901 | 212,227 |
| Net Current Assets | | 5,507,106 | 5,177,940 |
| TOTAL | | 6,260,262 | 6,323,718 |
| Contingent Liabilities | 15 (E) (7) | 1,126,851 | 752,531 |
| Significant accounting policies and notes to financial statements | 15 | | |

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

As per our report of even date.

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

Akeel Master
Partner

Membership No: 046768

27 May 2011
Mumbai

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 2011

(Currency : Indian rupees in '000's)

| | Schedule | 31 March 2011 | 31 March 2010 |
|--|---------------|----------------|----------------|
| INCOME | | | |
| Interest Income on Loans and Advances (TDS Rs 37,006 ; Previous year Rs 80,737) | | 409,595 | 638,960 |
| Interest Income on Investments (TDS Rs 1,122 ; Previous year Rs 6,801) | | 10,699 | 40,133 |
| Interest Income on Bank Deposits (TDS Rs 3,609 ; Previous year Rs 558) | | 39,256 | 3,193 |
| Fee Income (TDS Rs 6,576 ; Previous year Rs 3,612) | | 34,546 | 39,916 |
| Other Interest Income | | 33,877 | 57,219 |
| Dividend Income | | 22,751 | 18,674 |
| Income from Derivatives | | 4,606 | 4,860 |
| Other Income (TDS Rs 403 ; Previous year Rs 255) | | 5,018 | 13,331 |
| | | <u>560,348</u> | <u>816,286</u> |
| EXPENDITURE | | | |
| Interest and other Borrowing Costs | 12 | 83,623 | 109,088 |
| Depreciation on Investment | | - | 6,166 |
| Staff Costs | 13, 15(E)(12) | 27,863 | 32,357 |
| Administrative and Other Expenses | 14 | 133,694 | 146,336 |
| Loss on sale of Fixed Assets including write off | | 505 | 4,383 |
| Depreciation on Fixed assets | 5, 15D(6) | 3,105 | 7,116 |
| Bad Debts (net of recoveries Rs 18,739 (Previous year: Rs 46,830)) | | 7,412 | 195,635 |
| Provision for standard assets | 15(E)(16) | 11,106 | - |
| | | <u>267,308</u> | <u>501,081</u> |
| PROFIT BEFORE TAX | | 293,040 | 315,205 |
| Consist of : | | | |
| - Discontinuing Operations | 15(E)(1) | (85,464) | (238,107) |
| - Continuing Operations | | 378,504 | 553,312 |
| Provision for Taxation | | | |
| - Current Tax | | 125,500 | 99,000 |
| - Deferred Tax Charge / (Credit) | | (30,716) | 10,136 |
| PROFIT AFTER TAX | | 198,256 | 206,069 |
| Consist of : | | | |
| - Discontinuing Operations | 15(E)(1) | (85,464) | (238,107) |
| - Continuing Operations | | 283,720 | 444,176 |
| Balance in Profit and Loss Account brought forward | | - | 13,156 |
| Amount available for Appropriation | | <u>198,256</u> | <u>219,225</u> |
| APPROPRIATIONS | | | |
| Transfer to Statutory Reserve Fund | | 39,651 | 41,214 |
| Profit carried to Balance Sheet | | - | - |
| Proposed equity dividend (3.0033% of paid up equity capital; Previous year: 3.36%) | | 136,467 | 152,656 |
| Dividend distribution tax - equity shares | | 22,138 | 25,355 |
| Total Appropriations | | <u>198,256</u> | <u>219,225</u> |
| Basic and diluted earnings per share of face value of Rs 10 each | 15 (E)(3) | 0.44 | 0.45 |
| Significant accounting policies and notes to financial statements | 15 | | |

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

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

Sreeram Iyer
Chairman

Dhiren Parekh
Managing Director

Anurag Adlakha
Director

Magaram Suthar
Company Secretary

27 May 2011
Mumbai

Standard Chartered Investments and Loans (India) Limited

Cash Flow Statement

for the year ended 31 March 2011

(Currency : Indian rupees in '000's)

| | 31 March 2011 | 31 March 2010 |
|---|---------------|---------------|
| Cash Flows from Operating Activities | | |
| Net Profit before tax | 293,040 | 315,205 |
| Adjustments : | | |
| Add / (Less) : | | |
| Depreciation on Fixed Assets | 3,105 | 7,116 |
| Loss on sale of Fixed Assets including write off | 505 | 4,383 |
| Discount amortised on Commercial Paper issued | 40,176 | 88,716 |
| Debt issue expenses | 4,231 | 5,561 |
| Bad debts | 7,412 | 195,635 |
| Provision / (write-back) for Service Tax (Input Tax Credit) | 62,819 | 50,000 |
| Depreciation on investments | - | 6,166 |
| (Profit) on securitisation | (3,456) | (9,293) |
| Interest on Working Capital loan | 224 | 1,409 |
| Interest on Inter Corporate Deposits | - | 8,975 |
| Dividend Received | (22,751) | (18,674) |
| Income from Derivatives | (4,606) | (4,860) |
| Amortised Premium on Pass Through Certificates (PTC) | 393 | 618 |
| Interest paid on Privately Placed Debentures (PPD) | 38,599 | 3,809 |
| Royalty Accrual | 4,634 | - |
| Provision for Standard Assets | 11,106 | - |
| Other Interest Income | (33,877) | (57,219) |
| Operating cash flow before working capital changes | 108,514 | 282,342 |
| Adjustments for : | | |
| Add / (Less) : | | |
| Increase in Current Liabilities & Provisions | 55,927 | (25,176) |
| (Increase)/decrease in Loans and Advances | (314,376) | 667,541 |
| Bad debts recovered | 18,739 | 46,380 |
| (Increase)/decrease in other Current Assets | (60,750) | (13,614) |
| | (300,460) | 675,131 |
| Net Cash from Operating Activities before taxes | 101,094 | 1,272,678 |
| Less/Add : Tax Paid/Refund | (187,722) | (2,941) |
| Net Cash from Operating Activities | (86,628) | 1,269,737 |
| -of which Discontinuing Operations | (6,673) | (4,072) |
| Cash Flow from Investing Activities | | |
| Purchase of Fixed Assets | (61) | - |
| Proceeds from sale of Fixed Assets | 469 | 818 |
| Dividend received | 22,751 | 18,674 |
| Decrease/(Increase) in Investments | 399,997 | (605,009) |
| Net Cash from Investing Activities | 423,156 | (585,517) |
| -of which Discontinuing Operations | 469 | 818 |



Standard Chartered Investments and Loans (India) Limited

Cash Flow Statement

for the year ended 31 March 2011

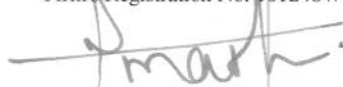
(Currency : Indian rupees in '000's)

| | 31 March 2011 | 31 March 2010 |
|--|------------------|------------------|
| Cash Flow from Financing Activities | | |
| Issue of Privately Placed Debentures | 395,400 | 395,500 |
| (Redemption) of Privately Placed Debentures | (364,269) | - |
| Income from Derivatives | 4,606 | 4,860 |
| Debt issue expenses | (4,231) | (5,561) |
| Redemption of Inter Corporate Deposits | - | (100,000) |
| Issue of Commercial Paper | 1,070,900 | 12,590,000 |
| (Repayment) of Commercial Paper | (1,275,114) | (13,335,152) |
| Interest Paid on Working Capital Loan | (224) | (1,409) |
| Equity dividend paid for the previous year (including Dividend Distribution Tax thereon) | (178,012) | - |
| Interest paid on Inter Corporate Deposits | - | (8,975) |
| Net Cash from Financing Activities | (350,944) | (460,737) |
| Net Increase / (Decrease) in cash and cash equivalents | (14,416) | 223,483 |
| Cash and cash equivalents at the beginning of the year (E) (refer schedule 7) | 384,485 | 161,002 |
| Cash and cash equivalents at the end of the year (D+E) (refer schedule 7) | 370,069 | 384,485 |

For B S R & Co.

Chartered Accountants

Firm's Registration No: 101248W



Akeel Master

Partner

Membership No: 046768

27 May 2011

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 the financial statements (Continued)

as at 31 March 2011

(Currency : Indian rupees in '000's)

Schedule - 1

Share Capital

Authorised:

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

31 March 2011

31 March 2010

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

127,562

86,348

Transfer from Profit and Loss Account

39,651

41,214

Closing Balance

167,213

127,562

Balance in Profit and Loss Account

-

-

167,213

127,562

Schedule - 3

Secured Loans

Privately Placed Debentures ('PPD')

3,954 (Previous year: Nil) PPD of face value of Rupees 1 Lacs each redeemable on 28 May 2012

413,595

-

3,353 (Previous year: 3,353) PPD of face value of Rupees 1 Lacs each redeemed on 22 March 2011

-

336,898

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

38,330

36,480

245 (Previous year 245) PPD of face value of Rupees 1 Lacs each redeemable on 23 January 2012

26,060

24,745

[a. Secured against investments, deposits, bank balances, loan assets and receivables]

[b. Comprises Rs 429,254 (Previous year: Rs 375,319) being the amortised cost of PPD's and Rs 48,732 (Previous year: Rs 22,804) representing deferred income liability relating to the underlying embedded derivative]

477,985

398,123

Schedule - 4

Unsecured Loans (Short Term)

Commercial Papers

1,100,000

1,250,000

Unamortised Discount

(28,786)

(14,747)

1,071,214

1,235,253



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements (Continued)

as at 31 March 2011

(Currency : Indian rupees in '000's)

Schedule - 5 - Fixed Assets

| DESCRIPTION | GROSS BLOCK AT COST | | DEPRECIATION | | NET BLOCK | |
|------------------------|-----------------------|------------------------|-----------------------|------------------------|------------------------|------------------------|
| | As at 1 April 2010 | As at 31 March 2011 | As at 1 April 2010 | As at 31 March 2011 | As at 31 March 2011 | As at 31 March 2010 |
| | | | Additions | Deletions | | |
| Computer Hardware | 2,765 | 1,698 | 61 | (1,128) | 24 | 105 |
| Furniture and Fittings | 1,535 | - | - | (1,535) | - | 888 |
| Office Equipment | 2,214 | 739 | - | (1,475) | 284 | 913 |
| Premises | 19,856 | 19,856 | - | - | 17,146 | 17,543 |
| Leasehold Improvements | 3,804 | - | - | (3,804) | - | 1,927 |
| <i>Intangibles</i> | | | | | | |
| Computer Software | 27,589 | 27,589 | - | - | - | 96 |
| Total | 57,763 | 49,882 | 61 | (7,942) | 17,454 | 21,472 |
| Previous Year | 101,706 | 57,763 | - | (43,943) | 21,472 | |



Standard Chartered Investments and Loans (India) Limited
Schedules to the financial statements (Continued)

as at 31 March 2011

(Currency : Indian rupees in '000's)

| | 31 March 2011 | 31 March 2010 |
|---|------------------|------------------|
| Schedule - 6 | | |
| Investments | | |
| <i>Long Term Investments</i> | | |
| 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 |
| 2,940,000 (Previous year: 2,940,000) Optionally Convertible Debentures of face value Rs.100 each for a tenor of 18 months maturing on 23 April 2011 | 294,000 | 294,000 |
| 2,500,000 (Previous year: 2,500,000) Non Convertible Cumulative Preference Shares of Standard Chartered Securities (India) 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 | 250,000 |
| 60 (Previous year: 60) Pass Through Certificates (PTC) of Rs 1,016,812 each matured on 2 February 2011 | - | 61,009 |
| Less: Premium amortised | - | 618 |
| Total long term investments (A) | 723,915 | 784,306 |
| <i>Current Investments</i> | | |
| Quoted | | |
| 34 (Previous year: 34) 11.15% Non Convertible Debentures of Rs 10,000,000 each issued by Standard Chartered Bank. (Since matured on 23 May 2010) | - | 428,309 |
| Less: Provision for Depreciation on mark to market of current investment | - | (88,309) |
| Total Current Investments (B) | - | 340,000 |
| Total (A + B) | 723,915 | 1,124,306 |
| Aggregate book value of quoted investments | - | 428,309 |
| Aggregate market value of quoted investments | - | 340,000 |
| Aggregate book value of unquoted investments | 723,915 | 784,306 |
| Schedule - 7 | | |
| Bank Balances | | |
| Balance with Banks in Fixed Deposits | 70,292 | 250,000 |
| Balance with Scheduled Banks in Current Account | 299,777 | 134,485 |
| | 370,069 | 384,485 |
| Schedule - 8 | | |
| Other Current Assets | | |
| Interest accrued on Advances | 60,637 | 9,490 |
| Interest accrued on Tax Refunds | 176,121 | 142,244 |
| Interest accrued on Fixed Deposits | 3,317 | 150 |
| Service Tax (Input tax credit) (Net of Provision Rs 112,819; Previous year: Rs 50,000) | - | 57,862 |
| Others | 2,128 | 648 |
| | 242,203 | 210,394 |
| Schedule - 9 | | |
| Loans and Advances | | |
| <i>Secured and considered good</i> | | |
| Loans to Companies * | 2,508,486 | 1,490,000 |
| <i>Unsecured and considered good</i> | | |
| Loans to Companies | 1,636,519 | 2,377,934 |
| Consumer Loans | 3,789 | 87,416 |
| Security Deposits | 3,542 | 7,229 |
| Margins with custodian | 61,086 | 11,333 |
| Advance Tax [Net of provision for tax [including FBT] Rs 477,637) (Previous year: Rs 353,387)] | 932,313 | 821,376 |
| | 5,145,735 | 4,795,288 |
| * includes loans aggregating to Rs 481,322 for which security has been registered in April 2011 | | |
| Schedule - 10 | | |
| Current Liabilities | | |
| Sundry Creditors | 17,574 | 30,074 |
| Others | 63,616 | 4,142 |
| | 81,190 | 34,216 |
| Schedule - 11 | | |
| Provisions | | |
| Proposed Dividend | 136,467 | 152,656 |
| Dividend Distribution Tax | 22,138 | 25,355 |
| Contingent Provisions against Standard Assets (see note 15(E)(16)) | 11,106 | - |
| | 169,711 | 178,011 |



Standard Chartered Investments and Loans (India) Limited
Schedules to the financial statements (Continued)

for the year ended 31 March 2011

(Currency : Indian rupees in '000's)

31 March 2011

31 March 2010

Schedule - 12

Interest and Other Borrowing Costs

| | | |
|---|---------------|----------------|
| Discount amortised on Commercial Paper issued | 40,176 | 88,716 |
| Interest on PPD | 38,599 | 3,809 |
| Debt Issue Expenses amortised | 4,231 | 5,561 |
| Interest on Inter Corporate Deposits | - | 8,975 |
| Interest on Working Capital Loan | 224 | 1,409 |
| Premium amortised on PTC | 393 | 618 |
| | <u>83,623</u> | <u>109,088</u> |

Schedule - 13

Staff Costs (Refer note 15(E)(12))

| | | |
|--------------------------------|---------------|---------------|
| Salaries, Bonus and Allowances | 27,837 | 32,099 |
| Staff Welfare expenses | 26 | 258 |
| | <u>27,863</u> | <u>32,357</u> |

Schedule - 14

Administrative and Other Expenses

| | | |
|--|----------------|----------------|
| Support Service Charges (Refer note 15(E)(12)) | 24,331 | 13,105 |
| Collection Charges | 10,767 | 30,733 |
| Brokerage and Other Fees | 5,869 | 14,657 |
| Outsourcing Expenses | 5,387 | 9,682 |
| Rent, Rates and Taxes | 5,200 | 7,198 |
| Royalty charges | 4,634 | - |
| System maintenance charges | 1,438 | 1,497 |
| Repairs and Maintenance - Premises | 911 | 2,955 |
| Legal Expenses | 746 | 4,710 |
| Communication Expenses | 816 | 1,184 |
| Travelling and Conveyance | 598 | 697 |
| Printing and Stationery | 278 | 528 |
| Repairs and Maintenance - Others | 276 | 70 |
| Auditors' Remuneration | | |
| - Statutory audit | 1,050 | 1,000 |
| - Tax audit | 263 | 250 |
| - Others | 472 | 425 |
| | <u>1,785</u> | <u>1,675</u> |
| Bank Charges | 299 | 187 |
| Provision for Service Tax (Input tax credit) | 62,819 | 50,000 |
| Other Expenses | 7,540 | 7,458 |
| | <u>133,694</u> | <u>146,336</u> |



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

15 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 (including small ticket personal loans, discontinued since July 2008) and Investments.

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 Management's 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 Pass Through Certificates ('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 2011

(Indian Rupees in '000's)

15 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 and commission 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, which ever 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 in accordance with the prescribed RBI guidelines.

Non-performing loans are identified by periodic appraisals of the portfolio by the 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.

The Company also maintains a general provision at rates and as per norms prescribed by the 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 amortised cost like any other regular fixed rate debenture. 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 MTM as per the rates declared by National Stock Exchange of India and any 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 2011

(Indian Rupees in '000's)

15 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 MTM against the premium prevailing on that date. Any 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 Institute of Chartered Accountants of India ('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 2011

(Indian Rupees in '000's)

15 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 and impairments if any. Acquisition cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use.
- 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 estimated 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 (computer software) are capitalised on the basis of the cost incurred to acquire and put 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 subject to a maximum of depreciated historical cost.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

15 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 of the instrument.
- 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 2011

(Indian Rupees in '000's)

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

D. Significant accounting Policies (*Continued*)

10. Earnings per share (EPS)

The basic EPS 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 EPS 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 EPS 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. Deferred tax assets 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 2011

(Indian Rupees in '000's)

15 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 small ticket personal loans since July 2008. The Company has closed down all branches and disposed of fixed assets including leasehold improvements related to these branches. The Company is concentrating on recovery of outstanding debts. Assets and Liabilities as at 31 March 2011 and revenues and expenses for the year ended 31 March, 2011 contained following amounts relating to these discontinuing operations.

| Particulars | March 2011 | March 2010 |
|----------------------------------|------------|------------|
| Gross Revenues | 10,070 | 101,432 |
| Expenditure (includes bad debts) | 89,385 | 316,876 |
| Loss before tax ** | (85,464) | (238,107) |
| Loss after tax | (85,464) | (238,107) |
| Total Assets | 14,667 | 158,835 |
| Total Liabilities | 67,445 | 318,086 |

**Includes attributable earning on Capital and Reserves (Refer 15 (E) (10) of Notes to financial statements)

2. Securitisation

a) Debenture's Securitised

In the previous year ended 31 March 2010, the Company had provided credit enhancement to the extent of Rs 168,903 (Current year: Nil) in the form of recourse obligation relating to securitisation of debentures outstanding as on 31 March 2010 aggregating to Rs 1,689,025. These debentures have matured during the year ended 31 March 2011 and consequently the credit enhancement provided earlier have been extinguished.

b) Loan Assignment

During the current year, the Company has purchased three assigned loans aggregating to Rs 346,150 (Book Value Rs 346,402) at a profit of Rs 253 [Previous year assigned a loan for Rs 481,414 (Book Value: Rs 481,414) at cost].

c) Loans Securitised

In the previous year ended 31 March 2010, the Company had provided credit enhancement to the extent of Rs 57,640 (Current year: Nil) in the form of recourse obligation relating to any potential delay / shortfall on interest component on securitised loans. These securitised loans have matured during the year ended 31 March 2011 and consequently the credit enhancement provided earlier has extinguished.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

2. Securitisation (*Continued*)

c) Loans Securitised (*Continued*)

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

| Description | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|-----------------------------------|-------------------------------------|-------------------------------------|
| 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. Nil remain unamortised as at 31 March 2011 (Rs 3,856 as at 31 March 2010).

3. Earnings per share (EPS)

EPS 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 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Net profit (gross of transfer to statutory reserve) attributable to equity shareholders | 198,256 | 206,069 |
| Weighted average number of equity shares (in '000's) 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.) | 0.44 | 0.45 |

The Basic and Diluted EPS 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 2011

(Indian Rupees in '000's)

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

4. Leases (Continued)

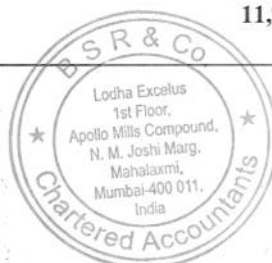
- All leases are cancellable leases. Rentals payable are as per the agreements. Lease agreements do not have any undue restrictive or onerous clauses; other than those normally prevalent in similar agreements, for use of assets, rental increases and lease renewals.
- Operating lease charges are recognised 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, 2011 is Rs. 5,200 (Previous year Rs. 7,198).
- Premises given on lease:

| Description | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Gross carrying amount | 19,856 | 19,856 |
| Accumulated Depreciation | 2,710 | 2,313 |
| 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 | Year ended 31 March 2011 | Year ended 31 March 2010 |
|--|-----------------------------|-----------------------------|
| Deferred Tax Assets | | |
| Depreciation on Fixed Assets | 10,679 | 10,782 |
| Provision for Standard Assets | 3,603 | - |
| Unamortised fees | 8,246 | - |
| Loss on sale of Fixed Assets | 164 | - |
| Expenses on Leasehold Improvements | - | 100 |
| Premium amortised on PTC | - | 205 |
| Unamortised Profit on assignment of loans | 212 | - |
| Unamortised Profit on Securitisation | - | 1,281 |
| Provision for un-utilized Service Tax Credit | 36,791 | 16,610 |
| Total Deferred Tax Asset | 59,695 | 28,978 |
| Deferred Tax Liabilities | | |
| Interest accrued on Income Tax refunds | (47,908) | (47,908) |
| Total Deferred Tax Liability | (47,908) | (47,908) |
| Net Deferred Tax Asset/(Liability) | 11,787 | (18,930) |



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

6. Managerial remuneration

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 | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|------------------------------------|-------------------------------------|-------------------------------------|
| Salary | 2,500 | 2,377 |
| Performance linked incentive | 600 | 750 |
| Retirement benefits-Provident fund | 103 | 94 |
| Total | 3,203 | 3,221 |

Managerial remuneration of Rs 3,203 (Previous year: Rs 3,221) represents amounts reimbursed to Standard Chartered Bank- India branches ("the Bank") in respect of Staff Secondment and is included in Schedule 13.

7. Capital Commitments and Contingent Liabilities

| | 31 March 2011 | 31 March 2010 |
|---|------------------|----------------|
| Undisbursed Sanctions (see Note 1) | 280,000 | - |
| Financial Guarantees (see Note 2) | 453,800 | 453,800 |
| Taxation (see Note 3) | 206,174 | 16,942 |
| Credit enhancement on Securitisation (see Note 15 E (2)(c)) | - | 57,640 |
| Credit enhancement on Subordinated debt (see Note 15 E (2) (a)) | - | 168,903 |
| Open Contracts (see Note 4) | 186,877 | 55,246 |
| Total | 1,126,851 | 752,531 |

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

Note 2: Financial Guarantees represent guarantees 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, 2006-07, 2007-08 and 2008-09 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 2011.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

8. Unexpired Equity Derivative Contracts

The detail of open position in Index Futures / Option as on 31 March, 2011 is given below:

| Name of Derivative | No of contracts | Expiry Date | No of units | Notional amount (Rs. in '000) |
|----------------------|-----------------|---------------|-------------|----------------------------------|
| S&P CNX Nifty Future | 1 | 28 April 2011 | 31,800 | 186,877 |

The detail of open position in Index Futures / Option as on 31 March, 2010 is given below:

| 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 |

| Type of Instrument | Total Premium carried forward on 31 March 2011 | Total Premium carried forward on 31 March 2010 |
|---|---|---|
| S&P CNX Nifty- Long Option Call European | Nil | 144 |

9. Expenditure in foreign currency (on actual basis)

A sum of Rs. 152,656 (Previous year: Rs. Nil) in respect of equity dividend was remitted during the year in respect of dividend for the period 1 April 2009 to 31 March 2010 (excluding dividend distribution tax) on 454,385 shares (000's) held by Standard Chartered Bank, UK.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

10. Segmental Reporting

Segment Descriptions

| Segment Definition | Activities |
|---------------------------------------|---|
| Global Markets | Includes fixed income and other asset liability management products |
| Origination and Client Coverage (OCC) | 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 2011

(Indian Rupees in '000's)

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

10. Segmental reporting (Continued)

| Description | OCC | | Global Markets | | Consumer Finance (Discontinued operation) | | Unallocated | | Total |
|--|------------------|------------------|------------------|------------------|--|------------------|------------------|------------------|------------------|
| | 31 March 2011 | 31 March 2010 | 31 March 2011 | 31 March 2010 | 31 March 2011 | 31 March 2010 | 31 March 2011 | 31 March 2010 | 31 March 2010 |
| Segment Revenue | | | | | | | | | |
| Income from External Customers | 437,527 | 589,214 | 54,561 | 48,186 | 10,070 | 101,432 | - | - | 738,832 |
| Other Income | - | - | - | - | - | - | 58,190 | 77,454 | 77,454 |
| Total | 437,527 | 589,214 | 54,561 | 48,186 | 10,070 | 101,432 | 58,190 | 77,454 | 816,286 |
| Segment Results** | 261,591 | 214,713 | 111,057 | 348,240 | (85,464) | (238,107) | 5,856 | (9,641) | 315,205 |
| Income Taxes | | | | | | | | | |
| Current Tax | | | | | | | (125,500) | (99,000) | (99,000) |
| Deferred Tax | | | | | | | 30,716 | (10,136) | (10,136) |
| Profit After Tax | | | | | | | 198,256 | | 206,069 |
| Other Information | | | | | | | | | |
| Carrying amount of Segment Assets | 4,495,235 | 3,979,774 | 430,176 | 974,335 | 14,667 | 158,835 | 1,571,085 | 1,423,001 | 6,535,945 |
| Carrying amount of Segment Liabilities** | 3,109,144 | 2,969,112 | 2,090,629 | 2,215,422 | 67,445 | 318,086 | 1,243,945 | 1,033,325 | 6,535,945 |
| Capital Expenditure | - | - | - | - | - | - | 61 | - | - |
| Depreciation | - | - | - | - | (2,523) | (6,497) | (582) | (619) | (7,116) |
| Non Cash Expenditure other than Depreciation | (18,826) | - | (41,850) | (87,219) | (58,213) | (250,018) | - | - | (337,237) |

** Refer note 2 and 3 of Segmental reporting



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

11. Related Parties 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 Securities (India) Ltd (formerly Standard Chartered – STCI Capital Markets Limited) | Fellow subsidiary |
| Standard Chartered Finance Limited | Fellow subsidiary |
| Standard Chartered (India) Wealth Advisory Services Private Limited | Associate Enterprise |
| Standard Chartered Strategic Brand Management Limited | Fellow subsidiary |

| Transactions with Standard Chartered Bank – India Branches | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Leasing arrangements availed | 2,571 | 2,932 |
| Leasing arrangements provided | 1,560 | 1,560 |
| Receiving of services | 52,960 | 46,396 |
| Issue and Paying agent fees | 845 | 620 |
| Arranger fee | - | 1,448 |
| Interest on Non Convertible Debentures | 5,401 | 37,910 |
| Other Expenses | 307 | 210 |
| Consideration towards purchase of loans | 346,150 | - |

| | As at 31 March 2011 | As at 31 March 2010 |
|-------------------------------|------------------------|------------------------|
| Sundry Balances - Net Payable | 7,077 | 16,448 |

Banking Transaction and Balances

| | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Issuance of Commercial Papers | - | 2,132,430 |
| Maturity of Commercial Papers | 880,000 | 1,830,000 |
| Discount amortised on Commercial Paper | 1,325 | 21,198 |
| Interest on Working Capital Loan | 224 | 1,409 |
| Bank Charges | 63 | 82 |
| Interest Received | 21,855 | 2,964 |
| Margin money | 61,086 | 11,333 |



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

11. Related Parties Disclosure (*Continued*)

| | As at 31 March 2011 | Maximum outstanding during the year | As at 31 March 2010 | Maximum outstanding during the previous year |
|----------------------------|------------------------|---|------------------------|---|
| Non Convertible Debentures | - | 340,000 | 340,000 | 340,000 |
| Bank Balance | 296,281 | 850,063 | 133,454 | 133,454 |
| Working Capital Loan | - | 130,000 | - | 650,000 |
| Commercial Paper | - | 880,000 | 880,000 | 880,000 |
| Fixed Deposits | - | 660,000 | - | 470,000 |

| Transactions with Scope International Private Limited | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|-------------------------------------|-------------------------------------|
| Service Charges | 1,593 | 3,357 |

| | As at 31 March 2011 | As at 31 March 2010 |
|-------------------------------|---------------------|---------------------|
| Sundry Balances - Net Payable | 121 | 748 |

| Transactions with Standard Chartered Finance Limited | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Dividend Income | 19,492 | 13,977 |
| Rental Charges Received | 1,755 | 1,793 |
| Service charges Paid | 825 | 2,360 |

| | As at 31 March 2011 | As at 31 March 2010 |
|----------------------------------|------------------------|------------------------|
| Sundry Balances - Net Receivable | 344 | 457 |

| Transactions with Standard Chartered (India) Wealth Advisory Services Private Limited | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Dividend Income | 3,259 | 4,697 |



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

11. Related party disclosure (Continued)

| Transactions with Standard Chartered Securities (India) Ltd (formerly Standard Chartered – STCI Capital Markets Ltd) | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|--|-------------------------------------|-------------------------------------|
| Brokerage and other charges paid | 3,085 | 12,957 |

| | As at 31 March 2011 | As at 31 March 2010 |
|----------------------------------|------------------------|------------------------|
| Brokerage Payable | 175 | 31 |
| Investments in Preference Shares | 250,000 | 250,000 |

| Transactions with Standard Chartered Strategic Brand Management Limited | For the year ended 31 March 2011 | For the year ended 31 March 2010 |
|---|-------------------------------------|-------------------------------------|
| Royalty Costs | 4,634 | - |

| | As at 31 March 2011 | As at 31 March 2010 |
|------------------------------|------------------------|------------------------|
| Royalty Payable (net of TDS) | 4,145 | - |

Key Management Personnel

Dhiren Parekh, was the Managing Director from 1 April 2010 to 31 March 2011. Refer note 15 (E) (6) for details of transactions.

12. 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 13.

The Bank incurs expenditure on support functions like Corporate Real Estate Services, Human Resources, Finance, Legal, Compliance, Country Audit, 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 such expenditure is shown as Support Service Charges under Schedule 14.

13. 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.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

14. 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 2011. 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.

15. Unamortised Discount

The Company has unamortised discount on commercial papers to the extent of Rs 28,786 as at 31 March 2011 (Previous year Rs 14,747).

16. Provision for Standard Assets

A general provision at 0.25% of the outstanding standard assets, have been made during the current financial year ended 31 March 2011 (Previous year: Nil) as prescribed by RBI vide its circular no RBI/2010-11/370 DNBS.PD.CC.No.207/ 03.02.002 /2010-11 dated 17 January 2011. This provision has been separately disclosed under Schedule 11 – Contingent provision against Standard Assets.

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.

19. Comparatives

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



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

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 2011

| 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 | 477,985 | - |
| : Unsecured | | - |
| (other than falling within the meaning of public deposits*) | - | - |
| (b) Deferred Credits | | |
| (c) Term Loans | - | - |
| (d) Inter-Corporate Loans and Borrowing | - | - |
| (e) Commercial Paper | 1,071,214 | - |
| (f) Other Loans: | - | - |
| (Please see Note 1 below) | - | - |

| Assets: | Amount Outstanding |
|--|--------------------|
| (2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]: | |
| (a) Secured | 2,508,486 |
| (b) Unsecured | 1,640,308 |
| | 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 Asset Finance Company activities: | - |
| (a) Loans where assets have been repossessed | - |
| (b) Loans other than (a) above | - |



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

F. NBFC disclosures (Continued)

| | 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) | - |
| (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 | - |

(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 | 2,508,486 | 1,640,308 | 4,148,794 |
| Total | 2,508,486 | 1,640,308 | 4,148,794 |

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



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

F. NBFC disclosures (*Continued*)

| (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 # | 463,585 | 429,915 |
| (c) Other related parties | - | - |
| 2. Other than related parties | - | - |
| Total | 463,585 | 429,915 |

| (7) Other information | |
|--|--------|
| Particulars | Amount |
| (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.
- # 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 2010 except Preference share which was taken at book value/cost.



Standard Chartered Investments and Loans (India) Limited

Schedules to the financial statements

for the year ended 31 March 2011

(Indian Rupees in '000's)

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

F. NBFC disclosures (*Continued*)

- (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 2011 | 31 March 2010 |
|----------------------------------|---------------|---------------|
| (i) CRAR (%) | 86.04% | 77.95% |
| (ii) CRAR - Tier I capital (%) | 85.84% | 77.95% |
| (iii) CRAR - Tier II Capital (%) | 0.20% | - |

| Exposures | | | |
|--|--|---------------|---------------|
| Exposure to Real Estate Sector | | | |
| Category | | 31 March 2011 | 31 March 2010 |
| (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 - | | - | - |
| 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 | | 1,212,462 | 690,000 |
| (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 2011

(Indian Rupees in '000's)

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

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 | - | 10,000 | 40,000 | 10,000 | - | 10,292 | - | 70,292 |
| Advances | 557,703 | 13,578 | 56,666 | 779,435 | 1,713,845 | 1,003,267 | 24,300 | 4,148,794 |
| Investments | 294,000 | - | - | - | - | 250,000 | 179,915 | 723,915 |
| Borrowings from banks | - | - | - | - | - | - | - | - |
| Market borrowings* | 35,700 | - | - | 1,100,000 | 24,500 | 395,400 | - | 1,555,600 |
| * above disclosed at face value | | | | | | | | |

For B S R & Co.

Chartered Accountants

Firm's Registration No: 101248W



Akeel Master
Partner

Membership No. 046768
27 May 2011
Mumbai

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

Balance Sheet Abstract and the Company's General Business Profile for the year ended 31 March 2011

(Currency: Indian rupees in 000's)

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 2011

II Capital raised during the year

| | |
|--|--|
| Public issue | Rights issue |
| NIL | NIL |
| Bonus issue | Private placement |
| NIL | NIL |

III Position of mobilisation and deployment of funds

Source of Funds

| | |
|--|--|
| Total liabilities | Total assets |
| 6,511,163 | 6,511,163 |
| Paid-up capital | Reserves and surplus |
| 4,543,850 | 167,213 |
| | Net Deferred tax liability |
| | - |
| Secured loans | Unsecured loans |
| 477,985 | 1,071,214 |

Application of Funds

| | |
|--|--|
| Net fixed assets | Investments |
| 17,454 | 723,915 |
| Net current assets | Deferred tax asset |
| 5,507,106 | 11,787 |
| 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 for the year ended 31 March 2011

(Currency: Indian rupees in 000's)

IV Performance of the Company

| | |
|--------------------|-------------------|
| Turnover | Total expenditure |
| 560,348 | 267,308 |
| Profit before tax | Profit after tax |
| 293,040 | 198,256 |
| Earnings per share | Dividend rate |
| 0.44 | 3.0033% |

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
27 May 2011