

**Standard Chartered Investments and
Loans (India) Limited**
Standalone Financial Statements
together with the auditors report
for the year ended 31 March 2016

Standard Chartered Investments and Loans (India) Limited

Standalone Financial statements together with auditor's report

For the year ended 31 March 2016

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Independent Auditor's Report

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

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Standard Chartered Investments and Loans (India) Limited ("the Company"), which comprise the Balance sheet as at 31 March 2016, the Statement of profit and loss, the Cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.



Independent Auditor's Report (*Continued*)

Standard Chartered Investments and Loans (India) Limited

Auditor's Responsibility (*Continued*)

In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements 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 2016;
- (b) in the case of the Statement of Profit and Loss, 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the said Order.

As required by Section 143 (3) of the Act, we report that:

- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- (c) the Balance sheet, the Statement of Profit and Loss and the Cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India;
- (e) on the basis of the written representations received from the Directors as on 31 March 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



Independent Auditor's Report (Continued)

Standard Chartered Investments and Loans (India) Limited

Report on Other Legal and Regulatory Requirements (Continued)

(g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. the Company does not have any pending litigations which would impact its financial position;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 24 to the standalone financial statements for details of the contingent liability and commitments and
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

Mumbai
16 June 2016

Annexure A to the Independent Auditor's Report of even date on standalone financial statements of Standard Chartered Investments and Loans (India) Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of the immovable property is held in the name of the Company.
- (ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the provisions of Section 185 and 186 of the Act are not applicable to the Company. Accordingly, paragraph 3(iv) of the Order is not applicable.
- (v) 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 73 to Section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under Sub-section (1) of Section 148 of the Act for any of the services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income tax, service tax and other statutory dues have generally been deposited regularly during the year by the Company to the appropriate authorities. As explained to us, no undisputed amounts are payable in respect of provident fund, employees' state insurance, sales tax, value added tax and other material statutory dues outstanding as on last day of the financial year for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, other than those stated in the following table, there are no dues of income tax or service tax and other material statutory dues which have not been deposited on account of any dispute.



Annexure A to the Independent Auditor's Report of even date on standalone financial statements of Standard Chartered Investments and Loans (India) Limited

Sr No.	Amount (in lakhs)	Nature of dues	Period to which it relates	Forum where dispute is pending
1	10	Income Tax	A.Y. 2005-06	Appeal filed and pending before CIT(A)
2	488	Income Tax	A.Y. 2006-07	Appeal filed and pending before ITAT
3	73	Income Tax	A.Y. 2006-07	Appeal filed and pending before CIT(A)
4	9	Income Tax	A.Y. 2008-09	Appeal filed and pending before CIT(A)
5	1	Income Tax	A.Y. 2009-10	Appeal filed and pending before ITAT
6	79	Income Tax	A.Y. 2010-11	Appeal filed and pending before CIT(A)
7	4	Income Tax	A.Y. 2010-11	Rectification application & Appeal filed and pending before CIT(A)
8	3	Income Tax	A.Y. 2011-12	Appeal filed and pending before CIT(A)
Total	667			

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. During the financial year ended 31 March 2016 the Company did not have any dues to the Government or any debenture holders.
- (ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. During the financial year ended 31 March 2016, the Company has not raised any monies by way of initial public offer or further public offer.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no instance of fraud on the Company were identified and reported by its officers or employees during the year.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.



Annexure A to the Independent Auditor's Report of even date on standalone financial statements of Standard Chartered Investments and Loans (India) Limited

- (xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and the details have been disclosed in the standalone financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 14 February 2004.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046882

Mumbai
16 June 2016

Annexure – B to the Independent Auditors' Report of even date on standalone financial statements of Standard Chartered Investments and Loans (India) Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Standard Chartered Investments and Loans (India) Limited ("the Company") as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safe-guarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Annexure – B to the Independent Auditors' Report of even date on standalone financial statements of Standard Chartered Investments and Loans (India) Limited

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai
Partner

Membership No: 046822

Mumbai
16 June 2016

Standard Chartered Investments and Loans (India) Limited

Balance sheet

as at 31 March 2016

(Currency : Indian rupees in Lakhs)

	Note	31 March 2016	31 March 2015
Equity and liabilities			
Shareholder's funds			
Share capital	3	45,439	45,439
Reserves and surplus	4	27,362	22,018
Non-current liabilities			
Long term borrowings	5	-	18,380
Non-current liabilities	6	352	396
Long term provisions	7	102	87
Current liabilities			
Short term borrowings	8	25,292	44,903
Other current liabilities	9	14,625	2,353
Short term provisions	7	3,610	6,175
Total		116,782	139,751
Assets			
Non-current assets			
Fixed assets			
Tangible assets	10	243	216
Intangible assets under development	10	90	-
Non-current investments	11	1,515	1,515
Deferred tax asset (net)	23	1,275	1,179
Long term loans and advances	12	43,359	44,612
Other non-current assets	13	1,803	1,806
Current assets			
Cash and bank balances	14	18,447	2,021
Short term loans and advances	15	49,708	87,826
Other current assets	16	342	576
Total		116,782	139,751
Contingent liabilities and commitments	24	5,582	7,551
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the financial statements

As per our report of even date

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

16 June 2016

Mumbai

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



Anurag Adlakha

Director

DIN No: 00296012

V. Anantharaman

Director

DIN No: 01223191



Saket Maheshwari

Company Secretary & Chief Financial Officer

ACS: A21823

16 June 2016

Mumbai



Standard Chartered Investments and Loans (India) Limited

Statement of Profit and Loss

for the year ended 31 March 2016

(Currency : Indian rupees in Lakhs)

	Note	31 March 2016	31 March 2015
Revenue			
Revenue from operations	17	14,426	15,494
Total revenue		<u>14,426</u>	<u>15,494</u>
Expenditure			
Finance costs	18	4,610	5,484
Staff costs	19	687	809
Other expenses	20	967	3,751
Depreciation on fixed assets	10	8	2
		<u>6,272</u>	<u>10,046</u>
Profit before tax		<u>8,154</u>	<u>5,448</u>
- Current tax		2,906	2,667
- Deferred tax charge / (credit)		(96)	(889)
Profit after tax		<u>5,344</u>	<u>3,670</u>
Basic and diluted earnings per share of face value of Rs 10 each	21	1.18	0.81

Summary of significant accounting policies

2

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

16 June 2016

Mumbai

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



Anurag Adlakha

Director

DIN No: 00296012



V. Anantharaman

Director

DIN No: 01223191



Saket Maheshwari

Company Secretary & Chief Financial Officer

ACS: A21823

16 June 2016

Mumbai



Standard Chartered Investments and Loans (India) Limited

Cash flow statement

for the year ended 31 March 2016

(Currency : Indian rupees in Lakhs)

	31 March 2016	31 March 2015
Cash flows from operating activities		
Net profit before tax	8,154	5,448
Adjustments :		
Add / (Less) :		
Depreciation on fixed assets	8	3
Discount amortised on commercial paper issued	2,920	3,302
Debt issue expenses amortised	47	51
Provision for doubtful loans and advances (net of write back)	433	3,048
Provision for service tax (input tax credit)	0	6
Interest on working capital loan	33	44
Dividend received	(94)	(162)
Interest on inter corporate borrowings	6	36
Interest paid others	-	1
Interest on secured term loans	1,604	2,050
Provision for other than temporary diminution in non current investments	-	12
Provisions against standard assets	(46)	58
Operating cash flow before working capital changes	4,911	8,449
Adjustments for :		
Add / (Less) :		
Increase / (decrease) in other long term liabilities	(44)	(427)
Increase / (decrease) in other current liabilities	(1,727)	(171)
(Increase) / decrease in other current assets	234	(292)
(Increase) / decrease in other non current assets	2	(0)
(Increase) / decrease in long term loans and advances	(517)	7,849
(Increase) / decrease in short term loans and advances	38,118	(44,045)
(Increase) / decrease in trade receivables	-	80
	36,066	(37,006)
Net cash from operating activities before taxes	49,131	(23,109)
Less: taxes paid (net of refunds)	(1,136)	(1,892)
Net cash from operating activities	(A) 47,994	(25,001)
Cash flow from investing activities		
Purchase of fixed assets	(34)	(216)
Intangible assets under development	(90)	-
Dividend received	94	162
Net cash from investing activities	(B) (30)	(54)



Standard Chartered Investments and Loans (India) Limited
Cash flow statement (Continued)

for the year ended 31 March 2016

(Currency : Indian rupees in Lakhs)

	31 March 2016	31 March 2015
Cash flow from financing activities		
Issue of inter corporate deposits	1,000	1,650
Redemption of inter corporate deposits	-	(2,700)
Repayment of Term Loan from Bank	(4,380)	-
Debt issue expenses	(47)	(51)
Issue of commercial paper	82,469	109,873
Repayment of commercial paper	(106,000)	(88,000)
Interest paid on working capital loan	(33)	(44)
Interest on inter corporate borrowings	(6)	(36)
Interest paid others	-	(1)
Interest on secured term loans	(1,604)	(2,050)
Equity dividend paid for the previous year (including dividend distribution tax thereon)	(2,937)	-
Net cash from financing activities (C)	(31,538)	18,641
Net increase / (decrease) in cash and cash equivalents (D=A+B+C)	16,426	(6,414)
Cash and cash equivalents at the beginning of the year (E) (refer note 14)	2,021	8,435
Cash and cash equivalents at the end of the year (D+E) (refer note 14)	18,447	2,021

The accompanying notes form an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No: 046882

16 June 2016

Mumbai

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



Anurag Adlakha

Director

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Saket Maheshwari

Company Secretary & Chief Financial Officer

ACS: A21823

16 June 2016

Mumbai



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

1. 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 activities of the Company involve lending and investments.

2. Summary of significant accounting policies

2.1 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 under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended and to the extent applicable), and in accordance with the generally accepted accounting principles ('GAAP') and the relevant provisions of the Companies Act, 2013, and the guidelines issued by the RBI in respect of NBFCs ('RBI guidelines'), as adopted consistently by the Company to the extent applicable. The financial statements are presented in Indian rupees rounded off to the nearest lakhs, unless otherwise stated.

2.2 Use of estimates

The preparation of the financial statements is in conformity with the GAAP in India and 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.

2.3 Current /non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- i. it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is expected to be realised within 12 months after the reporting date; or
- iv. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current assets.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

2. Summary of significant accounting policies (*Continued*)

2.3 *Current /non-current classification (Continued)*

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- i. it is expected to be settled in the Company's normal operating cycle;
- ii. it is held primarily for the purpose of being traded;
- iii. it is due to be settled within 12 months after the reporting date; or
- iv. the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

2.4 *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.

Brokerage and commission paid at the time of sale is accounted as cost in the statement of profit and loss.

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.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

2. Summary of significant accounting policies (Continued)

2.5 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 Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015 dated July 01, 2015 issued by the RBI.

The Company also maintains a contingent provision against standard assets, at rates and as per norms prescribed by the RBI.

2.6 Securitisation

Securitisation transactions are accounted for in accordance with Guidelines on Securitisation of Standard Assets vide circular No DBOD.No.BP.BC.60/21.04.048/2005-06 dated 1 February 2006, DNBS.PD.No.301/3.10.01/2012-13 dated 21 August 2012 and DNBS(PD).CC.No 344./03.02.001/2013-14 dated 1 July 2013 issued by RBI.

Securitised 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 Accounting Standard 29 – Provisions 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 statement of profit and loss 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. There are no securitisations under the new securitisation guidelines issued vide circular No RBI/2012-13/170 DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012.

2.7 Revenue recognition

- Interest income is recognised on accrual basis, except in case of interest on non-performing loans which is recognised as income on receipt.
- Fee income is recognised as and when services are rendered. Certain fees above a threshold are amortised over the tenor of the loan if they are considered to be yield enhancing.
- Dividend is recognised as income as and when the right to receive the same is established.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

2. Summary of significant accounting policies (Continued)

2.8 Fixed assets and depreciation

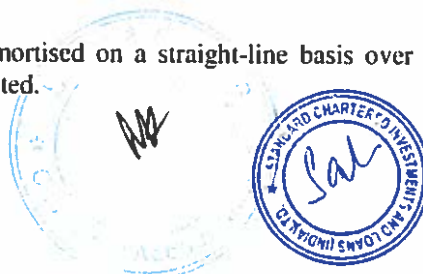
- Fixed assets are carried at cost of acquisition less accumulated depreciation and impairments, if any. Acquisition cost includes all expenses incidental to the acquisition of the fixed assets and any attributable cost of bringing the asset to its working condition for its intended use.
- Individual fixed assets costing less than Rs. 5,000 are depreciated fully in the year of purchase.
- Depreciation is provided on straight-line method over estimated useful life of the asset, as per the management's internal assessment, subject to maximum useful life prescribed under the Companies Act, 2013. The depreciation rates are as follows:

Fixed assets	Rate of depreciation
Computer hardware	33.33%
Office equipment	20%
Furniture and fittings	20%
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 a maximum of three years.
- 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 statement of profit and loss 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.

2.9 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.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

2. Summary of significant accounting policies (*Continued*)

2.10 Accounting for leases

Assets given/ taken on lease are accounted in accordance with provisions of Accounting Standard 19-Leases. Lease payments made under operating leases are recognised as an expense in the statement of profit and loss.

2.11 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.

2.12 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.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

2. Summary of significant accounting policies (*Continued*)

2.13 *Income taxes*

Income tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income tax law) and deferred tax charge or credit (reflecting the tax effect of timing differences between accounting income and taxable income for the period).

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

Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the asset can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Minimum Alternate Tax ('MAT') under the provisions of Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. During the Financial year 2015-16, the MAT provisions are not applicable as the current tax provision is made as per normal tax liability.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements (Continued)

as at 31 March 2016

(Currency : Indian rupees in Lakhs)

Note - 3

Share capital

Authorised:

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

31 March 2016

31 March 2015

46,000

46,000

Issued, subscribed and paid-up:

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

45,439

45,439

45,439

45,439

A Reconciliation of number of shares (No of shares):

Number of shares at the beginning of the year

454,385,000

454,385,000

Number of shares at the end of the year

454,385,000

454,385,000

B Reconciliation for the amount of share capital

At the beginning of the year

45,439

45,439

At the end of the year

45,439

45,439

C Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity shares is entitled to one vote per share. There are no restrictions on payment of dividend to equity shareholders. The Company declares and pays dividend to its shareholders. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. During the year ended 31 March 2016, the amount of per share dividend recognised as distributions to equity shareholders was Nil (Previous Year: Rs.0.5344).

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

D Shares held by holding / ultimate holding company and / or their subsidiaries / associates

The entire share capital is held by Standard Chartered Bank, United Kingdom and its nominees.

Note - 4

Reserves and surplus

Statutory reserve fund

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

Opening balance

6,947

6,213

Transfer from profit for the year

1,069

734

Closing balance

(A)

8,016

6,947

Surplus in the Statement of profit and loss

Opening balance

15,071

15,071

Profit for the year

5,344

3,670

Less: Appropriations

Transfer to statutory reserve fund

1,069

734

Proposed final equity dividend [amount per share Rs Nil (Previous Year: Rs 0.5344)]

-

2,428

Tax on proposed equity dividend

-

508

Transfer to general reserve

-

-

Closing balance

(B)

19,346

15,071

(A+B)

27,362

22,018



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

as at 31 March 2016

(Currency : Indian rupees in Lakhs)

Note - 5

Long term borrowings (secured)

31 March 2016

31 March 2015

Non Current

Term Loan

Secured term loan from banks

-	18,380
-	18,380

Note - 6

Non current liabilities

Others

Unamortised fee

-	7
352	389
352	396

Note - 7

Provisions

Long term provisions

Provisions against standard assets [see note 34]

102	87
102	87

Short term provisions

Proposed dividend

Dividend distribution tax

Provisions against standard assets [see note 34]

Provision for doubtful loans and advances

-	2,428
-	508
129	191
3,481	3,048
3,610	6,175

Note - 8

Short term borrowings (unsecured)

Current

Commercial papers

Unamortised discount

25,000	46,000
(708)	(1,097)
(A) 24,292	44,903

Inter corporate borrowings

1,000	-
(B) 1,000	-
(A+B) 25,292	44,903

The outstanding commercial papers are of a face value of Rs. 100 each, issued at weighted average price of Rs. 95.81 (previous year Rs. 95.34) and are redeemable at face value upon maturity. Their average residual maturity is 126 days (previous year 92 days).

The outstanding Intercompany deposits are borrowed at weighted average rate of 8.25 %. Their average residual maturity is 63 days.

Note - 9

Other current liabilities

Unamortised fee

Current maturities of long-term borrowings

Accrued interest payable on borrowings

Others

369	407
14,000	1,620
10	6
246	320
14,625	2,353



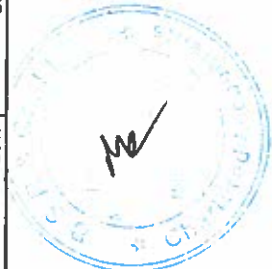
Standard Chartered Investments and Loans (India) Limited
Notes to the financial statements (Continued)

as at 31 March 2016
(Currency : Indian rupees in Lakhs)

Note - 10 - Fixed assets

Description	Gross block at cost			Depreciation			Net block	
	As at 1 April 2015	For the Year Additions	Deletions / Retirement	As at 31 March 2016	As at 1 April 2015	For the Year Additions	As at 31 March 2016	As at 31 March 2015
Tangible assets								
Computer hardware	7	16	(1)	22	7	2	15	0
Office equipment	3	1	(1)	3	2	1	1	1
Premises	216	-	-	216	1	4	211	215
Intangible assets								
Computer software	139	17	(139)	17	139	1	16	-
Work in Progress	-	90	-	90	-	-	90	-
Total	365	124	(141)	348	149	8	333	216

Description	Gross block at cost			Depreciation			Net block	
	As at 1 April 2014	For the Year Additions	Deletions	As at 31 March 2015	As at 1 April 2014	For the Year Additions	As at 31 March 2015	As at 31 March 2014
Tangible assets								
Computer hardware	7	-	-	7	6	1	0	1
Office equipment	3	-	-	3	1	1	1	2
Premises	-	216	-	216	-	1	215	-
Intangible assets								
Computer software	139	-	-	139	139	-	-	-
Total	149	216	-	365	146	3	216	3



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

as at 31 March 2016

(Currency - Indian rupees in Lakhs)

31 March 2016

31 March 2015

Note - 11

Non-current investments

Non trade investments (valued at cost unless otherwise stated)

Unquoted equity instruments

Investment in fellow subsidiary

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

28

28

Investment in associate

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

1,771

1,771

1,799

1,799

Less: Provision for depreciation in the value of investments

(284)

(284)

1,515

1,515

Aggregate book value of quoted investments

Aggregate market value of quoted investments

Aggregate book value of unquoted investments

1,515

1,515

Note - 12

Loans and advances

Long term loans and advances

Capital advances

Loans to companies (Secured and considered good)

24,710

23,794

Loans to companies (Unsecured and considered good) *

9,365

11,080

Advance tax [Net of provision for tax (including Fringe benefits tax and MAT credit)] (Refer note 32)

9,284

9,712

43,359

44,612

* includes loans aggregating to Rs 9,365 (Previous year: Rs 11,080) for which securities are in the process of being perfected. Loans and advances to customers, have been presented as long term based on the residual maturity dates.

Note - 13

Other non-current assets

Interest accrued on tax refunds

1,803

1,803

Others

-

3

1,803

1,806

Note - 14

Cash and bank balances

Cash and cash equivalents

Balances with Banks

In current accounts

3,647

2,021

Deposits with original maturity of less than three months

14,800

-

18,447

2,021

Note - 15

Loans and advances

Short term loans and advances

Loans to companies (Secured and considered good)

27,253

72,876

Loans to companies (Unsecured and considered good) **

15,855

3,420

Loans to companies (Doubtful)

6,600

11,500

Security deposits

-

30

49,708

87,826

** includes loans aggregating Rs 12,855 (Previous year: Rs 3,420) for which securities are in the process of being perfected. Loans and advances to customers, have been presented as short term based on the residual maturity dates.

Note - 16

Other current assets

Interest accrued on advances

322

538

Interest accrued on fixed deposits

4

-

Others

16

18

342

576



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

for the year ended 31 March 2016

(Currency : Indian rupees in Lakhs)

	31 March 2016	31 March 2015
Note - 17		
Revenue from operations		
<i>Interest income</i>		
Interest income on loans and advances	13,308	13,913
Interest income on bank deposits	189	184
<i>Other financial services</i>		
Fee income	835	1,235
Dividend income	94	162
	<u>14,426</u>	<u>15,494</u>
Note - 18		
Finance costs		
<i>Interest expenses</i>		
Interest on inter corporate borrowings	6	36
Interest on secured term loans	1,604	2,050
Interest on working capital loan	33	44
Interest paid on overdraft	-	1
<i>Other borrowing costs</i>		
Discount amortised on commercial papers issued	2,920	3,302
Debt issue expenses amortised	47	51
	<u>4,610</u>	<u>5,484</u>
Note - 19		
Staff costs (refer note 28)		
Salaries, bonus, staff welfare expenses and allowances	687	809
	<u>687</u>	<u>809</u>



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

for the year ended 31 March 2016

(Currency : Indian rupees in Lakhs)

	31 March 2016	31 March 2015
Note - 20		
Other expenses		
Rent	106	106
Business support costs (refer note 30)	68	63
Royalty charges	63	100
Support service charges (refer note 29)	161	217
Brokerage and other fees	1	1
Communication expenses	7	3
Subscription charges	(22)	12
Auditors' remuneration		
- Statutory audit	15	12
- Tax audit	3	3
- Other services	3	3
- Reimbursement of expenses	2	1
	23	19
Provision against standard assets	(46)	58
System maintenance charges	13	6
Exchange (gain)/loss on foreign exchange conversion	9	1
Printing and stationery	3	2
Travelling and conveyance	7	6
Legal expenses	38	0
Provision for doubtful loans and advances (net off write back)	433	3,048
Bad debts	(9)	(7)
Provision for other than temporary diminution in non current investments	-	12
Bank charges	0	1
Provision for service tax (input tax credit)	0	6
Corporate Social Responsibility (CSR) costs (refer note 36)	12	-
Others	100	97
	<u>967</u>	<u>3,751</u>



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

21 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 EPS is set out below:

Description	31 March 2016	31 March 2015
Net profit (gross of transfer to statutory reserve) attributable to equity shareholders	5,344	3670
Weighted average number of equity shares (in Lakhs) outstanding during the year for calculation of earnings per share	4,544	4,544
Basic and Diluted Earnings per share of face value of Rs 10 (Rs.)	1.18	0.81

The basic and diluted EPS is same as there are no potential dilutive equity shares.

22 Leases

Disclosures as required by Accounting Standard 19 – Leases pertaining to lease arrangement entered into by the Company are given below:

- The assets taken on lease primarily relate to commercial premises and are in the nature of operating leases.
- All leases are cancellable leases. Rentals 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.
- Lease rent charged for the year ended 31 March 2016 is Rs 106. (Previous year Rs. 106).



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

23 Deferred tax

Deferred tax assets / liabilities as per Accounting Standard 22 – Accounting for taxes on income, included in the balance sheet comprise of the following:

Description	31 March 2016	31 March 2015
Deferred tax assets		
Depreciation on fixed assets	32	37
Provision against standard assets	80	96
Provision against doubtful assets	1205	1,055
Unamortised fees	250	278
Provision for un-utilised service tax credit	332	337
Total deferred tax asset	1,899	1,803
Deferred tax liabilities		
Interest accrued on income tax refunds	(624)	(624)
Total deferred tax liability	(624)	(624)
Net deferred tax asset	1,275	1,179

24 Contingent liabilities and commitments

	As at 31 March 2016	As at 31 March 2015
Contingent liabilities		
Taxation [see note (1)]	5,557	5,342
Commitments		
Capital commitments for purchase of software	25	9
Undisbursed sanctions	-	2,200
Total	5,582	7,551

Notes:

- (1) Tax liabilities (including interest and penalty) of the Company for the assessment years 2005-06, 2006-07, 2007-08, 2008-09, 2009-10, 2010-11, 2011-12 and 2012-13 are pending final outcome of the rectification and appeals filed / to be filed by the Company. The Company believes that these demands are largely unsustainable and accordingly, no provisions have been made.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

25 Expenditure in foreign currency

Rs 85 (Previous year: Rs 79) was paid to Standard Chartered Strategic Brand Management Company Limited, UK during the year in respect of Brand Royalty costs for the period 1 April 2014 to 31 March 2015.

Nil amount was paid as website development charges (Previous year: Rs 0.2) during the year.

26 Segmental reporting

Since the Company's business activity falls under one business segment and business operations are concentrated in India, no further disclosures as required under Accounting Standard 17 – Segment Reporting have been made.

27 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 ('the Bank')	Branch of holding company
Standard Chartered Bank – Singapore Branch	Branch of holding company
Scope International Private Limited	Fellow subsidiary
Standard Chartered Securities (India) Ltd	Fellow subsidiary
Standard Chartered Strategic Brand Management Limited	Fellow subsidiary
Standard Chartered Finance Limited	Fellow subsidiary
Standard Chartered (India) Modeling and Analytics Centre Private Limited (formerly Standard Chartered (India) Wealth Advisory Services Private Limited)	Associate enterprise
Mr Kumar Keswani (Resigned w.e.f 10 December 2015)	Key Management Personnel
Mr Dhiren Parekh (Resigned w.e.f 19 June 2015)	Key Management Personnel
The Company is in the process of appointing Managing Director	

Transactions with Standard Chartered Bank – India Branches	For the year ended 31 March 2016	For the year ended 31 March 2015
Rent	106	106
Receiving of services (secondment of staff * and other support charges)	848	1037
Fee income	120	112

* includes Rs 147 (Previous year: Rs 198) paid for secondment of key management personnel

Balances with Standard Chartered Bank – India Branches	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Sundry balances – payables for services availed	135	215	147	307
Sundry balances – receivable	-	2	-	56



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

27 Related parties disclosure (Continued)

Banking transactions	For the year ended 31 March 2016	For the year ended 31 March 2015
Transactions		
Term loans	14,000	20,000
Accrued expense on term loan	4	6
Interest cost on working capital loan	33	44
Interest cost on term loans	1,604	2050
Interest received on fixed deposits	62	67
Purchase of foreign exchange	85	79
IPA charges	1	-
Interest cost on overdraft	-	1

Balances	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Bank balance	3,628	3,628	1,991	2,012
Working capital loan	-	1,200	-	9,100
Term loan	14,000	20,000	20,000	20,000
Fixed deposits	6800	6,800	-	5,500

Transactions with Scope International Private Limited	For the year ended 31 March 2016	For the year ended 31 March 2015
Business support costs	37	29

Balances with Scope International Private Limited	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Sundry balances – payable for services provided	6	5	3	11

Transactions with Standard Chartered Securities (India) Limited	For the year ended 31 March 2016	For the year ended 31 March 2015
Brokerage and other charges paid	-	0.2

Transactions with Standard Chartered Strategic Brand Management Limited	For the year ended 31 March 2016	For the year ended 31 March 2015
Royalty costs	63	100



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

27 Related parties disclosure (Continued)

Balances with Standard Chartered Strategic Brand Management Limited	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Royalty payable (net of TDS)	63	139	85	115
Reimbursement of expenses	-	-	5	5

Transactions with Standard Chartered Finance Limited	For the year ended 31 March 2016	For the year ended 31 March 2015
Dividend income	77	162

Balances with Standard Chartered Finance Limited	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Investment in equity shares	28	28	28	28

Transactions with Standard Chartered (India) Modeling and Analytics Centre Private Limited	For the year ended 31 March 2016	For the year ended 31 March 2015
Provision for other than temporary diminution in non current investments	-	11
Dividend income	17	-

Balances with Standard Chartered (India) Modeling and Analytics Centre Private Limited	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Investment in equity shares (net)	1,487	1,487	1,487	1,498

Balances with Standard Chartered Bank Singapore	As at 31 March 2016	Maximum outstanding during the year#	As at 31 March 2015	Maximum outstanding during the year#
Reimbursement of expenses	12	40	33	33

Figures indicate maximum balance outstanding during the year based on comparison of the total outstanding balances at each month-end.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

28 Staff costs

All employees of the Company are seconded from Standard Chartered Bank – India Branches ('the Bank'). Related costs (including retirement benefit costs) are recovered by the Bank from the Company on a monthly basis. These costs are disclosed in Note 19.

29 Support service charges

The Bank incurs expenditure on support functions like Property, Human Resources, Finance, Taxation, Legal, Compliance, Audit, Information Technology, Corporate Affairs etc., which is for the common benefit of the Bank and other Standard Chartered Group companies in India. Such costs are recovered from other Standard Chartered Group companies based on an identifiable criteria and such expenditure is shown as Support Service Charges under Note 20.

30 Business support cost

Scope International Pvt Ltd ('SCOPE') provides a wide range of services like banking operations, finance and accounting services, IT service, etc to the Group globally. SCOPE issues monthly invoices whereby the cost is based on the agreed cost per full time employee and cost per transaction in case of accounting operations. Such expenditure is disclosed as business support cost under Note 20.

31 Transfer pricing

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

32 Minimum Alternate Tax (MAT) Credit

During the financial year 2015-16, there is no MAT credit which has been brought forward and utilised.

33 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 pertaining to principal and interest were due or remained due as at and for the year ended 31 March 2016 (Previous year: Nil). 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.

34 Provision against standard assets

A general provision at 0.30% of the standard assets, has been made as prescribed by RBI circular no DNBR (PD) CC .No. 043/ 03.10.119/ 2015-16 dated July 01, 2015. This provision has been separately disclosed under Note 7 – Provision against standard assets.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

35 Restructured advances

There are no advances which have been restructured during the year ended 31 March 2016 (previous year: Nil) and accordingly there are no amounts which are required to be disclosed in accordance with the RBI circular no DNBR (PD) CC .No. 043/ 03.10.119/2015-16 dated July 01, 2015.

36 Corporate Social Responsibility (CSR) Expenditure

Details of CSR expenditure of the Company are as below:

- Gross Amount required to be spent during the year – 211
- Amount spent during the year – 12



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures

(i) In accordance with Annexure I of RBI circular no DNBR (PD) CC .No. 043/ 03.10.119/2015-16 dated July 01, 2015, the following are the additional disclosures required under Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.

Amounts as at 31 March 2016

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	-	-
(other than falling within the meaning of public deposits*)	-	-
(b) Deferred Credits		
(c) Term Loans	14,004	
(d) Inter-Corporate Loans and Borrowing	1,006	
(e) Commercial Paper	24,292	
(f) Other Loans:	-	
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 (net of provisions)	55,082
(b) Unsecured	25,220
	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

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures (Continued)

	Amount Outstanding
(4) Break-up of Investments	
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 (net of provision)	1,515
(b) Preference	-
(ii) Debentures and Bonds	-
(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: See Note 2			
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	55,082	25,220	80,302
Total	55,082	25,220	80,302

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



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 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 #	2,573	1,515
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	2,573	1,515

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	-
(a) Related Party	-
(b) Other than Related Parties	6,600
(ii) Net Non-Performing Assets	-
(a) Related Party	-
(b) Other than Related Parties	3,119
(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 Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
 - 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 (4) above.
- # Investments being unquoted, net assets value has been calculated as per the last available audited financial statements of Standard Chartered Finance Limited as at 31 March 2015 and Standard Chartered (India) Modeling and Analytics Centre Private Limited as at 31 March 2016.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures (Continued)

- (ii) In accordance with paragraph (5) of RBI circular No DNBS(PD)CC No.125/03.05.002/2008-2009 dated 1 August 2008 (Guidelines for NBFC-ND-SI as regards to capital adequacy, liquidity and disclosure norms) and paragraphs 3.1, 3.2, 3.5, 3.6, 5 and 6 of Annex 4 of RBI circular No DNBR (PD) CC.No.053/03.10.119/2015-16 dated 01 July 2015 (Master Circular – NBFC – Corporate Governance (Reserve Bank) Directions, 2015) following additional disclosures are made in the prescribed format.

Capital to Risk Adjusted Ratio ('CRAR')

Items	31 March 2016	31 March 2015
(i) CRAR (%)	82.42 %	54.07%
(ii) CRAR - Tier I capital (%)	82.15 %	53.85%
(iii) CRAR - Tier II Capital (%)	0.27%	0.23%
(iv) Amount of subordinated debt raised as Tier-II capital	-	-
(v) Amount raised by issue of Perpetual Debt Instruments	-	-

Exposures		
Exposure to Real Estate Sector		
Category	31 March 2016	31 March 2015
(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 limits	62,065	58,824
(iii) Investments in Mortgage Backed Securities and other securitized exposures -		
a. Residential	-	-
b. Commercial Real Estate	-	-
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies.	-	-
Total Exposure to Real Estate	62,065	58,824



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 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	6,800	3,000	5,000	-	-	-	-	-	14,800
Loans and Advances #	1,277	1,875	10,119	10,240	19,598	11,453	9,616	13,006	77,184
Investments**	-	-	-	-	-	-	-	1,515	1,515
Borrowings from banks	-	-	-	8,000	6,000	-	-	-	14,000
Market borrowings*	-	-	17,500	-	7,500	-	-	-	25,000
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

** represents investments in equity shares of fellow subsidiaries / associates.

* disclosed at face value

excludes non performing assets of INR 6,600 Lakhs



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Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures (Continued)

<i>Investments</i>			
Particulars		31 March 2016	31 March 2015
(a) Value of Investments			
(i) Gross Value of Investments-			
a. In India		1,799	1,799
b. Outside India		-	-
(ii) Provisions for Depreciation -			
a. In India		284	284
b. Outside India		-	-
(iii) Net Value of Investments-			
a. In India		1,515	1,515
b. Outside India		-	-
(b) Movement of provisions held towards depreciation on investments			
(i) Opening Balance		284	273
(ii) Add: Provisions made during the year		-	11
(iii) Less : Write-off / write-back of excess provisions during the year		-	-
(iv) Closing Balance		284	284

<i>Exposure to capital market</i>			
Particulars		31 March 2016	31 March 2015
(a) direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;		1,799	1,799
(b) advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;		-	-
(c) advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;		15,875	16,500
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;		-	-
(e) secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;		-	-
(f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		-	33,125
(g) bridge loans to companies against expected equity flows / issues;		-	-
(h) all exposures to Venture Capital Funds (both registered and unregistered)		-	-
Total Exposure to Capital Market		17,674	51,424



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures (*Continued*)

Unsecured Advances

There are no unsecured advances for which intangible securities such as charge over rights, licenses, authority etc has been taken as intangible collateral.

Provisions and Contingencies

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Profit and Loss Account	31 March 2016	31 March 2015
(a) Provision for other than temporary diminution in non current investments	-	12
(b) Provision made towards Income tax (current)	2,906	2,667
(c) Provision for Standard Assets	(46)	58
(d) Provision for doubtful loans and advances	433	3,048

Concentration of Advances

31 March 2016

(a) Total advances to twenty largest borrowers	83,783
(b) Percentage of advances to twenty largest borrowers to total advances	100.00%

Concentration of Exposures

31 March 2016

(a) Total exposures to twenty largest borrowers/customers	83,783
(b) Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	100.00%

Customer Complaints

31 March 2016

(a) No. of complaints pending at the beginning of the year	1
(b) No. of complaints received during the year	88
(c) No. of complaints redressed during the year	87
(d) No. of complaints pending at the end of the year	2

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

During the year under review, CRISIL reaffirmed its rating on the Company's short term debt programme at 'CRISIL A1+'.

In December 2015, CRISIL downgraded the ratings of long term debt instruments of the Company to 'CRISIL AA+/CRISIL PP-MLD AA+r/Negative' from 'CRISIL AAA/CRISIL PP-MLD AA+/Stable'.

In March 2016, CRISIL downgraded the ratings of long term debt instruments of the Company to 'CRISIL AA+/CRISIL PP-MLD AA+/Rating Watch with Negative Implication' from CRISIL AA+/CRISIL PP-MLD AA+/Negative'.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures (Continued)

Pending Litigations

As of 31 March, 2016, there is no financial impact on the Company on account of pending litigations.

Concentration of NPAs

31 March 2016

Total Exposure to top four NPA accounts

6,600

Sector-wise NPA

Percentage of NPAs to Total
Advances in that sector

(a)	Agriculture & allied activities	-
(b)	MSME	-
(c)	Corporate borrowers	7.88
(d)	Services	-
(e)	Unsecured personal loans	-
(f)	Auto loans	-
(g)	Other personal loans	-

Movement of NPAs

Particulars	31 March 2016	31 March 2015
(a) Net NPAs to Net Advances (%)	3.88	7.07
(b) Movement of NPAs (Gross)		
(i) Opening balance	11,500	
(ii) Additions during the year	6,600	11,500
(iii) Reductions during the year	11,500	-
(iv) Closing balance	6,600	11,500
(c) Movement of Net NPAs		
(i) Opening balance	8,452	-
(ii) Additions during the year	3,119	8,452
(iii) Reductions during the year	8,452	-
(iv) Closing balance	3,119	8,452
(d) Movement of provisions for NPAs (excluding provisions on standard assets)		
(i) Opening balance	3,048	-
(ii) Provisions made during the year	3,481	3,048
(iii) Write-off / write-back of excess provisions	3,048	-
(iv) Closing balance	3,481	3,048



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2016

(Indian rupees in Lakhs)

37 NBFC disclosures (*Continued*)

Following disclosures are Nil for the year ended 31 March 16 and previous year

- (a) Derivatives (Previous year: Nil)
- (b) Securitisation/ Assignment transactions
- (c) Financial Assets sold to Securitisation / Reconstruction Company for Asset Reconstruction
- (d) Non-performing financial assets purchased / sold (Previous year: Nil)
- (e) Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded
- (f) Registration obtained from other financial sector regulators
- (g) Penalties imposed by RBI and other regulators
- (h) Financing of parent company products
- (i) Postponement of revenue recognition pending the resolution of significant uncertainties
- (j) Draw Down from Reserves
- (k) Overseas Assets (for those with Joint Ventures and Subsidiaries abroad)
- (l) Off-balance sheet SPVs sponsored

38 Prior year comparatives

Previous year figures have been reclassified or regrouped wherever necessary to conform to the current year's presentation.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Manoj Kumar Vijai

Partner

Membership No. 046882

For and on behalf of the Board of Directors of

Standard Chartered Investments and Loans (India) Limited



Anurag Adlakha

Director

DIN No: 00296012



V. Anantharaman

Director

DIN No: 01223191



Saket Maheshwari
Company Secretary &
Chief Financial Officer
ACS:A21823

16 June 2016
Mumbai

16 June 2016
Mumbai

