

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

**Standalone Financial Statements
together with the auditors' report
for the year ended 31 March 2017**

Standard Chartered Investments and Loans (India) Limited

Standalone Financial statements together with auditors' report *for the year ended 31 March 2017*

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Independent Auditors' 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 2017, the Statement of Profit and Loss, the Cash Flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the standalone financial statements

The Company's Board of Directors is responsible for matters stated in Section 134(5) of the Companies Act 2013 ('the Act') with respect to preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and the cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of 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 the design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

Independent Auditors' Report (*Continued*)

Standard Chartered Investments and Loans (India) Limited

Auditors' responsibility (*Continued*)

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the 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 of the state of affairs of the Company as at 31 March 2017, its profit and 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 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 purpose of our audit;
- (b) in our opinion proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) the Balance sheet, Statement of Profit and Loss, and Cash flow statement dealt with by this report are in agreement with the books of account;
- (d) in our opinion, the aforesaid standalone financial statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) on the basis of written representations received from the Directors as on 31 March 2017, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March 2017, from being appointed as a Director in terms of Section 164 (2) of the Act;
- (f) with respect to the adequacy of 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
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.10 and 26 to the financial statements;

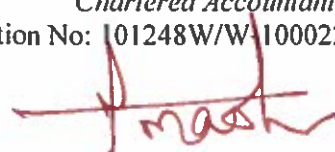
Independent Auditors' Report (*Continued*)

Standard Chartered Investments and Loans (India) Limited

Report on other legal and regulatory requirements (*Continued*)

- ii) the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii) there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company; and
- iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 39 to the financial statements.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Mumbai
30 May 2017

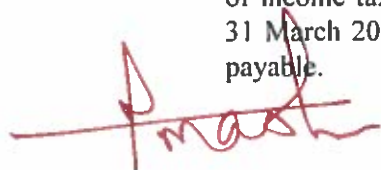
Akeel Master
Partner
Membership No: 046768

Standard Chartered Investments and Loans (India) Limited

“Annexure A” to the Independent Auditors’ Report

(Referred to in our report of even date)

- 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 the 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 upon such verification.
(c) According to the information and explanation given to us and basis 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 Non-Banking Financial Company (NBFC), engaged in the business of providing loans. Accordingly, it does not hold any inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- iii. According to the information and explanation given to us, 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. Thus, paragraph 3(iii) of the Order is not applicable.
- iv. According to the information and explanation given to us and on the basis of our examination of the records of the Company, the provision of Section 185 and section 186 of the Act are not applicable. Accordingly, para 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 to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under apply. Thus, paragraph 3(v) of the Order is not applicable.
- 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. Thus, paragraph 3(vi) of the Order is not applicable.
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, service tax, and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Provident Fund, Sales tax, Wealth tax, Excise duty, Employees State Insurance and Customs duty. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable.



Standard Chartered Investments and Loans (India) Limited

“Annexure A” to the Independent Auditors’ Report (*Continued*)

- (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 or Employees State Insurance or cess and other material statutory dues which have not been deposited by the Company on account of disputes.

Sr No.	Name of the Statute	Nature of dues	Amount (in lakhs)	Period to which it relates (AY)	Forum where dispute is pending/Status
1	Income Tax Act	Income Tax	10	AY 2005-06	Appeal filed and pending with ITAT
2	Income-tax Act, 1961	Income-tax	560	AY 2006-07	Appeal filed and pending with ITAT
3	Income-tax Act, 1961	Income-tax	1	AY 2009-10	Appeal filed and pending with ITAT
4	Income-tax Act, 1961	Income-tax	79	AY 2010-11	Appeal filed and pending with CIT(A)
5	Income-tax Act, 1961	Income-tax	4	AY 2010-11	Rectification application and appeal filed and pending before CIT(A)
6	Income-tax Act, 1961	Income-tax	3	AY 2011-12	Appeal filed and pending with CIT(A)
7	Income-tax Act, 1961	Income-tax	99	AY 2012-13	Appeal filed and pending with CIT(A)
8	Income-tax Act, 1961	Income-tax	104	AY 2013-14	Appeal filed and pending with CIT(A)
9	Total		860		

- 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 the financial institutions and banks. During the year ended 31 March 2017, the Company did not have any dues to Government or debenture holders.
- ix. In our opinion and according to the information and explanations given to us, the term loans taken by the Company were applied for the purpose for which they were raised. During the year ended 31 March 2017, the Company has not raised any monies by way of initial public offer or further public offer.
- x. During the course of examination of 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 or by the Company by its officers or employees has been noticed or reported during the course of our audit.
- 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/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

Standard Chartered Investments and Loans (India) Limited

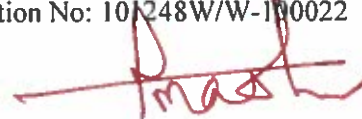
“Annexure A” to the Independent Auditors’ Report (*Continued*)

- xii. According to the information and explanations given to us, the company is not a Nidhi Company as per the Act. Thus, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the Section 177 and 188 of the Act where applicable, and details have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanation given to us, the Company has not made any private placement of shares during the year under audit. Thus, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transaction with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- xvi. According to the information and explanations given to us, the Company is required to be registered under Section 45-IA of the Reserve Bank of India act, 1934 and it has obtained certificate dated 14 February 2014.

For B S R & Co. LLP

Chartered Accountants

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



Akeel Master

Partner

Membership No: 046768

Mumbai
30 May 2017

Standard Chartered Investments and Loans (India) Limited

“Annexure B” to the Independent Auditor’s Report of even date on 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 2017 in conjunction with our audit of standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

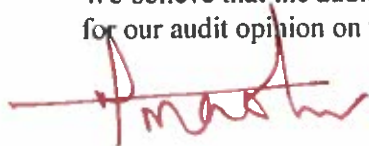
The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial 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 safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting 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 the 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 ICAI. 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.



Standard Chartered Investments and Loans (India) Limited

“Annexure B” to the Independent Auditor’s Report of even date on financial statements of Standard Chartered Investments and Loans (India) Limited (*Continued*)

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 unauthorised 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

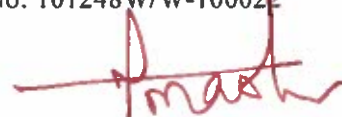
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal 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 2017, 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 ICAI.

For B S R & Co. LLP
Chartered Accountants

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



Akeel Master
Partner

Membership No: 046768

Mumbai
30 May 2017

Standard Chartered Investments and Loans (India) Limited

Balance sheet

as at 31 March 2017

(Currency : Indian rupees in Lakhs)

	Note	31 March 2017	31 March 2016
Equity and liabilities			
Shareholder's funds			
Share capital	3	45,439	45,439
Reserves and surplus	4	31,466	27,362
Non-current liabilities			
Other Non-current liabilities	5	310	352
Long term provisions	6	208	102
Current liabilities			
Short term borrowings	7	108,416	25,292
Trade payables			
- Total outstanding dues to micro and small enterprises	8	-	-
- Total outstanding dues to creditors other than micro and small enterprises	8	150	-
Other current liabilities	9	1,586	14,625
Short term provisions	10	4,340	3,610
Total		191,915	116,782
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	227	243
Intangible assets	11	966	-
Intangible assets under development	11	0	90
Non-current investments	12	1,799	1,515
Deferred tax asset (net)	25	1,600	1,275
Long term loans and advances	13	68,805	43,359
Other non-current assets	14	1,803	1,803
Current assets			
Cash and cash equivalents	15	9,404	18,447
Short term loans and advances	16	106,675	49,708
Other current assets	17	636	342
Total		191,915	116,782

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: 11248W/W-100022



Akeel Master

Partner

Membership No: 046768

30 May 2017

Mumbai

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



Zarin Daruwala

Director

DIN No: 00034655



Amit Saxena

MD & CEO

DIN No: 05248652



Shyamal Saxena

Director

DIN No: 00118078



Saket Maheshwari

CS & CFO

ACS: A21823

30 May 2017

Mumbai



Standard Chartered Investments and Loans (India) Limited

Statement of Profit and Loss

for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	Note	31 March 2017	31 March 2016
Revenue			
Revenue from operations	18	13,610	14,426
Other Income	19	700	-
Total revenue		14,310	14,426
Expenditure			
Finance costs	20	4,988	4,610
Staff costs	21	930	687
Other expenses	22	2,159	967
Depreciation & Amortisation on fixed assets	11	136	8
		8,213	6,272
Profit before tax		6,097	8,154
- Current tax		2,318	2,906
- Deferred tax charge / (credit)		(325)	(96)
Profit after tax		4,104	5,344
Basic and diluted earnings per share of face value of Rs 10 each	23	0.90	1.18

Summary of significant accounting policies

2

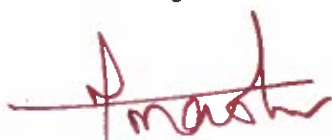
The accompanying notes form an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

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



Akeel Master

Partner

Membership No: 046768

30 May 2017

Mumbai

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



Zarin Daruwala

Director

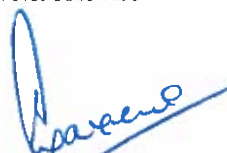
DIN No: 00034655



Amit Saxena

MD & CEO

DIN No: 05248652



Shyamal Saxena

Director

DIN No: 00118078



Saket Maheshwari

CS & CFO

ACS: A21823

30 May 2017

Mumbai



Standard Chartered Investments and Loans (India) Limited

Cash flow statement

for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flows from operating activities		
Net profit before tax	6,097	8,154
Adjustments :		
Add / (Less) :		
Depreciation & Amortisation on fixed assets	136	8
Discount amortised on commercial paper issued	4,075	2,920
Debt issue expenses amortised	105	47
Provision for doubtful loans and advances	509	433
Provision for service tax (input tax credit)	168	-
Interest on working capital loan	31	33
Dividend received	(144)	(94)
Interest on inter corporate borrowings	14	6
Interest on secured term loans	763	1,604
Interest on tax refunds	(68)	-
Release of Provision for diminution in non current investments	(284)	-
Provisions against standard assets	327	(46)
Operating cash flow before working capital changes	5,632	4,911
Adjustments for :		
Add / (Less) :		
Increase / (decrease) in other long term liabilities	(42)	(44)
Increase / (decrease) in other current liabilities	(13,040)	(1,727)
Increase / (decrease) in Trade payables	150	-
(Increase) / decrease in other current assets	(461)	234
(Increase) / decrease in other non current assets	-	2
(Increase) / decrease in long term loans and advances	(29,544)	(517)
(Increase) / decrease in short term loans and advances	(56,967)	38,118
	(99,904)	36,066
Net cash from operating activities before taxes	(88,175)	49,131
Less: taxes paid (net of refunds)	1,780	(1,136)
Net cash from operating activities	(A) (86,395)	47,994
Cash flow from investing activities		
Purchase of fixed assets	(1,086)	(34)
Intangible assets under development	90	(90)
Dividend received	144	94
Interest on tax refunds	68	-
Net cash from investing activities	(B) (784)	(30)



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

for the year ended 31 March 2017

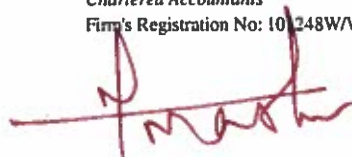
(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Cash flow from financing activities		
Issue of inter corporate deposits	1,000	1,000
Redemption of inter corporate deposits	(1,000)	-
Repayment of Term Loan from Bank	-	(4,380)
Debt issue expenses	(105)	(47)
Issue of commercial paper	204,549	82,469
Repayment of commercial paper	(125,500)	(106,000)
Interest paid on working capital loan	(31)	(33)
Interest on inter corporate borrowings	(14)	(6)
Interest on secured term loans	(763)	(1,604)
Equity dividend paid for the previous year (including dividend distribution tax thereon)	-	(2,937)
Net cash from financing activities (C)	78,136	(31,538)
Net increase / (decrease) in cash and cash equivalents (D=A+B+C)	(9,043)	16,426
Cash and cash equivalents at the beginning of the year (E) (refer note 15)	18,447	2,021
Cash and cash equivalents at the end of the year (D+E) (refer note 15)	9,404	18,447

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





Akeel Master
Partner
Membership No: 046768


30 May 2017
Mumbai

For and on behalf of the Board of Directors of
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Director
DIN No: 00118078


Saket Maheshwari
CS & CFO
ACS: A21823

30 May 2017
Mumbai



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

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

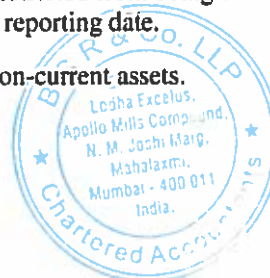
All assets and liabilities are classified into current and non-current.

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 2017

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 2017

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 provision against standard assets, at rates and as per norms prescribed by the RBI.

2.6 Revenue recognition

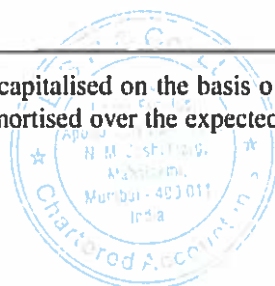
- Interest income is recognised on accrual basis, except in case of interest on non-performing loans which is recognised as income on receipt.
- Fee income is recognised as and when services are rendered. Certain fees above a threshold are amortised over the tenor of the loan if they are considered to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

2.7 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.



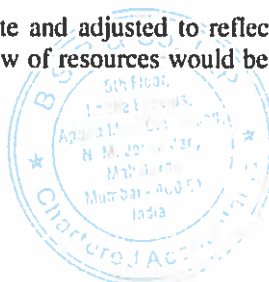
for the year ended 31 March 2017

- 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.

- 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 19-Leases. Lease payments made under operating leases are recognised as an expense in the statement of profit and loss.

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.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

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

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.

2.11 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.

2.12 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.



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

as at 31 March 2017

(Currency : Indian rupees in Lakhs)

Note - 3

	31 March 2017	31 March 2016
Share capital		
Authorised:		
460,000,000 (Previous year: 460,000,000) Equity shares of Rs.10 each	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
	<u>45,439</u>	<u>45,439</u>
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 2017, the amount of per share dividend recognised as distributions to equity shareholders was Nil (Previous Year: Rs. Nil).

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	8,016	6,947
Transfer from profit for the year	821	1,069
Closing balance (A)	<u>8,837</u>	<u>8,016</u>

Surplus in the Statement of profit and loss

Opening balance	19,346	15,071
Profit for the year	4,104	5,344
Less: Appropriations		
Transfer to statutory reserve fund	(821)	(1,069)
Closing balance (B)	<u>22,629</u>	<u>19,346</u>
(A+B)	<u>31,466</u>	<u>27,362</u>



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Currency : Indian rupees in Lakhs)

Note - 5

Other Non current liabilities

Unamortised fee	310	352
	<u>310</u>	<u>352</u>

Note - 6

Provisions

Long term provisions

Provisions against standard assets [see note 35]	208	102
	<u>208</u>	<u>102</u>

Note - 7

Short term borrowings (unsecured)

Current

Commercial papers	109,500	25,000
Unamortised discount	(2,084)	(708)
(A)	<u>107,416</u>	<u>24,292</u>
Inter corporate borrowings	1,000	1,000
(B)	<u>1,000</u>	<u>1,000</u>
(A+B)	<u>108,416</u>	<u>25,292</u>

The outstanding commercial papers are of a face value of Rs. 500000 each, issued at weighted average price of Rs. 96.78 (previous year Rs. 95.81) and are redeemable at face value upon maturity. Their average residual maturity is 101 days (previous year 126 days).

The outstanding Inter corporate deposits are borrowed at weighted average rate of 7.10 %. Their average residual maturity is 357 days.

Note - 8

Trade payables

Trade payables

i) total outstanding dues to micro and small enterprises	-	-
ii) total outstanding dues of creditors other than micro and small enterprises	150	-
	<u>150</u>	<u>-</u>

Trade Payables includes Rs. Nil (Previous Year: Rs. Nil) payable to "Suppliers" registered under the Micro, Small and Medium Enterprises Development Act, 2006. No interest has been paid / is payable by the Company during the year to "Suppliers" registered under this act. The above is based on the information available with the Company which has been relied upon by the auditors.

Note - 9

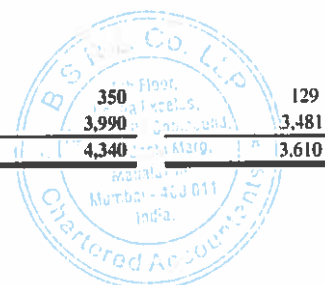
Other current liabilities

Unamortised fee	271	369
Current maturities of long-term borrowings	-	14,000
Accrued interest payable on borrowings	0	10
Others	1,315	246
	<u>1,586</u>	<u>14,625</u>

Note - 10

Short term provisions

Provisions against standard assets [see note 35]	350	129
Provision for doubtful loans and advances	3,990	3,481
	<u>4,340</u>	<u>3,610</u>



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

as at 31 March 2017

(Currency : Indian rupees in Lakhs)

Note - 11 - Fixed assets

Description	Gross block at cost			Depreciation			Net block	
	As at 1 April 2016	For the Year Additions	Deletions / Retirement	As at 31 March 2017	As at 1 April 2016	For the Year Additions	As at 31 March 2017	As at 31 March 2016
Tangible assets								
Computer hardware	22	12	(3)	31	7	9	13	16
Furniture and Fittings	-	0	-	0	-	0	0	-
Office equipment	3	2	-	5	2	1	3	1
Premises	216	-	-	216	5	4	9	211
Intangible assets								
Computer software	17	1,072	-	1,089	1	122	123	16
Work in Progress								
	90	-	(90)	0	-	-	-	90
Total	348	1,086	(93)	1,341	15	136	148	334

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	8	0
Office equipment	3	1	(1)	3	2	1	2	1
Premises	216	-	-	216	1	4	5	215
Intangible assets								
Computer software	139	17	(139)	17	139	1	1	-
Work in Progress								
	-	90	-	90	-	-	-	-
Total	365	124	(141)	348	149	8	146	216



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements (Continued)

as at 31 March 2017

(Currency : Indian rupees in Lakhs)

31 March 2017

31 March 2016

Note - 12

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 Private 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, fully paid up

1,771

1,771

1,799

1,799

Less: Provision for depreciation in the value of investments

-

(284)

1,799

1,515

Aggregate book value of quoted investments

-

-

Aggregate market value of quoted investments

-

-

Aggregate book value of unquoted investments

1,799

1,515

Note - 13

Loans and advances

Long term loans and advances

Loans to companies (Secured and considered good)

45,170

24,710

Loans to companies (Unsecured and considered good) *

14,281

9,365

Advance tax (Net of provision for tax)

9,354

9,284

68,805

43,359

* includes loans aggregating to Rs 14,281 (Previous year: Rs 9,365) 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 - 14

Other non-current assets

Interest accrued on tax refunds

1,803

1,803

1,803

1,803

Note - 15

Cash and bank balances

Cash and cash equivalents

Balances with Banks

In current accounts

2,404

3,647

Deposits with original maturity of less than three months

7,000

14,800

9,404

18,447

Note - 16

Loans and advances

Short term loans and advances

Loans to companies (Secured and considered good)

81,756

27,253

Loans to companies (Unsecured and considered good) **

18,319

15,855

Loans to companies (Doubtful)

6,600

6,600

106,675

49,708

** includes loans aggregating Rs 12,500 (Previous year: Nil) for which corporate guarantee is given and includes loans aggregating Rs 5,819 (Previous year: Rs 12,855) 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 - 17

Other current assets

Interest accrued on advances

623

322

Interest accrued on fixed deposits

2

4

Others

11

16

636

342



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

	31 March 2017	31 March 2016
Note - 18		
Revenue from operations		
<i>Interest income</i>		
Interest income on loans and advances	12,888	13,308
Interest income on bank deposits	-	189
<i>Other financial services</i>		
Fee income	722	835
Dividend income	-	94
	<u>13,610</u>	<u>14,426</u>
Note - 19		
Other Income		
Interest income on bank deposits	204	-
Dividend income	144	-
Release of Provision for diminution in non current investments	284	-
Other income	68	-
	<u>700</u>	<u>-</u>
Note - 20		
Finance costs		
<i>Interest expenses</i>		
Interest on inter corporate borrowings	14	6
Interest on secured term loans	763	1,604
Interest on working capital loan	31	33
<i>Other borrowing costs</i>		
Discount amortised on commercial papers issued	4,075	2,920
Debt issue expenses amortised	105	47
	<u>4,988</u>	<u>4,610</u>
Note - 21		
Staff costs (refer note 30)		
Salaries, bonus, staff welfare expenses and allowances	930	687
	<u>930</u>	<u>687</u>



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2017

(Currency : Indian rupees in Lakhs)

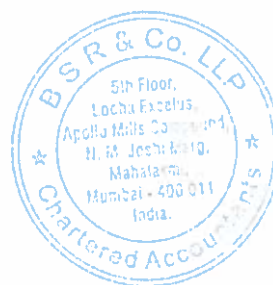
31 March 2017

31 March 2016

Note - 22

Other expenses

Rent	95	106
Business support costs (refer note 32)	93	68
Royalty charges	-	63
Support service charges (refer note 31)	392	161
Brokerage and other fees	3	1
Communication expenses	1	7
Subscription charges	-	(22)
Auditors' remuneration		
- Statutory audit	15	15
- Tax audit	3	3
- Other services	4	3
- Reimbursement of expenses	3	2
	25	23
Provision against standard assets	327	(46)
System maintenance charges	42	13
System charges	291	-
Exchange (gain)/loss on foreign exchange conversion	-	9
Printing and stationery	2	3
Travelling and conveyance	8	7
Repairs and maintenance - premises	1	-
Repairs and maintenance - others	0	0
Legal expenses	6	38
Professional Fee- Others	35	-
Provision for doubtful loans and advances	509	433
Bad debts	(12)	(9)
Provision for service tax (input tax credit)	168	-
Corporate Social Responsibility (CSR) costs (refer note 37)	142	12
Others	31	100
	<u>2,159</u>	<u>967</u>



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

23 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 2017	31 March 2016
Net profit (gross of transfer to statutory reserve) attributable to equity shareholders	4,104	5,344
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.)	0.90	1.18

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

24 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 2017 is Rs 95 (Previous year Rs. 106).



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

25 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 2017	31 March 2016
Deferred tax assets		
Depreciation on fixed assets	-	32
Provision against standard assets	193	80
Provision against doubtful assets	1,381	1,205
Unamortised fees	201	250
Provision for un-utilised service tax credit	350	332
Interest on NPA as per ICDS	143	-
Total deferred tax asset	2,268	1,899
Deferred tax liabilities		
Depreciation on fixed assets	(44)	-
Interest accrued on income tax refunds	(624)	(624)
Total deferred tax liability	(668)	(624)
Net deferred tax asset	1,600	1,275

26 Contingent liabilities and commitments

	As at 31 March 2017	As at 31 March 2016
Contingent liabilities		
Taxation [see note (1)]	5,568	5,557
Commitments		
Capital commitments for purchase of software	-	25
Undisbursed sanctions	1,300	-
Total	6,868	5,582

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 2017

(Indian rupees in Lakhs)

27 Expenditure in foreign currency

Rs 59 (Previous year: Rs 85) 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 2016 to 31 March 2017.

28 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.

29 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
Standard Chartered Global Business Services Pvt. Ltd. (erstwhile Scope International Pvt. Ltd.)	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	Associate enterprise
Mr. Amit Saxena (Appointed w.e.f 12 September 2016)	Key Management Personnel
Mr. Ganesh Iyer (Appointed w.e.f 17 May 2016 and resigned w.e.f 12 September 2016)	Key Management Personnel

Transactions with Standard Chartered Bank – India Branches	For the year ended 31 March 2017	For the year ended 31 March 2016
Non Banking Transactions		
Rent	90	106
Receiving of services (secondment of staff * and other support charges)	1,314	848
Fee income	-	120

* includes Rs 232 (Previous year: Rs 147) paid for secondment of key management personnel

Balances with Standard Chartered Bank – India Branches	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Sundry balances – payables for services availed	214	294	135	215
Sundry balances – receivable	-	0	-	2



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

29 Related parties disclosure (Continued)

Transactions with Standard Chartered Bank – India Branches		
Banking transactions	For the year ended 31 March 2017	For the year ended 31 March 2016
Transactions		
Term loans	-	14,000
Accrued expense on term loan	-	4
Interest cost on working capital loan	31	33
Interest cost on term loans	763	1,604
Interest received on fixed deposits	77	62
Purchase of foreign exchange	59	85
Issuer & paying agent charges	-	1
Service Charges	1	-
Bank Charges	0	-

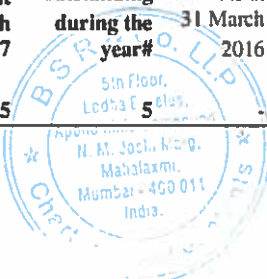
Balances	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Bank balance	2,366	2,366	3,628	3,628
Working capital loan	-	5,500	-	1,200
Term loan	-	14,000	14,000	20,000
Fixed deposits	7,000	7,000	6,800	6,800

Transactions with Standard Chartered Global Business Services Pvt. Ltd. (erstwhile Scope International Pvt. Ltd.)	For the year ended 31 March 2017	For the year ended 31 March 2016
Business support costs	54	37

Balances with Standard Chartered Global Business Services Pvt. Ltd. (erstwhile Scope International Pvt. Ltd.)	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Sundry balances – payable for services provided	18	21	6	5

Transactions with Standard Chartered Securities (India) Limited	For the year ended 31 March 2017	For the year ended 31 March 2016
Rental charges	5	-

Balances with Standard Chartered Securities (India) Limited	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Sundry balances – payable for rent	5	5	-	-



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

29 Related parties disclosure (Continued)

Balances with Standard Chartered Strategic Brand Management Limited	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Royalty payable (net of TDS)	-	63	63	139

Transactions with Standard Chartered Finance Private Limited	For the year ended 31 March 2017	For the year ended 31 March 2016
Dividend income	48	77

Balances with Standard Chartered Finance Private Limited	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Investment in equity shares	28	28	28	28

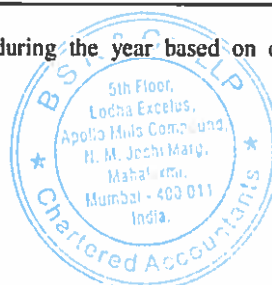
Transactions with Standard Chartered (India) Modeling and Analytics Centre Private Limited	For the year ended 31 March 2017	For the year ended 31 March 2016
Dividend income	96	17

Balances with Standard Chartered (India) Modeling and Analytics Centre Private Limited	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Investment in equity shares (net of provisions)	1,487	1,487	1,487	1,498

Transactions with Standard Chartered Bank - Singapore Branch	For the year ended 31 March 2017	For the year ended 31 March 2016
Miles Software integration	958	-

Balances with Standard Chartered Bank - Singapore Branch	As at 31 March 2017	Maximum outstanding during the year#	As at 31 March 2016	Maximum outstanding during the year#
Sundry Balances	958	958	-	-
Reimbursement of expenses	-	12	12	40

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 2017

(Indian rupees in Lakhs)

30 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 21.

31 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 22.

32 Business support cost

Standard Chartered Global Business Services Pvt. Ltd. ('SCGBS') (erstwhile Scope International Pvt. Ltd.) provides a wide range of services like banking operations, finance and accounting services, IT service, etc to the Group globally. SCGBS 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 22.

33 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.

The Company's international transactions with associated enterprises are at arm's length as per the independent accountant's report for the year ended 31 March 2016. The Company is in the process of updating the documentation for the international transactions entered into with the associated enterprises during the period subsequent to 31 March 2016. Management believes that the company's international transactions with associated enterprises post 31 March 2016 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the year end

34 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 2017 (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.



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

35 Provision against standard assets

A general provision at 0.35% 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 6 & 10 – Provision against standard assets.

36 Restructured advances

There are no advances which have been restructured during the year ended 31 March 2017 (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.

37 Corporate Social Responsibility (CSR) Expenditure

Details of CSR expenditure of the Company are as below:

- Gross Amount required to be spent during the year – 142 (Previous Year : Rs 211)
- Amount spent –

		As at 31 March 2017			As at 31 March 2016		
		In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
i)	Construction/acquisition of any asset	-	-	-	-	-	-
ii)	On purposes other than (i) above	142	-	142	12	-	12

38 Unhedged foreign currency exposure

Unhedged foreign currency exposure is given below:

Particulars	As at 31 March 2017		As at 31 March 2016	
	Foreign currency	Indian rupee	Foreign currency	Indian Rupee
Payable- USD	14.78	958	-	-



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

39 Details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016

	SBN	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	-	-
Add: Permitted receipts	-	-	-
Less: Permitted payments	-	-	-
Less: Amount deposited in banks	-	-	-
Closing cash in hand as on 30.12.2016	-	-	-

40 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 2017

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	-	-
(d) Inter-Corporate Loans and Borrowing	1,000	-
(e) Commercial Paper	107,416	-
(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)	133,526
(b) Unsecured	32,601
	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	-

(Indian rupees in Lakhs)

(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	133,526	32,601	166,127
Total	133,526	32,601	166,127

** 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 2017

(Indian rupees in Lakhs)

40 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	2,610
(iii) Assets acquired in satisfaction of debts	-



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

40 NBFC disclosures (*Continued*)

Capital to Risk Adjusted Ratio ('CRAR')

Items	31 March 2017	31 March 2016
(i) CRAR (%)	43.47 %	82.42 %
(ii) CRAR - Tier I capital (%)	43.14 %	82.15 %
(iii) CRAR - Tier II Capital (%)	0.33%	0.27%
(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 2017	31 March 2016
(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	79,522	62,065
(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	79,522	62,065



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Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

40 NBFC disclosures (*Continued*)

Investments			
Particulars	31 March 2017	31 March 2016	
(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	
b. Outside India	-	-	
(iii) Net Value of Investments-			
a. In India	1,799	1,515	
b. Outside India	-	-	
(b) Movement of provisions held towards depreciation on investments			
(i) Opening Balance	284	284	
(ii) Add: Provisions made during the year	-	-	
(iii) Less : Write-off / write-back of excess provisions during the year	(284)	-	
(iv) Closing Balance	-	284	

Exposure to capital market			
Particulars	31 March 2017	31 March 2016	
(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;	56,305	15,875	
(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;	-	-	
(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	58,104	17,674	



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

40 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 2017	31 March 2016
(a) Provision made towards Income tax (current)	2,174	2,906
(b) Provision for Standard Assets	327	(46)
(c) Provision for doubtful loans and advances	509	433

Concentration of Advances

31 March 2017

(a) Total advances to twenty largest borrowers	153,980
(b) Percentage of advances to twenty largest borrowers to total advances	92.69%

Concentration of Exposures

31 March 2017

(a) Total exposures to twenty largest borrowers/customers	153,980
(b) Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	92.69%

Customer Complaints

31 March 2017

(a) No. of complaints pending at the beginning of the year	2
(b) No. of complaints received during the year	107
(c) No. of complaints redressed during the year	109
(d) No. of complaints pending at the end of the year	0

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 April 2016, CRISIL downgraded the ratings of long term debt instruments of the Company to 'CRISIL AA/ Stable /CRISIL PP-MLD AAr/Stable' from 'CRISIL AA+/CRISIL PP-MLD AA+'..

In January 2017, CRISIL has withdrawn its rating of 'CRISIL PP-MLD AAr/Stable' on the equity-linked debentures of the Company as the instrument have been redeemed and there is no outstanding amount against them.

In March 2017, CRISIL upgraded the rating of other enhanced long term debt instrument of the Company to 'CRISIL AA+/Stable'



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

40 NBFC disclosures (*Continued*)

Pending Litigations

As of 31 March, 2017, there are no pending litigations against the Company

Concentration of NPAs

31 March 2017

Total Exposure to top two 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	5.27
(d)	Services	-
(e)	Unsecured personal loans	-
(f)	Auto loans	-
(g)	Other personal loans	-

Movement of NPAs

Particulars	31 March 2017	31 March 2016
(a) Net NPAs to Net Advances (%)	4.00	3.88
(b) Movement of NPAs (Gross)		
(i) Opening balance	6,600	11,500
(ii) Additions during the year	-	6,600
(iii) Reductions during the year	-	11,500
(iv) Closing balance	6,600	6,600
(c) Movement of Net NPAs		
(i) Opening balance	3,119	8,452
(ii) Additions during the year	-	3,119
(iii) Reductions during the year	509	8,452
(iv) Closing balance	2,610	3,119
(d) Movement of provisions for NPAs (excluding provisions on standard assets)		
(i) Opening balance	3,481	3,048
(ii) Provisions made during the year	509	3,481
(iii) Write-off / write-back of excess provisions	-	3,048
(iv) Closing balance	3,990	3,481



Standard Chartered Investments and Loans (India) Limited

Notes to the financial statements

for the year ended 31 March 2017

(Indian rupees in Lakhs)

40 NBFC disclosures (*Continued*)

Following disclosures are Nil for the year ended 31 March 17 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

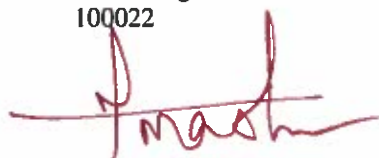
41 Prior year comparatives

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



Akeel Master

Partner

Membership No. 046768

For and on behalf of the Board of Directors of

Standard Chartered Investments and Loans (India) Limited



Zarin Daruwala

Director

DIN No: 00034655



Amit Saxena

MD & CEO

DIN No: 05248652



Shyamal Saxena

Director

DIN No: 00118078



Saket Maheshwari

CS & CFO

ACS:A21823

30 May 2017

Mumbai

30 May 2017

Mumbai

