

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

**Standalone Financial Statements
together with the auditors' report
for the year ended 31 March 2018**

Standard Chartered Investments and Loans (India) Limited

Standalone Financial statements together with auditors' report *for the year ended 31 March 2018*

Contents

Pages

Independent auditors' Report

Standalone Balance sheet

1

Standalone Statement of profit and loss

2

Standalone Cash flow statement

3-4

Notes to the Standalone financial statements

5 – 34

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 31st March, 2018, the Statement of Profit and Loss and 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 of the 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 Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India and guidelines issued by the Reserve Bank of India ("RBI") from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditors' Responsibility

Our responsibility is to express an opinion on the standalone financial statements based on our audit.

In conducting 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 and the Order issued under section 143(11) of the Act.

We conducted our audit of the standalone financial statements 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 misstatement.



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 auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal financial controls 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 obtained by us 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 guidelines issued by the RBI from time to time and give a true and fair view in conformity with the Accounting Standards and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit 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 prescribed under Section 133 of the Act.
- e) On the basis of the written representations received from the directors of the Company as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.



- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, 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 standalone financial statements.
 - 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



Rukshad N. Daruvala
Partner
(Membership No. 111188)

Date: June 4, 2018
Place: Mumbai

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 31st March, 2018 in conjunction with our audit of the 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that are 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 controls based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the standalone 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.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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, to the best of our information and according to the explanations given to us, 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 31st March, 2018, based on the criteria for internal financial control over financial reporting 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 DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



Rukshad N. Daruvala
Partner
(Membership No. 111188)

Date: June 4, 2018
Place: Mumbai

ANNEXURE "B" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) In respect of the Company's fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause 3(ii) of the CARO 2016 is not applicable.
- (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.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable. The Company being a non-banking finance company, nothing contained in Section 186 of the Act, except sub-section (1), shall apply.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence 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 rules framed thereunder are not applicable.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause 3(vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. We are informed that the provisions of Employee State Insurance, Sales tax, Custom Duty, Value Added Tax and Excise duty is not applicable.



- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service Tax, Service Tax, cess and other material statutory dues in arrears as at 31st March, 2018 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax which have not been deposited as on 31st March, 2018 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which Amount Relates	Amount Involved (Rs. in lacs)	Amount Unpaid (Rs. in lacs)
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	AY 2005-06	10	10
Income Tax Act, 1961	Income Tax	Bombay High Court	AY 2006-07	488	488
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2010-11	120	120
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2011-12	3	3
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2012-13	99	99
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2013-14	104	104
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax Appeal	AY 2014-15	73	73

- (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, banks and government. The Company has not issued any debentures.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3(ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.



- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the CARO 2016 is not applicable.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Act are not applicable.
- (xvi) The Company is registered under section 45-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117365W)



Rukshad N. Daruvala
Partner
(Membership No. 111188)

Date: June 4, 2018
Place: Mumbai

Standard Chartered Investments and Loans (India) Limited

Standalone Balance sheet

as at 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

	Note	31 March 2018	31 March 2017
Equity and liabilities			
Shareholders' funds			
Share capital	3	45,439	45,439
Reserves and surplus	4	36,084	31,466
Non-current liabilities			
Other non-current liabilities	5	116	310
Long term provisions	6	179	208
Current liabilities			
Short term borrowings	7	53,270	108,416
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	2,192	1,586
Short term provisions	10	4,162	4,340
Total		141,442	191,915
Assets			
Non-current assets			
Fixed assets			
Property, Plant & Equipment	11	232	227
Intangible assets	11	603	966
Non-current investments	12	1,799	1,799
Deferred tax asset (net)	25	1,179	1,600
Long term loans and advances	13	49,075	68,805
Other non-current assets	14	1,548	1,803
Current assets			
Cash and bank balances	15	5,434	9,404
Short term loans and advances	16	81,012	106,685
Other current assets	17	560	626
Total		141,442	191,915

Summary of significant accounting policies

2

The accompanying notes 1 to 42 form an integral part of the financial statements.

As per our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W



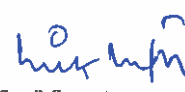
Rukshad N. Daruvala
Partner
Membership No: 111188

4 June 2018
Mumbai

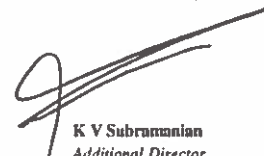
For and on behalf of the Board of Directors of
Standard Chartered Investments and Loans (India) Limited



Zarin Daruwalla
Director
DIN No: 00034655



Souvik Sengupta
MD & CEO
DIN No: 07716597



K V Subramanian
Additional Director
DIN No: 07842700



Saket Maheshwari
CS & CFO
ACS: A21823

4 June 2018
Mumbai



Standard Chartered Investments and Loans (India) Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

	Note	31 March 2018	31 March 2017
Revenue			
Revenue from operations	18	17,392	13,610
Other income	19	535	712
Total revenue		17,927	14,322
Expenditure			
Finance costs	20	7,683	4,988
Employee benefit expenses	21	1,677	930
Other expenses	22	802	2,171
Depreciation & amortisation expenses	11	384	136
		10,546	8,225
Profit before tax		7,381	6,097
- Current tax		2,342	2,318
- Deferred tax charge / (credit)	25	421	(325)
Profit after tax		4,618	4,104
Basic and diluted earnings per share of face value of Rs 10 each	23	1.02	0.90

Summary of significant accounting policies 2

The accompanying notes 1 to 42 form an integral part of the financial statements.

As per our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W



Rukshad N. Daruvala
Partner
Membership No: 111188

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



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4 June 2018
Mumbai

4 June 2018
Mumbai



Standard Chartered Investments and Loans (India) Limited

Standalone Cash flow statement

for the year ended 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

	31 March 2018	31 March 2017
Cash flow from operating activities		
Net profit before tax	7,381	6,097
Adjustments :		
Add / (Less) :		
Depreciation & amortisation expenses	384	136
Discount amortised on commercial paper issued	7,401	4,075
Debt issue expenses amortised	165	105
Provision for doubtful loans and advances	(134)	509
Provision for input goods & services	96	168
Provision for gratuity	10	-
Interest on working capital loan	35	31
Interest on fixed deposit	(184)	(204)
Dividend received	(141)	(144)
Interest on inter corporate borrowings	82	14
Interest on secured term loans	-	763
Interest on tax refunds	(200)	(68)
Release of Provision for diminution in non current investments	-	(284)
Provisions against standard assets	(93)	327
Operating cash flow before working capital changes	7,421	5,428
Adjustments for :		
Add / (Less) :		
Increase / (Decrease) in other non current liabilities	(194)	(42)
Increase / (Decrease) in other current liabilities	594	(13,040)
Increase / (Decrease) in Trade payables	(150)	150
(Increase) / Decrease in other current assets	80	(463)
(Increase) / Decrease in other non current assets	-	-
(Increase) / Decrease in long term loans and advances	18,958	(29,544)
(Increase) / Decrease in short term loans and advances	25,576	(56,967)
	<u>44,864</u>	<u>(99,906)</u>
Net cash from/(used in) operating activities before taxes	59,666	(88,381)
Less: taxes paid (net of refunds)	(1,568)	1,780
Net cash generated from/(used in) operating activities	(A) 58,098	(86,601)
Cash flow from investing activities		
Purchase of PPE (net)	(26)	(1,086)
Intangible assets under development	-	90
Dividend received	141	144
Interest income on deposits	178	206
Interest on tax refunds	456	68
Net cash generated from/(used in) investing activities	(B) 749	(578)



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

for the year ended 31 March 2018

(Currency : Indian rupees in Lacs)

	31 March 2018	31 March 2017
Cash flow from financing activities		
Issue of inter corporate deposits	400	1,000
Redemption of inter corporate deposits	(1,000)	(1,000)
Debt issue expenses	(165)	(105)
Issue of commercial paper	158,554	204,549
Repayment of commercial paper	(220,500)	(125,500)
Interest paid on working capital loan	(35)	(31)
Interest on inter corporate borrowings	(71)	(14)
Interest on secured term loans	-	(763)
Net cash generated from/(used in) financing activities	(C)	
	<u>(62,817)</u>	<u>78,136</u>
Net increase / (decrease) in cash and cash equivalents	(D=A+B+C)	
	<u>(3,970)</u>	<u>(9,043)</u>
Cash and cash equivalents at the beginning of the year (E) (refer note 15)	9,404	18,447
Cash and cash equivalents at the end of the year (D+E) (refer note 15)	<u>5,434</u>	<u>9,404</u>

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

As per our report attached.

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W



Rukshad N. Daruvala
Partner
Membership No: 111188

4 June 2018
Mumbai

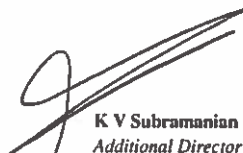
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Saket Maheshwari
CS & CFO
ACS: A21823

4 June 2018
Mumbai



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

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 as 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 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 standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

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 standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

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, 2016 dated September 01, 2016 (as amended) 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 Property, Plant & Equipment (PPE) and depreciation

- PPE are carried at cost of acquisition less accumulated depreciation and impairments, if any. Acquisition cost includes all expenses incidental to the acquisition of the PPE and any attributable cost of bringing the asset to its working condition for its intended use.
- Individual PPE 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 minimum useful life prescribed under the Companies Act, 2013. The depreciation rates are as follows:

PPE	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.



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

2 Summary of significant accounting policies (Continued)

2.7 Property, Plant & Equipment (PPE) and depreciation (Continued.)

- 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.

2.8 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.

2.9 Accounting for leases

Assets 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.

2.10 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.



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

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

2.10 Provisions and contingencies (*Continued*)

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, 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 year).

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.

2.13 Retirement benefits

a. Provident Fund

The Company contributes provident fund amount to Regional Provident Fund Commissioner's Office (EPFO) for all its eligible employees. The contributions are accounted for on an accrual basis and recognised in the Statement of Profit and Loss.



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

2. Summary of significant accounting policies (Continued)

2.13 Retirement benefits (Continued)

b. Gratuity(Unfunded)

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine the present value of the obligation under the defined benefit plan.

The present value of the obligation under such defined benefit plan is determined based on the actuarial valuation using the Projected Unit Credit Method which recognises each period of service as giving rise to additional unit of employee benefit entitlement, and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on government securities as at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.



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

as at 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

Note - 3

Share capital

31 March 2018 31 March 2017

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

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 2018, 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

8,837

8,016

Transfer from profit for the year

924

821

Closing balance

(A)

9,761

8,837

Surplus in the Statement of Profit and Loss

Opening balance

22,629

19,346

Profit for the year

4,618

4,104

Less: Appropriations

Transfer to statutory reserve fund

(924)

(821)

Closing balance

(B)

26,323

22,629

(A+B)

36,084

31,466



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

as at 31 March 2018
(Currency : Indian rupees in Lacs)

Note - 5

Other Non current liabilities

Unamortised fee

31 March 2018	31 March 2017
116	310
<u>116</u>	<u>310</u>

Note - 6

Long term provisions

Provision for gratuity expenses [See Note 39 b]
Provisions against standard assets [See Note 35]

17	-
162	208
<u>179</u>	<u>208</u>

Note - 7

Short term borrowings (unsecured)

Commercial papers
Unamortised discount

	53,500	109,500
	(630)	(2,084)
(A)	<u>52,870</u>	<u>107,416</u>

Inter corporate borrowings

	400	1,000
(B)	<u>400</u>	<u>1,000</u>
(A+B)	<u>53,270</u>	<u>108,416</u>

The outstanding commercial papers are of a face value of Rs. 500,000 each, issued at weighted average price of 94.41% (previous year 96.78%) and are redeemable at face value upon maturity. Their average residual maturity is 58 days (previous year 101 days).

The outstanding Intercompany deposits are borrowed at weighted average rate of 6.65 % (previous year Rs. 7.10%). Their average residual maturity is 4 days (previous year 357 days).

Note - 8

Trade payables

Trade payables (See Note 34)

i) total outstanding dues to micro and small enterprises
ii) total outstanding dues of creditors other than micro and small enterprises

-	-
-	150
<u>-</u>	<u>150</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
Accrued interest payable on borrowings
Others
Statutory dues
Employee payable
Expenses payable & others

104	271
12	0
98	2
130	-
1,848	1,313
<u>2,192</u>	<u>1,586</u>

Note - 10

Short term provisions

Provisions against standard assets [See Note 35]
Provision for gratuity expenses [See Note 39 b]
Provision for doubtful loans and advances

303	350
3	-
3,856	3,990
<u>4,162</u>	<u>4,340</u>



as at 31 March 2018
(Currency : Indian rupees in Lacs)
CIN: U65990MH2003PLC142829

Current Year

Previous Year

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

as at 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

31 March 2018

31 March 2017

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

Note - 13

Loans and advances

Long term loans and advances

Corporate/Retail loans (Secured and considered good)

32,964

45,170

Corporate/Retail loans (Unsecured and considered good) *

7,530

14,281

Advance tax [Net of provision for tax Rs. 21,604 (Previous year: Rs. 19,262)]

8,581

9,354

49,075

68,805

* includes loans aggregating to Rs 7,530 (Previous year: Rs 14,281) 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

1,548

1,803

1,548

1,803

Note - 15

Cash and bank balances

Cash and bank balances

Balances with Banks

In current accounts

4,434

2,404

Deposits with original maturity of less than three months

1,000

7,000

5,434

9,404

Note - 16

Loans and advances

Short term loans and advances

Corporate/Retail loans (Secured and considered good)

56,549

81,756

Corporate/Retail loans (Unsecured and considered good) **

19,314

18,319

Corporate loans (Doubtful)

5,027

6,600

Service Tax/ GST Input Credit (Unsecured and considered Good)

122

10

Service Tax/ GST Input Credit (Unsecured and Doubtful)

1,000

1,014

Less: Provisions

(1,000)

(1,014)

81,012

106,685

** Includes loans aggregating Rs 19,314 (Previous year: Rs 5,819) for which securities are in the process of being perfected and includes loans aggregating Rs, Nil (Previous year: Rs. 12,500) for which corporate guarantee is given

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

504

623

Interest accrued on fixed deposits

7

2

Others

49

1

560

626



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

for the year ended 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

	31 March 2018	31 March 2017
Note - 18		
Revenue from operations		
Interest income on loans and advances	16,710	12,888
Fee income	682	722
	<u>17,392</u>	<u>13,610</u>
Note - 19		
Other Income		
Interest income on bank deposits	184	204
Dividend income from non-current investments	141	144
Reversal of provision for diminution in non current investments	-	284
Recovery of bad debts	10	12
Interest on income tax refund	200	68
	<u>535</u>	<u>712</u>
Note - 20		
Finance costs		
<i>Interest expenses</i>		
Interest on inter corporate borrowings	82	14
Interest on secured term loans	-	763
Interest on working capital loan	35	31
<i>Other borrowing costs</i>		
Discount amortised on commercial papers issued	7,401	4,075
Debt issue expenses amortised	165	105
	<u>7,683</u>	<u>4,988</u>
Note - 21		
Employee Benefit Expenses		
Salaries, Bonus & Allowances (See Note 30)	1,639	930
Payment to Provident and other funds	15	-
Gratuity Expenses (See Note 39 b)	10	-
Other staff costs	13	-
	<u>1,677</u>	<u>930</u>



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

for the year ended 31 March 2018

(Currency : Indian rupees in Lacs)

CIN: U65990MH2003PLC142829

31 March 2018

31 March 2017

Note - 22

Other expenses

Rent	126	95
Business support costs (See Note 32)	58	54
Support service charges (See Note 31)	463	392
Auditors' remuneration		
- Statutory audit	15	15
- Tax audit	-	3
- Other services	4	4
- Reimbursement of expenses	-	3
	19	25
Provision made / (reversal) against standard assets	(93)	327
System maintenance charges	45	42
System charges	-	291
Professional Fees	12	35
Provision made / (reversal) against doubtful loans and advances	(134)	509
GST/Service tax input credit written off	98	120
Provision for input goods & services	(2)	48
Corporate Social Responsibility costs (See Note 37)	132	142
Other Expenses	78	91
	<u>802</u>	<u>2,171</u>



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

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 2018	31 March 2017
Net profit (gross of transfer to statutory reserve) attributable to equity shareholders	4,618	4,104
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.)	1.02	0.90

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 2018 is Rs.126 (Previous year Rs. 95)



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

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 2018	31 March 2017
Deferred tax assets		
Depreciation on fixed assets	35	-
Provision against standard assets	136	193
Provision against doubtful assets	973	1,381
Unamortised fees	64	201
Provision for un-utilised service tax credit	294	350
Interest on NPA as per ICDS	120	143
Provision for Gratuity	3	-
Provision for Bonus	5	-
Total deferred tax asset	1630	2,268
Deferred tax liabilities		
Depreciation on fixed assets	-	(44)
Interest accrued on income tax refunds	(451)	(624)
Total deferred tax liability	(451)	(668)
Net deferred tax asset	1,179	1,600
Charge for the year	421	(325)

26 Contingent liabilities and commitments

	As at 31 March 2018	As at 31 March 2017
Contingent liabilities		
Taxation [see note (1)]	5,451	5,568
Commitments		
Capital commitments for purchase of office equipment	5	-
Undisbursed sanctions	10,700	1,300
Total	16,156	6,868

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, 2012-13 and 2016-17 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 standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

27 Expenditure in foreign currency

Rs Nil (Previous year: Rs 59) 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 2017 to 31 March 2018.

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
Below includes only those related parties with whom transactions have occurred during current year / previous year:	
➤ 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.	Fellow subsidiary
➤ Standard Chartered Securities (India) Ltd	Fellow subsidiary
➤ Standard Chartered Strategic Brand Management Limited	Fellow subsidiary
➤ Standard Chartered Finance Private Limited	Fellow subsidiary
➤ Standard Chartered (India) Modeling and Analytics Centre Private Limited	Associate enterprise
➤ Mr. Souvik Sengupta (Appointed w.e.f 27 November 2017)	Key Management Personnel
➤ Mr. Amit Saxena (Resigned w.e.f 23 October 2017)	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 2018	For the year ended 31 March 2017
Non Banking Transactions		
Rent	100	90
Receiving of services (secondment of staff * and other support charges)	1,451	1,314

* includes Rs 294 (Previous year: Rs 232) paid for key management personnel

Balances with Standard Chartered Bank – India Branches	As at 31 March 2018	As at 31 March 2017
Sundry balances – payables for services availed	725	214



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

29 Related parties disclosure (Continued)

Transactions with Standard Chartered Bank – India Branches		
Banking transactions	For the year ended 31 March 2018	For the year ended 31 March 2017
Transactions		
Working Capital loan taken	27,000	31,050
Working Capital loan paid	(27,000)	(31,050)
Interest on Working Capital loan	35	31
Term loan taken	-	-
Term loan Paid	-	(14,000)
Interest cost on term loans	-	763
Commitment fee paid	113	-
Fixed Deposits placed	107,900	45,950
Fixed Deposits matured	(114,900)	(45,750)
Interest received on fixed deposits	162	77
Purchase of foreign exchange	-	59
Purchase of PPE	15	-
Service Charges	1	1
Bank Charges	0	0

Balances with Standard Chartered Bank – India Branches		
	As at 31 March 2018	As at 31 March 2017
Bank balance	4,216	2,366
Fixed deposits	-	7,000

Transactions with Standard Chartered Global Business Services Pvt. Ltd. (erstwhile Scope International Pvt. Ltd.)		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Business support costs	58	54

Balances with Standard Chartered Global Business Services Pvt. Ltd. (erstwhile Scope International Pvt. Ltd.)		
	As at 31 March 2018	As at 31 March 2017
Sundry balances – payable for services provided	19	18

Transactions with Standard Chartered Securities (India) Limited		
	For the year ended 31 March 2018	For the year ended 31 March 2017
Rental charges	24	5

Balances with Standard Chartered Securities (India) Limited		
	As at 31 March 2018	As at 31 March 2017
Sundry balances – payable for rent	3	5



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

29 Related parties disclosure (Continued)

Transactions with Standard Chartered Finance Private Limited	For the year ended 31 March 2018	For the year ended 31 March 2017
Dividend income	42	48

Balances with Standard Chartered Finance Private Limited	As at 31 March 2018	As at 31 March 2017
Investment in equity shares	28	28

Transactions with Standard Chartered (India) Modeling and Analytics Centre Private Limited	For the year ended 31 March 2018	For the year ended 31 March 2017
Dividend income	99	96

Balances with Standard Chartered (India) Modeling and Analytics Centre Private Limited	As at 31 March 2018	As at 31 March 2017
Investment in equity shares	1,771	1,771

Transactions with Standard Chartered Bank - Singapore Branch	For the year ended 31 March 2018	For the year ended 31 March 2017
Miles Software integration	-	958

Balances with Standard Chartered Bank - Singapore Branch	As at 31 March 2018	As at 31 March 2017
Expenses payables & others	958	958

Transactions with Standard Chartered Bank - UK	For the year ended 31 March 2018	For the year ended 31 March 2017
Share based payments	85	-

Balances with Standard Chartered Bank - UK	As at 31 March 2018	As at 31 March 2017
Share based payments	85	-



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

30 Employee Benefit Expenses

Some of the employees of the Company are seconded from Standard Chartered Bank – India Branches ('the Bank'). During the year, certain seconded employees were moved on the payroll of the Company. Related costs (including retirement benefit costs) are recovered by the Bank from the Company on a monthly basis. These costs are included 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 disclosed as Support Service Charges under Note 22.

32 Business support cost

Standard Chartered Global Business Services Pvt. Ltd. ('SCGBS') 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 2017. 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 2017. Management believes that the company's international transactions with associated enterprises post 31 March 2017 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 and has been relied upon by the auditors, no amounts pertaining to principal and interest were due or remained due as at and for the year ended 31 March 2018 (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 standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

35 Provision against standard assets

A general provision at 0.40% of the standard assets, has been made as prescribed by RBI Master Direction no DNBR (PD) CC .No. 008/ 03.10.119/ 2016-17 dated September 01, 2016 (as amended). 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 2018 (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. 008/ 03.10.119/ 2016-17 dated September 01, 2016 (as amended).

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 – Rs. 131 (Previous Year : Rs 142)
- Amount spent –

		For the year ended 31 March 2018			For the year ended 31 March 2017		
		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	132	-	132	142	-	142

38 Unhedged foreign currency exposure

Unhedged foreign currency exposure is given below:

Particulars	As at 31 March 2018		As at 31 March 2017	
	Foreign currency	Indian rupee	Foreign currency	Indian Rupee
Payable- USD	14.78	958	14.78	958



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

39 Employee benefits

a) Defined Contribution Plan:

Company's contribution to Provident Fund is Rs.13.78.

b) Defined Benefit Plan:

The Company provides for its gratuity liability (unfunded) which is a defined benefit scheme based on actuarial valuation of the gratuity liability at the balance sheet date performed by an independent actuary.

Particulars	For the year ended 31 March 2018
<i>Changes in Present Value of Defined Benefit Obligations</i>	
Opening balance as at 1 April	-
Current service cost	3.53
Interest cost	0.49
Actuarial losses / (gains)	5.79
Past Service Cost	0.57
Liabilities assumed on acquisition/(settled on divestiture)	9.17
Benefits paid	-
Closing balance as at 31 March	19.55

Particulars	For the year ended 31 March 2018
Net Liability recognised	-
Present value of Defined benefits obligations as at 31 March	19.55
Fair value of Plan assets as at 31 March	-
Funded status (Deficit)/Surplus	-
Net Liability recognised in balance sheet	19.55
<i>Components of employer's expense</i>	
Current service cost	3.53
Interest cost	0.49
Expected return on assets	-
Net actuarial losses/(gains)	5.79
Past Service Cost	0.57
Net Cost recognised in the Statement of Profit and Loss	10.38

As at 31 March 2018, the net liability recognised in balance sheet is Rs. 19.55, of which Rs. 2.60 is current (Expected employer's contribution Next year) and Rs. 16.95 is non Current.



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

Key Assumptions		For the year ended 31 March 2018																							
Discount rate (p.a.)		7.70%																							
Expected rate of return on assets (p.a.)		-																							
Salary escalation rate (p.a.)		7.00%																							
<table border="1"> <tr> <td rowspan="2">Attrition Rate</td><td>Year</td><td>2018</td></tr> <tr> <td>Age (Years)</td><td>Rates</td></tr> <tr> <td></td><td>21 – 30</td><td>30%</td></tr> <tr> <td></td><td>31 – 34</td><td>20%</td></tr> <tr> <td></td><td>35 – 44</td><td>15%</td></tr> <tr> <td></td><td>45 – 50</td><td>10%</td></tr> <tr> <td></td><td>51 – 54</td><td>5%</td></tr> <tr> <td></td><td>55 – 57</td><td>2%</td></tr> </table>			Attrition Rate	Year	2018	Age (Years)	Rates		21 – 30	30%		31 – 34	20%		35 – 44	15%		45 – 50	10%		51 – 54	5%		55 – 57	2%
Attrition Rate	Year	2018																							
	Age (Years)	Rates																							
	21 – 30	30%																							
	31 – 34	20%																							
	35 – 44	15%																							
	45 – 50	10%																							
	51 – 54	5%																							
	55 – 57	2%																							

The estimates of future salary increase in the actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors and the same has been relied upon by the auditors.

The amounts for the current annual period is as follow:

	31 March 2018
Defined Benefit Obligation	19.55
Plan Assets	-
Surplus / (Deficit)	(19.55)
Experience Adjustment on plan liabilities	5.79
Experience Adjustment on plan asset	-

c) Employee share based payment

The eligible employees of the company have been granted awards as equity shares of the ultimate holding company, Standard Chartered PLC, under various share schemes such as Restricted Share Award (RSA), Deferred Restricted Share Award (DRSA), Performance Share Awards (PSA), Sharesave Plan, etc.

During the year, the company has recognised an amount of INR 85 (Previous Year: Nil) under the head 'Employee Benefit Expenses' as cost on account of share-based payment under Note 21.



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

40 Proposed Dividend

The Board of Directors, in their meeting held on 04 June, 2018 has proposed a final dividend of INR 0.81 per equity share amounting to INR 3,695 inclusive of tax on dividend. The proposal is subject to the approval of shareholders at the Annual General Meeting. In terms of revised Accounting Standard (AS) 4 'Contingencies and Events occurring after the Balance sheet date' as notified by the Ministry of Corporate Affairs through amendments to Companies (Accounting Standards) Amendment Rules, 2016, the Company has not appropriated proposed dividend from Statement of Profit and Loss for the year ended March 31, 2018.

41 NBFC disclosures

(i) In accordance with Para 18 and Para 70 of RBI Master Direction no. DNBR (PD) CC .No. 008/ 03.10.119/ 2016-17 dated September 01, 2016 (as amended), the following are the additional disclosures required under Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2016.

Amounts as at 31 March 2018

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	412	-
(e) Commercial Paper	52,870	-
(f) Other Loans	-	-

Assets:	Amount Outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:	
(a) Secured	94,540
(b) Unsecured	26,844
	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 Lacs)

(5) Borrower group-wise classification of all Leased Assets, Stock on Hire and Loans and Advances: See Note 2			
Category	Amount		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	94,540	26,844	121,384
Total	94,540	26,844	121,384

** As per Accounting Standards prescribed under Section 133 of Companies Act, 2013

** As per Accounting Standards prescribed under Section 133 of Companies Act, 2013



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

41 NBFC disclosures (*Continued*)

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

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	1,799
(c) Other related parties	-	-
2. Other than related parties	-	-
Total	2,573	1,799

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	-
(a) Related Party	-
(b) Other than Related Parties	5,027
(ii) Net Non-Performing Assets	-
(a) Related Party	-
(b) Other than Related Parties	1,171
(iii) Assets acquired in satisfaction of debts	-



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

41 NBFC disclosures (*Continued*)

Capital to Risk Adjusted Ratio ('CRAR')

Items	31 March 2018	31 March 2017
(i) CRAR (%)	63.52 %	43.47 %
(ii) CRAR - Tier I capital (%)	63.15 %	43.14 %
(iii) CRAR - Tier II Capital (%)	0.37 %	0.33%
(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 2018	31 March 2017
(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	77,544	79,522
(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	77,544	79,522



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements for the year ended 31 March 2018

(Indian rupees in Lacs)

41 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	-	1,000	-	-	-	-	-	-	1,000
Loans and Advances #	6,300	9,459	26,810	11,668	21,626	21,536	6,476	12,482	116,357
Investments**	-	-	-	-	-	-	-	1,799	1,799
Borrowings from banks	-	-	-	-	-	-	-	-	-
Market borrowings*	5,400	22,500	26,000	-	-	-	-	-	53,900
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	958	-	-	-	958

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

* disclosed at face value

excludes non performing assets of INR 5,027 Lakhs



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

41 NBFC disclosures (Continued)

Investments			
Particulars		31 March 2018	31 March 2017
(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		-	-
b. Outside India		-	-
(iii) Net Value of Investments-			
a. In India		1,799	1,799
b. Outside India		-	-
(b) Movement of provisions held towards depreciation on investments			
(i) Opening Balance		-	284
(ii) Add: Provisions made during the year		-	-
(iii) Less : Write-off / write-back of excess provisions during the year		-	(284)
(iv) Closing Balance		-	-

Exposure to capital market			
Particulars		31 March 2018	31 March 2017
(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;		28,712	56,305
(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		30,511	58,104



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

41 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 collateral.

Provisions and Contingencies

'Provisions and Contingencies' in Profit and Loss Account are as below		31 March 2018	31 March 2017
(a)	Provision made towards Income tax (current)	2,342	2,318
(b)	Provision for Standard Assets	(93)	327
(c)	Reversal of Provision for doubtful loans and advances	(134)	509

Concentration of Advances

31 March 2018

(a)	Total advances to twenty largest borrowers	111,770
(b)	Percentage of advances to twenty largest borrowers to total advances	92.08%

Concentration of Exposures

31 March 2018

(a)	Total exposures to twenty largest borrowers/customers	122,470
(b)	Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	92.72%

Customer Complaints

31 March 2018

(a)	No. of complaints pending at the beginning of the year	-
(b)	No. of complaints received during the year	115
(c)	No. of complaints redressed during the year	115
(d)	No. of complaints pending at the end of the year	-

The data has been compiled by the management and same has been relied upon by the auditors.

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

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

In September 2017, ICRA also assigned rating of 'ICRA A1+' on the Company's short term debt programme.

In March 2018, ICRA assigned rating of 'ICRA AAA/Stable' on the Company's long term debt instrument.



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lacs)

41 NBFC disclosures (*Continued*)

Pending Litigations

As of 31 March, 2018, there are no pending litigations against the Company other than tax disclosed under Note 26

Concentration of NPAs

31 March 2018

Total Exposure to top two NPA accounts

5,027

Sector-wise NPA

Percentage of NPAs to Total
Advances in that sector

(a)	Agriculture & allied activities	-
(b)	MSME	-
(c)	Corporate borrowers	5.90
(d)	Services	-
(e)	Unsecured personal loans	-
(f)	Auto loans	-
(g)	Other personal loans	-

Movement of NPAs

Particulars	31 March 2018	31 March 2017
(a) Net NPAs to Net Advances (%)	1.00	4.00
(b) Movement of NPAs (Gross)		
(i) Opening balance	6,600	6,600
(ii) Additions during the year	-	-
(iii) Reductions during the year	1,573	-
(iv) Closing balance	5,027	6,600
(c) Movement of Net NPAs		
(i) Opening balance	2,610	3,119
(ii) Additions during the year	-	-
(iii) Reductions during the year	1,439	509
(iv) Closing balance	1,171	2,610
(d) Movement of provisions for NPAs (excluding provisions on standard assets)		
(i) Opening balance	3,990	3,481
(ii) Provisions made during the year	177	509
(iii) Write-off / write-back of excess provisions	(311)	-
(iv) Closing balance	3,856	3,990



Standard Chartered Investments and Loans (India) Limited

Notes to the standalone financial statements

for the year ended 31 March 2018

(Indian rupees in Lakhs)

41 NBFC disclosures (*Continued*)

Following disclosures are Nil for the year ended 31 March 18 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

42 Prior year comparatives

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

For Deloitte Haskins & Sells
Chartered Accountants
Firm's Registration No: 117365W



Rukshad N. Daruvala
Partner
Membership No. 111188

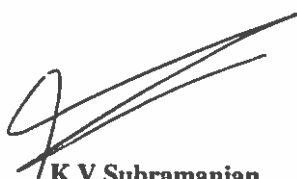
For and on behalf of the Board of Directors of
Standard Chartered Investments and Loans (India) Limited



Zarin Daruwala
Director
DIN No: 00034655



Souvik Sengupta
MD & CEO
DIN No: 07716597



K V Subramanian
Additional Director
DIN No: 07842700



Saket Maheshwari
CS & CFO
ACS:A21823

4 June 2018
Mumbai

4 June 2018
Mumbai

