

Standard Chartered Investments and  
Loans (India) Limited

Financial statements together  
with Independent Auditors' Report  
for the year ended 31 March 2015 .

# Standard Chartered Investments and Loans (India) Limited

## **Financial statement together with Independent Auditors' Report**

*For the year ended 31 March 2015*

<b><i>Contents</i></b>	<b><i>Pages</i></b>
Independent Auditors' report	
Balance sheet	1
Statement of profit and loss	2
Cash flow statement	3-4
Notes to the financial statements	5-32

# B S R & Co. LLP

Chartered Accountants

1st Floor, Lodha Excelus.  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 3989 6000  
Fax +91 (22) 3090 2511

## Independent Auditors' Report

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

#### Report on the Financial Statements

1. 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 2015, the Statement of profit and loss and 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 Financial Statements

2. 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 these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
3. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### Auditors' Responsibility

4. 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.

*16*

## Independent Auditors' Report (*Continued*)

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

5. An audit involves performing procedures to obtain audit evidence about the amounts and 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, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements.
6. 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

7. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - (a) in the case of the Balance sheet, of the state of affairs of the Company as at 31 March 2015;
  - (b) in the case of the Statement of profit and loss, of the profit for the year ended on that date; and
  - (c) in the case of the Cash flow statement, of the cash flows for the year ended on that date.

#### Report on Other Legal and Regulatory Requirements

8. As required by the Companies (Auditor's Report) Order, 2015 ('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 statement on the matters specified in paragraphs 3 and 4 of the said Order.
9. 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 account as required by law have been kept by the Company so far as 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 Balance sheet, the Statement of profit and loss and the Cash flow statement comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014



**Independent Auditors' Report (*Continued*)**

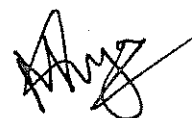
**Standard Chartered Investments and Loans (India) Limited**

- (e) on the basis of written representations received from the directors as on 31 March 2015, and taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2015, from being appointed as a director in terms of section 164 (2) of the Act
- (f) With respect to 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 explanations given to us:
  - i. the Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 35, to the financial statements
  - ii. the Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 24 and 35 to the financial statements
  - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For B S R & Co. LLP

*Chartered Accountants*

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



**Manoj Kumar Vijai**

*Partner*

Membership No: 046882

Mumbai  
19 June 2015

## Standard Chartered Investments and Loans (India) Limited

### Annexure to the Independent Auditors' Report - 31 March 2015

(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 fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii) The Company is a service company. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured and unsecured to companies, firms or other parties covered in the register required under section 189 of the Act. Accordingly, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and sale of goods. We have not observed any continuing failure on the part of the Company to correct major weaknesses in the internal control system.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public to which the directives issued by the Reserve Bank of India and the provisions of section 73 to section 76 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the activities conducted/services rendered by the Company. Accordingly paragraph 3(vii) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including income-tax, service tax and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of wealth tax, duty of customs, duty of excise and cess. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, value added tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.



- (b) According to the information and explanations given to us, other than those stated in the following table, there are no dues of income-tax, service tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute :

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

- (c) According to the information and explanations given to us, there are no dues of Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder before the end of the year which is required to be transferred.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to its bankers, debenture holders or to any other financial institution.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the explanation and information given to us, no instances of fraud on/by the Company were identified and reported during the year.

For B S R & Co. LLP  
Chartered Accountants

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



Manoj Kumar Vijai  
Partner

Membership No: 046882

Mumbai  
19 June 2015

# Standard Chartered Investments and Loans (India) Limited

## Balance sheet

as at 31 March 2015

(Currency : Indian rupees in Lakhs)

	Note	31 March 2015	31 March 2014
<b>Equity and liabilities</b>			
<b>Shareholder's funds</b>			
Share capital	3	45,439	45,439
Reserves and surplus	4	22,018	21,284
<b>Non-current liabilities</b>			
Long term borrowings	5	18,380	20,000
Other non-current liabilities	14	396	823
Long term provisions	16	87	110
<b>Current liabilities</b>			
Short term borrowings	6	44,903	20,778
Other current liabilities	15	2,353	904
Short term provisions	16	3,127	109
<b>Total</b>		<b>136,703</b>	<b>109,447</b>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	7	216	3
Non-current investments	8	1,515	1,526
Deferred tax asset (net)	23	1,179	290
Long term loans and advances	13	44,612	53,236
Other non-current assets	11	1,806	1,806
<b>Current assets</b>			
Cash and bank balances	9	2,021	8,435
Trade receivables	10	-	80
Short term loans and advances	13	84,778	43,781
Other current assets	12	576	290
<b>Total</b>		<b>136,703</b>	<b>109,447</b>
<b>Contingent liabilities and commitments</b>	24	7,551	5,699
<b>Summary of significant accounting policies</b>	2		

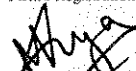
The accompanying notes form an integral part of the financial statements

As per our report of even date

For BSR & Co. LLP

Chartered Accountants

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



Manoj Kumar Vijai

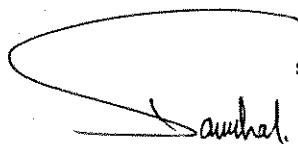
Partner

Membership No: 046882

19 June 2015

Mumbai

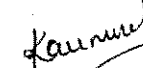
For and on behalf of the Board of Directors of  
Standard Chartered Investments and Loans (India) Limited



Sunil Kaushal

Chairman

DIN No: 05190092



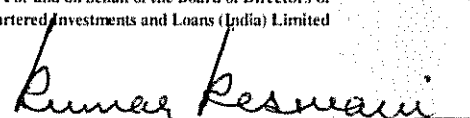
Kaumudi Biyani

Chief Financial Officer

FCA:110503

19 June 2015

Mumbai



Kumar Keswani

Managing Director & CEO

DIN No: 05256081



Kanchan Bhawe

Company Secretary

ACS: A16011





# Standard Chartered Investments and Loans (India) Limited

## Statement of profit and loss

for the year ended 31 March 2015

(Currency : Indian rupees in Lakhs)

	Note	31 March 2015	31 March 2014
<b>Revenue</b>			
Revenue from operations	17	15,494	13,086
<b>Total revenue</b>		<u>15,494</u>	<u>13,086</u>
<b>Expenditure</b>			
Finance costs	18	5,484	3,868
Staff costs	19, 28	809	576
Other expenses	20	3,751	875
Depreciation on fixed assets	7, 2.8	<u>2</u>	<u>1</u>
		<u>10,046</u>	<u>5,320</u>
<b>Profit before tax</b>		<u>5,448</u>	<u>7,766</u>
- Current tax		2,667	1,934
- MAT credit (entitlement) / utilisation		-	725
- Deferred tax charge / (credit)		(889)	81
<b>Profit after tax</b>		<u>3,670</u>	<u>5,026</u>
<b>Basic and diluted earnings per share of face value of Rs 10 each</b>	21	0.81	1.11

Summary of significant accounting policies

2

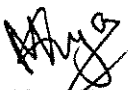
The accompanying notes form an integral part of the financial statements

As per our report of even date

For BSR & Co. LLP

Chartered Accountants

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



Manoj Kumar Vijai

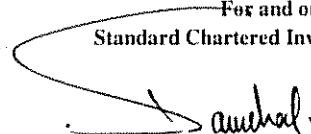
Partner

Membership No: 046882

19 June 2015

Mumbai

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



Sunil Kaushal

Chairman

DIN No: 05190092



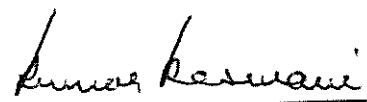
Kaumudi Biyani

Chief Financial Officer

FCA:110503

19 June 2015

Mumbai



Kumar Keswani

Managing Director & CEO

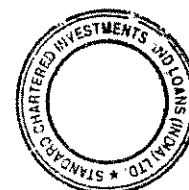
DIN No: 05256081



Kanchan Bhawe

Company Secretary

ACS: A16011



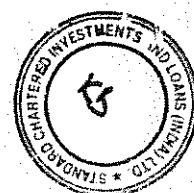
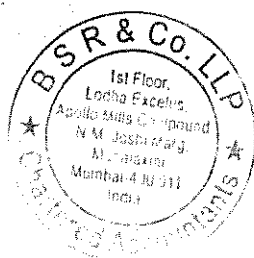
# Standard Chartered Investments and Loans (India) Limited

## Cash flow statement

for the year ended 31 March 2015

(Currency : Indian rupees in Lakhs)

	31 Mar 2015	31 March 2014
<b>Cash flows from operating activities</b>		
Net profit before tax	5,448	7,766
<b>Adjustments :</b>		
<b>Add / (Less) :</b>		
Depreciation on fixed assets	3	1
Discount amortised on commercial paper issued	3,302	3,300
Debt issue expenses amortised	51	55
Provision for doubtful loans and advances	3,048	-
Provision for service tax (input tax credit)	6	(6)
(Profit) on securitisation	(0)	(1)
Interest on working capital loan	44	90
Dividend received	(162)	-
Interest on inter corporate borrowings	36	164
Interest paid others	1	-
Interest on secured term loans	2,050	259
Provision for other than temporary diminution in non current investments	12	273
Provisions against standard assets	58	(10)
Operating cash flow before working capital changes	8,449	4,125
<b>Adjustments for :</b>		
<b>Add / (Less) :</b>		
Increase / (decrease) in other long term liabilities	(427)	(115)
Increase / (decrease) in other current liabilities	(171)	(150)
(Increase) / decrease in other current assets	(292)	1,016
(Increase) / decrease in other non current assets	(0)	17
(Increase) / decrease in long term loans and advances	7,849	15,532
(Increase) / decrease in short term loans and advances	(44,045)	(12,948)
(Increase) / decrease in trade receivables	80	108
	(37,006)	3,460
<b>Net cash from operating activities before taxes</b>	(23,109)	15,351
Less: taxes paid (net of refunds)	(1,892)	(1,232)
<b>Net cash from operating activities</b>	<b>(A) (25,001)</b>	<b>14,119</b>
<b>Cash flow from investing activities</b>		
Purchase of fixed assets	(216)	(2)
Capital advances	-	(26)
Dividend received	162	-
Proceeds from sale / redemption of investments	-	2,500
<b>Net cash from investing activities</b>	<b>(B) (54)</b>	<b>2,472</b>



# Standard Chartered Investments and Loans (India) Limited

## Cash flow statement (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees in Lakhs)

	31 Mar 2015	31 March 2014
<b>Cash flow from financing activities</b>		
Issue of inter corporate deposits	1,650	9,250
Redemption of inter corporate deposits	(2,700)	(8,200)
Proceeds from term loan from Bank's	-	20,000
Debt issue expenses	(51)	(55)
Issue of commercial paper	109,873	82,136
Repayment of commercial paper	(88,000)	(114,000)
Interest paid on working capital loan	(44)	(90)
Interest on inter corporate borrowings	(36)	(164)
Interest paid others	(1)	-
Interest on secured term loans	(2,050)	(259)
Net cash from financing activities (C)	18,641	(11,382)
Net increase / (decrease) in cash and cash equivalents (D=A+B+C)	(6,414)	5,209
Cash and cash equivalents at the beginning of the year (E) (refer note 9)	8,435	3,226
Cash and cash equivalents at the end of the year (D+E) (refer note 9)	2,021	8,435


The accompanying notes form an integral part of the financial statements

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

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



Manoj Kumar Vijai

Partner

Membership No: 046882

19 June 2015

Mumbai

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



Sunil Kaushal

Chairman

DIN No: 05190092



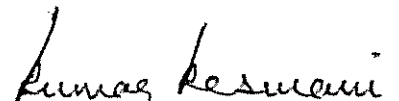
Kaumudi Biyani

Chief Financial Officer

FCA:110503

19 June 2015

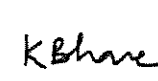
Mumbai



Kumar Keswani

Managing Director & CEO

DIN No: 05256081



Kanchan Bhawe

Company Secretary

ACS: A16011



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

### 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

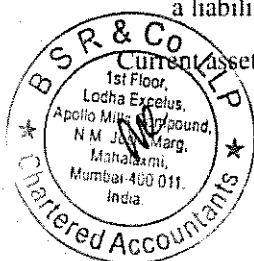
All assets and liabilities are classified into current and non-current.

##### 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 2015

### 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.

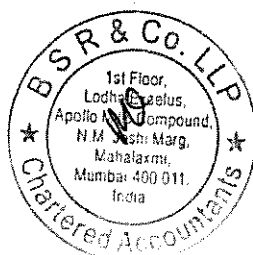
Current investments are carried at cost or market value (book value in case of unquoted) whichever is lower. Current investments are valued scrip-wise. Net depreciation, if any, is provided for and net appreciation, if any, is ignored.

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 2015

### 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 March 27, 2015 issued by the RBI.

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

#### 2.6 Securitisation

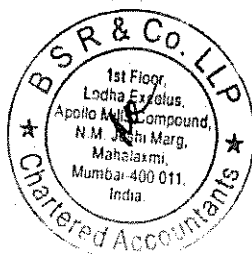
Securitisation transactions are accounted for in accordance with Guidelines on Securitisation of Standard Assets vide circular No DBOD.No.BP.BC.60/21.04.048/2005-06 dated 1 February 2006, DNBS.PD.No.301/3.10.01/2012-13 dated 21 August 2012 and DNBS(PD).CC.No 344./03.02.001/2013-14 dated 1 July 2013 issued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

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

Pursuant to the RBI guidelines, the Company amortises any profit / premium arising on account of sale of assets over the life of the securities sold while any loss arising on account of sale is recognised in the statement of profit and loss in the period in which the sale occurs. Securitisation transactions that do not meet the criteria for surrender of control are accounted for as secured borrowing. There are no securitisations under the new securitisation guidelines issued vide circular No RBI/2012-13/170 DNBS. PD. No. 301/3.10.01/2012-13 dated 21 August 2012.

#### 2.7 Revenue recognition

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



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

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

#### 2.8 Fixed assets and depreciation

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

Fixed assets	Rate of depreciation
Computer hardware	33.33%
Office equipment	20%
Furniture and fittings	20%
Premises	2%

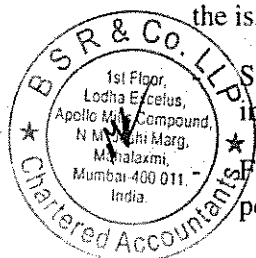
- Intangible assets (computer software) are capitalised on the basis of the cost incurred to acquire and put to use. These costs are amortised over the expected useful lives, subject to a maximum of three years.
- On disposal of fixed assets, the profit or loss is calculated as the difference between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

#### 2.9 Discount and issue expenses

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

Stamp duty expenses are amortised on a straight-line basis over the life of the instrument.

Fees paid to credit rating agencies are amortised on a straight-line basis over the period for which the instrument has been rated.



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

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

#### 2.10 Accounting for leases

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

#### 2.11 Provisions and contingencies

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

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

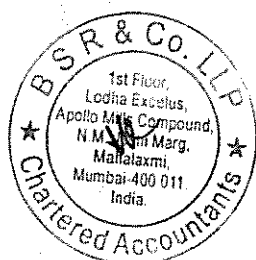
Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

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

#### 2.12 Earnings per share ('EPS')

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

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





# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

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

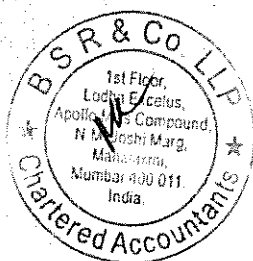
#### 2.13 Income taxes

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

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

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

Minimum Alternate Tax ('MAT') under the provisions of Income Tax Act, 1961 is recognised as current tax in the statement of profit and loss. The credit available under the act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists. During the Financial year 2014-15, the MAT provisions are not applicable as the current tax provision is made as per normal tax liability.



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements (Continued)

as at 31 March 2015

(Currency : Indian rupees in Lakhs)

### Note - 3

#### Share capital

##### Authorised:

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

31 March 2015

31 March 2014

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 2015, the amount of per share dividend recognised as distributions to equity shareholders was Nil (Previous Year: 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

6,213

5,208

Transfer from profit for the year

734

1,005

Closing balance

(A)

6,947

6,213

##### Surplus in the Statement of profit and loss

Opening balance

15,071

11,050

Profit for the year

3,670

5,026

Less: Appropriations

Transfer to statutory reserve fund

734

1,005

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

2,428

-

Tax on proposed equity dividend

508

-

Closing balance

(B)

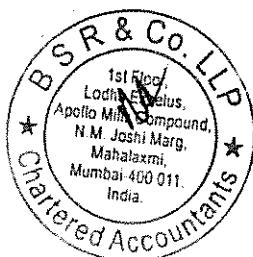
15,071

15,071

(A+B)

22,018

21,284



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

as at 31 Mar 2015

(Currency : Indian rupees in Lakhs)

**Note - 5**

**Long term borrowings (secured)**

**31 March 2015**

**31 March 2014**

*Non Current*

**Term Loan**

Secured term loan from banks

**18,380**

**20,000**

**18,380**

**20,000**

Indian Rupee loan from a bank (related party) with final maturity date between 1 year to 2 years. The rate of interest is the bank's base rate at the time of disbursement. The loan is secured against first and exclusive charge over receivables of the Company.

**Note - 6**

**Short term borrowings (unsecured)**

*Current*

Commercial papers

**46,000**

**20,500**

Unamortised discount

**(1,097)**

**(772)**

**(A)**

**44,903**

**19,728**

Inter corporate borrowings

**-**

**1,050**

**(B)**

**-**

**1,050**

**(A+B)**

**44,903**

**20,778**

The outstanding commercial papers are of a face value of Rs. 100 each, issued at weighted average price of Rs. 95.34 (previous year Rs. 93.69) and are redeemable at face value upon maturity. Their average residual maturity is 92 days (previous year 105 days).



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements (Continued)

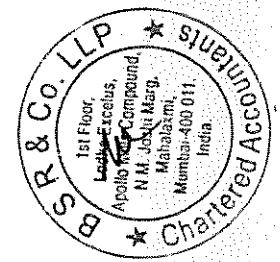
as at 31 March 2015

(Currency : Indian rupees in Lakhs)

### Note - 7 - Fixed assets

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

Description	Gross block at cost			Depreciation			Net block	
	As at 1 April 2013	For the Year Additions	Deletions	As at 31 March 2014	As at 1 April 2013	For the Year Additions	Deletions	As at 31 March 2014
<b>Tangible assets</b>								
Computer hardware	18	-	(11)	7	16	1	(11)	6
Office equipment	8	2	(7)	3	7	-	(6)	1
Premises	-	-	-	-	-	-	-	-
<b>Intangible assets</b>								
Computer software	273	-	(134)	139	273	-	(134)	139
<b>Total</b>	<b>299</b>	<b>2</b>	<b>(152)</b>	<b>149</b>	<b>296</b>	<b>1</b>	<b>(151)</b>	<b>146</b>



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

as at 31 March 2015  
(Currency : Indian rupees in Lakhs)

31 March 2015 31 March 2014

**Note - 8**

**Non-current investments**

*Non trade investments (valued at cost unless otherwise stated)*

*Unquoted equity instruments*

Investment in fellow subsidiaries

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

28 28

Investment in associates

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

1,771 1,771

1,799 1,799

Less: Provision for depreciation in the value of investments

(284) (273)

1,515 1,526

Aggregate book value of quoted investments

- -

Aggregate market value of quoted investments

- -

Aggregate book value of unquoted investments

1,515 1,526

**Note - 9**

**Cash and bank balances**

*Cash and cash equivalents*

Balances with Banks

In current accounts

2,021 1,435

Deposits with original maturity of less than three months

- 7,000

2,021 8,435

**Note - 10**

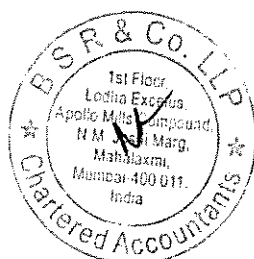
**Trade receivables**

*Unsecured and considered good*

Other debts

- 80

- 80



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

as at 31 Mar 2015

(Currency : Indian rupees in Lakhs)

**Note - 11**

**Other non-current assets**

Interest accrued on tax refunds  
Others

31 March 2015

31 March 2014

1,803	1,803
3	3
<u>1,806</u>	<u>1,806</u>

**Note - 12**

**Other current assets**

Interest accrued on advances  
Interest accrued on fixed deposits  
Others

538	283
-	7
38	-
<u>576</u>	<u>290</u>

**Note - 13**

**Loans and advances**

**Long term loans and advances**

Capital advances  
Loans to companies (Secured and considered good)  
Loans to companies (Unsecured and considered good) \*  
Advance tax [Net of provision for tax (including Fringe benefits tax and MAT credit)] (Refer note 31)

26	26
23,794	36,197
11,080	8,000
9,712	9,013
<u>44,612</u>	<u>53,236</u>

**Short term loans and advances**

Loans to companies (Secured and considered good)  
Loans to companies (Unsecured and considered good) \*\*  
Loans to companies (Doubtful)  
Less: Provision for doubtful loans and advances  
Security deposits

72,876	39,251
3,420	4,500
11,500	-
(3,048)	-
30	30
<u>84,778</u>	<u>43,781</u>

\* includes loans aggregating to Rs 11,080 (Previous year: Rs 8,000) for which securities are in the process of being perfected.

\*\* includes loans aggregating Rs 3,420 (Previous year: Rs 4,500) for which securities are in the process of being perfected

Loans and advances to customers, have been presented as long term / short term based on the residual maturity dates.

**Note - 14**

**Other non current liabilities**

Others  
Unamortised fee/cost

7	7
389	816
<u>396</u>	<u>823</u>

**Note - 15**

**Other current liabilities**

Trade payables  
Unamortised fee/cost  
Current maturities of long-term borrowings  
Accrued interest payable on borrowings

320	302
407	562
1,620	-
6	40
<u>2,353</u>	<u>904</u>

**Note - 16**

**Provisions**

**Long term provisions**

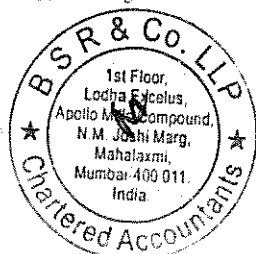
Provisions against standard assets [see note 33]

87	110
<u>87</u>	<u>110</u>

**Short term provisions**

Proposed dividend  
Dividend distribution tax  
Provisions against standard assets [see note 33]

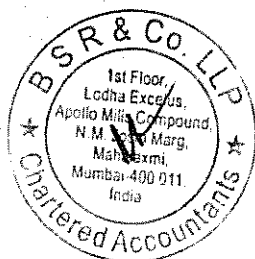
2,428	-
508	-
191	109
<u>3,127</u>	<u>109</u>



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

for the year ended 31 March 2015  
(Currency : Indian rupees in Lakhs)

	31 March 2015	31 March 2014
<b>Note - 17</b>		
<b>Revenue from operations</b>		
<i>Interest income</i>		
Interest income on loans and advances	13,913	12,011
Interest income on bank deposits	184	240
<i>Other financial services</i>		
Fee income	1,235	830
Dividend income	162	-
Amortisation of redemption premium	-	4
Other income	0	1
	<u>15,494</u>	<u>13,086</u>
<b>Note - 18</b>		
<b>Finance costs</b>		
<i>Interest expenses</i>		
Interest on inter corporate borrowings	36	164
Interest on secured term loans	2,050	259
Interest on working capital loan	44	90
Interest paid on overdraft	1	-
<i>Other borrowing costs</i>		
Discount amortised on commercial papers issued	3,302	3,300
Debt issue expenses amortised	51	55
	<u>5,484</u>	<u>3,868</u>
<b>Note - 19</b>		
<b>Staff costs (Refer note 28)</b>		
Salaries, bonus, staff welfare expenses and allowances	809	576
	<u>809</u>	<u>576</u>



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

for the year ended 31 March 2015

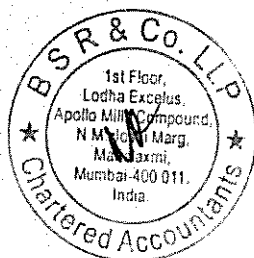
(Currency : Indian rupees in Lakhs)

**Note - 20**

**Other expenses**

	31 March 2015	31 March 2014
Rent	106	97
Business support costs	63	63
Royalty charges	100	92
Support service charges (Refer note 29)	217	188
Brokerage and other fees	1	12
Communication expenses	3	3
Subscription charges	12	14
Auditors' remuneration		
- Statutory audit	12	12
- Tax audit	3	3
- Other services	3	4
- Reimbursement of expenses	1	1
	19	20
Provision against standard assets	58	(10)
System maintenance charges	6	5
Exchange (gain)/loss on foreign exchange conversion	1	(1)
Printing and stationery	2	1
Travelling and conveyance	6	4
Repairs and maintenance - premises	-	1
Repairs and maintenance - others	0	1
Legal expenses	0	6
Provision for doubtful loans and advances	3,048	-
Bad debts	(7)	(6)
Provision for other than temporary diminution in non current investments	12	273
Bank charges	1	1
Provision for service tax (input tax credit)	6	(6)
Fines and penalties	-	0.2
Corporate Social Responsibility (CSR) costs *	-	1
Others	97	116
	<u>3,751</u>	<u>875</u>

\* Gross amount required to be spent during the year is Rs. 190





# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 21 Earnings Per Share (EPS)

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

The computation of EPS is set out below:

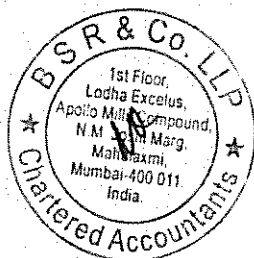
Description	31 March 2015	31 March 2014
Net profit (gross of transfer to statutory reserve) attributable to equity shareholders	3,670	5,026
Weighted average number of equity shares (in Lakhs) outstanding during the year for calculation of earnings per share	4,544	4,544
Basic and Diluted Earnings per share of face value of Rs 10 (Rs.)	0.81	1.11

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

### 22 Leases

Disclosures as required by AS 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 2015 is Rs 106. (Previous year Rs. 97).



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 23 Deferred tax

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

Description	31 March 2015	31 March 2014
<b>Deferred tax assets</b>		
Depreciation on fixed assets	37	39
Provision against standard assets	96	71
Provision against doubtful assets	1,055	-
Unamortised fees	278	452
Provision for un-utilised service tax credit	337	316
<b>Total deferred tax asset</b>	<b>1,803</b>	<b>878</b>
<b>Deferred tax liabilities</b>		
Unamortised cost	-	(3)
Interest accrued on income tax refunds	(624)	(585)
<b>Total deferred tax liability</b>	<b>(624)</b>	<b>(588)</b>
<b>Net deferred tax asset</b>	<b>1,179</b>	<b>290</b>

### 24 Contingent liabilities and commitments

	As at 31 March 2015	As at 31 March 2014
<b>Contingent liabilities</b>		
Taxation [see note (1)]	5,342	4,990
<b>Commitments</b>		
Capital commitments for purchase of software	9	9
Undisbursed sanctions [see note (2)]	2,200	700
<b>Total</b>	<b>7,551</b>	<b>5,699</b>

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 and 2011-12 are pending final outcome of the rectification and appeals filed by the Company. The Company believes that these demands are largely unsustainable and accordingly, no provisions have been made.

(2) Undisbursed sanctions represents sanctioned lines not drawn by the customer.



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 25 Expenditure in foreign currency

Rs. 79 (Previous year: Rs. 153) 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 2013 to 31 March 2014.

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

### 26 Segmental reporting

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

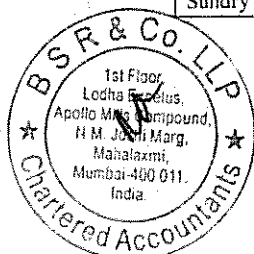
### 27 Related parties disclosure

Name of Related Party	Nature of relationship
Standard Chartered PLC	Ultimate parent company
Standard Chartered Bank – UK	Holding company
Standard Chartered Bank – India Branches ('the Bank')	Branch of holding company
Standard Chartered Bank – Singapore Branch	Branch of holding company
Scope International Private Limited	Fellow subsidiary
Standard Chartered Securities (India) Ltd	Fellow subsidiary
Standard Chartered Strategic Brand Management Limited	Fellow subsidiary
Standard Chartered Finance Limited	Fellow subsidiary
Standard Chartered (India) Modeling and Analytics Centre Private Limited (formerly Standard Chartered (India) Wealth Advisory Services Private Limited)	Associate enterprise
Mr Kumar Keswani	Key Management Personnel
Mr Dhiren Parekh	Key Management Personnel

Transactions with Standard Chartered Bank – India Branches	For the year ended 31 March 2015	For the year ended 31 March 2014
Leasing arrangements availed	106	97
Receiving of services (secondment of staff * and other support charges)	1,037	764
Fee income	112	42

\* includes Rs 198 (Previous year: Rs 35) paid for secondment of key management personnel

Balances with Standard Chartered Bank – India Branches	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Sundry balances – payables for services availed	147	307	155	214
Sundry balances – receivable	-	56	-	-



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 27 Related parties disclosure (Continued)

Banking transactions and balances	For the year ended 31 March 2015	For the year ended 31 March 2014
<b>Transactions</b>		
Term loans	20,000	20,000
Accrued expense on term loan	6	6
Interest cost on working capital loan	44	90
Interest cost on term loans	2,050	259
Interest received on fixed deposits	67	97
Purchase of foreign exchange	79	153
Account maintenance charges	-	0.2
IPA charges	-	11
Interest cost on overdraft	1	-

Balances	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Bank balance	1,991	2,012	1,311	1,311
Working capital loan	-	9,100	-	10,900
Term loan	20,000	20,000	20,000	20,000
Fixed deposits	-	5,500	-	6,700

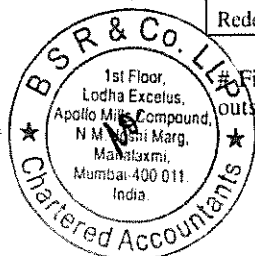
Transactions with Scope International Private Limited	For the year ended 31 March 2015	For the year ended 31 March 2014
Business support costs	29	29

Balances with Scope International Private Limited	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Sundry balances – payable for services provided	3	11	2	7

Transactions with Standard Chartered Securities (India) Limited	For the year ended 31 March 2015	For the year ended 31 March 2014
Redemption premium on preference shares	-	4
Brokerage and other charges paid	0.2	0.3

Balances with Standard Chartered Securities (India) Limited	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Investments in preference shares	-	-	-	2,500
Redemption premium accrued on preference shares	-	-	-	719

# 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 2015

(Indian rupees in Lakhs)

### 27 Related parties disclosure (Continued)

Transactions with Standard Chartered Strategic Brand Management Limited	For the year ended 31 March 2015	For the year ended 31 March 2014
Royalty costs	100	92

Balances with Standard Chartered Strategic Brand Management Limited	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Royalty payable (net of TDS)	85	115	78	213
Reimbursement of expenses	5	5	-	-

Transactions with Standard Chartered Finance Limited	For the year ended 31 March 2015	For the year ended 31 March 2014
Dividend income	162	-

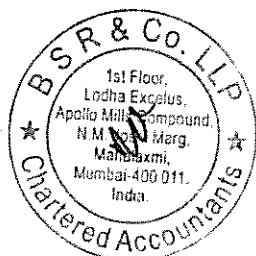
Balances with Standard Chartered Finance Limited	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Investment in equity shares	28	28	28	28

Transactions with Standard Chartered (India) Modeling and Analytics Centre Private Limited	For the year ended 31 March 2015	For the year ended 31 March 2014
Provision for other than temporary diminution in non current investments	12	273

Balances with Standard Chartered (India) Modeling and Analytics Centre Private Limited	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Investment in equity shares (net)	1,486	1,498	1,498	1,771

Balances with Standard Chartered Bank Singapore	As at 31 March 2015	Maximum outstanding during the year#	As at 31 March 2014	Maximum outstanding during the year#
Reimbursement of expenses	33	33	-	-

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



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 28 Staff costs

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

### 29 Support service charges

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

### 30 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.

### 31 Minimum Alternate Tax (MAT) Credit

MAT credit of Rs. 725 brought forward from the previous financial year ended 31 March 2013, was fully utilised against the normal income tax liability during the year ended 31 March 2014. During the financial year 2014-15, there is no MAT credit which has been brought forward and utilised.

### 32 Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED')

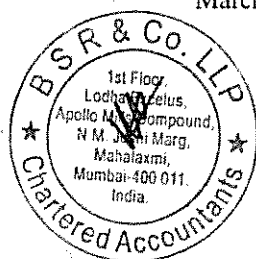
On the basis of the information and records including confirmations sought from suppliers on registration with specified authority under MSMED, no amounts pertaining to principal and interest were due or remained due as at and for the year ended 31 March 2015 (Previous year: Nil). There have been no reported cases of delay in payments in excess of 45 days to MSME or of interest payments due to delay in such payments.

### 33 Provision against standard assets

A general provision at 0.25% of the standard assets, has been made as prescribed by RBI vide its circular no DNBR.009/ CGM(CDS)-2015 dated March 27, 2015. This provision has been separately disclosed under Note 16 – Provision against standard assets.

### 34 Restructured advances

There are no advances which have been restructured during the year ended 31 March 2015 (previous year: Nil) and accordingly there are no amounts which are required to be disclosed in accordance with the RBI notification No.DNBR.009/ CGM(CDS)-2015 dated March 27, 2015.



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

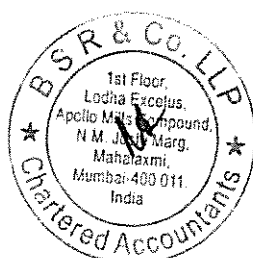
### 35 NBFC disclosures

(i) In accordance with RBI notification No. DNBR.009/ CGM(CDS)-2015 dated March 27, 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 2015

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	20,006	-
(d) Inter-Corporate Loans and Borrowing	-	-
(e) Commercial Paper	44,903	-
(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)	105,122
(b) Unsecured	14,500
	Amount Outstanding
(3) (i) Lease assets including lease rentals under sundry debtors	
(a) Financial Lease	-
(b) Operating Lease	-
(ii) Stock on hire including hire charges under sundry debtors:	
(a) Assets on hire	-
(b) Repossessed assets	-
(iii) Other loans counting towards Asset Finance Company activities:	
(a) Loans where assets have been repossessed	-
(b) Loans other than (a) above	-



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

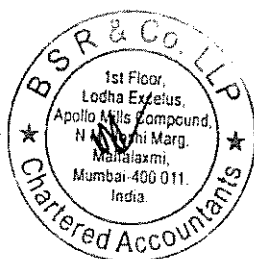
### 35 NBFC disclosures (Continued)

	Amount Outstanding
(4) <u>Break-up of Investments</u>	
Current Investments:	
1. <u>Quoted</u> :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds (Net of Depreciation)	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
2. <u>Unquoted</u> :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
Long Term investments :	
1. <u>Quoted</u> :	
(i) Shares : (a) Equity	-
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-
2. <u>Unquoted</u> :	
(i) Shares : (a) Equity	1,515
(b) Preference	-
(ii) Debentures and Bonds	-
(iii) Units of Mutual Funds	-
(iv) Government Securities	-
(v) Others	-

(5) Borrower group-wise classification of all Leased Assets, Stock on Hire and Loans and Advances:  
See Note 2

Category	Amount (Net of Provisions)		Total
	Secured	Unsecured	
1. Related Parties**			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2. Other than related parties	105,122	14,500	119,622
<b>Total</b>	<b>105,122</b>	<b>14,500</b>	<b>119,622</b>

\*\* 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 2015

(Indian rupees in Lakhs)

### 35 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):

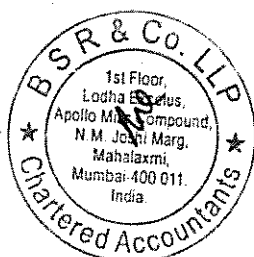
Category	Market Value / Break-up or Fair Value or NAV	Book Value (Net of Provisions)
1. Related Parties		
(a) Subsidiaries	-	-
(b) Companies in the same group #	2,573	1,515
(c) Other related parties	-	-
2. Other than related parties	-	-
<b>Total</b>	<b>2,573</b>	<b>1,515</b>

(7) Other information

Particulars	Amount
(i) Gross Non-Performing Assets	-
(a) Related Party	-
(b) Other than Related Parties	11,500
(ii) Net Non-Performing Assets	-
(a) Related Party	-
(b) Other than Related Parties	8,452
(iii) Assets acquired in satisfaction of debts	-

Notes:

- As defined in paragraph 2(1)(xii) of the Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 1998.
  - Provisioning norms shall be applicable as prescribed in the Systemically Important Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.
  - All Accounting Standards and Guidance Notes issued by ICAI are applicable including for valuation of investments and other assets as also assets acquired in satisfaction of debt. However, market value in respect of quoted investments and break up / fair value / NAV in respect of unquoted investments should be disclosed irrespective of whether they are classified as long term or current in column (4) above.
- # Investments being unquoted, net assets value has been calculated as per the last available audited financial statements of the investee companies as at 31 March 2014.



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

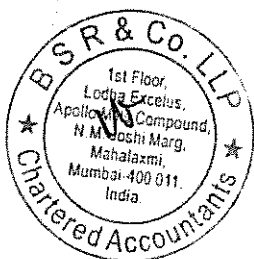
### 35 NBFC disclosures (*Continued*)

- (ii) In accordance with paragraph (5) of RBI circular No DNBS(PD)CC No.125/03.05.002/2008-2009 dated 1 August 2008 (Guidelines for NBFC-ND-SI as regards to capital adequacy, liquidity and disclosure norms) and paragraphs 3.1, 3.5 and 3.6 of Annex 4 of RBI circular No DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014 (Revised Regulatory Framework for NBFC) following additional disclosures are made in the prescribed format.

#### Capital to Risk Adjusted Ratio ('CRAR')

Items	31 March 2015	31 March 2014
(i) CRAR (%)	54.07 %	73.85%
(ii) CRAR - Tier I capital (%)	53.85%	73.61%
(iii) CRAR - Tier II Capital (%)	0.23%	0.24%
(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 2015	31 March 2014
(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	58,824	53,351
(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.	-	-
<b>Total Exposure to Real Estate</b>	<b>58,824</b>	<b>53,351</b>



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements for the year ended 31 March 2015

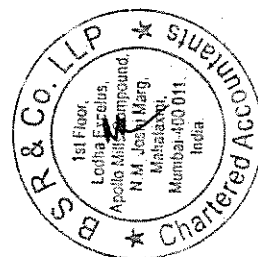
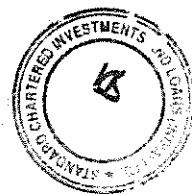
(Indian rupees in Lakhs)

### 35 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	-	-	-	-	-	-	-	-	-
Loans and Advances	21,525	1,905	22,545	24,959	13,813	31,330	3,545	-	119,622
Investments**	-	-	-	-	-	-	-	1,515	1,515
Borrowings from banks	-	-	-	540	1,080	18,380	-	-	20,000
Market borrowings*	-	11,000	26,000	4,000	5,000	-	-	-	46,000
Foreign Currency assets	-	-	-	-	-	-	-	-	-
Foreign Currency liabilities	-	-	-	-	-	-	-	-	-

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

\* disclosed at face value



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

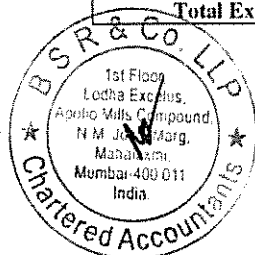
(Indian rupees in Lakhs)

### 35 NBFC disclosures (Continued)

- (iii) In accordance with Annex 4 of RBI circular No DNBR (PD) CC.No.002/03.10.001/2014-15 dated 10 November 2014 (Revised Regulatory Framework for NBFC) following additional disclosures are made

<b>Investments</b>			
<b>Particulars</b>		<b>31 March 2015</b>	<b>31 March 2014</b>
(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	273
b. Outside India		-	-
(iii) Net Value of Investments-			
a. In India		1,515	1,526
b. Outside India		-	-
(b) Movement of provisions held towards depreciation on investments			
(i) Opening Balance		273	-
(ii) Add: Provisions made during the year		11	273
(iii) Less : Write-off / write-back of excess provisions during the year		-	-
(iv) Closing Balance		284	273

<b>Exposure to capital market</b>			
<b>Particulars</b>		<b>31 March 2015</b>	<b>31 March 2014</b>
(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;		16,500	-
(d) advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds does not fully cover the advances;		-	-
(e) secured and unsecured advances to stockbrokers and guaranteees issued on behalf of stockbrokers and market makers;		-	-
(f) loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;		33,125	15,875
(g) bridge loans to companies against expected equity flows / issues;		-	-
(h) all exposures to Venture Capital Funds (both registered and unregistered)		-	-
<b>Total Exposure to Capital Market</b>		<b>51,424</b>	<b>17,674</b>



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 35 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 2015	31 March 2014
(a) Provision for other than temporary diminution in non current investments	12	273
(b) Provision made towards Income tax (current)	2,667	1,934
(c) Provision for Standard Assets	58	(10)
(d) Provision for doubtful loans and advances	3,048	-

#### Concentration of Advances

	31 March 2015
(a) Total advances to twenty largest borrowers	112,276
(b) Percentage of advances to twenty largest borrowers to total advances	91.53%

#### Concentration of Exposures

	31 March 2015
(a) Total exposures to twenty largest borrowers/customers	113,776
(b) Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	91.12%

#### Customer Complaints

	31 March 2015
(a) No. of complaints pending at the beginning of the year	3
(b) No. of complaints received during the year	32
(c) No. of complaints redressed during the year	34
(d) No. of complaints pending at the end of the year	1

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

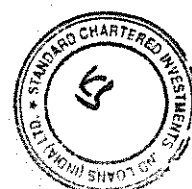
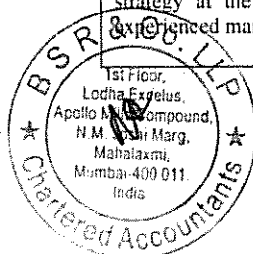
During the year under review, CRISIL reaffirmed its rating on the Company's short term debt programme at 'CRISIL A1+'.

In May 2014, CRISIL upgraded the ratings of long term debt instruments of the Company to 'CRISIL AAA/CRISIL PP-MLD AA+/Stable' from 'CRISIL AA+/CRISIL PP-MLD AA+/Stable' <sup>1</sup>. In March, 2015, CRISIL downgraded the ratings of long term debt instruments of the Company to 'CRISIL AA+/CRISIL PP-MLD AA+/Stable' from 'CRISIL AAA/CRISIL PP-MLD AA+/Stable' <sup>2</sup>.

Note (source CRISIL rating rationale)

<sup>1</sup> Driven by the implementation of an enhanced and more focused strategy of the entity.

<sup>2</sup> Standard & Poor's (S&P's) had taken rating action on several European banks following the review of expected government support for these banks. Consequent to this revision in S&P's rating on Standard Chartered PLC (SC PLC) (ultimate parent company), CRISIL revised the Company's rating also. The ratings reflect the expectation of strong support from the Company's ultimate parent, SC, PLC, successful implementation of the revised business strategy at the Company, which is closely aligned with the group's overall global strategy, the Company's experienced management team, and its sound financial risk profile.



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 35 NBFC disclosures (Continued)

#### Pending Litigations

As of 31st March, 2015, there is no financial impact on the company on account of pending litigations.

#### Concentration of NPAs

31 March 2015

Total Exposure to top four NPA accounts

11,500

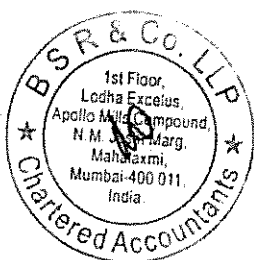
#### Sector-wise NPA

Percentage of NPAs to Total  
Advances in that sector

(a) Agriculture & allied activities	-
(b) MSME	-
(c) Corporate borrowers	9.37
(d) Services	-
(e) Unsecured personal loans	-
(f) Auto loans	-
(g) Other personal loans	-

#### Movement of NPAs

Particulars	31 March 2015	31 March 2014
(a) Net NPAs to Net Advances (%)	7.07	-
(b) Movement of NPAs (Gross)		
(i) Opening balance	-	-
(ii) Additions during the year	11,500	-
(iii) Reductions during the year	-	-
(iv) Closing balance	11,500	-
(c) Movement of Net NPAs		
(i) Opening balance	-	-
(ii) Additions during the year	8,452	-
(iii) Reductions during the year	-	-
(iv) Closing balance	8,452	-
(d) Movement of provisions for NPAs (excluding provisions on standard assets)		
(i) Opening balance	-	-
(ii) Provisions made during the year	3,048	-
(iii) Write-off / write-back of excess provisions	-	-
(iv) Closing balance	3,048	-



# Standard Chartered Investments and Loans (India) Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Indian rupees in Lakhs)

### 35 NBFC disclosures (*Continued*)

Following disclosures are Nil for the year ended 31 March 15

- (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

### 36 Prior year comparatives

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

For B S R & Co. LLP

Chartered Accountants

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

Manoj Kumar Vijai  
Partner

Membership No. 046882

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

Sunil Kaushal  
Chairman

DIN No: 05190092

Kumar Keswani  
Managing Director &  
CEO

DIN No: 05256081

Kaumudi Biyani  
Chief Financial Officer  
FCA:110503

Kanchan Bhawe  
Company Secretary  
ACS: A16011

19 June 2015  
Mumbai

19 June 2015  
Mumbai

