Standard Chartered
Here for good

Leading the way
in Asia, Africa and the Middle East

About us

About us

Standard Chartered Bank is India's largest international bank with 99 branches in 42 cities, a combined customer base of around 2 million retail customers and around 2500 corporate and institutional relationships. Key businesses comprise Consumer Banking, including deposits, loans, wealth management, private banking and SME banking; and Wholesale Banking, which includes cash transaction banking, treasury, corporate finance and custody services.

Consumer Banking

Consumer Banking serves India's increasingly sophisticated retail customers and clients. We also help entrepreneurs and small businesses with innovative solutions to address their unique needs. Through a customer centric approach, we aim to understand our customers' objectives and deliver the best banking experience.

Wholesale Banking

Wholesale Banking partners with India's fast globalising corporations as they expand their businesses in the domestic and international markets. With deep local knowledge, the capabilities and network of an international bank, with a focus on emerging markets, we are connecting clients across the world's most exciting markets, facilitating global trade and business.

Operational highlights in 2013

- Total Income at ₹109.31 billion - up 9 per cent
- Profit Before Tax at ₹46.66 billion - up 83 per cent
- Profit After Tax at ₹29.60 billion - up 71 per cent
- Advances at ₹619.54 billion - up 11 per cent

Cover: **Our Sustainability initiative Seeing is Believing celebrated its 10th anniversary in 2013, a lady gets her eye tested in one of our vision centres.**

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Regional Chief Executive's Review

Sunil Kaushal
Regional Chief Executive, India & South Asia, Standard Chartered Bank

We are pleased to have delivered a good set of results in a challenging environment. Our capital position remains robust and we remain confident for the long term.

Standard Chartered has demonstrated unbroken commitment to the Indian economy for over 150 years. This manifests in continued success in delivering banking services across our client and customer segments – from facilitating large corporate houses in raising capital to engineering mobile based banking applications for our retail customers. The Bank's geographical footprint with 99 branches, with a further three branches opened during the financial year 2012-13, is by far the largest of any foreign bank in India.

This commitment has helped us achieve significant growth in the country. India continues to be among the top three markets for the Bank both in terms of income and profit and remains core to the Bank's priorities and strategic intent.

We base our culture around our people and our brand promise of Here for good.

The Bank supports its employees in manifold ways. By clearly delineating organisational priorities and the Group Code of Conduct, to periodic training aimed at improving both leadership and functional skills, and finally rewarding and recognising not just performance but values, employees are continuously aligned and encouraged.

Conduct is a central theme for the Bank. There is a continuous effort at embedding the right behaviour and conduct. In this, the Bank tries to ensure that all employees follow the highest standards of ethics both in business and in their professional lives in the Bank.

Diversity and Inclusion forms an important theme as well, with women forming nearly 30 per cent of the Bank's staff in India. We have a similar approach for differently-abled individuals and staff from financially weaker sections of society

In recognition of its achievements the Bank has received several awards and recognitions over the year which reflects a steadfast commitment to bringing the best-of-class banking services to its clients. Consumer Bank has received several prestigious industry awards including the Financial Advisor Award by CNBC TV18 and the Best Private Bank in India by Asian Private Banker and WealthBriefing Asia.

Wholesale Banking has also won several including the Best MNC / Large Corporate Bank (International) in India by The Asset Asian Awards, 2012 and the Best Foreign Bank in India award from Bloomberg UTV Financial Leadership Awards 2012.

Financial Performance

In 2012-13, the Bank delivered another year of strong income and profit growth against a backdrop of continuing global uncertainty, increasing competition and regulatory changes. During the year, the Standard Chartered Group has reiterated its commitment to India, injecting ₹20.50 billion capital to meet Basel III requirements as also to grow the franchise.

- Total Income at ₹109.31 billion - up 9 per cent
- Profit Before Tax at ₹46.66 billion - up 83 per cent
- Profit After Tax at ₹29.60 billion - up 71 per cent
- Advances at ₹619.54 billion - up 11 per cent

Standard Chartered moved into the building in 1902. To commemorate our 65th Indian Independence Day, our flagship branch in Mumbai was illuminated with colours of our tri - colour flag

The Standard Chartered Mumbai Matathon entered its 10th edition in 2013. Sunil Kaushal at the launch with our marathon partners

Girls in a local school learn to tackle hygiene issues as a part of our WASHE programme, launched in 2011, to provide improved sanitation in girls' schools

Consumer Banking

Consumer Banking's strategy is built around a customer centric model that focuses on understanding the unique needs of our clients and building deep, long-standing multi-product relationships with them. Our differentiated propositions around Private Banking, Priority and International Banking and SME Banking with customised products, services and benefits help achieve this end.

Despite weaker macro-economic conditions, we continued to invest in our chosen High Value Segment businesses. The financial needs of the high value client segment are becoming increasingly sophisticated presenting a significant opportunity to Standard Chartered. We have organically built a pool of talented high quality HVS Relationship Managers. Branches were redesigned and Call centres and other service channels were upgraded to provide a HVS customer experience. Wealth Management capabilities were augmented through the "Trusted Advisor" platform to provide customers with best in class advisory experience. Building on insights gained from customer research and experience, we have recently revamped the SME Transaction Banking, Priority and International Banking and Preferred Banking propositions to offer a comprehensive suite of premium services. We are further building scale in the Private Bank through strategic acquisitions such as the recently acquired onshore Morgan Stanley private wealth management. This acquisition adds significant scale, capability and select talent to our Private Banking Business in India. We would continue implementing a customer focused transformation process through customised services, establishing ourselves as their right partner.

Being the digital main bank for our customers continues to be a strategic imperative for Consumer Banking. Research reveals that an increasing number of our existing and prospective customers are using online channels to search about products, do price and feature comparisons and form an opinion on the service experience from various brands. With a view to be where our customers (existing and prospective) are, we are investing in a big way to digitize our business. This would also contribute towards further enhancing our distribution footprint. We are also leveraging digital channels and social media to reduce cost of acquisition and enable Straight Through Processing (STP). Consumer Banking has already launched the "Approval in Principle" platform, the new online customer interface which can be used by a prospective customer to apply for credit card and personal loans with the bank. The platform also allow an in-principle decision to be communicated to a prospective client quickly.

Over the year we acquired the Barclays Personal Loans, Mortgages and Loan against Property portfolios. This complements our organic growth by adding quality secured and unsecured assets to our business. We will continue to seek out such opportunities to build scale in focus businesses.

Consumer Banking India has received several prestigious industry awards in 2012 and 2013 including the Bloomberg-UTV Financial Leadership Award, CNBC TV-18 Financial Advisor Award, Best Private Bank in India by Financial Times (Banker and PWM) thrice in a row, Best Private Bank in India by Asian Private Banker and Best Private Bank by WealthBriefing Asia among others.

Wholesale Banking

Standard Chartered is a dominant Wholesale Banking player in India. We partner with the most dynamic clients spanning large multinationals and mid-sized companies, even supporting small businesses in partnership with Consumer Banking. What differentiates Standard Chartered for our clients is our consistency and the depth of the relationships we are able to build with them. In fact, one of the most significant actions that Standard Chartered has taken over recent years is to consistently and overtly partner with clients through challenging economic times, extending credit when it was really needed. We believe this has been a prime force of our success

Comprehensive customised solutions has made us a leading player with many prestigious transaction banking mandates won over the past years includes Air Asia, L&T Sojitz, Dabur, Samsung, SAB Miller, Kobelco, Tata Power etc.

Even in a challenging environment, Standard Chartered participated in several key deals. The Bank acted as a joint financial advisor to Diageo Plc on its acquisition of 25 per cent stake in United Spirits Limited. The acquisition represents the largest inbound acquisition ever in the FMCG / F&B space in India when the deal consummated. We also acted as transaction adviser on Ultratech's acquisition of Jaypee Cement Corporation's cement plants in Gujarat where we advised both the acquirer and the seller. The acquisition represents the largest non-related party transaction in the cement space in India since 2006. The transaction highlighted the strength of our relationship with two of our largest clients and commitments towards our clients by facilitating them to achieve their objectives.

Standard Chartered Bank acted as financial adviser to Videocon, which was the largest, India-Africa M&A transaction across all sectors. The Bank worked closely with Videocon Hydrocarbon Holdings Limited to help identify and execute a strategy to monetise its oil and gas holdings in Mozambique and actively participated in negotiations. The Bank was also a lead arranger and facility provider for Vedanta.

Standard Chartered continues to dominate the Bond market space with our sheer depth and breadth of its operations. The market recognizes us for our structuring and underwriting capabilities, strong client relationships giving us the ability to bring new issuers / repeat trades to the market and a strong investor distribution network. We executed highly successful trades for Piramal Enterprises, Bharti Airtel, IOC, PGCIL, ICICI Bank, Lands End Properties etc. during the year.

Standard Chartered has been one of the most active banks on the equity capital market deal front having led the US$759 mn Bharti infratel IPO which was the Largest Indian IPO since Coal India in 2010 and also the Largest Private sector IPO since 2008. Besides this we have successfully managed two offerings for Jaiprakash Associates during the financial year – Joint Bookrunner for USD 150 million convertible bond and sole manager for USD 100 million Qualified Institutions placement. We continue to remain engaged with regulators on various key initiatives.

Wholesale Banking has won many awards locally and globally. This includes the Asset Asian Awards - Best Structured Trade Finance Solution in India for past four years, firmly reinforcing

We are the title sponsors of The Economic Times Awards for Corporate Excellence from 2012 - 2016. Sunil Kaushal with Ravi Dhariwal, CEO, Bennett Coleman & Co. Ltd.

Staff formed the Standard Chartered Mumbai Marathon logo using 14,541 dominos to celebrate the 10th edition of the marathon

Our Technology team in Pune organised Green Walk and neighbourhood cleaning to mark World Environment Day

our credentials as the advisor of choice for India Inc. The Bank has also been awarded Best Cash Management Provider in India by The Asset Asian Awards, 2013, Best Debt House by The Asset Asian Awards, 2012 & 2011, Foreign Exchange Provider in India by Global Finance, 2012, Best MNC / Large Corporate Bank (International) in India by The Asset Asian Awards, 2012 and the Best Foreign Bank in India award from Bloomberg UTV Financial Leadership Awards 2012.

Human Resources

Standard Chartered's success is built on its people. People are what differentiate Standard Chartered.

Our people philosophy is based on 'strengths'. Our people are encouraged to decide how best they leverage their strengths to contribute to the Bank's growth and their own.

Delivering this takes focussed efforts. A robust in-house talent acquisition process helps us identify people who can partner with us to deliver on our ambitions. We recruit premium talent from campuses or the industry, train them and provide them with challenging assignments across our global franchise.

And 'how' we work is just as important as 'what' we achieve. Our appraisal process includes a five-point values rating scale which emphasises on how our staff live up to our brand promise of being 'Here for good'. Our reward practice places our staff on par with the market.

Creating an inclusive culture and celebrating diversity is important to us. Women comprise 30 per cent of our workforce and we want to see that number grow, including in senior roles. We have a similar approach to differently-abled individuals and staff from financially challenged backgrounds.

Employee benefits set us apart, helping us retain talent. Facilities such as unlimited hospitalisation along with consultation and diagnostic expenses, child care, paid maternity leave, Sabbaticals and flexible and part time work arrangements are available to employees who want an extended time away to balance their professional aspirations and personal needs. This year, the Work from Home privilege has been introduced to the suite of employee wellbeing initiatives in India.

Highly engaged people are highly productive. The Gallup's Employee Engagement Survey (Q12) placed Standard Chartered's engagement score at '4.05' in 2012 on a scale of 1 to 5, a testament to our efforts to create a conducive working environment for staff.

At the 21st edition of the World HRD Congress 2013, Standard Chartered India won the Fun at Work Award and Bloomberg UTV recognised us as one of the top five 'Dream Companies to work for' in India.

India is the Standard Chartered Group's largest employer globally with around 18,500 people from 20 different nationalities. We are also a key talent pool for the Group.

Brand

Over the last two years the Here for good campaign was reinforced with more sharpened, business focus and interesting proof points.

In India, through the year, our brand scores have been healthy across key parameters. Our association with sport continued. The Standard Chartered Mumbai Marathon, our marquee event, completed ten years – a very important milestone, not only as a world famous run, but as a catalyst of change for the city and its people. One of the key highlights of the marathon is the charity angle – for the 10th year a record USD 3 million was raised – breaking previous records. The participation in the marathons and the enthusiasm for it, do not wane with 40,000 runners across various categories participating on its tenth anniversary too.

Our anchor sponsorship of the Liverpool Football Club continues with a select but strong set of supporters in India. We continued to support local sponsorships in football to drive home the message of our association with the Club.

Given the popularity of cricket, we have been associated with the IPL in a small way, but the delta of participation has been tremendous.

Our focus on the digital world and specifically the social media platform has been a well thought of strategy. We have showcased all our brand and sponsorships platforms on the Bank's Facebook page and have successfully delivered on the KPIs that we had set. We therefore showcased the Standard Chartered Mumbai Marathon, the Liverpool Football Club activations, our associations with high end events and IPL to ensure that our Facebook page showcases our activities.

Sustainability

We progressed significantly on our three priorities: contributing to sustainable economic growth, being a responsible company and investing in communities. Over the past decade we have continuously delivered for our clients and customers, shareholders and communities in India. Between 2002 to 2012, our lending has increased fivefold from USD 2.5 billion to USD 11.9 billion. In 2012, we increased lending to small and medium enterprises (SMEs) by more than 11per cent to USD 2.3 billion, and continued to expand our product offering. We have also strengthened our sustainable finance framework in 2012, so now our loans to SMEs are subjected to the same kind of environmental and social due diligence as our loans to large corporates. We have also provided and supported USD 170 million for financing renewable energy and clean technology.

Access to finance is one of the important things we can do to help generate sustainable growth globally. We remain committed to microfinance as a means of lifting people out of poverty. In India, since 2005 we have financed USD 261 million to 20 MFI partners, impacting the lives of 1.7 million individuals, majority of who are women. In 2012, we have disbursed close to USD 28 million to MFIs for lending to microfinance clients.

Switching to renewable sources of power helps to reduce our carbon footprint. The first of many investments in technology in India is the installation of a Solar Powered ATM in the Udaipur branch, thereby contributing to an annual saving of 8000 units of electricity. Standard Chartered's LEED Gold certified office at Haddows Road in Chennai purchases 74 per cent of its electricity from wind generated power. Recently, by switching to biomass energy the dependency on

A perfect Rangoli made by the Goal girls of Asha Sadan during Summer Camp. Goal is our global programme which uses sport and life skills to transform the lives of adolescent girls

Mumbai Recreation Club organised the Indoor Sports Challenge in 2012. Team Invaders won the challenge

Madhavi Lal and Ananth Narayan teamed up with SightSavers to create Braille literacy training packs for the Victoria Memorial School for the Blind

power supply from diesel generators was also reduced from 35 per cent to 19 per cent.

Combining our passion for banking and community investment to provide blind children in India with financial education, this year we launched a unique tactile 'Teaching and Learning Materials' (TLMs) for the visually impaired. TLM packs include creating credit cards, demand drafts, cheques, ATM screens and notes on a large scale in tactile form in Braille.

Though our main impact on society stems from our business, investing in communities remains an important part of our strategy to be 'Here for good'. We continue to offer our 18,000 staff, three days of paid Volunteering Leave annually. In 2012, we set a new record, volunteering more than 13,000 days in local communities, up 35 per cent on 2011.

Seeing is Believing – our global programme for which we match fundraising dollar for dollar – has provided nearly 5.5 million people in India with access to essential eye care since 2003. Our latest project is a one million dollar investment in Sunderban. This project will contribute towards the eradication of avoidable blindness in Sunderban by 2017 by targeting the 4.78 million people living in 52 islands outside Sunderban forest reserve. Our India-led programme WASHE (Water, Sanitation, Hygiene and Education) recognises India's rapidly increasing demand for water - already a scarce resource - has provided over 25,000 girls across Mumbai and Delhi access to clean water and sanitation facilities.

Goal uses sports training and life skills education to empower adolescent girls, and has transformed lives of 8,510 girls and around 35,000 family members since its inception. The programme has economically empowered 50 girls across vocations and industries, drawing a monthly salary between USD 33 to USD 200. Seven Goal girls intern with the Bank. . Goal operates across India, Nigeria, Zambia, China, Lebanon, Jordan, and recently Bangladesh.

Diversity and inclusion is an important facet of sustainability. The 12 member visually impaired team (VI) team has successfully completed three years in August 2013. These officers have surpassed all assigned targets through their absolute dedication and desire to learn more. Another revolutionary innovation, Talking ATMs, makes banking simpler for visually impaired customers. So far, we have six Talking ATMs across India.

We were delighted in 2012 to be awarded the 'Best in Healthcare' and for our overall approach to sustainability by Aaj Tak Care and the Global CSR Awards India & Asia.

Technology

Technology and Operations are key enablers that allow Standard Chartered to deliver the service propositions to clients and customers we proudly stand behind. Whether it be providing effective and intuitive service platforms, creating efficiencies in our operating models or enhancing employee productivity, Standard Chartered is passionate about delivering greater value to our clients and customers through the use of cutting edge technology. Through our efforts on the digitisation agenda, we have introduced Straight Through Processing in our critical systems to help our clients obtain in faster payment processing cycles which is a key growth driver for their businesses and ours. One of the initiatives we are particularly excited about is Breeze Mobile Web, a new, simplified version of our award winning mobile platform which allows Standard Chartered customers to securely access their bank accounts anytime anywhere through their mobile web browser. Straight to Bank (S2B), our Transaction Banking services client application continues to gain momentum and we are proud that it is one of the best products of its kind in the market. We have introduced EMV Chip based Credit/Debit cards for all Priority and new customers which give enhanced security and service while progressively covering existing customers, have integrated our core banking platform with the Aadhaar Payment Bridge System allowing customers to receive direct benefits transfer to their accounts from various Government agencies, and launched Immediate Payment Service (IMPS) which allows our Corporate Clients to receive payments initiated using mobile as a channel in near real-time. Our payment platforms allow customers to pay their credit card bills anytime, anywhere and from any bank securely and conveniently.

From an Operations perspective, we continue to support and grow our India based capabilities, including our captive BPO hub in Chennai and our initiative, eOperations, which provides gainful employment to rural and physically challenged women. The Bank, both in India and globally, continues to gain competitive advantage and service excellence through leveraging these competencies, as well being a significant Employer of Choice in the India market.

Outlook

While India continues to have its foundations intact – strong demographics, skilled work force, growing domestic demand and savings and a diversified economic base – the current macroeconomic landscape continues to be tough and unyielding.

The economy is expected to deliver a sub- 5 per cent growth rate and corporate activity will remain muted. Against this is the backdrop of elevated inflation levels keeping the Central Bank watchful and further deferring the possibility of an easy monetary policy. The results of the parliamentary elections in 2014 will give us further steer on the revival story.

India remains one of our key markets and a top contributor to the Group's performance. We remain confident of India's long-term potential and will continue to invest strategically in people, technology, infrastructure, and in product and service innovations. We will continue to focus strongly on deepening relationships with our clients and customers.

Our resilient performance is a credit to our staff. I would like to thank them for their commitment, professionalism and teamwork.

Sunil Kaushal
Regional Chief Executive, India & South Asia,
Standard Chartered Bank

India Management Committee

Sunil Kaushal

Regional Chief Executive, India & South Asia

Sunil provides leadership for the Standard Chartered Group in India and South Asia by driving overall strategy and direction and overseeing corporate governance, people, relationships with customers, regulators and other stakeholders. Sunil's experience spans more than two decades and covers a range of markets and functions.

Venkataramanan Anantharaman

MD, Origination & Client Coverage and Regional Co-Head, Wholesale Banking, South Asia

Ananth is responsible for managing relationships with the Bank's corporate and institutional clients. This involves closely engaging with clients and developing cutting edge solutions for them leveraging the Bank's network and balance sheet. As Co-Head of Wholesale Banking, he is jointly responsible for strategy, business development and people

Ananth Narayan

Co-head of Wholesale Banking and Head Global Markets, South Asia

Ananth oversees the Financial Markets business and also has governance responsibility for Corporate Advisory, Project Finance, Structured Trade Finance and the Alternative Investment Group. As Co-Head of Wholesale Banking he shares responsibility for strategy, business development and people

Sanjeeb Chaudhuri

Regional Head, South Asia & Chief Marketing Officer, Consumer Banking

Sanjeeb is responsible for Retail Banking, SME and the Private Bank. His mandate is to identify fast growing customer segments and grow market share leveraging product innovations, world class service experience and technology. Sanjeeb is also responsible for Consumer Banking's Marketing function globally and is a member of the Global Brand Council.

Anurag Adlakha

Chief Financial Officer, India & South Asia

Anurag provides strategic direction and governance for the finance function in India and the region with key responsibilities covering business performance analysis, financial reporting and control, balance sheet management, financial compliance and tax.

Ravi Duvvuru

Regional Head, Compliance, India and South Asia

Ravi oversees all matters pertaining to the regulatory framework in which the Bank operates. He is responsible to establish and maintain effective systems and controls for compliance with applicable principles, regulations and standards under the regulatory system. Ravi is also responsible for looking after relationships with regulatory authorities.

James Berry

Chief Information Officer, India & South Asia

James is responsible for developing and executing world-class technology and operations strategies that drive the business agenda, helping businesses deliver cutting-edge product innovations and best-in-class service to the customer while managing cost and risk.

Ian Bryden

Chief Risk Officer, India

Ian is responsible for risk governance across all of Standard Chartered's businesses in the country. Partnering with the businesses, he plays a key role in balancing risk and return for the Bank and managing within risk appetite. He exercises direct risk control ownership for credit, market, country cross border, short term liquidity and operational risk.

Sushen Jhingan

Resident Director, Public Affairs

Sushen drives and maintains the Bank's relationships with the government to support the India Business by positioning the Bank and its key initiatives at appropriate levels in the government and influencing relevant national policies. He also identifies, develops and manages access to key trade bodies and delegations to shape future strategy.

Sumeet Singla

Regional Head, Corporate Affairs, India & South Asia

Sumeet is responsible for managing Standard Chartered's brand and reputation in India and South Asia. As part of the portfolio, Sumeet has responsibility for corporate brand campaigns, key sponsorships, internal and external communications, sustainability and community investments.

Dominic White

Regional Head, HR, India & South Asia

Dominic is responsible for the strategic People agenda of the Bank. This involves building organisation and leadership agility, reinforcing a strengths based organisation and delivering a differentiated employee experience in line with our brand promise Here for good. Partnering with businesses, he plays a key role in fostering an environment in which our people can excel.

Balance Sheet
as at 31 March 2013

	Schedule	**As at 31 March 2013 (₹ in 000s)**	As at 31 March 2012 (₹ in 000s)
Capital and Liabilities			
Capital	1	**27,257,992**	6,757,992
Reserves and Surplus	2	**164,273,043**	134,670,829
Deposits	3	**620,016,696**	639,646,971
Borrowings	4	**181,422,621**	126,182,071
Other Liabilities and Provisions	5	**204,609,334**	309,108,075
Total Capital and Liabilities		**1,197,579,686**	1,216,365,938
Assets			
Cash and Balances with Reserve Bank of India	6	**31,400,947**	33,353,316
Balances with Banks and Money at Call and Short Notice	7	**23,737,895**	15,271,405
Investments	8, 18(D (1))	**307,471,112**	273,238,813
Advances	9, 18(D (2))	**619,542,901**	555,700,088
Fixed Assets	10, 18(D (6))	**24,494,439**	25,269,569
Other Assets	11	**190,932,392**	313,532,747
Total Assets		**1,197,579,686**	1,216,365,938
Contingent Liabilities	12	**12,014,900,080**	16,787,473,773
Bills for Collection		**883,328,407**	235,259,996

Significant accounting policies and notes to financial statements 18

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

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

For Standard Chartered Bank – India Branches

Kalpesh J. Mehta
Partner
Membership No. 48791

Sunil Kaushal
Regional Chief Executive - India and South Asia

Mumbai
31 May 2013

Anurag Adlakha
Chief Financial Officer - India and South Asia

Profit and Loss Account

for the year ended 31 March 2013

	Schedule	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Income			
Interest Earned	13, 18(D (5))	**90,834,941**	79,432,328
Other Income	14, 18(D (5))	**28,072,206**	29,882,236
Total Income		**118,907,147**	109,314,564
Expenditure			
Interest Expended	15	**40,692,017**	36,903,672
Operating Expenses	16	**29,040,912**	27,408,196
Provisions and Contingencies	17, 18(D (11))	**19,572,004**	27,645,004
Total Expenditure		**89,304,933**	91,956,872
Net Profit		**29,602,214**	17,357,692
Profit brought forward		**12,113,219**	14,758,386
Profit available for appropriation		**41,715,433**	32,116,078
Appropriations			
Transfer to Statutory Reserve	2	**7,400,554**	4,339,423
Transfer to Capital Reserve- Surplus on sale of immovable properties	2	**–**	238,820
Transfer to Investment Reserve	2	**265,024**	666,230
Transfer to Head Office Account		**–**	6,458,386
Remittable Surplus retained in India for CRAR	2	**12,113,219**	8,300,000
Balance carried over to Balance Sheet	2	**21,936,636**	12,113,219
Total appropriations		**41,715,433**	32,116,078

Significant accounting policies and notes to financial statements 18

The accompanying schedules form an integral part of the Profit & Loss Account.

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

For Standard Chartered Bank – India Branches

Kalpesh J. Mehta
Partner
Membership No. 48791

Sunil Kaushal
Regional Chief Executive - India and South Asia

Mumbai
31 May 2013

Anurag Adlakha
Chief Financial Officer - India and South Asia

Schedules to the financial statements
for the year ended 31 March 2013

1. Capital

		As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
	Deposit kept with Reserve Bank of India under Section 11(2)(b) of the Banking Regulation Act, 1949	**43,850,000**	38,500,000
a.	**Head office reserves**		
	Balance, beginning of the year	**21,960**	21,960
	Balance, end of the year	**21,960**	21,960
b.	**Head Office Capital**		
	Balance, beginning of the year	**6,736,032**	6,736,032
	Additions during the year	**20,500,000**	–
	Balance, end of the year	**27,236,032**	6,736,032
	Total capital	**27,257,992**	6,757,992

2. Reserves and Surplus

		As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
a.	**Statutory Reserves**		
	Balance, beginning of the year	**46,296,982**	41,957,559
	Transfer from Profit and Loss Account	**7,400,554**	4,339,423
	Balance, end of the year	**53,697,536**	46,296,982
b.	**Property Revaluation Reserve**		
	Balance, beginning of the year	**10,646,648**	12,204,764
	Additions during the year (net)	**–**	–
	Reduction during the year	**–**	(94,035)
	Transfer to Capital Reserves-Surplus on sale of immovable properties	**(532,345)**	(1,464,081)
	Balance, end of the year	**10,114,303**	10,646,648
c.	**Capital Reserves-Surplus on sale of immovable properties**		
	Balance, beginning of the year	**5,451,085**	3,748,184
	Additions during the year	**–**	238,820
	Transfer from Property Revaluation Reserve	**532,345**	1,464,081
	Balance, end of the year	**5,983,430**	5,451,085
d.	**Capital Reserves-Surplus on sale of Held To Maturity investments**		
	Balance, beginning of the year	**984,772**	984,772
	Balance, end of the year	**984,772**	984,772
e.	**Capital Reserve**		
	Balance, beginning of the year	**302,387**	302,387
	Balance, end of the year	**302,387**	302,387
f.	**Remittable Surplus retained in India for Capital to Risk-weighted Assets Ratio (CRAR)**		
	Balance, beginning of the year	**57,599,855**	49,299,855
	Transfer from Profit and Loss Account	**12,113,219**	8,300,000
	Balance, end of the year	**69,713,074**	57,599,855

Schedules to the financial statements
for the year ended 31 March 2013 continued

2. Reserves and Surplus (continued)

		As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
g.	**Balance in Profit and Loss Account**	**21,936,636**	12,113,219
h.	**Exchange Reserve**		
	Balance, beginning of the year	**1,229**	1,229
	Balance, end of the year	**1,229**	1,229
i.	**Property Investment Reserve**		
	Balance, beginning of the year	**206,923**	206,923
	Balance, end of the year	**206,923**	206,923
j.	**Investment Reserve**		
	Balance, beginning of the year	**1,067,729**	401,499
	Transfer from Profit and Loss Account	**265,024**	666,230
	Balance, end of the year	**1,332,753**	1,067,729
	Total reserves and surplus	**164,273,043**	134,670,829

3. Deposits

			As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
A	I	Demand deposits		
		from banks	**5,987,748**	13,259,085
		from others	**136,176,503**	147,638,704
		Total demand deposits	**142,164,251**	160,897,789
	II	Savings bank deposits	**94,778,542**	95,849,763
		Total savings bank deposits	**94,778,542**	95,849,763
	III	Term deposits		
		from banks	**16,425,205**	17,882,241
		from others	**366,648,698**	365,017,178
		Total term deposits	**383,073,903**	382,899,419
	Total deposits		**620,016,696**	639,646,971
B	I	Deposits of branches in India	**620,016,696**	639,646,971
	II	Deposits of branches outside India	**–**	–
	Total deposits		**620,016,696**	639,646,971

4. Borrowings

			As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
I	**Borrowings in India from**			
	(i)	Reserve Bank of India	**50,050,000**	31,800,000
	(ii)	Other banks	**–**	–
	(iii)	Other institutions and agencies	**64,112,602**	40,976,838
II	**Borrowings outside India**			
	(i)	Subordinated Debt [Refer Note 18 E (3) (ii)]	**27,142,500**	25,437,500
	(ii)	Others	**40,117,519**	27,967,733
Total borrowings			**181,422,621**	126,182,071
Secured Borrowings included in I and II above			**106,612,602**	71,976,838

Schedules to the financial statements
for the year ended 31 March 2013 continued

5. Other Liabilities and Provisions

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Bills payable	**9,177,234**	9,503,293
Inter Office Adjustment (net)	**–**	–
Interest accrued	**5,120,992**	5,741,883
Mark-to-market adjustments on Foreign Exchange and Derivative contracts	**140,547,977**	252,797,483
Provision against Standard Assets	**4,427,175**	4,427,175
Others	**45,335,956**	36,638,241
Total other liabilities and provisions	**204,609,334**	309,108,075

6. Cash and Balances with the Reserve Bank of India

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
(i) Cash in hand (including foreign currency notes)	**2,600,024**	2,022,258
(ii) Balance with Reserve Bank of India		
(a) In Current Accounts	**28,800,923**	31,331,058
(b) In Other Accounts	**–**	–
Total cash and balances with the Reserve Bank of India	**31,400,947**	33,353,316

7. Balances with Banks and Money at Call and Short notice

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
In India		
(i) Balances with Banks		
(a) In current accounts	**3,340,208**	3,201,615
(b) In other deposit accounts	**614,200**	1,917,300
(ii) Money at call and short notice		
(a) with banks	**–**	–
(b) with other institutions	**–**	–
Total (i and ii)	**3,954,408**	5,118,915
Outside India		
(i) In current accounts	**3,992,837**	5,400,940
(ii) In other deposit accounts	**15,790,650**	4,751,550
(iii) Money at call and short notice	**–**	–
Total (i, ii and iii)	**19,783,487**	10,152,490
Total balances with banks and money at call and short notice	**23,737,895**	15,271,405

Schedules to the financial statements
for the year ended 31 March 2013 continued

8. Investments

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
In India		
Government securities	**251,012,887**	222,296,819
Other approved securities	**–**	–
Shares	**347,451**	140,182
Debentures and bonds	**4,624,841**	1,602,778
Subsidiaries	**100**	100
Others (including Certificates of Deposits, Commercial Papers and Pass Through Certificates)	**51,485,833**	49,198,934
	307,471,112	273,238,813
Outside India		
Government securities (including local authorities)	**–**	–
Subsidiaries and / or joint ventures abroad	**–**	–
Other Investments	**–**	–
Total investments	**307,471,112**	273,238,813

9. Advances

				As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
a.	Bills purchased and discounted			**53,068,033**	49,277,810
	Cash credits, overdrafts and loans repayable on demand			**300,023,491**	297,513,984
	Term loans			**266,451,377**	208,908,294
	Total			**619,542,901**	555,700,088
b.	Secured by tangible assets (includes advances secured against book debts)			**379,915,769**	338,957,543
	Covered by bank / government guarantees			**21,702,586**	9,038,242
	Unsecured			**217,924,546**	207,704,303
	Total			**619,542,901**	555,700,088
c.	i.	Advances in India			
		Priority sector		**177,440,543**	146,627,906
		Public sector		**173,904**	108,612
		Banks		**78,940**	500,000
		Others		**441,849,514**	408,463,570
		Total		**619,542,901**	555,700,088
c.	ii.	Advances Outside India			
		Due from Banks		**–**	–
		Due from Others		**–**	–
		(a)	Bills purchased and discounted	**–**	–
		(b)	Syndicated loans	**–**	–
		(c)	Others	**–**	–
		Total		**–**	–
	Total advances			**619,542,901**	555,700,088

Schedules to the financial statements
for the year ended 31 March 2013 continued

10. Fixed Assets

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Premises		
Balance, beginning of the year	**23,685,555**	15,825,903
Additions during the year *	**418,531**	9,509,924
Deductions during the year (at cost)	**(534,819)**	(1,650,272)
	23,569,267	23,685,555
Less: Depreciation to date	**(631,090)**	(415,300)
Net book value of Premises	**22,938,177**	23,270,255
Other fixed assets (including furniture and fixtures)		
Balance, beginning of the year	**4,645,460**	3,181,977
Additions during the year	**441,918**	1,619,348
Deductions during the year (at cost)	**(172,262)**	(155,865)
	4,915,116	4,645,460
Less: Depreciation to date	**(3,405,837)**	(2,734,473)
Net book value of other fixed assets	**1,509,279**	1,910,987
Intangible (Capitalised Software)		
Balance, beginning of year	**197,871**	182,343
Additions during the year	**–**	15,528
	197,871	197,871
Less: Depreciation to date	**(188,541)**	(170,855)
Net book value of Capitalised Software	**9,330**	27,016
Work In Progress	**37,653**	61,311
Total net book value of fixed assets	**24,494,439**	25,269,569

* includes capitalisation of borrowing cost ₹2,640 (in 000's) - (2011-12: ₹955,337 (in 000's))

11. Other Assets

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Inter-office adjustment (net)	**–**	–
Interest accrued	**6,849,851**	3,666,138
Tax paid in advance / TDS (net of provision for tax)	**3,742,377**	4,555,750
Deferred Tax asset [Refer Note 18 E (9)]	**13,584,900**	13,535,364
Stationery and stamps	**798**	857
Mark-to-market adjustments on Foreign exchange and Derivative contracts	**135,232,793**	264,964,528
Non-banking assets acquired in satisfaction of claims	**–**	–
Others	**31,521,673**	26,810,110
Total other assets	**190,932,392**	313,532,747

Schedules to the financial statements
for the year ended 31 March 2013 continued

12. Contingent Liabilities

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Claims against the Bank not acknowledged as debts	**6,364,904**	5,556,531
Liability for partly paid investments	**–**	–
Liability on account of outstanding foreign exchange contracts	**4,666,558,239**	6,620,130,947
Liability on account of derivative contracts	**6,930,672,272**	9,784,362,465
Guarantees given on behalf of constituents		
- in India	**127,561,609**	134,882,499
- outside India	**48,487,999**	49,987,622
Acceptances, endorsements and other obligations	**226,718,193**	188,202,185
Other items for which the Bank is contingently liable	**8,536,864**	4,351,524
Total contingent liabilities	**12,014,900,080**	16,787,473,773

13. Interest Earned

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Interest / discount on advances / bills	**66,877,107**	59,158,136
Income on investments	**23,417,216**	19,884,030
Interest on balances with Reserve Bank of India and other inter-bank funds	**257,530**	337,032
Others	**283,088**	53,130
Total interest earned	**90,834,941**	79,432,328

14. Other Income

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Commission, exchange and brokerage	**19,936,928**	20,752,498
Net profit / (loss) on sale of investments	**1,217,601**	(2,578,425)
Profit / (loss) on revaluation of investments	**609,504**	1,532,198
Net profit on sale of premises and other assets	**133,428**	643,059
Net profit on exchange transactions	**4,980,523**	5,237,336
Income by way of dividends, etc. from subsidiary companies and/ or joint ventures abroad/ in India	**–**	–
Miscellaneous income (including derivatives and long term Fx contracts)	**1,194,222**	4,295,570
Total other income	**28,072,206**	29,882,236

15. Interest Expended

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Interest on deposits	**32,234,543**	30,164,796
Interest on Reserve Bank of India and inter-bank borrowings	**2,213,719**	1,934,273
Others	**6,243,755**	4,804,603
Total interest expended	**40,692,017**	36,903,672

Schedules to the financial statements
for the year ended 31 March 2013 continued

16. Operating Expenses

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Payments to and provisions for employees	**12,898,752**	13,386,486
Rent, taxes and lighting	**1,135,272**	1,204,075
Printing and stationery	**323,741**	347,111
Advertisement and publicity	**4,116,473**	3,098,861
Depreciation on Bank's property	**1,045,460**	939,049
Director's fees, allowances and expenses	**–**	–
Auditors' fees and expense	**7,850**	7,309
Legal and professional charges	**529,479**	380,056
Postage, telegrams, telephones, etc.	**774,103**	793,583
Repairs and maintenance	**910,122**	940,212
Insurance	**628,621**	657,339
Travelling	**424,437**	351,673
Business support cost	**4,508,107**	3,791,960
Other expenditure	**1,738,495**	1,510,482
Total operating expenses	**29,040,912**	27,408,196

17. Provisions and Contingencies

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Specific provisions against advances (net)	**2,138,491**	19,554,643
General provision against standard assets	**–**	–
Provision for country risk exposure	**15,149**	–
Charge / (release) against Investments	**355,900**	–
Provision on account of tax		
- Current tax expense [Refer note 18 E(10)]	**17,112,000**	15,089,166
- Deferred tax credit [Refer note 18 E(9)]	**(49,536)**	(6,998,805)
Total provisions and contingencies	**19,572,004**	27,645,004

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements

A) Background

The accompanying financial statements for the year ended 31 March 2013 comprise the accounts of India branches of Standard Chartered Bank ('SCB' or 'the Bank'), which is incorporated with limited liability in the United Kingdom. The Bank's ultimate holding company is Standard Chartered Plc ('SCPLC'), which is incorporated in the United Kingdom.

B) Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and in accordance with Generally Accepted Accounting Principles ('GAAP') in India, statutory requirements of the Banking Regulation Act, 1949, circulars and guidelines issued by the Reserve Bank of India ('RBI') from time to time, the Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006 (as amended) to the extent applicable and current practices prevailing within the banking industry in India.

The financial statements are presented in Indian Rupees rounded off to the nearest thousand, unless otherwise stated.

C) Use of estimates

The preparation of the financial statements in conformity with GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosures relating to the contingent liabilities reported in the financial statements. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

D) Significant Accounting Policies

(1) Investments

Classification and valuation of the Bank's investments is carried out in accordance with RBI Circular DBOD No.BP.BC. 13/21.04.141/2012-13 dated 02 July 2012.

Classification

Investments are classified as 'Held to Maturity' ('HTM') or 'Held for Trading' ('HFT') or 'Available for Sale' ('AFS') at the time of their purchase. Investments acquired by the Bank with the intention of holding up to maturity are classified as HTM. Investments acquired with the intention to trade, by taking advantage of short-term price / interest rate movements and are to be sold within 90 days are classified as HFT. All other investments are classified as AFS.

The Bank follows settlement date accounting for its investments.

In the financial statements, investments in India are disclosed under six categories in Schedule 8 – Investments.

Valuation

Investments classified as HTM are carried at acquisition cost. Any premium on acquisition is amortised over the remaining period till maturity on the basis of a constant yield to maturity. In terms of RBI guidelines, discount on securities held under HTM category is not accrued and such securities are held at the acquisition cost till maturity. Where in the opinion of management and in accordance with RBI guidelines, there is any diminution in the value of any HTM security, which is other than temporary, appropriate provisions are made.

Investments classified as AFS or HFT are marked to market on a monthly basis. Net depreciation for each classification in respect of any category mentioned in Schedule 8 – Investments, is recognised in the Profit and Loss Account. Net appreciation, if any, is ignored.

The mark to market value of investments in debt securities, classified as HFT and AFS, is determined using prices or Yield to Maturity ('YTM') rate as notified by Fixed Income Money Market and Derivatives Association ('FIMMDA') jointly with Primary Dealers Association of India ('PDAI').

Treasury Bills are marked to market in line with the RBI guidance during the year.

Certificate of Deposits and Commercial Paper are valued at carrying cost including the pro rata discount accreted for the holding period.

Brokerage and commission on debt instruments paid at the time of acquisition are charged to the Profit and Loss Account.

Transfer between categories

Transfer of investments between categories is accounted in accordance with provisions of the above referred RBI Circular:

a) Securities transferred from AFS / HFT category to HTM category are transferred at the lower of book value or market value.

b) Securities placed under the HTM category at a discount, are transferred to AFS / HFT category at the acquisition price / book value.

c) Securities placed under the HTM category at a premium, are transferred to the AFS / HFT category at the amortised cost.

d) Securities transferred from AFS to HFT category or vice-versa, are transferred at book value and provisions held for accumulated depreciation, if any, is transferred to provisions for depreciation against the HFT securities and vice-versa.

Accounting for repos / reverse repos

In accordance with the RBI Circular DBOD No.BP.BC.13/21.04.141/2012-13 dated 02 July 2012, repurchase (repos) and reverse repurchase (reverse repos) are accounted as collateralised borrowing and lending.

The Bank also follows the aforesaid principle to account repo and reverse repo transactions undertaken under Liquidity Adjustment Facility ('LAF').

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(2) Advances

Classification and provisioning of advances of the Bank are carried out in accordance with the RBI Master Circular No. DBOD.No.BP.BC.9/21.04.048/2012-13 dated 02 July 2012 on prudential norms on income recognition, asset classification and provisioning pertaining to advances.

Classification

Advances are classified into performing and non-performing advances ('NPA') based on management's periodic internal assessment and RBI's prudential norms on classification. Further, NPAs are classified into substandard, doubtful and loss assets based on the criteria stipulated by RBI.

Provisioning

Advances are stated net of specific provisions and interest in suspense. Specific provisions are made based on management's assessment of the degree of impairment of the advances and in accordance with the Bank's internal policy on specific provisioning for non-performing advances, subject to minimum provisioning norms laid down by the RBI.

For restructured advances, provision is made in accordance with the RBI guidelines, which requires the diminution in the fair value of the advances to be provided at the time of restructuring.

The Bank also maintains a general provision at rates and as per norms prescribed by RBI in the above referred circular and discloses the same in Schedule 5 - Other Liabilities and Provisions.

(3) Securitisation (including assignments)

The Bank securitises corporate and retail advances to Special Purpose Vehicles ('SPV'). Securitised assets are derecognised if they are transferred to the SPV in compliance with all the conditions of true sale as prescribed in 'Guidelines on Securitisation transactions' vide circulars DBOD.No.B.P.BC-103/21.04.177/2011-12 dated 07 May 2012 and DBOD.NO.BP.BC.60/ 21.04.048/2005-06 dated 01 February 2006 issued by the RBI. Securitisation transactions which do not meet the criteria for derecognition are accounted for as secured borrowings.

In accordance with the above referred circular, gain arising on securitisation is amortised over the life of the securities issued / to be issued by the SPV. Loss, if any, is recognised immediately in the Profit and Loss Account.

The Bank also follows the aforesaid principles to ascertain de-recognition of loans and advances through direct assignment and the gain arising upon such direct assignment is amortised over the life of the loans and advances sold. Loss, if any, is recognised immediately in the Profit and Loss Account.

In respect of credit enhancements provided or recourse obligations accepted by the Bank at the time of securitisation or direct assignment, appropriate provisions / disclosures are made in accordance with AS 29 – Provisions, Contingent Liabilities and Contingent Assets.

(4) Derivative transactions

Derivative transactions comprise forward exchange contracts, interest rate swaps, currency futures, cross currency swaps and options and are undertaken for either trading or hedging purposes.

Trading derivatives are marked to market and the resultant unrealised gain or loss is recognised in the Profit and Loss Account under Schedule 14 - Other Income.

Hedging transactions are undertaken by the Bank to protect the change in the fair value or the cash flow of the underlying assets or liabilities. The hedging instrument is accounted for on accrual basis except for an instrument designated with an asset or liability that is carried at market value or lower of cost or market value in the financial statements. In that case the hedging instrument is marked to market with the resulting gain or loss recorded as an adjustment to the market value of the designated asset.

Options are marked to market and the premium received or paid, is recognised in the Profit and Loss Account.

(5) Income recognition

Interest income on advances is recognised on accrual basis, except in case of interest on NPAs, which is recognised as income on receipt in accordance with RBI guidelines.

Interest income on discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis. Commission on guarantees and letters of credit are recognised over the facility tenure. Fees on loans and credit cards are recognised at the inception of the transactions. Fees from management advisory services are recognised based on applicable service contracts and when the service has been rendered.

Realised gains on investments under the HTM category are recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve net of tax expense and transfer to statutory reserve. Losses are recognised in the Profit and Loss Account in accordance with RBI guidelines.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(6) Fixed assets and depreciation

Fixed assets and depreciation thereon are accounted for as per AS 10 – Accounting for Fixed Assets and AS 6 – Depreciation Accounting.

Fixed assets are stated at acquisition cost less accumulated depreciation, with the exception of premises which are revalued periodically and are stated at revalued cost less accumulated depreciation.

Borrowing costs that are attributable to the acquisition of qualifying assets are capitalised as part of the cost of such assets in accordance with AS 16 - Borrowing Costs. A qualifying asset is one that necessarily takes a substantial period of time to get ready for intended use.

Depreciation is provided on a straight line basis over the useful life of the asset subject to the minimum rates of depreciation prescribed under Schedule XIV to the Companies Act, 1956. In the case of premises, depreciation is provided on revalued cost. On disposal of revalued premises, the amount standing to the credit of revaluation reserve is transferred to Capital Reserve in accordance with RBI guidelines.

Profit on disposal of premises is recognised in the Profit and Loss Account and subsequently appropriated to Capital Reserve net of tax expense and transfer to statutory reserve. Losses are recognised in the Profit and Loss Account.

Fixed assets individually costing less than ₹250 (in 000s) are expensed in the year of purchase, except where individual assets are purchased and installed as part of the owned and leasehold improvement projects, in which case they are capitalised as improvements to property. Computer software less than ₹25,000 (in 000s) is also expensed in the year of purchase.

The depreciation rates applied on other fixed assets are as follows:

Category	Depreciation rate per annum (%)
Computers	33
Plant	20
Furniture and Fixtures [1]	10 / 20
Motor Vehicles	33
Electrical Installations [2]	14 / 20
Improvements to property [3]	20
Computer Software [4]	33

(1) Furniture and Fixtures are depreciated over the expected useful lives, subject to a maximum period of ten years. The additions from 01 April 2008 onwards are depreciated over the expected useful lives, subject to a maximum period of five years.

(2) Electrical Installations include Automated Teller Machines (ATMs) which, from 01 April 2008, are depreciated over the expected useful lives, subject to a maximum period of seven years.

(3) Improvements to owned and leasehold property are depreciated over the remaining useful life / lease period subject to a maximum period of five years.

(4) Acquisition costs and development costs are amortised over the expected useful lives, subject to a maximum period of three years.

Fixed assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net discounted cash flows expected to be generated by the asset or net realisable value, whichever is higher. If such assets are considered to be impaired, the impairment is recognised by charging the Profit and Loss Account and is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets.

(7) Accounting for leases

Assets given / taken on lease are accounted for in accordance with provisions of AS 19 – Leases. Lease payments under operating leases are recognised as an expense on a straight line basis over the lease term.

(8) Foreign currency transactions and balances

Transactions in foreign currency are recorded at exchange rates prevailing on the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Profit and Loss Account.

Monetary assets and liabilities denominated in foreign currencies are translated at the Balance Sheet date at rates of exchange notified by the Foreign Exchange Dealers' Association of India ('FEDAI') and the resultant exchange differences are recognised in the Profit and Loss Account.

Foreign currency contracts and forward rate agreements are revalued at the exchange rates notified by FEDAI and where exchange rates are not notified by FEDAI, are revalued at foreign exchange rates implied by swap curves. The profit or loss on revaluation is recognised in the Profit and Loss Account.

Contingent liabilities on account of foreign exchange contracts, guarantees, acceptances, endorsements and other obligations denominated in foreign currencies are disclosed at the closing rates of exchange notified by FEDAI.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(9) Retirement and other employee benefits

Retirement and other employees benefits are accounted for as per AS 15 (Revised 2005) - Employee Benefits as set out below:

a) Provident fund

The Bank contributes to a recognised provident fund, which is a defined contribution scheme, for all its eligible employees. The contributions are accounted for on an accrual basis and recognised in the Profit and Loss Account.

b) Gratuity

The Bank has a gratuity scheme, which is a defined benefit plan. The Bank's net obligation in respect of the gratuity benefit is calculated by estimating the amount of future benefit that the 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 benefit plan.

The present value of the obligation under such benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

c) Superannuation

The Bank contributes to an approved superannuation fund, which is a defined contribution scheme, for all its eligible employees who have opted for the scheme. The contributions are accounted for on an accrual basis and recognised in the Profit and Loss Account.

d) Pension

The Bank has a pension scheme for its award staff, which is a defined benefit plan. The Bank's net obligation in respect of the pension benefit is calculated by estimating the amount of future benefit that the award staff 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 benefit plan.

The present value of the obligation under such benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

e) Compensated absences

The Bank has a leave encashment scheme for its award staff, which is a defined benefit plan. The Bank's net obligation in respect of the leave benefit is calculated by estimating the amount of future benefit that the award staff 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 benefit plan.

The present value of the obligation under such benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method which recognises each period of service that give rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at present value of estimated future cash flows. The discount rates used for determining the present value are based on the market yields on Government Securities as at the balance sheet date.

Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(10) Taxation

Income tax comprises current tax (i.e. amount of tax for the period, determined in accordance with the Income Tax Act, 1961 and the rules framed thereunder) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

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

The Bank accounts for deferred taxes in accordance with the provisions of AS 22 – Accounting for Taxes on Income. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. In case there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets.

Deferred tax assets are reviewed at each balance sheet date and appropriately adjusted to reflect the amount that is reasonably / virtually certain to be realised.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(11) Provisions, contingent liabilities and contingent assets

The Bank creates 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 such 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 neither recognised nor disclosed 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.

(12) Provision for reward points awarded to customers

The Bank has a policy of awarding reward points to customers for credit / debit card spends, remote banking and certain Electronic Clearing Services (ECS) transactions. Provision for such reward points is made on the basis of behavioural analysis of utilisation trends.

E) Notes to accounts

(1) Specific liabilities of the erstwhile Standard Chartered Grindlays Bank ('SCGB')

As per clause 1.7 of the Scheme of Amalgamation of the Indian Undertaking of SCGB with that of SCB, approved by the RBI in August 2002 under Section 44A of the Banking Regulation Act 1949, certain 'Specified Liabilities' were excluded from the amalgamation. These 'Specified Liabilities' are defined in Schedule A to the said Scheme and comprise the Indian Special Court Exposures and the FERA inquiry / proceedings in this regard. SCPLC had written to RBI vide letter dated 26 July 2002 stating that SCB will be responsible for all liabilities of SCGB excluded under clause 1.7 of the Scheme, should these liabilities crystallise and in the event that SCGB does not fulfill its obligations in meeting these liabilities either from India or abroad within the required time under due process of law, as and when such liabilities become enforceable. An amount of ₹67 million was ordered as penalty in the adjudication proceedings in respect of FERA inquiry / proceedings conducted by the ED and the same was deposited in July 2007. These orders have been challenged before the Appellate Tribunal and the hearings are not yet completed.

(2) Taxation

Provision on account of tax for the year ended 31 March 2013 is ₹17,062 million (2011-12: ₹8,090 million).

Tax liabilities (including interest) of the Bank amounting to ₹6,043 million (previous year: ₹5,235 million for the assessment years 1991-92 to 2008-09) (included in Schedule 12 – Contingent Liabilities) for the assessment years 1991-92 to 2009-10, are pending final outcome of the appeals filed by the Bank/ Revenue Authorities. The Bank believes that these demands are largely unsustainable and accordingly, no provisions have been made.

(3) Statutory Disclosures

(i) Capital Adequacy

(₹ in 000s)

	As at 31 March 2013	As at 31March 2012
Tier I Capital	**142,609,833**	102,082,696
Tier II Capital	**34,791,055**	35,626,405
Total Capital	**177,400,888**	137,709,101
Total Risk weighted assets and contingents	**1,364,363,485**	1,245,747,202
Capital Ratios		
Tier I Capital	**10.45%**	8.19%
Tier II Capital	**2.55%**	2.86%
Total Capital	**13.00%**	11.05%
Amount of subordinated debt as Tier II capital	**24,428,250**	25,437,500

The Bank has not issued any Innovative Perpetual Debt Instrument (IPDI).

Capital adequacy has been calculated based on 'Prudential Guidelines on Capital Adequacy and market discipline - New Capital Adequacy Framework (NCAF)' (Basel II), issued vide circular DBOD.No.BP.BC.16/21.06.001/2012-13 dated 02 July 2012.

(ii) Subordinated Debt

Schedule 4 - Borrowings includes an amount of ₹27,143 million (previous year: ₹25,438 million) pertaining to subordinated debts raised from Head Office, details of which are given below:

(₹ in 000s)

Date of allotment	**Amount**	**Coupon Frequency**	**Maturity date**
03 March 2008	13,571,250	Semi - annual	02 March 2018
30 June 2008	13,571,250	Semi - annual	29 June 2018

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(iii) Key Ratios

Sr. No.		For the Year ended 31 March 2013	For the Year ended 31 March 2012
i.	Interest income as a % to working funds [1]	**7.46%**	6.84%
ii.	Non-interest income as a % to working funds [1]	**2.31%**	2.57%
iii.	Operating profit as a % to working funds [1]	**4.04%**	3.88%
iv.	Return on assets [1]	**2.43%**	1.49%
v.	Business (deposits + advances) per employee (₹ in '000s) [2]	**168,767**	154,671
vi.	Profit per employee (₹ in '000s)	**4,105**	2,306

[1] Computed based on average of total assets as per Form X submitted to RBI

[2] Computed based on deposits plus advances (excluding inter-bank deposits) outstanding as at the year end

(iv) Maturity Pattern of Assets and Liabilities

As at 31 March 2013

Maturity Bucket	Loans and Advances* (₹ in 000s)	Investments (₹ in 000s)	Deposits* (₹ in 000s)	Borrowings* (₹ in 000s)	Foreign Currency Assets (₹ in 000s)	Foreign Currency Liabilities (₹ in 000s)
Day 1	**29,232,059**	**85,299,380**	**5,638,124**	**17,810,769**	**18,208,404**	**18,471,441**
2 – 7 days	**42,624,175**	**13,351,527**	**58,288,624**	**66,248,602**	**19,491,229**	**12,072,866**
8-14 days	**43,238,532**	**14,905,145**	**57,560,777**	**2,714,250**	**3,646,100**	**11,423,890**
15-28 days	**31,526,749**	**14,185,768**	**55,714,625**	**11,278,500**	**17,531,283**	**9,023,860**
29 days – 3 mths	**92,908,732**	**43,538,455**	**127,494,776**	**37,999,500**	**54,874,960**	**61,442,413**
Over 3 mths – 6 mths	**70,209,360**	**17,684,383**	**57,206,698**	**12,228,500**	**34,696,908**	**24,571,672**
Over 6 mths – 1 yr	**34,536,161**	**42,993,032**	**65,697,616**	**–**	**7,170,194**	**50,450,278**
Over 1 year – 3 yrs	**92,942,171**	**47,231,718**	**177,103,348**	**6,000,000**	**8,693,890**	**25,379,258**
Over 3 years – 5 yrs	**61,874,987**	**14,968,264**	**15,298,408**	**13,571,250**	**6,557,486**	**21,767,896**
Over 5 years	**120,449,975**	**8,421,336**	**13,700**	**13,571,250**	**2,743,192**	**16,582,488**
Total	**619,542,901**	**302,579,008**	**620,016,696**	**181,422,621**	**173,613,646**	**251,186,062**

As at 31 March 2012

Maturity Bucket	Loans and Advances* (₹ in 000s)	Investments (₹ in 000s)	Deposits* (₹ in 000s)	Borrowings* (₹ in 000s)	Foreign Currency Assets (₹ in 000s)	Foreign Currency Liabilities (₹ in 000s)
Day 1	17,370,418	51,245,097	6,623,276	413,833	12,302,664	3,119,523
2 – 7 days	37,761,586	19,110,941	64,872,383	34,670,588	9,211,067	11,718,599
8-14 days	42,183,857	14,878,903	77,162,613	6,573,050	5,914,177	19,774,794
15-28 days	24,717,975	13,140,947	57,136,123	15,218,750	12,473,690	17,560,988
29 days – 3 mths	115,256,562	40,630,828	123,070,387	15,602,350	120,252,625	101,558,956
Over 3 mths – 6 mths	65,184,922	15,994,785	57,369,470	9,544,150	89,857,028	83,001,533
Over 6 mths – 1 yr	37,451,249	39,333,845	55,568,820	5,921,850	34,695,760	76,341,953
Over 1 year – 3 yrs	80,507,701	47,227,280	191,203,507	12,800,000	36,255,118	53,256,146
Over 3 years – 5 yrs	30,326,616	21,833,114	6,476,135	–	18,321,874	16,820,638
Over 5 years	104,939,202	7,407,269	164,257	25,437,500	16,714,094	46,879,486
Total	555,700,088	270,803,009	639,646,971	126,182,071	355,998,097	430,032,616

* Including foreign currency balances.

Note: Non term assets and liabilities have been bucketed based on behavioral maturities in line with the RBI guidelines

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(v) Investments

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Value of Investments		
(i) Gross Value of Investments	**308,485,616**	274,506,922
(a) In India	**308,485,616**	274,506,922
(b) Outside India	**–**	–
(ii) Provisions for Depreciation	**1,014,504**	1,268,109
(a) In India	**1,014,504**	1,268,109
(b) Outside India	**–**	–
(iii) Net Value of Investments	**307,471,112**	273,238,813
(a) In India	**307,471,112**	273,238,813
(b) Outside India	**–**	–

The Bank did not have any investment under HTM category during the year and hence, the disclosure related to sale or transfer from HTM category is not applicable.

(vi) Movement of Provision towards Depreciation on Investments

	For the Year ended 31 March 2013 (₹ in 000s)	For the Year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**1,268,109**	2,800,307
Add: Provisions made during the year	**942,822**	573
Less: Write-off / write back of excess provisions during the year	**(1,196,427)**	(1,532,771)
Balance, end of the year	**1,014,504**	1,268,109

(vii) Repurchase and Reverse repurchase transactions including LAF (face value)

For the year ended 31 March 2013

	Minimum outstanding during the year* (₹ in 000s)	Maximum outstanding during the year (₹ in 000s)	Daily average outstanding during the year (₹ in 000s)	Outstanding as at 31 March 2013 (₹ in 000s)
Securities sold under repos (Government Securities)	**1,971,900**	**57,766,300**	**25,273,928**	**47,956,500**
Securities purchased under reverse repos (Government Securities)	**–**	**–**	**–**	**–**

For the year ended 31 March 2012

	Minimum outstanding during the year* (₹ in 000s)	Maximum outstanding during the year (₹ in 000s)	Daily average outstanding during the year (₹ in 000s)	Outstanding as at 31 March 2012 (₹ in 000s)
Securities sold under repos (Government Securities)	1,745,100	55,344,000	24,189,833	34,200,000
Securities purchased under reverse repos (Government Securities)	50,000	50,000	410	–

* Minimum outstanding during the year excludes the days with nil outstanding.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(viii) Issuer composition of non-SLR investments

As at 31 March 2013

Issuer	Total Amount (₹ in 000s)	Extent of Private Placement (a) (₹ in 000s)	Extent of 'Below Investment Grade' Securities (b) (₹ in 000s)	Extent of Unrated Securities (c) (₹ in 000s)	Extent of Unlisted Securities (d) (₹ in 000s)
PSU	**539,700**	**539,700**	**–**	**39,700**	**39,700**
Financial institutions	**2,260,292**	**911,992**	**–**	**–**	**2,260,292**
Banks	**18,041,005**	**14,194,921**	**–**	**127**	**18,041,005**
Private corporate	**5,344,212**	**5,144,371**	**405,825**	**1,219,371**	**584,473**
Subsidiaries / Joint Venture	**100**	**100**	**–**	**100**	**100**
Others	**31,184,553**	**31,184,553**	**17**	**17**	**31,184,553**
Provisions held towards depreciation	**(911,637)**	**(911,637)**	**(400,990)**	**(911,637)**	**(389,310)**
Total	**56,458,225**	**51,064,000**	**4,852**	**347,678**	**51,720,813**

As at 31 March 2012

Issuer	Total Amount (₹ in 000s)	Extent of Private Placement (a) (₹ in 000s)	Extent of 'Below Investment Grade' Securities (b) (₹ in 000s)	Extent of Unrated Securities (c) (₹ in 000s)	Extent of Unlisted Securities (d) (₹ in 000s)
PSU	39,700	39,700	–	39,700	39,700
Financial institutions	773,939	773,939	–	–	773,939
Banks	21,595,481	19,751,938	–	127	21,595,481
Private corporate	1,748,905	1,649,394	45,073	249,393	247,133
Subsidiaries / Joint Venture	100	100	–	100	100
Others	26,829,534	26,829,533	19	19	26,829,533
Provisions held towards depreciation	(45,665)	(45,092)	(45,092)	(45,092)	(43,313)
Total	50,941,994	48,999,512	–	244,247	49,442,573

Note: Total investments include investments in Pass Through Certificates (PTCs) of ₹29,907 million (previous year: ₹25,540 million)

Amounts reported under column (a), (b), (c) and (d) above are not mutually exclusive.

(ix) Movement in non-performing non-SLR investments

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**45,092**	45,092
Additions during the year	**360,752**	–
Reductions during the year	**(2)**	–
Balance, end of the year	**405,842**	45,092
Total Provisions held at end of the year	**400,990**	45,092

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(x) Disclosures relating to Non Performing Assets ('NPAs') and related provisions:

The percentage of net NPA to net advances is 1.63% as at 31 March 2013 (previous year: 0.70%).

The Provision Coverage Ratio ('PCR') is 73.97% as at 31 March 2013 (previous year: 87.96%).

Movement of Gross NPA	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**32,121,562**	11,477,884
Additions during the year	**17,020,474**	26,076,669
Reductions during the year	**(10,341,412)**	(5,432,991)
Balance, end of the year	**38,800,624**	32,121,562

Movement of Net NPA	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**3,868,066**	1,318,896
Additions during the year	**8,151,104**	2,963,735
Reductions during the year	**(1,920,998)**	(414,565)
Balance, end of the year	**10,098,172**	3,868,066

Movement in Provision for NPA	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**28,253,496**	10,158,988
Additions during the year	**8,869,370**	23,112,934
Reductions during the year *	**(8,420,414)**	(5,018,426)
Balance, end of the year	**28,702,452**	28,253,496

* In line with RBI circular No. DBOD.No.BP.BC.87/21.04.048/2010-11 dated 21 April 2011, Floating Provision is transferred to Countercyclical Provisioning Buffer under Schedule 5 - Other Liabilities & Provisions and shown as reductions during the previous year.

Concentration of NPAs	**As at 31 March 2013 (₹ in 000s)**	As at 31 March 2012 (₹ in 000s)
Total exposure to top four NPA accounts	**25,403,418**	19,892,137

	Percentage of Net NPAs to total advances in that sector	
Sector wise Net NPA	**As at 31 March 2013**	As at 31 March 2012
Agriculture & allied activities	**–**	–
Industry (Micro & Small, Medium and Large)	**2.17**	0.65
Services	**1.34**	1.01
Personal Loans	**0.76**	0.38

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

Movement of Gross NPA		For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Gross NPAs as on 01 April		**32,121,562**	11,477,884
Additions (fresh NPAs) during the year		**17,020,474**	26,076,669
Sub-total (A)		**49,142,036**	37,554,553
Less:			
(i)	Upgradations	**(4,594,964)**	(1,517,562)
(ii)	Recoveries (excluding recoveries made from upgraded accounts)	**(3,973,962)**	(2,657,129)
(iii)	Write-offs	**(1,772,486)**	(1,258,300)
Sub-total (B)		**(10,341,412)**	(5,432,991)
Gross NPAs as on 31 March (A-B)		**38,800,624**	32,121,562

(xi) Concentration of Advances*

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Total advances to twenty largest borrowers	**332,429,540**	322,522,826
Percentage of advances to twenty largest borrowers to total advances of the Bank	**14.38%**	16.24%

* Advances are computed as per definition of credit exposure (including derivatives) as per RBI Master Circular on Exposure Norms DBOD.No.Dir.BC.3/ 13.03.00/2012-13 dated 02 July 2012

(xii) Concentration of Exposures*

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Total exposure to twenty largest borrowers / customers	**386,425,256**	516,220,535
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	**14.89%**	20.97%

* Exposures are computed as per definition of credit and investment exposure as per RBI Master Circular on Exposure Norms DBOD.No.Dir.BC.3/ 13.03.00/2012-13 dated 02 July 2012

(xiii) Provision towards Standard Assets and Country Risk Exposure

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Provisions towards Standard Assets	**4,427,175**	4,427,175
Provisions towards Country Risk Exposure	**24,376**	9,227
Total	**4,451,551**	4,436,402

(xiv) Details of non performing financial assets purchased

The amount of non performing financial assets purchased during the year is Nil (2011–12: Nil).

(xv) Details of non performing financial assets sold (other than sold to Securitisation Company / Reconstruction Company)

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
(a) Number of accounts sold during the year	**–**	2
(b) Aggregate outstanding *	**–**	–
(c) Aggregate consideration received	**–**	30,561

* Net book value on date of sale.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(xvi) Details of sale of financial assets to Securitisation Company ('SC') / Reconstruction Company ('RC') for asset reconstruction

		For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31March 2012 (₹ in 000s)
(i)	No of accounts	**20**	147
(ii)	Aggregate value (net of provisions) of accounts sold to SC / RC *	**–**	–
(iii)	Aggregate consideration	**274,424**	536,500
(iv)	Additional consideration realised in respect of accounts transferred in earlier years	**–**	–
(v)	Aggregate gain over net book value	**274,424**	536,500

* Net book value on date of sale

(xvii) Unsecured Advances

The bank has unsecured advances amounting to ₹1,260 million (previous year: ₹1,191 million) for which it holds intangible securities such as charge over the rights, licenses, authority, etc. and the estimated value of such intangible collateral is ₹2,800 million (previous year: ₹2,800 million).

(xviii) Overseas Assets, NPA and Revenue

As the Bank is a branch of a foreign bank, this disclosure is considered not applicable.

Schedules to the financial statements
for the year ended 31 March 2013 continued

(xix) Accounts Restructured

The disclosure of restructured advances vide RBI circular DBOD.BP.BC.No.80/21.04.132/2012-13 dated 31 January 2013 is as under:

(₹ in crores)

Sl No	Type of Restructuring	Asset Classification Details	Under CDR Mechanism					Under SME Debt Restructuring Mechanism					Others					Total				
			Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total	Standard	Sub-Standard	Doubtful	Loss	Total
1	Restructured Accounts as on April 1 of the FY (opening figures)*	No. of borrowers	–	1	–	–	1	–	–	–	–	–	4	4,706	364	2	5,076	4	4,707	364	2	5,077
		Amount outstanding	–	19.53	–	–	19.53	–	–	–	–	–	13.31	24.64	132.99	1.07	172.01	13.31	44.17	132.99	1.07	191.54
		Provision thereon	–	15.00	–	–	15.00	–	–	–	–	–	0.67	20.46	101.50	1.07	123.70	0.67	35.46	101.50	1.07	138.70
2	Fresh restructuring during the year	No. of borrowers	1	–	3	–	4	–	–	–	–	–	–	1,184	2	–	1,186	1	1,184	5	–	1,190
		Amount outstanding	253.53	–	114.78	–	368.31	–	–	–	–	–	–	101.68	15.43	–	117.11	253.53	101.68	130.21	–	485.42
		Provision thereon	6.80	–	85.75	–	92.55	–	–	–	–	–	–	44.80	15.05	–	59.85	6.80	44.80	100.80	–	152.40
3	Upgradations to restructured standard category during the FY	No. of borrowers	–	–	–	–	–	–	–	–	–	–	1	–	(1)	–	–	1	–	(1)	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	5.84	–	(5.84)	–	–	5.84	–	(5.84)	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Restructured standard advances which cease to attract higher provisioning and/ or additional risk weight at the end of the FY and hence need not be as shown as restructured standard advances at the beginning of the next FY	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
		Provision thereon	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
5	Downgradations of restructured accounts during the FY	No. of borrowers	–	(1)	1	–	–	–	–	–	–	–	(2)	1	–	1	–	(2)	–	1	1	–
		Amount outstanding	–	(16.53)	16.53	–	–	–	–	–	–	–	(0.19)	(4.72)	–	4.91	–	(0.19)	(21.25)	16.53	4.91	–
		Provision thereon	–	(16.53)	16.53	–	–	–	–	–	–	–	–	(4.79)	–	4.91	0.12	–	(21.32)	16.53	4.91	0.12
6	Write-offs of restructured accounts during the FY	No. of borrowers	–	–	–	–	–	–	–	–	–	–	–	1,189	90	–	1,279	–	1,189	90	–	1,279
		Amount outstanding	–	–	–	–	–	–	–	–	–	–	–	4.43	3.30	–	7.73	–	4.43	3.30	–	7.73
7	Restructured Accounts as on March 31 of the FY (closing figures)*	No. of borrowers	1	–	4	–	5	–	–	–	–	–	3	3,175	179	3	3,360	4	3,175	183	3	3,365
		Amount outstanding	216.03	–	85.20	–	301.23	–	–	–	–	–	18.19	99.76	130.71	5.98	254.65	234.22	99.76	215.91	5.98	555.87
		Provision thereon	6.80	–	72.02	–	78.82	–	–	–	–	–	0.36	70.27	111.21	5.98	187.82	7.16	70.27	183.23	5.98	266.64

*Excluding the figures of Standard Restructured Advances which do not attract higher provisioning or risk weight (if applicable).

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(xx) Lending to Sensitive Sectors

Category		As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Exposure to Real Estate Sector			
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:	**143,066,668**	120,539,001
	Of which individual housing loans eligible for inclusion in priority sector advances	**14,756,480**	13,542,246
(ii)	Commercial Real Estate		
	Lending secured by mortgages on commercial real estates	**138,492,723**	117,836,047
(iii)	Other Direct Exposure (Loans backed by Commercial Property not falling under definition of Commercial Real Estate Exposure as per RBI circular No. DBOD.BP.BC.No. 42/08.12.015/2009-10 dated 09 September, 2009)	**17,422,971**	15,743,742
(iv)	Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
	a. Residential	**2,083,612**	2,083,612
	b. Commercial Real Estate	**1,277,271**	1,289,996
Indirect Exposure			
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)		**1,727,217**	2,785,442
Total Exposure to Real Estate Sector		**304,070,462**	260,277,840
Exposure to Capital Market			
(i)	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	**43,734**	43,554
(ii)	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	**65,445**	82,689
(iii)	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	**2,647,413**	1,879,638
(iv)	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	**–**	–
(v)	Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers	**14,069,469**	15,885,597
(vi)	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	**7,373,263**	4,181,818
(vii)	Bridge loans to companies against expected equity flows / issues	**–**	250,000
(viii)	Underwriting commitments taken up by the banks in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds	**–**	–
(ix)	Financing to stockbrokers for margin trading	**–**	–
(x)	All exposures to Venture Capital Funds (both registered and unregistered)	**–**	–
(xi)	Others (Irrevocable Payment Commitments)	**397,175**	1,686,261
Total Exposure to Capital Market		**24,596,499**	24,009,557

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(xxi) Assets Securitised (including assignments)

(a) Securitisation

The Bank has not entered into any securitisation transactions during the year (2011-12: Nil).

(b) Assignment

In accordance with RBI circular DBOD.NO.BP.BC.60/21.04.048/2005-06 dated 01 February 2006, the details of loan assignments are given below:

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Book value of loans securitised	**2,862,395**	–
Total number of loans securitised (nos.)	**5**	–
Sale consideration received	**2,862,313**	–
Net (loss) / profit on securitisation *	**(82)**	–

* Profit is amortised over the residual maturity of the securities or loans assigned

Form and quantum of outstanding value of services provided by way of:

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Credit Enhancement given in the form of Cash Collateral	**755,104**	755,104
Credit Enhancement given in the form of Guarantees	**1,428,508**	1,328,508
Liquidity Support	**–**	–
Post securitisation asset servicing	**–**	–

(xxii) Risk Exposure in Derivatives

(a) Exchange traded interest rate derivatives

The Bank has not entered into exchange traded interest rate derivatives during the year (2011-12: Nil) and there is no amount outstanding at the year-end (previous year: Nil).

(b) Qualitative Disclosures

Structure and organisation of management of risk in derivatives trading

The derivatives business is managed by the front office with independent back office for confirmation and settlement of trades. A separate middle office team validates all the derivative transactions and the processing and settlement is done by the back office team. The market risk team is responsible for monitoring market risk limits for derivative instruments. The limits comprise of PV01, NOP, Vega, spot volatility matrix and VaR limits. There is clear segregation of duties and different reporting lines to ensure independent monitoring and reporting.

Risk monitoring team

The Bank is exposed to market risk, liquidity risk, operational risk and credit risk on the derivatives portfolio. The Bank's risk management group, compliance group and internal audit group assist in identifying, assessing and monitoring of these principal risks in accordance with policies and procedures.

Provisioning, collateral and credit risk mitigation

Counterparties are reviewed by credit officers who set their credit limits. The Bank does a credit analysis which includes a review of facility detail, credit grade determination and financial spreading/ ratio analysis. The Bank uses a numerical grading system, for quantifying the risk associated with counterparty.

The Bank applies the Current Exposure methodology to manage credit risk associated with derivative transactions. This is calculated by taking the cost of replacing the contract, where its mark-to-market value, is positive together with an estimate of the potential future change in the market value of the contract, reflecting the volatilities that affect it. The credit risk on contracts with a negative mark-to-market value is restricted to the potential future change in their market value.

Provisioning on the exposure taken on derivative contracts is made as prescribed by RBI Circular No. DBOD.No.BP.BC.9/21.04.048/2012-13 dated 02 July 2012.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(c) Quantitative Disclosures

Sr. No.	Particulars	Currency Derivatives as at 31 March 2013 (₹ in crores)	Interest rate derivatives as at 31 March 2013 (₹ in crores)	Currency Derivatives as at 31 March 2012 (₹ in crores)	Interest rate derivatives as at 31 March 2012 (₹ in crores)
1	Derivatives (Notional Principal Amount)				
	a) For hedging	**6,226**	**2,025**	8,979	500
	b) For trading	**574,254**	**577,218**	806,292	824,679
2	Marked to Market Positions				
	a) Asset (+)	**10,162**	**3,361**	20,069	6,427
	b) Liability (-)	**(10,808)**	**(3,247)**	(19,127)	(6,153)
3	Credit Exposure [1]	**27,578**	**8,217**	43,944	13,074
4	Likely impact of one percentage change in interest rate (100* PV01) [2]				
	a) on hedging derivatives	**17.48**	**48.17**	25.45	11.17
	b) on trading derivatives	**100.23**	**186.16**	127.55	355.07
5	Maximum of 100*PV01 observed during the year [2]				
	a) on hedging	**25.32**	**65.41**	25.85	11.55
	b) on trading	**111.86**	**326.86**	189.60	534.01
6	Minimum of 100*PV01 observed during the year [2]				
	a) on hedging	**14.12**	**48.17**	8.29	–
	b) on trading	**78.20**	**186.16**	69.02	224.81

[1] Computed as per the current exposure method under "New Capital Adequacy Framework" (Basel II), issued vide circular DBOD.No.BP.BC.16/ 21.06.001 / 2012-13 dated 02 July 2012

[2] Only for ₹ currency

(xxiii) Interest Rate Swaps, Interest Rate Options and Forward Rate Agreements

The notional principal amount of Interest Rate Swaps ('IRS'), Interest Rate Options ('IRO') and Forward Rate Agreements ('FRA') are:

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
IRS	**5,618,830,026**	8,121,951,561
IRO	**172,311,756**	124,120,568
FRA	**1,289,528**	5,713,740
Total	**5,792,431,310**	8,251,785,869

The credit risk is the pre-settlement risk which is estimated in accordance with the Current Exposure Method. All IRS, IRO and FRA are monitored for price risks under the Value at Risk approach.

The Bank has taken ₹2,008 million as collateral from counter parties in respect of derivative contracts (previous year: ₹579 million).

The gross positive mark to market on the IRS, IRO and FRA, which is the potential loss that the Bank would incur in case the counter parties fail to fulfill their obligations are:

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
IRS	**33,507,903**	64,132,365
IRO	**103,444**	136,185
FRA	**34**	719
Total	**33,611,381**	64,269,269

As at 31 March 2013, the exposure on IRS, IRO and FRA is spread over various industries. However, based on the notional principal amount, the maximum single industry exposure lies with banks at 88% (previous year: 88%).

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

Fair value (net MTM value) which the Bank would receive or pay to terminate the IRS, IRO and FRA is given below:

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
IRS	**1,141,416**	2,743,600
IRO	**–**	–
FRA	**–**	–
Total	**1,141,416**	2,743,600

The nature and terms of the IRS and IRO as on 31 March 2013 are set out below:

Nature	**Number of Contracts**	**Notional Principal (₹ in 000s)**	**Benchmark**	**Term**
Trading	**2**	**1,631,750**	**INBMK**	**Fixed Payable v/s Fixed Receivable**
Trading	**79**	**52,833,572**	**INBMK**	**Fixed Payable v/s Floating Receivable**
Trading	**36**	**18,000,000**	**INBMK**	**Fixed Receivable v/s Floating Payable**
Trading	**2**	**4,719,903**	**LIBOR**	**Fixed Payable v/s Fixed Receivable**
Trading	**434**	**436,987,521**	**LIBOR**	**Fixed Payable v/s Floating Receivable**
Trading	**18**	**82,533,073**	**LIBOR**	**Floating Payable v/s Fixed Receivable**
Trading	**15**	**46,651,894**	**LIBOR**	**Floating Payable v/s Floating Receivable**
Trading	**3**	**4,828,473**	**LIBOR**	**Fixed Receivable v/s Fixed Payable**
Trading	**399**	**366,087,739**	**LIBOR**	**Fixed Receivable v/s Floating Payable**
Trading	**18**	**82,533,073**	**LIBOR**	**Floating Receivable v/s Fixed Payable**
Trading	**15**	**34,079,803**	**LIBOR**	**Floating Receivable v/s Floating Payable**
Trading	**3**	**1,140,000**	**MIBOR**	**Fixed Payable v/s Floating Receivable**
Trading	**2**	**500,000**	**MIBOR**	**Fixed Receivable v/s Floating Payable**
Trading	**976**	**534,994,013**	**MIFOR**	**Fixed Payable v/s Floating Receivable**
Trading	**937**	**465,307,825**	**MIFOR**	**Fixed Receivable v/s Floating Payable**
Trading	**2,110**	**1,817,815,349**	**OIS**	**Fixed Payable v/s Floating Receivable**
Trading	**2,188**	**1,787,750,813**	**OIS**	**Fixed Receivable v/s Floating Payable**
Trading	**11**	**10,289,902**	**OTHERS**	**Fixed Payable v/s Floating Receivable**
Trading	**12**	**11,337,945**	**OTHERS**	**Fixed Receivable v/s Floating Payable**
Trading	**3**	**5,434,567**	**OTHERS**	**Floating Payable v/s Fixed Receivable**
Trading	**3**	**5,434,567**	**OTHERS**	**Floating Receivable v/s Fixed Payable**
Hedging	**48**	**20,250,000**	**OIS**	**Fixed Payable v/s Floating Receivable**
	7,314	**5,791,141,782**		

The nature and terms of the IRS and IRO as on 31 March 2012 are set out below:

Nature	Number of Contracts	Notional Principal (₹ in 000s)	Benchmark	Term
Trading	2	1,631,750	INBMK	Fixed Payable v/s Fixed Receivable
Trading	83	57,172,578	INBMK	Fixed Payable v/s Floating Receivable
Trading	37	18,500,000	INBMK	Fixed Receivable v/s Floating Payable
Trading	14	23,018,228	LIBOR	Fixed Payable v/s Fixed Receivable
Trading	528	525,228,311	LIBOR	Fixed Payable v/s Floating Receivable
Trading	19	58,540,646	LIBOR	Floating Payable v/s Fixed Receivable
Trading	25	46,428,377	LIBOR	Floating Payable v/s Floating Receivable
Trading	30	79,015,124	LIBOR	Fixed Receivable v/s Fixed Payable
Trading	458	443,844,295	LIBOR	Fixed Receivable v/s Floating Payable
Trading	3	2,543,750	LIBOR	Floating Receivable v/s Fixed Payable
Trading	11	25,856,536	LIBOR	Floating Receivable v/s Floating Payable
Trading	3	1,140,000	MIBOR	Fixed Payable v/s Floating Receivable
Trading	3	750,000	MIBOR	Fixed Receivable v/s Floating Payable
Trading	1,033	531,229,013	MIFOR	Fixed Payable v/s Floating Receivable
Trading	956	470,319,243	MIFOR	Fixed Receivable v/s Floating Payable
Trading	3,355	3,033,877,744	OIS	Fixed Payable v/s Floating Receivable
Trading	3,339	2,903,649,780	OIS	Fixed Receivable v/s Floating Payable
Hedging	10	5,000,000	OIS	Fixed Payable v/s Floating Receivable
Trading	7	2,785,859	OTHERS	Fixed Payable v/s Floating Receivable
Trading	1	26,833	OTHERS	Floating Payable v/s Floating Receivable
Trading	5	6,063,388	OTHERS	Floating Payable v/s Fixed Receivable
Trading	5	6,063,388	OTHERS	Floating Receivable v/s Fixed Payable
Trading	7	3,360,453	OTHERS	Fixed Receivable v/s Floating Payable
Trading	1	26,833	OTHERS	Floating Receivable v/s Floating Payable
	9,935	8,246,072,129		

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

The nature and terms of the FRA as on 31 March 2013 are set out below:

Nature	Number of Contracts	Notional Principal (₹ in 000s)	Benchmark	Term
Trading	**3**	**644,764**	**LIBOR**	**Fixed Payable v/s Floating Receivable**
Trading	**3**	**644,764**	**LIBOR**	**Fixed Receivable v/s Floating Payable**
	6	**1,289,528**		

The nature and terms of the FRA as on 31 March 2012 are set out below:

Nature	Number of Contracts	Notional Principal (₹ in 000s)	Benchmark	Term
Trading	3	2,856,870	LIBOR	Fixed Payable v/s Floating Receivable
Trading	3	2,856,870	LIBOR	Fixed Receivable v/s Floating Payable
	6	5,713,740		

(xxiv) Country Risk Exposure

Disclosure for country risk exposure in accordance with RBI Master Circular No. DBOD.BP.BC No.14/ 21.04.018/2012-13 dated 02 July 2012 is given under:

Risk Category	Funded Exposure (net) as at 31 March 2013 (₹ in 000s)	Provision held as at 31 March 2013 (₹ in 000s)	Funded Exposure (net) as at 31 March 2012 (₹ in 000s)	Provision held as at 31 March 2012 (₹ in 000s)
Insignificant	**43,554,742**	**24,376**	42,140,436	9,227
Low	**14,213,636**	**–**	8,314,413	–
Moderate	**1,320,072**	**–**	920,305	–
High	**1,043,349**	**–**	15,507	–
Very High	**293**	**–**	20,476	–
Restricted	**–**	**–**	126	–
Off credit	**7**	**–**	3	–
Total	**60,132,099**	**24,376**	51,411,266	9,227

The above provision has been included in Schedule 5 – Other Liabilities and Provisions.

(xxv) Prudential Credit Exposure Limits – Single and Group Borrower Exposure

The Bank's exposure to single and group borrowers has been within limits* specified by RBI. The Bank has enhanced the credit exposure by an additional 5 per cent of capital funds in respect of Birla Sun Life Mutual Fund, Clearing Corporation of India Limited (CCIL) and Reliance Industries Limited with the approval of the Management Committee ("MANCO") of the Bank (2011-12: Birla Sun Life Mutual Fund, CCIL and Reliance Industries Limited).

With regard to the above information, CCIL has requested the Bank to clarify that the exposure on trades accepted by CCIL and Settlement Guarantee Fund (SGF) contributions and margins deposited with the Central Counterparty (CCP) pursuant to the provisions of the Bye- laws, Rules and Regulations of CCIL as well as any exposure taken for the lending in CBLO market, which are governed under the Payment and Settlement Systems Act, 2007, in the course of Bank's dealings do not amount to any borrowing.

*During the year, there was a passive breach due to INR currency depreciation leading to an increase in the INR equivalent of USD denominated exposure in one of the above mentioned borrowers.

(xxvi) Provisions and contingencies

(a) As per AS 29 – Provisions, Contingent Liabilities and Contingent Assets, movement in provision for reward points awarded to customers and movement in other provisions are given below:

	For the year ended 31 March 2013 Reward Points[1] (₹ in 000s)	For the year ended 31 March 2013 Other Provisions (₹ in 000s)	For the year ended 31 March 2012 Reward Points[1] (₹ in 000s)	For the year ended 31 March 2012 Other Provisions (₹ in 000s)
Opening provision	**350,865**	**531,785**	220,056	475,057
Provision made during the year	**569,938**	**93,165**	412,896	199,972
Utilisation / write back of provision during the year	**(337,266)**	**(125,858)**	(282,087)	(143,244)
Closing provision	**583,537**	**499,092**	350,865	531,785

[1] Basis of calculation of provision for reward points is explained in Note 18 (D) (12). The provision is utilised when actual claims for redemption are made by customers.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(b) Description of Contingent Liabilities

(i) Claims against the Bank not acknowledged as debts:
These represent claims filed against the Bank relating to certain legal and tax proceedings that are currently in progress.

(ii) Liability on account of outstanding foreign exchange contracts:
The Bank enters into foreign exchange contracts on its own account and for customers. Forward exchange contracts are commitments to buy or sell foreign currency at a future date at the contracted rate. The Bank also undertakes currency futures transactions.

(iii) Liability on account of derivative contracts:
These include notional principal on outstanding cross currency swaps, currency options, forward rate agreements, interest rate swaps and interest rate options.

(iv) Guarantees given on behalf of constituents, acceptances, endorsements and other obligations:
As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credit such as letters of credit enhances the credit standing of the customers of the Bank. Guarantees generally represent irrevocable assurances that the Bank will make payments in the event of the customer failing to fulfill its financial or performance obligations. Irrevocable Payment Commitments are included under guarantees given on behalf of constituents in India.

(v) Other items for which the Bank is contingently liable:
These includes capital commitments, recourse obligations representing credit enhancements in the form of cash collaterals in respect of securitised loans, forward asset purchase and obligations undertaken on sell down of certain assets and amount payable on securities purchased.

(c) Breakup of Schedule 17 – Provisions and Contingencies

Particulars	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Specific provisions against advances (net)	**2,138,491**	19,554,643
General provision against standard asset	**–**	–
Charge / (Release) against Investments	**355,900**	–
Provision for Country Risk Exposure	**15,149**	–
Provision on account of tax		
– Current tax expense [1]	**17,112,000**	15,089,166
– Deferred tax	**(49,536)**	(6,998,805)

[1] includes provision for Wealth Tax.

(d) Floating Provisions

Particulars	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Opening Balance	**–**	750,000
Provisions made during the year	**–**	–
Utilisation during the year *	**–**	(750,000)
Closing Balance	**–**	–

* Transferred to Countercyclical Provisioning Buffer in line with RBI Circular No. DBOD.No.BP.BC.87/21.04.048/2010-11 dated 21 April, 2011 and the same is shown under Schedule 5 - Other Liabilities & Provisions.

(e) Draw down from Reserves
During the year ended 31 March 2013, there has not been any draw down from reserves (2011-12: Nil).

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(xxvii) Retirement Benefits

(a) Defined Benefit Plans

Reconciliation of opening and closing balance of the present value of the defined benefit obligations for retirement benefits which includes pension, gratuity and compensated absences is given below:

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Changes in present value of defined benefit obligations		
Opening balance as at 01 April	**1,709,888**	1,753,375
Current service cost	**73,123**	82,767
Interest cost	**138,203**	132,479
Past service cost	**–**	–
Acquisition adjustment	**–**	50
Actuarial losses / (gains)	**151,653**	(69,733)
Benefits paid	**(172,919)**	(189,050)
Closing balance as at 31 March (A)	**1,899,948**	1,709,888
Changes in fair value of plan assets		
Opening balance as at 01 April	**724,970**	760,290
Expected return on plan assets	**60,178**	62,557
Contributions paid by the Bank	**289,420**	99,611
Acquisition adjustment	**–**	50
Benefits paid	**(172,919)**	(189,050)
Actuarial gains / (losses)	**19,681**	(8,488)
Closing balance as at 31 March (B)	**921,330**	724,970
Net liability recognised (B-A)	**(978,618)**	(984,918)

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Present value of defined benefit obligations as at 31 March	**1,899,948**	1,709,888
Fair value of plan assets as at 31 March	**921,330**	724,970
Funded status – Deficit	**(978,618)**	(984,918)
Unrecognised assets as per paragraph 59(b) of AS 15	**(3,345)**	(5,678)
Net liability recognised in Balance Sheet	**(981,963)**	(990,596)

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Components of employer's expense		
Current service cost	**73,123**	82,767
Interest cost	**138,203**	132,479
Expected return on assets	**(60,178)**	(62,557)
Past Service Cost	**–**	–
Net actuarial losses / (gains)	**131,972**	(61,245)
Effect of the limit in paragraph 59(b) of AS 15	**(2,333)**	2,478
Net cost recognised in the Profit and Loss Account	**280,787**	93,922

Key Assumptions	**31 March 2013**	31 March 2012
Discount rate	**8.00%**	8.60%
Expected return on plan assets	**7.50%**	7.50%
Salary escalation rate		
• Management Staff	**7.50%**	7.50%
• Non Management Staff	**6.00%**	6.00%

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

Details of plan assets, defined benefit obligations and experience adjustments

	31 March 2013 (₹ in 000s)	31 March 2012 (₹ in 000s)	31 March 2011 (₹ in 000s)	31 March 2010 (₹ in 000s)	31 March 2009 (₹ in 000s)
Plan assets	**921,330**	724,970	760,290	675,421	621,518
Defined benefit obligations	**1,899,948**	1,709,888	1,753,375	1,303,937	1,319,103
Amount not recognised as an asset (limit in para 59(b))	**3,345**	5,678	3,201	15,201	3,601
Deficit	**(981,963)**	(990,596)	(996,286)	(643,717)	(701,186)
Experience adjustment on plan assets	**27,572**	1,343	3,432	18,867	4,532
Experience adjustment on plan liabilities	**37,418**	30,311	198,630	41,745	20,152

The estimates of future salary increases in the actuarial valuation takes into consideration inflation, seniority, promotion and other relevant factors.

The major categories of plan assets as a percentage of total plan assets are as follows:

Category of Assets	**As at 31 March 2013**	As at 31 March 2012
Insurer managed funds	**77%**	66%
Government of India securities	**11%**	14%
Others (corporate bonds, special deposit scheme, equity shares)	**12%**	20%
Total	**100%**	100%

(b) Defined Contribution Plans

The amount recognised as an expense for the Defined Contribution Plans is as under:

Particulars	**For the year ended 31 March 2013 (₹ in 000s)**	For the year ended 31 March 2012 (₹ in 000s)
Provident Fund	**351,886**	350,957
Superannuation Fund	**40,659**	46,530

(xxviii) Primary dealership

In line with the RBI circular IDMD.PDRD.01/03.64.00/2012-13 dated 02 July 2012, the details pertaining to net borrowing in call money markets are as under:

For the year ended 31 March 2013

Particulars	**Average net call borrowing (₹ in 000s)**	**Maximum net call borrowing (₹ in 000s)**
Net Call Borrowing	**–**	**–**

For the year ended 31 March 2012

Particulars	Average net call borrowing (₹ in 000s)	Maximum net call borrowing (₹ in 000s)
Net Call Borrowing	10,528	900,880

(xxix) Customer complaints and awards of Banking Ombudsman

In accordance with RBI circular DBOD No.Leg.BC.21/09.07.006/2012-13 dated 02 July 2012, details with respect to customer complaints and awards passed by the Banking Ombudsman are given below:

Customer complaints:

Particulars		**For the year ended 31 March 2013**	For the year ended 31 March 2012
(a)	No. of complaints pending at the beginning of the year	**39**	135
(b)	No. of complaints received during the year	**6,772**	3,917
(c)	No. of complaints redressed during the year	**6,377**	4,013
(d)	No. of complaints pending at the end of the year	**434**	39

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

Awards passed by the Banking Ombudsman:

		For the year ended 31 March 2013	For the year ended 31 March 2012
(a)	No. of unimplemented awards at the beginning of the year	**–**	1
(b)	No. of awards passed by the Banking Ombudsman during the year	**7**	1
(c)	No. of awards implemented during the year	**7**	2
(d)	No. of unimplemented awards at the end of the year	**–**	–

(xxx) Letters of Comfort (LoC) issued in favour of subsidiaries

During the year ended 31 March 2013, the Bank has not issued any LoC in favour of the subsidiary (2011-12: Nil).

(xxxi) Fees earned in respect of the bancassurance business

Nature of income	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
For selling life insurance policies (including ULIPs)	**708,054**	759,205
For selling non life insurance policies	**73,234**	76,873
Total	**781,288**	836,078

(xxxii) Concentration of Deposits

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Total deposits of twenty largest depositors	**116,275,738**	126,597,154
Percentage of deposits of twenty largest depositors to total deposits of the Bank	**18.75%**	19.79%

(xxxiii) Off – Balance Sheet Special Purpose Vehicles sponsored

The Bank has not sponsored any Special Purpose Vehicle (2011-12: Nil).

(4) Segment reporting

i) Segment description

The Bank has disclosed its operations under the following segments:

Segment Definition	Activities
Treasury	Treasury activities include foreign exchange, fixed income, money market and derivative transactions.
Wholesale Banking	Local corporate financing, corporate advisory and all advances to trusts, partnership firms, companies and statutory bodies, which are not included under the "Retail Banking" segment, are reported under Wholesale Banking.
Retail Banking	Retail banking serves retail customers through the branch network and other delivery channels. This segment raises deposits from customers and makes loans and provides other services to such customers. This segment also includes activities relating to credit cards, debit cards, mortgage loans, third party product distribution and their associated costs. Exposures are classified under retail banking taking into account the orientation, product, granularity and individual exposure criteria. All mortgage loans below ₹5 crore have been classified as retail exposure and for exposures in SME business segment, classification as per orientation criterion has been made based on data available.
Others	Others include Corporate Real Estate Services and other items not allocable in the aforementioned segments

The classification of exposures to the respective segments conform to the guidelines issued by RBI vide DBOD.No.BP.BC.81/21.01.018/2006-07 dated 18 April, 2007 based on the information available for classification.

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(ii) Segment Accounting Policy

Segment results are determined after considering the following inter-unit notional charges / recoveries:

a. Fund Transfer Pricing:
Treasury gives notional interest benefit to other divisions for the funds mobilised by the latter through deposits, and similarly charge notional interest to other divisions for the funds utilised by them for lending and investment purposes. Based on tenor of assets / liabilities and market scenarios, Treasury calculates notional interest rates used for this purpose.

b. Premises Rental Chargeback:
Individual business segments are charged rent based on notional market values and the same is credited to 'Others' (Corporate Real Estate Services) in respect of the premises occupied by them.

c. Support costs (costs pertaining to Finance, HR, Corporate Real Estate Services, Legal & Compliance etc.) are allocated to Treasury, Retail & Wholesale banking segments based on Managements' estimates of the benefits accruing to these segments for the costs incurred. This is similar to the basis used for the internal management reporting.

d. Capital & Reserves and attributable earnings thereon are allocated to individual business segments based on period end Risk Weighted Assets.

(iii) Geographic Segments

As the Bank does not have any material earnings or assets originating outside India, the Bank is considered to operate only in the domestic segment.

(iv) Segment Reporting:

For the year ended 31 March 2013

		Treasury (₹ in 000s)	Wholesale Banking (₹ in 000s)	Retail Banking (₹ in 000s)	Others (₹ in 000s)	Total (₹ in 000s)
A.	**Gross Segment Revenue**	**33,071,413**	**59,559,108**	**24,673,074**	**1,603,552**	**118,907,147**
B.	**Net Segment Revenue**	**14,648,507**	**42,905,123**	**19,606,607**	**1,054,893**	**78,215,130**
C.	**Net Segment Results**	**10,424,820**	**28,256,146**	**5,871,866**	**2,111,846**	**46,664,678**
D.	**Operating Profit**	**–**	**–**	**–**	**–**	**46,664,678**
E.	**Income Taxes**	**–**	**–**	**–**	**(17,062,464)**	**(17,062,464)**
F.	**Net Profit**	**–**	**–**	**–**	**–**	**29,602,214**
G.	**Segment Assets**	**506,828,222**	**460,906,117**	**185,333,324**	**44,512,023**	**1,197,579,686**
H.	**Segment Liabilities**	**366,025,240**	**443,804,862**	**381,526,920**	**6,222,664**	**1,197,579,686**
I.	**Capital Expenditure to acquire Fixed Assets**	**–**	**–**	**–**	**836,791**	**836,791**
J.	**Depreciation**	**–**	**–**	**–**	**1,045,460**	**1,045,460**

For the year ended 31 March 2012

		Treasury (₹ in 000s)	Wholesale Banking (₹ in 000s)	Retail Banking (₹ in 000s)	Others (₹ in 000s)	Total (₹ in 000s)
A.	Gross Segment Revenue	31,086,840	53,893,340	23,495,028	839,356	109,314,564
B.	Net Segment Revenue	14,426,182	39,306,783	17,902,269	775,658	72,410,892
C.	Net Segment Results	9,470,432	9,825,275	4,189,008	1,963,338	25,448,053
D.	Operating Profit	–	–	–	–	25,448,053
E.	Income Taxes	–	–	–	(8,090,361)	(8,090,361)
F.	Net Profit	–	–	–	–	17,357,692
G.	Segment Assets	599,609,816	417,433,268	152,247,031	47,075,823	1,216,365,938
H.	Segment Liabilities	445,242,771	415,937,195	349,088,263	6,097,709	1,216,365,938
I.	Capital Expenditure to acquire Fixed Assets	–	–	–	1,917,635	1,917,635
J.	Depreciation	–	–	–	939,049	939,049

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(5) Penalties

During the year no penalty was levied by RBI in exercise of powers under section 46(4) of the Banking Regulation Act, 1949. (2011-12: Nil)

- A penalty of ₹10 (in 000s) was imposed on the Kanpur Branch by RBI on 21 June 2012 under RBI Master circular ref DCM (CC) No. G-3/03.39.01/2011-12 for not providing exchange facility of soiled notes to customers and public.
- Penalties were imposed by RBI under Master circular ref DCM (CC) No. G-3/03.39.01/2012-13 for shortage in cash deposited by Currency Chest at
  a. Delhi - ₹2,000 (in 000s) on 27 July 2012
  b. Kolkata - ₹152 (in 000s) on 24 September 2012

(6) Related Party Disclosures

(i) The list of related parties as defined in AS 18 – Related Party Disclosures and the nature of their relationship with Standard Chartered Bank - India Branches are given below:

(a) Ultimate Parent Company
Standard Chartered Plc

(b) Parent Company
Standard Chartered Holding Ltd

(c) Head Office
Standard Chartered Bank, UK

(d) 100% Subsidiary
St Helen's Nominees India Private Limited

(e) Branches of Head Office
- Standard Chartered Bank China
- Standard Chartered Bank USA
- Standard Chartered Bank UK
- Standard Chartered Bank Sri Lanka
- Standard Chartered Bank Bahrain
- Standard Chartered Bank Qatar
- Standard Chartered Bank United Arab Emirates
- Standard Chartered Bank Dubai International Financial Centre
- Standard Chartered Bank Oman
- Standard Chartered Bank Singapore
- Standard Chartered Bank Korea
- Standard Chartered Bank Japan
- Standard Chartered Bank South Africa
- Standard Chartered Bank Philippines
- Standard Chartered Bank Bangladesh
- Standard Chartered Bank Jordan
- Standard Chartered Bank Indonesia
- Standard Chartered Bank Germany

(f) Subsidiaries of Head Office (Standard Chartered Bank UK)
- Scope International Private Limited
- Standard Chartered (India) Wealth Advisory Services Private Limited
- Standard Chartered Bank (China) Limited
- Standard Chartered Bank (Hong Kong) Limited
- Standard Chartered Bank (Mauritius) Limited
- Standard Chartered Bank (Pakistan) Limited
- Standard Chartered Bank (Taiwan) Limited
- Standard Chartered Bank (Thai) Public Company Limited
- Standard Chartered Bank Nepal Limited
- Standard Chartered Finance Limited
- Standard Chartered Investments and Loans (India) Limited
- Standard Chartered Private Equity (Mauritius) Limited
- Standard Chartered Bank Botswana Limited
- Standard Chartered Bank Ghana Limited
- Standard Chartered Bank Kenya Limited
- Standard Chartered Bank Tanzania Limited

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

- Standard Chartered Bank Uganda Limited
- Standard Chartered Bank Zambia Plc
- Standard Chartered Private Equity Advisory (India) Private Limited
- Standard Chartered Securities (India) Limited
- Standard Chartered Bank Malaysia - Berhad
- Standard Chartered First Bank Korea Limited
- Standard Chartered Strategic Brand Management Limited
- Standard Chartered Bank Sierra Leone Limited
- Standard Chartered Bank Nigeria Limited
- Standard Chartered Bank Cote D'Ivoire
- Scope International (M) Sdn Bhd
- Standard Chartered Bank (Vietnam) Limited
- Standard Chartered Private Equity (Mauritius) II Limited
- Standard Chartered Private Equity (Mauritius) III Limited
- Standard Chartered Bank Cameroon S.A
- Standard Chartered Bank Gambia Limited
- Standard Chartered Financial Holdings
- Standard Chartered Bank Zimbabwe Limited
- Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Pte. Limited

Note: Categories (e) and (f) above include only those related parties with whom transactions have occurred during the current / previous year.

(g) Key Management Personnel

In accordance with the RBI circular DBOD.BP.BC No.14/21.04.018/2012-13 dated 02 July 2012, only Mr. Sunil Kaushal, the Chief Executive Officer of the Bank, falls under the category of key management personnel for the year 2012-13, hence, no disclosures pertaining to him are provided.

(ii) Transactions and balances

In line with the RBI circular DBOD.BP.BC No.14/21.04.018/2012-13 dated 02 July 2012, related party disclosures exclude transactions in a category where there is only one related party (i.e. key management personnel) and where the Bank has an obligation under law to maintain confidentiality in respect of their customer transactions.

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	For the year ended 31 Mar 2013 (₹ in 000s)	For the year ended 31 Mar 2012 (₹ in 000s)	**For the year ended 31 Mar 2013 (₹ in 000s)**	For the year ended 31 Mar 2012 (₹ in 000s)	**For the year ended 31 Mar 2013 (₹ in 000s)**	For the year ended 31 Mar 2012 (₹ in 000s)
Leasing arrangements availed	**–**	–	**–**	–	**21,182**	19,437
Leasing arrangements provided	**–**	–	**–**	–	**272,084**	233,684
Purchase of Fixed Assets	**–**	–	**–**	–	**–**	49
Sale of Fixed Assets	**–**	–	**–**	–	**4,521**	2,616
Employee Share Options	**–**	–	**686,186**	968,328	**–**	–
Rendering of services	**–**	–	**369,386**	396,970	**1,198,971**	1,054,244
Receiving of services	**–**	–	**52,520**	55,114	**4,295,620**	3,936,510
Interest Paid	**–**	–	**1,204,111**	1,054,178	**233,191**	219,842
Interest Received	**–**	–	**24,256**	38,197	**54,321**	50,962
Sale of foreign exchange	**–**	–	**3,207,263,036**	2,069,856,545	**19,929,574**	7,777,367
Purchase of foreign exchange	**–**	–	**3,211,870,964**	2,084,646,763	**12,093,397**	17,306,805
Fee and commission / other income	**–**	–	**5,387,027**	5,121,883	**529,053**	185,054
Service Fees received on Guarantees / Lcs	**–**	–	**10,283**	10,592	**8,248**	7,170
Service Fees paid on Guarantees / Lcs	**–**	–	**1,332**	764	**224**	513
Purchase of investments	**–**	–	**22,880,498**	21,353,074	**13,860,155**	11,681,643
Sale of investments	**–**	–	**30,853,435**	42,141,993	**33,828,322**	54,658,734

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	As at 31 Mar 2013 (₹ in 000s)	Maximum Outstanding during the year (₹ in 000s)	As at 31 Mar 2013 (₹ in 000s)	Maximum Outstanding during the year (₹ in 000s)	As at 31 Mar 2013 (₹ in 000s)	Maximum Outstanding during the year (₹ in 000s)
Lease Rentals Payable	–	–	–	–	(1,875)	(1,875)
Lease Rentals Receivable	–	–	–	–	40,029	40,029
Employee Share Options	–	–	(827,725)	(984,111)	–	–
Borrowings	–	–	(29,856,750)	(59,972,000)	–	(1,765,261)
Subordinated Debts	–	–	(27,142,500)	(28,565,500)	–	–
Deposit / Vostros	–	–	(1,540,934)	(2,857,273)	(11,168,499)	(11,168,499)
Investments	–	–	–	–	100	812,600
Placements	-	-	15,790,650	21,746,712	–	–
Advances	–	–	–	–	–	1,526,840
Nostro Balances	–	–	(6,137,630)	108,313,296	26,248	168,842
Derivative Notional & Trade Contingents	–	–	1,086,465,384	1,589,487,634	51,471,377	60,594,778
Sundry Balances (Net)	–	–	(5,062,664)	(8,443,934)	(70,793)	(907,463)
Positive MTM	–	–	12,555,641	45,153,233	699,991	1,079,853
Negative MTM	–	–	(23,679,400)	(37,058,481)	(403,957)	(2,710,150)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	As at 31 Mar 2012 (₹ in 000s)	Maximum Outstanding during the year (₹ in 000s)	As at 31 Mar 2012 (₹ in 000s)	Maximum Outstanding during the year (₹ in 000s)	As at 31 Mar 2012 (₹ in 000s)	Maximum Outstanding during the year (₹ in 000s)
Lease Rentals Payable	–	–	–	–	–	–
Lease Rentals Receivable	–	–	–	–	25,912	53,091
Employee Share Options	–	–	(751,656)	(862,636)	–	–
Borrowings	–	–	(27,553,900)	(68,096,507)	–	(5,641,125)
Subordinated Debts	–	–	(25,437,500)	(26,842,475)	–	–
Deposit / Vostros	–	–	(1,476,813)	(3,825,423)	(11,141,443)	(15,228,734)
Investments	–	–	–	–	774,039	774,039
Placements	–	–	4,751,550	31,715,142	–	–
Advances	–	–	–	–	205,690	955,440
Nostro Balances	–	–	3,712,344	23,933,338	13,003	379,429
Derivative Notional & Trade Contingents	–	–	1,359,072,589	1,390,145,683	44,447,710	58,856,355
Sundry Balances (Net)	–	–	(5,183,722)	(7,251,277)	(907,463)	(1,506,686)
Positive MTM	–	–	33,256,049	44,691,256	276,111	2,882,970
Negative MTM	–	–	(30,085,419)	(33,524,198)	(378,161)	(2,304,857)

Figures in bracket denotes payable

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(iii) Material related party transactions are given below:

The following were the material transactions between the Bank and its related parties for the year ended 31 March 2013. A specific related party transaction is disclosed as a material related party transaction wherever it exceeds 10% of all related party transactions in that category.

Leasing Arrangements

For availing leasing service - payment of rent to Scope International Private Limited ₹9.1 million (2011-12: ₹8.9 million) and Standard Chartered Finance Limited ₹12.1 million (2011-12: ₹9.1 million).

For providing leasing services - receipt of rent from Standard Chartered Finance Limited ₹86.3 million (2011-12: ₹88.2 million) and Standard Chartered Securities (India) Limited ₹156.9 million (2011-12: ₹124.5 million).

Sale of Fixed Assets

Sale of Fixed Assets to Standard Chartered Securities (India) Limited ₹4.5 million (2011-12: ₹2.6 million).

Employee Share Options

Expenses incurred on employee share options payable to Head Office ₹ 686.2 million (2011-12: ₹968.3 million).

Rendering of Services

During the year the Bank provided secondment, amenities and other services to related parties. The material transactions were with Standard Chartered Finance Limited ₹325.8 million (2011-12: ₹363.9 million) Standard Chartered Private Equity Advisory (India) Private Limited ₹421.9 million (2011-12: ₹464.3 million), Standard Chartered Bank, Singapore ₹218.7 million (2011-12: ₹176.3 million) & Standard Chartered Securities (India) Limited ₹318.6 million (2011-12: ₹147.4 million).

Receiving of Services

During the year the Bank availed of back office support, brokerage, marketing and other services from related parties. The material transactions were back office support services from Scope International Private Limited ₹2,286.9 million (2011-12: ₹2,002.5 million), marketing services and back office support from Standard Chartered Finance Limited ₹1,205.5 million (2011-12: ₹1,190.3 million) and royalty payable to Standard Chartered Strategic Brand Management Limited ₹782.2 million (2011-12: ₹724.1 million).

Interest Paid

Interest on subordinated debt to Head Office ₹828.7 million (2011-12: ₹684.6 million), interest on money market borrowings to Head Office ₹210.7 million (2011-12: ₹226.7 million).

Interest Received

Interest on term loan from Standard Chartered Scope International Private Limited ₹8.7 million (2011-2012: ₹24.5 million, interest on commercial paper & working capital loan from Standard Chartered Investments & Loans Limited ₹45.5 million (2011-12: ₹26.4 million) and interest on money market lending from Head Office ₹7.7 million (2011-12: ₹13.5 million) and interest on money market lending & bank balances from Standard Chartered Bank, USA ₹16.2 million (2011-12: ₹23.8 million).

Foreign Exchange Transactions

Sale of foreign currencies to Head Office ₹1,957,973 million (2011-12: ₹855,270 million), Standard Chartered Bank, USA ₹660,495 million (2011-12: ₹740,072 million), and Standard Chartered Bank, Singapore ₹493,299 million (2011-12: ₹384,753 million).

Purchase of foreign currencies from Head Office ₹1,968,085 million (2011-12: ₹898,891 million), Standard Chartered Bank, USA ₹661,526 million (2011-12: ₹718,152 million) and Standard Chartered Bank, Singapore ₹489,444 million (2011-12: ₹380,311 million).

Fee and Commission Income / Other Income

Receipt of fees from Head Office ₹4,344.9 million (2011-12: ₹4,364.3 million) and Standard Chartered Bank, Singapore ₹753 million (2011-12: ₹655.7 million).

Service Fees on Guarantees & Letters of Credit

Receipt of trade fees from Head Office ₹2.2 million (2011-12: ₹0.9 million), Standard Chartered Bank, Nigeria ₹2.8 million (2011-12: ₹2.4 million), Standard Chartered Bank, United Arab Emirates ₹3.4 million (2011-12: ₹1.8 million) and Standard Chartered Bank, Singapore ₹2.3 million (2011-12: ₹0.5 million).

Payment of fees to Standard Chartered Bank, United Arab Emirates ₹0.2 million (2011-12: ₹0.3 million), Standard Chartered Bank, Sri Lanka ₹0.3 million (2011-12: ₹0.1 million), and Standard Chartered Bank, Singapore ₹0.5 million (2011-12: ₹0.2 million).

Purchase and Sale of Investments

Purchase of investments from Standard Chartered Bank (Mauritius) Limited ₹13,860 million (2011-12: ₹10,672 million) and Standard Chartered Bank, Singapore ₹22,880 million (2011-12: ₹21,353 million).

Sale of investments to Standard Chartered Bank, Singapore ₹30,853 million (2011-12: ₹42,142 million) and Standard Chartered Bank (Mauritius) Limited to ₹33,828 million (2011-12: ₹54,659 million).

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(7) Leases

Commercial and residential premises are taken on operating leases, which are cancellable in nature. Information provided herein pertains to premises taken / given on operating leases

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Lease payments recognised in the Profit and Loss Account in respect of operating leases	**933,034**	986,701

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Assets given on lease – Premises		
Gross carrying amount	**2,314,182**	2,606,586
Accumulated depreciation	**38,349**	27,392
Depreciation charge for the year	**14,283**	9,456

- There are no provisions relating to contingent rent
- The terms of renewal / purchase options and escalation clauses are those normally prevalent in similar agreements
- There are no undue restrictions or onerous clauses in the agreements
- Initial direct costs for leases given are recognised as an expense in Profit and Loss Account

(8) Disclosure under Micro, Small & Medium Enterprises Development Act, 2006

The following disclosure is made as per the requirement under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') on the basis of confirmation sought from suppliers on registration with specified authority under MSMED:

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Number of suppliers registered with competent authorities	**49**	31
Principal amount remaining unpaid to any supplier as at the year end	**–**	–
Interest due thereon	**–**	–
Amount of interest paid and payments made to the supplier beyond the appointed day during each accounting year	**–**	–
Amount of interest due and payable for period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	**–**	–
Amount of interest accrued and remaining unpaid at the year end	**–**	–

(9) Deferred Tax

The deferred tax benefit of ₹50 million for the year ended 31 March 2013 (2011-12: ₹6,999 million) is included in provision on account of tax under Schedule 17- Provisions and Contingencies.

The primary components that gave rise to deferred tax assets and liabilities included in the balance sheet are as follows:

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Deferred tax assets		
Provision for Advances	**13,209,679**	13,090,890
Depreciation	**209,786**	178,179
Disallowances under section 43B of Income Tax Act 1961	**636,906**	704,277
Others	**140,608**	174,097
Deferred tax assets	**14,196,979**	14,147,443
Deferred tax liabilities	**(612,079)**	(612,079)
Net deferred tax assets	**13,584,900**	13,535,364

Schedules to the financial statements
for the year ended 31 March 2013 continued

18. Significant accounting policies and notes to financial statements (continued)

(10) Amount of Provisions made for Income Tax during the year

	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Provision for Income Tax (excluding Wealth Tax)	**17,100,000**	15,079,166

(11) Portfolio Purchase

The Bank has purchased loans (retail loans) amounting to ₹15,559 million (2011-12: ₹5,280 million) from various NBFCs, Banks and other institutions.

(12) Employee Share Based Payment

The eligible employees of the Bank have been granted stock awards as equity shares of the ultimate holding company, SCPLC, under various share schemes such as Restricted Share Scheme (RSS), Supplementary Restricted Share Scheme (SRSS), Performance Share Plan (PSP), Sharesave Scheme, etc.

During the year, the Bank has recognised an amount of ₹686 million (2011-12: ₹968 million) under the head 'Payments to and provisions for employees', as cost on account of share-based payments under Schedule 16 – Operating Expenses.

(13) Prior Year Comparatives

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

Cash Flow Statement
for the year ended 31 March 2013

Particulars		For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Cash flow from operating activities			
Profit Before Tax		**46,664,678**	25,448,053
Adjustments for:			
Depreciation on Bank's property		**1,045,460**	939,049
Interest on subordinated debt		**828,653**	684,607
Provision in respect of non-performing assets (including provision for country risk exposure)		**2,153,640**	19,554,643
(Appreciation) / depreciation on investments		**(253,604)**	(1,532,198)
Net profit on sale of premises and other assets		**(133,428)**	(643,059)
		50,305,399	44,451,095
Adjustments for:			
(Increase) / decrease in investments (excluding HTM investments)		**(33,978,695)**	(40,824,967)
(Increase) / decrease in advances		**(65,996,453)**	(83,246,803)
(Increase) / decrease in other assets		**121,956,713**	(57,895,830)
Increase / (decrease) in borrowings		**55,240,550**	17,745,467
Increase / (decrease) in deposits		**(19,630,275)**	55,455,869
Increase / (decrease) in other liabilities and provisions		**(104,149,836)**	68,817,968
		3,747,403	4,502,799
Direct taxes paid		**(16,418,822)**	(17,492,141)
Net Cash flow from / (used in) operating activities	(A)	**(12,671,419)**	(12,989,342)
Cash flow from investing activities			
Purchase of fixed assets (including capital work in progress)		**(1,181,906)**	(1,492,294)
Proceeds from the sale of fixed assets		**699,889**	2,190,887
Net Cash flow from / (used in) investing activities	(B)	**(482,017)**	698,593
Cash flow from financing activities			
Remittance to Head Office		**–**	(6,458,386)
Capital infusion		**20,500,000**	–
Interest on subordinated debt		**(832,443)**	(658,411)
Net Cash flow from / (used in) financing activities	(C)	**19,667,557**	(7,116,797)
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**6,514,121**	(19,407,546)
Cash and cash equivalents at the beginning of the year		**48,624,721**	68,032,267
Cash and cash equivalents at the end of the year		**55,138,842**	48,624,721
Net increase / (decrease) in cash and cash equivalents		**6,514,121**	(19,407,546)

Note: Cash and Cash Equivalent represents

	Schedule	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Cash and Balances with the Reserve Bank of India	6	**31,400,947**	33,353,316
Balances with Banks and Money at call and short notice	7	**23,737,895**	15,271,405
Total		**55,138,842**	48,624,721

As per our report of even date

For Deloitte Haskins & Sells
Chartered Accountants

Kalpesh J. Mehta
Partner
Membership No. 48791

Mumbai
31 May 2013

For Standard Chartered Bank – India Branches

Sunil Kaushal
Regional Chief Executive - India and South Asia

Anurag Adlakha
Chief Financial Officer - India and South Asia

Independent Auditors' Report to the Management Committee of Standard Chartered Bank – India Branches

The Chief Executive Officer
Standard Chartered Bank – India Branches

Report on the Financial Statements

We have audited the accompanying financial statements of STANDARD CHARTERED BANK- INDIA BRANCHES ("the Bank"), which comprise the Balance Sheet as at 31st March, 2013, the Profit and Loss Account and the Cash Flow Statement of the Bank for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Bank's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Bank in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949, Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956 in so far as they apply to the banks and the Guidelines issued by Reserve Bank of India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider the internal controls relevant to the Bank's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Banking Regulation Act, 1949, the Companies Act, 1956 in the manner so required for banking companies and the Guidelines issued by Reserve Bank of India from time to time 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 Bank as at 31st March, 2013;

(b) in the case of the Profit and Loss Account, of the profit of the Bank for the year ended on that date; and

(c) in the case of the Cash Flow Statement, of the cash flows of the Bank for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 227(3) of the Companies Act,1956 and Section 30 of the Banking Regulation Act,1949, we report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and found them to be satisfactory.

   (b) In our opinion, the transactions of the Bank which have come to our notice have been within the powers of the Bank.

   (c) The financial accounting systems of the Bank are centralised and, therefore, accounting returns are not required to be submitted by the Branches.

   (d) In our opinion, proper books of account as required by law have been kept by the Bank so far as it appears from our examination of those books.

   (e) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

   (f) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 in so far as they apply to banks.

2. We report that during the course of our audit we have visited 11 Branches. Since the key operations of the Bank are completely automated with the key applications integrated to the core banking systems, the audit is carried out centrally at the Head Office as all the necessary records and data required for the purposes of our audit are available therein and the Branches are not required to submit any financial returns.

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

Kalpesh J. Mehta
Partner
Membership No. 48791

Mumbai
31 May 2013

Risk review and disclosures under Basel II Framework

for the year ended 31 March 2013

1. Background

The Standard Chartered Group (SCB Group or the Group) is an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East. It has a network of 1,700 branches and outlets in more than 68 countries and territories; and over 89,000 employees. The Group was regulated by its home regulator, viz. Financial Services Authority (FSA), in the United Kingdom (UK). On 1 April 2013, the FSA has ceased to exist, and from this date, Standard Chartered Bank is regulated by the Financial Conduct Authority and Prudential Regulation Authority.

SCB India (SCBI or the Bank) is a branch of Standard Chartered Bank UK, which is part of the SCB Group. The ultimate parent company of the Bank is Standard Chartered PLC, which is listed on the London Stock Exchange and the Stock Exchanges of Hong Kong and India. Indian branch operations are conducted in accordance with the banking license granted by the Reserve Bank of India (RBI) under the Banking Regulation Act 1949.

2. Overview

The Basel Committee on Banking Supervision published a framework for International Convergence of Capital Measurement and Capital Standards (commonly referred to as Basel II), which replaced the original 1988 Basel I Accord. The RBI adopted the same in March 2008. The Basel III implementation schedule for India commences from 1 April 2013 and is phased in through to 31 March 2018. Accordingly, for 31 March 2013 reporting purposes, the Bank has calculated its Pillar 1 capital requirement based on Basel II norms.

Basel II is structured around three "pillars" which are outlined below:

- Pillar 1 sets out minimum regulatory capital requirements – the minimum amount of regulatory capital banks must hold against the risks they assume;
- Pillar 2 sets out the key principles for supervisory review of a bank's risk management framework and its capital adequacy. It sets out specific oversight responsibilities for the Board and senior management, thus reinforcing principles of internal control and other corporate governance practices; and
- Pillar 3 aims to bolster market discipline through enhanced disclosure by banks.

Basel II provides three approaches of increasing sophistication to the calculation of credit risk capital; the Standardised Approach (SA), the Foundation Internal Ratings Based Approach and the advanced Internal Ratings Based Approach (IRB). Basel II also introduced capital requirements for operational risk (OR) for the first time.

3. Scope of Basel II Framework

3.1. Pillar 1

The SCB Group and local management of the Indian operations recognise that Basel II is a driver for continuous improvement of risk management practices and believe that adoption of leading risk management practices are essential for achieving its strategic intent. Accordingly, the Group has adopted the IRB model for the measurement of credit risk covering 80% of the portfolio. The Group applies Value at Risk (VaR) model for market risk capital and The Standardised Approach for determining its OR capital requirements. SCBI has adopted RBI's prevailing Basel II regulations related to SA for credit and market risk and Basic Indicator Approach (BIA) for OR for computing local regulatory Pillar 1 capital.

In accordance with RBI guidelines, the Bank computes its capital under both Basel I and Basel II requirements. The minimum regulatory capital is the higher of Basel II and 80% of Basel I (prudential floor). Post 31 March 2013, the RBI has done away with the Basel I prudential floor.

3.2. Pillar 2

Pillar 2 requires banks to undertake a comprehensive assessment of their risks and to determine the appropriate amounts of capital to be held against these risks where other suitable mitigants are not available. This risk and capital assessment is commonly referred to as an Internal Capital Adequacy Assessment Process (ICAAP). The range of risks that need to be covered by the ICAAP is much broader than Pillar 1, which covers only credit risk, market risk and OR.

The Group has developed an ICAAP framework which closely integrates the risk management and capital assessment processes and ensures that adequate levels of capital are maintained to support the current and projected demand for capital under expected and stressed conditions. The ICAAP framework has been designed to be applied consistently across the organisation to meet the Pillar 2 requirements of local regulators. As a branch of a foreign bank in India, the India ICAAP is largely based on the Group ICAAP framework, so as to maintain consistency in reporting of the risk and capital management aspects. However, wherever necessary, local customisation has been incorporated to align with the RBI requirements.

3.3. Pillar 3

Pillar 3 aims to provide a consistent and comprehensive disclosure framework that enhances comparability between banks and further promotes improvements in risk management practices. The Bank has implemented the requirements laid down by RBI for Pillar 3 disclosure, covering both the qualitative and quantitative items. These are also published in the Bank's annual report and hosted on the Bank's website.

The risk related disclosures and analysis provided herein below, are primarily in the context of the disclosures required under the RBI's Pillar 3 – Market Discipline of the New Capital Adequacy Framework (commonly referred to as NCAF) and are in respect of SCBI, except where required and specifically elaborated, to include other Group entities operating in India. The information provided has been reviewed by senior management and is in accordance with the guidelines prescribed by the RBI.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

3. Scope of Basel II Framework (continued)

3.4. Accounting and Prudential Treatment / Consolidation Framework

The consolidation norms for accounting are determined by the prevailing Indian Generally Accepted Accounting Principles (GAAP). The regulatory requirements are governed by RBI guidelines. The differences between consolidation for accounting purposes and regulatory purposes are mainly on account of following reasons:

1) Control over other entities to govern the financial and operating policies of the subsidiaries or joint ventures

As per Indian GAAP, existence of control/joint control to govern the financial and operating policies of the subsidiary or joint venture is necessary for accounting consolidation. However, certain entities such as Non Banking Finance Companies (NBFC) have to be consolidated for regulatory capital adequacy purposes even where the above requirement is not fulfilled. Such cases are where the ability to control financial and operating policies of the entities legally vests with the Parent or Group entities and not with the India branch operations.

2) Nature of business of the entities to be consolidated

As per Indian GAAP, subsidiaries are not excluded from consolidation because of dissimilar nature of business activities between subsidiary and other entities within the Group. However, RBI regulations do not require consolidation of entities engaged in insurance business and businesses not pertaining to financial services.

3) Method of consolidation

The accounting consolidation methodology requires 'line by line' consolidation and elimination of all inter-group balances. However, for the purpose of regulatory consolidation under the capital adequacy framework, the risk weighted assets (RWA) and capital requirements for each entity can be computed separately by applying the Basel II norms as applicable for a bank and simply added together with that of the lead bank in the consolidated group. The Bank has adopted the latter approach for consolidation of entities for limited purpose of capital adequacy framework, as the accounting consolidation method is not appropriate considering the legal ownership pattern of the consolidated entities.

Details of the entities consolidated for regulatory purposes is summarised below:

Name of the entity	Status for regulatory purposes	Nature of business	Description of the entity	Type of consolidation
Standard Chartered Bank India Branches	Licensed bank in India	Banking and financial services	Branch operation of foreign bank viz. SCB, UK	Full
St. Helens Nominees India Pvt. Limited	Fully owned subsidiary of SCBI	Nominee business-holding shares/debentures in limited companies on behalf of SCBI and its customers. Security trusteeship business for SCBI.	Private Limited Company incorporated under Indian Companies Act	Full
Standard Chartered Investments and Loans India Limited	Entity controlled by SCBI's Parent / Group	Financial services acceptable for an NBFC, other than accepting public deposits, e.g. lending, investments, etc.	a) Private Limited Company incorporated under Indian Companies Act b) NBFC registered with RBI and categorised as non deposit taking systemically important NBFC	Full
Standard Chartered Securities (India) Limited	Entity controlled by SCBI's Parent / Group	Category I merchant banker, rendering broking services to retail and institutional customers and depository services	Limited Company incorporated under Indian Companies Act	Full

Quantitative Disclosures

The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation, i.e., that are deducted and the name(s) of such subsidiaries.	NIL
The aggregate amounts (e.g., current book value) of the bank's total interests in insurance entities, which are risk-weighted, as well as, their name, their country of incorporation or residence, the proportion of ownership interest and, if different, the proportion of voting power in these entities. In addition, indicate the quantitative impact on regulatory capital of using this method versus using the deduction.	NIL

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

4. Capital Management

4.1. Objectives

The Bank's capital management approach is driven by its desire to maintain a strong capital base to support the development of its business and to meet regulatory capital requirements at all times.

4.2. Approach

Strategic, business and capital plans are drawn up annually covering a five year horizon. The plans ensure that adequate levels of capital and an optimum mix are maintained by the Bank to support its strategy. This is integrated with the Bank's annual planning process which takes into consideration business growth assumptions across products and the related impact on capital resources.

The capital plan takes the following into account:

- Regulatory capital requirements and our assessment of future standards;
- Demand for capital due to business growth, market stresses and potential risks; and
- Available supply of capital and capital raising options.

The Group uses internal models and other quantitative techniques in its internal risk and capital assessment at an overall Group level. The Bank also considers additional risk types other than those considered under Pillar 1 as part of its ICAAP. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined.

Stress testing and scenario/sensitivity analysis are used to assess the Bank's ability to sustain operations during periods of extreme but plausible events. They provide an insight into the potential impact of significant adverse events on the Bank's earnings, risk profile and capital position and how these could be mitigated.

The capital that the Bank is required to hold by the RBI is mainly determined by its balance sheet, off-balance sheet and market risk positions, after applying collateral and other risk mitigants.

4.3. Governance

The Group operates processes and controls to monitor and manage capital adequacy across the organisation. At a country level, capital is maintained on the basis of the local regulator's requirements. It is overseen by the country Asset and Liability Committee (ALCO), which is responsible for managing the country balance sheet, capital and liquidity, with the active support and guidance from Group ALCO (GALCO), Group Capital Management Committee (GCMC) and Group Treasury (GT). The responsibility of capital management has been assigned to a dedicated sub-group of ALCO, the Capital Management Group (CMG), which meets at least once a month. The capital management process is governed by the Capital Planning Framework.

Suitable processes and controls are in place to monitor and manage capital adequacy and ensure compliance with local regulatory ratios in all legal entities. These processes are designed to ensure that each entity and the consolidated Bank have sufficient capital available to meet local regulatory capital requirements at all times.

4.4. Mobility of Capital Resources

The Bank operates as a branch in India, hence under current RBI regulations it cannot raise capital externally. The Group's policy in respect of profit repatriation requires that each local entity should remit its profits that are considered surplus to local regulatory minimum requirements. The amount to be remitted/injected and the mix/mode of capital (Tier 1 v/s Tier 2) is determined in conjunction with GT, after taking into account local capital adequacy regulations (inclusive of any regulatory buffers), anticipated changes to those regulations, forecast organic growth and Head Office (HO) return expectations.

4.5. Capital Structure

Tier 1 capital mainly comprises of:

i) Capital funds injected by HO.

ii) Net profits of each year retained as per statutory norms (currently 25%).

iii) Remittable net profits retained in India for meeting minimum regulatory capital requirements.

iv) Capital reserves created out of profits on account of sale of immovable properties and held to maturity investments, as per RBI regulations.

The above are not repatriable / distributable to HO as long as the Bank operates in India.

Tier 2 capital mainly comprises of:

i) 45% of reserve created on periodic revaluation of immovable properties in accordance with the Indian GAAP.

ii) General provisions on standard (performing) assets created as per RBI regulations.

iii) Reserve created out of unrealised gain on revaluation of investments as per RBI regulations.

iv) Subordinated debts from HO in foreign currency. These are unsecured, unguaranteed and subordinated to the claims of other creditors, including without limitation, customer deposits and deposits by banks. Refer note 18(E)(3)(ii) of the financial statements for details of outstanding subordinated debts.

As per RBI's Basel II regulations, Tier 2 capital cannot exceed 100% of Tier 1, subordinated debts cannot exceed 50% of Tier 1 and general provisions qualifying as Tier 2 is restricted to 1.25% of RWA

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

4. Capital Management (continued)

4.6. Capital and RWA

	As at 31 March 2013		
	Solo Bank*		Consolidated Basis*
	Basel II (₹ in 000s)	Basel I (₹ in 000s)	Basel II (₹ in 000s)
Tier 1 Capital:	**142,609,833**	**143,000,610**	**150,123,722**
Head Office Capital	27,257,992	27,257,992	27,257,992
Paid-up capital of subsidiaries / associates	–	–	6,169,657
Eligible reserves	130,889,351	130,889,352	132,289,442
Intangible assets	(13,594,232)	(13,594,232)	(13,650,091)
Unconsolidated subsidiaries / associates	(50)	(50)	(50)
Other regulatory adjustments	(1,943,228)	(1,552,452)	(1,943,228)
Tier 2 Capital:	**34,791,055**	**35,181,830**	**34,814,008**
Eligible revaluation reserves	4,551,436	4,551,436	4,551,436
General provision and other eligible reserves / provisions	6,845,848	6,845,846	6,868,801
Debt capital instruments eligible to be reckoned as capital funds and included in Lower Tier 2 (of which amount raised during the year ₹ Nil)	27,142,500	27,142,500	27,142,500
Less: Amortisation of qualifying subordinated debts	(2,714,250)	(2,714,250)	(2,714,250)
Other regulatory adjustments	(1,034,479)	(643,702)	(1,034,479)
Total capital base	**177,400,888**	**178,182,440**	**184,937,730**
Minimum regulatory capital requirements			
Credit risk	**104,207,680**	**88,957,762**	**105,197,100**
Standardised approach portfolios	89,708,068	–	90,697,488
Securitisation exposures	9,000	–	9,000
Counterparty Risk on FX and Derivatives	14,490,612	–	14,490,612
Market Risk - Standardised Duration Approach	**8,425,121**	**10,983,016**	**8,427,871**
Interest rate risk	7,544,762	10,102,657	7,544,762
Foreign exchange risk (including gold)	810,000	810,000	810,000
Equity risk	70,359	70,359	73,109
Operational risk - Basic indicator approach	**10,159,913**	**–**	**10,342,932**
Total minimum regulatory capital requirements	**122,792,714**	**99,940,778**	**123,967,903**
Risk weighted assets and contingents			
Credit risk	1,157,863,108	988,419,578	1,168,856,675
Market risk (including counterparty / settlement risks)	93,612,454	122,033,516	93,643,010
Operational risk - Basic indicator approach	112,887,923	–	114,921,478
Total Risk weighted assets and contingents	**1,364,363,485**	**1,110,453,094**	**1,377,421,163**
Capital ratios			
Tier 1 capital	10.45%	12.88%	10.90%
Tier 2 capital	2.55%	3.17%	2.53%
Total capital	**13.00%**	**16.05%**	**13.43%**

* Solo Bank represents the main licensed bank of the Group in India and consolidated basis includes Group controlled entities operating in India and consolidated for the limited purpose of capital adequacy framework.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

4. Capital Management (continued)

4.6. Capital and RWA

	As at 31 March 2012		
	Solo Bank*		Consolidated Basis*
	Basel II (₹ in 000s)	Basel I (₹ in 000s)	Basel II (₹ in 000s)
Tier 1 Capital:	102,082,696	102,449,575	107,767,442
Head Office capital	6,757,992	6,757,992	6,757,992
Paid-up capital of subsidiaries / associates	–	–	5,075,257
Eligible reserves	110,843,234	110,843,234	112,089,270
Intangible assets	(13,562,380)	(13,562,380)	(14,197,315)
Unconsolidated subsidiaries / associates	(50)	(50)	(50)
Other regulatory adjustments	(1,956,100)	(1,589,221)	(1,957,712)
Tier 2 Capital:	35,626,405	35,993,285	35,637,302
Eligible revaluation reserves	4,790,992	4,790,992	4,790,992
General provision and other eligible reserves / provisions	6,432,392	6,432,392	6,444,900
Debt capital instruments eligible to be reckoned as capital funds and included in Lower Tier 2 (of which amount raised during the year ₹ Nil)	25,437,500	25,437,500	25,437,500
Other regulatory adjustments	(1,034,479)	(667,599)	(1,036,090)
Total Capital Base	137,709,101	138,442,860	143,404,744
Minimum Regulatory Capital Requirements			
Credit Risk	96,136,043	89,113,873	96,775,462
Standardised approach portfolios	76,007,125	–	76,646,544
Securitisation exposures	–	–	–
Counterparty Risk on FX and Derivatives	20,128,918	–	20,128,918
Market Risk - Standardised Duration Approach	6,275,521	8,182,983	6,278,859
Interest rate risk	5,887,134	7,794,597	5,887,134
Foreign exchange risk (including gold)	360,000	360,000	360,000
Equity Risk	28,387	28,386	31,725
Operational Risk – Basic Indicator Approach	9,705,684	–	9,894,048
Total Minimum Regulatory Capital Requirements	112,117,248	97,296,856	112,948,369
Risk Weighted Assets and Contingents:			
Credit Risk	1,068,178,257	990,154,145	1,075,282,901
Market risk (including counterparty / settlement risks)	69,728,012	90,922,038	69,765,101
Operational Risk – Basic Indicator Approach	107,840,933	–	109,933,855
Total Risk Weighted Assets and Contingents	1,245,747,202	1,081,076,183	1,254,981,857
Capital Ratios			
Tier 1 Capital	8.19%	9.48%	8.59%
Tier 2 Capital	2.86%	3.33%	2.84%
Total Capital	11.05%	12.81%	11.43%

* Solo Bank represents the main licensed bank of the Group in India and consolidated basis includes Group controlled entities operating in India and consolidated for the limited purpose of capital adequacy framework.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

5. Risk Management

The Bank has a strong governance culture and framework for risk management. The Bank's risk management principles align with those established at a Group level, and are customised to meet the local regulatory requirements. One of the main risks incurred arises from extending credit to customers through trading and lending operations. Beyond credit risk, the Bank is also exposed to a range of other risk types such as market, operational, liquidity, pension, country cross border, reputational, strategic and other risks that are inherent to its strategy, product range and geographical coverage.

5.1. Risk Management Framework (RMF)

The Bank adds value to customers and generates returns for shareholders by taking and managing risk in line with strategy and within risk appetite. Risk management is the set of end-to-end activities through which the Bank makes risk-taking decisions and controls and optimises its risk-return profile. It is a Bank-wide activity and starts at the front-line.

The management of risk lies at the heart of the Bank's business. Effective risk management is a central part of the financial and operational management of the Bank and is fundamental to its ability to generate profits consistently and maximise the interest of its stakeholders.

The Bank's risk and capital assessment processes are built upon its RMF and governance structure. The RMF establishes common principles and standards for the management of and control of all risks, and to inform behaviour across the organisation. The core components of the RMF include the Bank's risk classifications, risk principles and standards, definitions of roles and responsibilities and governance structure. Under this framework, there are three lines of defence.

- The First Line of Defence is that all employees are required to ensure the effective management of risks within the scope of their direct organisational responsibilities.
- The Second Line of Defence comprises the Risk Control Owners (RCO), supported by their respective control functions. RCOs are responsible for ensuring that the residual risks within the scope of their responsibilities remain within appetite. There are three central aspects to discharging this responsibility: the identification of material risks; maintaining an effective control environment; and understanding and accepting levels of residual risk. The Second Line is independent of the origination, trading and sales functions to ensure that the necessary balance and perspective is brought to risk/return decisions. This is particularly important given that revenues are recognised immediately while losses arising from risk positions only manifest themselves over time. The Second Line has the authority to challenge and stop business activities (within the scope of their control responsibilities) where risks are not aligned with control requirements or risk appetite.
- The Third Line of Defence comprises the independent assurance provided by the Group Internal Audit (GIA) function, which has no responsibilities for any of the activities it examines. GIA provides independent assurance of the effectiveness of management's control of its own business activities (the First Line) and of the processes maintained by the Risk Control Functions (the Second Line). As a result, GIA provides assurance that the overall system of control effectiveness is working as required within the RMF. The findings from GIA's audits are reported to all relevant management and governance bodies – accountable line managers, relevant oversight function or committee and committees of the Board. The role of GIA is defined and overseen by the Audit Committee and is set out in the Group's Internal Audit Charter.

5.2. Risk Governance

The Bank has a committee governance structure which ensures that risk-taking authority and risk management policies are cascaded down from its Management Committee (MANCO) to the appropriate functional, divisional and country-level committees. Information regarding material risk issues and compliance with policies and standards is communicated through the business and functional committees up to the Group-level committees, as appropriate.

Ultimate responsibility for overall management and governance of the Bank, approval of long-term objectives and commercial strategy, implementing risk appetite and risk management, capital management and optimisation; effective cooperation and coordination between businesses rests with the MANCO. It is chaired by the Country Chief Executive Officer (CEO). Its membership also includes functional heads of the businesses, control and support functions in India. The MANCO comprises senior bankers who are well qualified, experienced and competent individuals and are well acknowledged in their respective fields. The MANCO meets on a monthly basis.

The governance structure of the Bank also reflects the Group's functional structure, and therefore, the various functional heads and country committees have reporting lines to their Group functional heads and committees as well as to the Country CEO.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

5. Risk Management (continued)

The following committees are the primary committees with oversight of risk and capital for the Bank on behalf of the MANCO:

Committee (delegated authority from)	Purpose	Members	Frequency of meetings
ALCO (MANCO)	Responsible for the management of capital and liquidity and the establishment of and compliance with policies relating to balance sheet management, including management of the Bank's liquidity and capital adequacy.	• CEO (Chair) • Chief Financial Officer (CFO) • Country Chief Risk Officer (CCRO) • Business Heads • Retail Banking products Head • Asset Liability Management (ALM) Head • Economist • Financial Controller • Financial and Management Accounting Head	Monthly
Country Risk Committee (CRC) (MANCO)	Responsible for the effective management of risks in support of business strategy within the boundaries set by the MANCO and business level risk committees. It is responsible for implementing the RMF, including assignment of the roles and responsibilities of RCO locally. It is also responsible for ensuring that the risk exposures for all types of risks, other than those covered by ALCO, remain within the overall risk appetite and within any specific boundaries advised by MANCO and business risk committees.	• CCRO (Chair) • CEO (Alternate Chair) •CFO • Head of Compliance • Business Heads	Bi-monthly

Key sub-committees include:

A. The Liquidity Management Committee (LMC) is a sub-committee of the ALCO which manages liquidity for the Bank. It includes members from Finance, ALM and the businesses. LMC meets monthly.

B. The CMG is a sub-committee of the ALCO which manages capital. It is chaired by the CFO and includes members from Finance, Risk and the businesses. CMG meets monthly.

C. The Stress Test Committee (STC) is a subcommittee of the CRC. It comprises members from the Finance and Risk functions and the Country Economist and is responsible for reviewing and challenging the stress scenario used in the ICAAP. It is also responsible for reviewing the results of the ongoing stress testing and providing recommendations to CRC. The STC is chaired by the CCRO and meets on a quarterly basis.

D. The Country Operational Risk Committee (CORC) is a sub-committee of the CRC. It exercises oversight of the Bank's OR exposure to ensure that it is managed in a manner consistent with the RMF. The CORC meets monthly to review the Bank's significant risk exposures and to ensure appropriateness and adequacy of mitigating action plans. The CEO/CCRO is the chairman of the CORC.

5.3. The Risk function

The CCRO manages the Risk function which is independent of the businesses. The CCRO also chairs the CRC and is a member of the MANCO. The role of the Risk function is:

- To maintain the RMF, ensuring it remains appropriate to the Bank's activities and is effectively communicated and implemented across the Bank and for administering related governance and reporting processes.
- To uphold the integrity of the Bank's risk/return decisions, and in particular for ensuring that risks are properly assessed, that risk/return decisions are made transparently on the basis of this proper assessment, and are controlled in accordance with its standards and risk appetite.
- To exercise direct risk control ownership for credit, market, country cross-border, short-term liquidity and operational risk types.

The Risk function is independent of the origination, trading and sales functions to ensure that the necessary balance in risk/return decisions is not compromised by short-term pressures to generate revenues. This is particularly important given that most revenues are recognised immediately while losses arising from risk positions only manifest themselves over time.

In addition, the Risk function is a centre of excellence that provides specialist capabilities of relevance to risk management processes in the wider organisation.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

5. Risk Management (continued)

5.4. Risk Appetite

The Group/Bank manages its risks to build a sustainable franchise in the interests of all stakeholders. The Group Risk Appetite Statement (the RAS) is the Standard Chartered PLC's Board of Directors' articulation of the amount of risk that the Group is willing to take in the pursuit of its strategic goals. When setting risk appetite, it considers overall risk management strategy/approach and appropriate margin between actual risk exposure and its risk capacity. At a country level, a detailed risk appetite assessment is performed annually, where a country's portfolio is assessed for how it contributes towards upholding the RAS and to assess key issues and potential concerns around the country's business strategy and portfolio composition. The assessment of the country portfolio's contribution to the Group's risk appetite is performed through a 'bottom-up' analytical approach at a business/customer segment/product level.

Given the different revenue, cost and risk parameters associated with the various products offered by the Bank, changes to the assumptions about business mix, asset quality and collateral have a direct impact on the aggregate level of projected credit losses, profits, capital consumption and returns in all economic conditions. A number of levers are therefore used by management to adjust the risk profile, capital consumption and business performance ahead of stress events. Examples include caps on unsecured exposures in Consumer Bank (CB), portfolio caps by industry sectors and increasing collateralisation rates in Wholesale Bank (WB) to lower loss given default in the portfolio.

The risk appetite forms the basis for establishing the risk parameters within which the businesses must operate, including policies, concentration limits and business mix. The Group Risk Committee (GRC) and GALCO are responsible for ensuring that the Group's risk profile is managed in compliance with the risk appetite set by the Board; MANCO, CRC and ALCO are responsible for the same at country level.

5.5. Stress Testing

Stress testing and scenario analysis are used to assess the Bank's ability to maintain operations that are consistent with its risk appetite during periods of severe but plausible stress conditions and to simulate the set of feasible management actions and their impact on the Bank's earnings, risk profile and capital position, should such conditions materialise. These conditions may arise from economic, liquidity, legal, political or physical events, or from materialisation of risks that are unique to the Bank.

The stress testing framework is designed to:

- Contribute to the setting and monitoring of risk appetite;
- Identify the key risks to strategy, financial position and reputation;
- Support the development of mitigating actions and contingency plans;
- Ensure effective governance, processes and systems are in place to co-ordinate and integrate stress testing;
- Inform senior management; and
- Ensure adherence to regulatory requirements.

A Group level STC, led by the Risk function with participation from the businesses, Group Finance, Global Research and GT, aims to ensure that the earnings and capital implications of specific stress scenarios are fully understood allowing informed mitigation actions and construction of contingency plans. The STC generates and considers pertinent and plausible scenarios that have the potential to adversely affect the Group/Bank's business.

The India STC leverages on work done by Group and, in addition, reviews scenarios specific to the local context, including for ICAAP. Stress tests/impact analysis done in India during 2012-13 included increased level of inflation, commodity price volatility assessment, telecom sector review, inflation, refinance risk, fall in diamond prices, oil price increase, mortgage portfolio review, etc.

6. Credit Risk

Credit risk is the potential for loss due to the failure of counterparty to meet its obligations to pay the Bank in accordance with agreed terms. Credit exposures may arise from both, the banking and trading books.

Credit risk is managed through a framework that sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators who are in the business units and approvers in the risk function. All credit exposure limits are approved within a defined credit approval authority framework.

6.1. Credit Policies

Group-wide credit policies and standards are considered and approved by the GRC, which also oversees the delegation of credit approval and loan impairment provisioning authorities. Policies and procedures specific to each business are established by authorised risk committees within WB and CB. The WB Monitoring and Control Policy and the CB Management Information Systems and Reporting Framework provide the outline for how credit risk should be monitored and managed in the Bank. These are consistent with the Group-wide credit policies, but are more detailed and adapted to reflect the different risk environments and portfolio characteristics. These Group policies/procedures are customised locally to incorporate any local regulatory and governance needs.

6.2. Credit Assessment Process

Wholesale Banking

Within the WB business a pre-sanction appraisal is carried out by the relationship manager through a Business Credit Application (BCA). BCA's are reviewed and duly approved by the relevant credit authority using an alphanumeric grading system for quantifying risks associated with counterparty. The grading is based on a Probability of Default (PD) measure, with customers analysed against a range of

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

quantitative and qualitative measures. The numeric grades run from 1 to 14 and some of the grades are further sub-classified A, B or C. Lower credit grades are indicative of a lower likelihood of default. Credit grades 1A to 12C are assigned to performing customers or accounts, while credit grades 13 and 14 are assigned to non-performing or defaulted customers. The Bank's credit grades are not intended to replicate external credit grades, and ratings assigned by external ratings agencies are not used in determining the Bank's internal credit grades. Nonetheless, as the factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agency is typically assigned a worse internal credit grade.

Loss Given Default (LGD), in addition to Exposure At Default (EAD), is used in the assessment of individual exposures and portfolio analysis. LGD is the credit loss incurred if an obligor defaults. It is used in the delegation of credit approval authority and must be calculated for every transaction to determine the appropriate level of approval. In accordance with the credit authority delegation, significant exposures are reviewed and approved centrally through a credit committee. All the credit facilities are subject to an annual credit review process.

The Bank's Credit Policy, including local/governance/regulatory needs, requires strict adherence to laid down credit procedures and deviations, if any, are approved and captured through the credit appraisal process. Sufficient checks are also undertaken at various levels, including Credit Risk Control, to ensure that deviations are justified and appropriately approved and would not result in any undue loss/risk to the Bank.

Consumer Banking

For CB, standard credit application forms are generally used, which are processed in central units using largely automated approval processes. Where appropriate to the customer, the product or the market, a manual approval process is in place. As with WB, origination and approval roles are segregated.

Distribution of credit products through the new business channel is governed by the New Business Management & Risk Policy and Procedures, which among other requirements, lays down policies governing recruitment, verification, training and monitoring of sales staff. Credit decisions are independent of the sales/marketing functions and there are clear and specific delegated authorities. Department level Key Control Standards and regular assurance reviews and audits ensure compliance to policy and delegated authorities.

Credit grades within CB are based on a PD calculated using IRB models. These models are based on application and behavioural scorecards which make use of external credit bureau information, as well as, the Bank's own data. In case of portfolios where such IRB models have not yet been developed, the PD is calculated using portfolio delinquency flow rates and expert judgement, where applicable. An alphanumeric grading system identical to that of the WB is used as an index of portfolio quality.

6.3. Credit Approval

Major credit exposures to individual counterparties, groups of connected counterparties and portfolios of retail exposures are reviewed and approved by the Group Credit Committee (GCC). The GCC derives its authority from the GRC. All other credit approval authorities are delegated by the GRC to individuals based on their judgement and experience, and based on a risk-adjusted scale which takes account of the estimated maximum potential loss from a given customer or portfolio. Credit origination and approval roles are segregated in all but a very few authorised cases. In those very few exceptions where they are not, originators can only approve limited exposures within defined risk parameters.

6.4. Credit Monitoring

The Bank regularly monitors credit exposures, portfolio performance and external trends which may impact risk management outcomes. Internal risk management reports are presented to risk committees, containing information on key environmental, political and economic trends across major portfolios, portfolio delinquency and loan impairment performance.

In WB, clients or portfolios are placed on 'Early Alert' when they display signs of actual or potential weakness. For example, where there is a decline in the client's position within the industry, financial deterioration, a breach of covenants, non-performance of an obligation within the stipulated period or there are concerns relating to ownership or management. Such accounts and portfolios are subjected to a dedicated process overseen by the Early Alert Committee (EAC). Client account plans and credit grades are re-evaluated. In addition, remedial actions are agreed and monitored. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exiting the account or immediate movement of the account into the control of Group Special Assets Management (GSAM), the specialist recovery unit, which is independent of the main businesses.

In CB, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behaviour is also tracked and is considered for lending decisions. Accounts which are past due are subject to a collections process, managed independently by the Risk function. Charged-off accounts are managed by a specialist recovery team. The small and medium-sized enterprise business is managed within CB in two distinct customer sub-segments, small businesses and medium enterprises, differentiated by the annual turnover of the counterparty. The credit processes are further refined based on exposure at risk. Larger exposures are managed through the Discretionary Lending approach, in line with WB procedures, and smaller exposures are managed through Programmed Lending, in line with CB procedures.

The CRC is responsible for the effective management of credit risk, among other risks.

The Regional Credit Issues Forum (RCIF), a sub-committee of CRC chaired by the Regional Credit Officer, meets monthly to assess the impact of external events and trends on the credit risk profile and to initiate appropriate measures to realign the portfolio and underwriting standards where necessary.

The EAC, a sub-committee of CRC, meets monthly and is responsible for identifying and monitoring corporate customers showing potential signs of weakness and/or may be exposed to higher risks. The EAC reviews the existing Early Alert portfolio and new accounts presented to the committee. It is chaired by the CEO and its membership also includes Business heads, the CCRO, Country Credit Officer, WB Senior Credit Officer, Head GSAM and Head of Credit Documentation Unit.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

6.5. Concentration Risk

Credit concentration risk can arise from pools of exposures with similar characteristics which may lead to highly correlated changes in credit quality, for example individual large exposures or significantly large groups of exposures whose likelihood of default is driven by common underlying factors.

Credit concentration risk is governed by the Group's Large Exposure Policy and MANCO approved Local Lending Policy (LLP) for WB. Respective risk functions ensure adherence to these policies under the ambit of the CRC. Limits are established by the CCRO in conjunction with Group WB Risk and approved by CRC in line with Credit Reference Level framework. For CB, credit concentration risk is monitored and managed by products.

Credit concentration risk is principally managed based on two components: single-name borrower exposure and industry concentrations. For managing single-name concentrations, the Bank monitors compliance to the single and group borrower regulatory guidelines. The LLP establishes industry and credit grade concentration limits. The CRC monitors adherence to these prescribed limits. Any excesses from the ceilings prescribed in the LLP are escalated to the CCRO and/or MANCO for approval in accordance with the escalation grid established in the LLP.

CB manages product concentration risk through portfolio management approach in order to limit concentration, reduce volatility and improve profitability. As part of the annual budget, the product mix of the portfolio and the secured/unsecured share is planned and is monitored on a bi-monthly basis and reported to the CRC in country; portfolio reviews are also undertaken by the Credit Governance Committee (CGC). The exposure and the recession loss are tracked on a monthly basis against Credit Approval Document (CAD) limits on peak exposure and peak recession loss. Breaches to triggers and significant variations in thresholds are reported to the regional CB Chief Risk Officer. All significant portfolio issues, breaches to CAD triggers, and significant variations in CAD thresholds are reported to the CGC.

Both WB and CB portfolios are reviewed periodically to ensure compliance with caps and risk appetite. In respect of industry/sectoral concentration caps, the CRC monitors adherence to approved limits based on a bi-monthly review of the Bank's portfolio.

6.6. Risk Reporting and Measurement

Risk measurement plays a central role, along with judgement and experience, in informing risk-taking and portfolio management decisions. It is a primary area for sustained investment and senior management attention.

Various risk measurement systems are available to risk officers to enable them to assess and manage the credit portfolio. As the Group has adopted IRB for credit risk under Basel II, these include systems to calculate PD, LGD and EAD on a transaction, counterparty and portfolio basis. The Group has implemented a single risk reporting system to aggregate risk data. This is used to generate management information to assist Business and Risk users with risk monitoring and management.

A number of internal risk management reports are produced on a regular basis, providing information on; individual counterparty, counterparty group, portfolio exposure, credit grade migration, the status of accounts or portfolios showing signs of weakness or financial deterioration, models performance and updates on credit markets. IRB portfolio metrics are widely used in these reports. Regular portfolio risk reports are made available at risk committee meetings.

6.7. Problem Credit Management and Provisioning

Credit monitoring is undertaken on a monthly basis. In addition, account conduct is also tracked on a monthly basis in terms of past dues, excesses, documentation, compliance with covenants and progress on exit accounts through the Account Subject To Additional Review Process (ASTAR). Potential problem credits are identified through the credit monitoring process and reported to the EAC for additional review. In addition, portfolio level review for both WB and CB is undertaken to track portfolio performance against local underwriting standards/Group policy. Outcomes of such reviews are placed before the CRC.

Wholesale Banking

Loans are classified as impaired and considered non-performing where analysis and review indicates that full payment of either interest or principal becomes questionable, or as soon as payment of interest or principal is 90 days or more overdue. Impaired accounts are managed by GSAM.

Specific provisions are made in accordance with the Bank's internal policy, subject to minimum provisions required under the RBI guidelines. When all sources of recovery have been exhausted and no further source of recovery is apparent, then the debt is written off by applying the impairment provision held.

Consumer Banking

Within CB, an account is considered to be delinquent when payment is not received on the due date. For credit cards, an account is considered delinquent upon non receipt of payment till the cycle date. For delinquency reporting purposes, the Bank follows international industry standards measuring delinquency as of 1, 30, 60, 90, 120 and 150 days past due. Accounts that are overdue are closely monitored. Loans are classified as impaired and considered non-performing where analysis and review indicates that full payment of either interest or principal becomes questionable, or as soon as payment of interest or principal is 90 days or more overdue.

The process used for raising provisions is dependent on the product category and adheres to the Bank's internal policy, subject to minimum provisions required under the RBI guidelines. In case of unsecured products, outstanding balances are written off at 150 days past due except discretionary lending. Unsecured products under discretionary lending are fully provided for at 90 days past due. In case of secured products like Mortgages, provision is raised after considering the realisable value of the collateral. For all products there are certain accounts, such as, cases involving bankruptcy, fraud and death, where the loss recognition process is accelerated.

The Bank also maintains general provision as a percentage of performing standard advances (across both WB and CB) as prescribed by the RBI to cover the inherent risk of losses.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

6.8. Quantitative Disclosures

a) Analysis of total gross credit risk exposures; fund based and non-fund based separately

Nature and Category of Exposures	Credit Risk Exposures As at 31 March 2013 (₹ in 000s)	Credit Risk Exposures As at 31 March 2012 (₹ in 000s)
Inter bank exposures	**23,737,894**	15,271,405
Investments (HTM)	**–**	–
Advances	**651,516,949**	583,960,332
Total gross fund based exposures	**675,254,843**	599,231,737
Specific provisions / Provisions for depreciation in the value of investment[1]	**(28,702,452)**	(28,253,496)
Total net fund based exposures	**646,552,391**	570,978,241
Fx and derivative contracts	**357,944,470**	570,181,922
Guarantees, acceptances, endorsements and other obligations	**312,426,238**	280,491,942
Other commitments and credit lines[2]	**53,074,695**	41,692,366
Total gross non-fund based exposures[3]	**723,445,403**	892,366,230
Specific provisions	**(737)**	(737)
Total net non fund based exposures	**723,444,666**	892,365,493

[1] Excluding provision on standard assets. (Previous Year: Excluding Floating provision and provision on standard assets).

[2] Excluding credit lines which are unconditionally cancellable at the Bank's sole discretion or, effectively provide for automatic cancellation of credit lines due to deterioration of borrower's creditworthiness.

[3] For non-fund based exposures, credit risk exposures or, equivalents are computed as under:

- In case of exposures other than Fx and derivative contracts, credit equivalent is arrived at by multiplying the underlying contract or notional principal amounts with the credit conversion factors prescribed by the RBI under the Basel II capital framework.
- In case of Fx and derivative contracts, credit equivalents are computed using the current exposure method which includes, two steps as under:
  - Computation of current credit exposure, which is sum of the positive MTM value of the outstanding contracts.
  - Potential future credit exposure, which is determined by multiplying the notional principal amounts by the relevant 'add-on' factor based on tenor and type of underlying contracts.

b) Analysis of geographic distribution of exposures; fund based and non-fund based separately

As all the exposures under Para 6.8.a) above are domestic, the analysis of geographic distribution of exposures into fund and non-fund based has not been disclosed separately.

c) Analysis of industry wise distribution of exposures; fund based and non-fund based separately

	As at 31 March 2013			As at 31 March 2012		
	Credit Risk Exposures			Credit Risk Exposures		
Nature & category of industry	**Fund based (₹ in 000s)**	**Non-fund based (₹ in 000s)**	**Total (₹ in 000s)**	Fund based (₹ in 000s)	Non-fund based (₹ in 000s)	Total (₹ in 000s)
Mining and Quarrying	**6,094,180**	**359,391**	**6,453,571**	6,380,764	3,081,636	9,462,400
Of which:						
- Coal	***645,736***	***151,550***	***797,286***	*519,267*	*204,145*	*723,412*
- Others	***5,448,444***	***207,841***	***5,656,285***	*5,861,497*	*2,877,491*	*8,738,988*
Food Processing	**14,595,936**	**10,936,237**	**25,532,173**	14,387,804	8,305,512	22,693,316
Of which:						
- Sugar	***2,745,460***	***2,172,757***	***4,918,217***	*3,856,899*	*2,036,272*	*5,893,171*
- Edible Oils and Vanaspati	***1,626,166***	***6,165,278***	***7,791,444***	*1,756,549*	*4,456,065*	*6,212,614*
- Tea	***547,457***	***1,575,805***	***2,123,262***	*170,605*	*162,497*	*333,102*
- Coffee	***11***	***-***	***11***	*126*	*-*	*126*
- Others	***9,676,842***	***1,022,397***	***10,699,239***	*8,603,625*	*1,650,678*	*10,254,303*
Beverages (excluding Tea, Coffee and Tobacco)	**6,257,869**	**943,227**	**7,201,096**	8,429,571	824,702	9,254,273
Of which:						
- Tobacco and tobacco products	***4,015,366***	***387,550***	***4,402,916***	*5,922,264*	*395,073*	*6,317,337*
- Others	***2,242,503***	***555,677***	***2,798,180***	*2,507,307*	*429,629*	*2,936,936*

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

Nature & category of industry	As at 31 March 2013 Credit Risk Exposures Fund based (₹ in 000s)	As at 31 March 2013 Credit Risk Exposures Non-fund based (₹ in 000s)	As at 31 March 2013 Total (₹ in 000s)	As at 31 March 2012 Credit Risk Exposures Fund based (₹ in 000s)	As at 31 March 2012 Credit Risk Exposures Non-fund based (₹ in 000s)	As at 31 March 2012 Total (₹ in 000s)
Textiles	**21,109,513**	**2,827,678**	**23,937,191**	22,674,027	2,784,106	25,458,133
Of which:						
- Cotton	***261,607***	**–**	***261,607***	*335,906*	–	*335,906*
- Others	***20,847,906***	***2,827,678***	***23,675,584***	*22,338,121*	*2,784,106*	*25,122,227*
Out of Total Textiles to Spinning Mills	**1,079,898**	**–**	**1,079,898**	1,091,868	–	1,091,868
Leather and Leather products	**895,560**	**159,849**	**1,055,409**	1,046,462	103,705	1,150,167
Wood and Wood Products	**784,419**	**1,350,135**	**2,134,554**	901,664	669,960	1,571,624
Paper and Paper Products	**6,276,414**	**784,489**	**7,060,903**	5,024,113	1,281,300	6,305,413
Petroleum (non-infra), Coal Products (non-mining) and Nuclear Fuels	**1,474,445**	**12,374,979**	**13,849,424**	603,692	13,107,004	13,710,696
Chemicals and Chemical Products (Dyes, Paints, etc.)	**33,454,669**	**17,615,782**	**51,070,451**	30,798,207	15,123,369	45,921,576
Of which:						
- Fertilisers	***875,348***	***742,887***	***1,618,235***	*771,563*	*605,004*	*1,376,567*
- Drugs and Pharmaceuticals	***18,303,901***	***3,361,905***	***21,665,806***	*15,867,843*	*2,748,346*	*18,616,189*
- Petro-chemicals (excluding under Infrastructure)	***4,821,046***	***4,408,040***	***9,229,086***	*6,329,059*	*3,929,289*	*10,258,348*
- Others	***9,454,374***	***9,102,950***	***18,557,324***	*7,829,742*	*7,840,730*	*15,670,472*
Rubber, Plastic and their Products	**4,167,625**	**3,210,179**	**7,377,804**	4,576,781	2,183,472	6,760,253
Glass & Glassware	**2,120,400**	**829,234**	**2,949,634**	1,334,581	662,070	1,996,651
Cement and Cement Products	**9,199,603**	**1,631,812**	**10,831,415**	1,969,869	1,399,820	3,369,689
Basic Metal and Metal Products	**35,986,335**	**23,016,254**	**59,002,589**	33,173,889	22,055,194	55,229,083
Of which:						
- Iron and Steel	***14,698,104***	***12,698,653***	***27,396,757***	*13,211,811*	*10,502,334*	*23,714,145*
- Other Metal and Metal Products	***21,288,231***	***10,317,601***	***31,605,832***	*19,962,078*	*11,552,860*	*31,514,938*
All Engineering	**30,884,168**	**35,819,923**	**66,704,091**	28,100,850	32,440,406	60,541,256
Of which:						
- Electronics	***11,801,001***	***16,953,033***	***28,754,034***	*7,665,806*	*12,365,662*	*20,031,468*
- Others	***19,083,167***	***18,866,890***	***37,950,057***	*20,435,044*	*20,074,744*	*40,509,788*
Vehicles, Vehicle Parts and Transport Equipments	**19,293,864**	**14,058,164**	**33,352,028**	13,161,098	8,542,691	21,703,789
Aviation	**–**	**16,450,825**	**16,450,825**	–	15,029,824	15,029,824
Gems & Jewellery	**29,581,469**	**5,833,747**	**35,415,216**	20,876,147	4,418,746	25,294,893
Construction	**10,627,141**	**11,172,855**	**21,799,996**	11,186,205	9,973,769	21,159,974
Infrastructure	**58,075,146**	**27,068,333**	**85,143,478**	57,961,503	30,754,469	88,715,972
Of which:						
- Railways	**–**	***129,457***	***129,457***	–	*137,017*	*137,017*
- Roadways	***8,112,856***	***3,260,133***	***11,372,989***	*7,783,943*	*5,693,872*	*13,477,815*
- Airports	***94,000***	***2,120***	***96,120***	*132,924*	*1,620*	*134,544*
- Waterways	***8,404,341***	***3,179,196***	***11,583,537***	*3,760,264*	*2,604,249*	*6,364,513*
- Other Transport	***4,869,432***	***4,153,331***	***9,022,763***	*6,152,795*	*4,285,856*	*10,438,651*
- State Electricity Boards	***1,283,484***	***2,491,187***	***3,774,671***	*380,353*	*3,296,437*	*3,676,790*
- Gas/LNG (storage and pipeline)	***80,493***	**–**	***80,493***	*249,642*	*469*	*250,111*
- Other Energy	***1,997,357***	***2,442,539***	***4,439,896***	*2,284,466*	*3,079,521*	*5,363,987*
-Telecommunication	***30,063,214***	***11,330,663***	***41,393,877***	*34,453,595*	*11,509,085*	*45,962,680*
- Other Infrastructure	***3,169,968***	***79,707***	***3,249,675***	*2,763,521*	*146,343*	*2,909,864*

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6. Credit Risk (continued)

Nature & category of industry	As at 31 March 2013 Credit Risk Exposures Fund based (₹ in 000s)	Non-fund based (₹ in 000s)	Total (₹ in 000s)	As at 31 March 2012 Credit Risk Exposures Fund based (₹ in 000s)	Non-fund based (₹ in 000s)	Total (₹ in 000s)
Trading & NBFC	**52,221,981**	**28,149,693**	**80,371,674**	64,375,648	13,854,382	78,230,030
Mortgage	**91,204,608**	**–**	**91,204,608**	76,404,850	–	76,404,850
Retail Others	**64,013,830**	**1,328,508**	**65,342,338**	51,588,927	1,328,508	52,917,435
Real Estate	**62,492,891**	**2,505,249**	**64,998,140**	58,834,201	2,756,976	61,591,177
Other Industries	**90,704,883**	**93,999,695**	**184,704,578**	70,169,479	89,810,321	159,979,800
Total Gross Advances	**651,516,949**	**312,426,238**	**963,943,187**	583,960,332	280,491,942	864,452,274
Specific provisions	**(28,702,452)**	**(737)**	**(28,703,189)**	(28,253,496)	(737)	(28,254,233)
Total Net Advances	**622,814,497**	**312,425,501**	**935,239,998**	555,706,836	280,491,205	836,198,041
Total Inter-bank exposures	**23,737,895**	**–**	**23,737,895**	15,271,405	–	15,271,405
Total Investments (HTM)	**–**	**–**	**–**	–	–	–

Fund based exposure comprises loans and advances, inter-bank exposures and HTM Investments. Non-fund based exposure comprises guarantees, acceptances, endorsements and letters of credit.

d) Analysis of residual contractual maturity of assets

As at 31 March 2013

Maturity Bucket	Cash and Bank balances with RBI (₹ in 000s)	Balances with Banks and money at call and short notice (₹ in 000s)	Investments (₹ in 000s)	Advances (₹ in 000s)	Fixed Assets (₹ in 000s)	Other Assets (₹ in 000s)
1day (d)	**6,029,573**	**7,333,045**	**85,299,380**	**29,232,059**	**–**	**19,807,161**
2d-7d	**1,066,470**	**15,861,650**	**13,351,527**	**42,624,175**	**–**	**1,817,784**
8d - 14d	**1,202,868**	**5,000**	**14,905,145**	**43,238,532**	**–**	**838,920**
15d - 28d	**2,385,640**	**99,000**	**14,185,768**	**31,526,749**	**–**	**3,373,422**
29d - 3month (m)	**7,321,921**	**439,200**	**43,538,455**	**92,908,732**	**–**	**52,117,866**
3m - 6m	**2,743,209**	**–**	**17,684,383**	**70,209,360**	**–**	**22,873,356**
6m - 1year (y)	**2,836,296**	**–**	**42,993,032**	**34,536,161**	**–**	**13,816,576**
1y - 3y	**6,251,774**	**–**	**47,231,718**	**92,942,171**	**–**	**33,450,469**
3y- 5y	**63,404**	**–**	**14,968,264**	**61,874,987**	**–**	**18,833,011**
>5y	**1,499,792**	**–**	**8,421,336**	**120,449,975**	**24,494,439**	**24,003,827**
Total	**31,400,947**	**23,737,895**	**302,579,008**	**619,542,901**	**24,494,439**	**190,932,392**

As at 31 March 2012

Maturity Bucket	Cash and Bank balances with RBI (₹ in 000s)	Balances with Banks and money at call and short notice (₹ in 000s)	Investments (₹ in 000s)	Advances (₹ in 000s)	Fixed Assets (₹ in 000s)	Other Assets (₹ in 000s)
1day (d)	5,781,206	8,602,555	51,245,097	17,370,417	–	16,271,976
2d-7d	1,421,243	4,894,050	19,110,941	37,761,586	–	1,054,164
8d - 14d	1,086,978	55,000	14,878,903	42,183,857	–	1,491,752
15d - 28d	2,359,677	242,500	13,140,947	24,717,975	–	3,495,162
29d - 3month (m)	7,261,062	1,477,300	40,630,828	115,256,562	–	84,118,620
3m - 6m	2,768,041	–	15,994,785	65,184,922	–	58,131,516
6m - 1year (y)	3,129,427	–	39,333,845	37,451,249	–	36,977,595
ly - 3y	7,960,167	–	47,227,280	80,507,701	–	62,721,148
3y- 5y	57,051	–	21,833,114	30,326,616	–	33,869,341
>5y	1,528,464	–	7,407,269	104,939,203	25,269,569	15,401,473
Total	33,353,316	15,271,405	270,803,009	555,700,088	25,269,569	313,532,747

The above has been prepared on similar guidelines as used for the statement of structural liquidity.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

e) Details of Non-Performing Assets (NPAs) - Gross and Net

Particulars	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Sub Standard	**13,573,561**	8,331,132
Doubtful	**5,213,825**	6,417,573
– Doubtful 1	**2,723,749**	2,871,767
– Doubtful 2	**1,932,408**	3,091,449
– Doubtful 3	**557,668**	454,357
Loss	**20,013,238**	17,372,857
Gross NPAs	**38,800,624**	32,121,562
Provisions	**(28,702,452)**	(28,253,496)
Net NPAs	**10,098,172**	3,868,066
Cover ratio	**73.97%**	87.96%

f) NPA Ratios

Particulars	As at 31 March 2013	As at 31 March 2012
Gross NPAs to gross advances	**5.98%**	5.50%
Net NPAs to net advances	**1.63%**	0.70%

g) Movement of NPAs

Particulars	For the year ended 31 March 2013		For the year ended 31 March 2012	
	Gross (₹ in 000s)	Net (₹ in 000s)	Gross (₹ in 000s)	Net (₹ in 000s)
Balance, beginning of the year	**32,121,562**	**3,868,066**	11,477,884	1,318,896
Additions during the year	**17,020,474**	**8,151,104**	26,076,669	2,963,735
Reductions during the year	**(10,341,412)**	**(1,920,998)**	(5,432,991)	(414,565)
Balance, end of the year	**38,800,624**	**10,098,172**	32,121,562	3,868,066

h) Movement of provisions for NPAs

Particulars	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**28,253,496**	10,158,988
Add: Provisions during the year	**8,869,370**	23,112,934
Less: Utilisation / Writeback of provisions no longer required	**(8,420,414)**	(5,018,426)
Balance, end of the year	**28,702,452**	28,253,496

i) Amount of non-performing Investments and amount of provisions held for non-performing investments

Particulars	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**45,092**	45,092
Additions during the year	**360,752**	–
Reductions during the year	**(2)**	–
Balance, end of the year	**405,842**	45,092
Total provisions held at the end of the year	**400,990**	45,092

j) Movement of provisions for depreciation on investments

Particulars	For the year ended 31 March 2013 (₹ in 000s)	For the year ended 31 March 2012 (₹ in 000s)
Balance, beginning of the year	**1,268,109**	2,800,307
Add: Provisions during the year	**942,822**	573
Less: Utilisation/writeback of provisions no longer required	**(1,196,427)**	(1,532,771)
Balance, end of the year	**1,014,504**	1,268,109

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

6.9. Credit Risk: Disclosures for portfolios subject to the standardised approach

As per the provisions of the Basel II framework in India, all banks have to mandatorily adopt a SA for measurement of credit risk. The risk weights applied under the SA are prescribed by the RBI and are based on the asset class to which the exposure is assigned. This approach permits use of external ratings for credit exposures to counterparties in the category of sovereigns, international banks, corporate and securitisation exposures. The specified credit rating agencies used for these types of exposures are as under:

Domestic Credit Rating Agencies	International Credit Rating Agencies
Credit Rating Information Services of India Limited	Standard and Poor's
ICRA Limited	Moody's
India Ratings and Research Private Limited (India Ratings)	
Credit Analysis and Research Limited	
SME Rating Agency of India Limited	
Brickworks Ratings India Pvt. Limited	

Rated facilities have generally been considered as those facilities where the Bank's exposure has been explicitly considered; else, the exposure has been treated by the Bank as unrated. The process used to transfer public issue ratings onto comparable assets in the banking book is in accordance with the requirements laid down by RBI.

Analysis of outstanding credit exposures (after considering credit mitigation) and credit risk by regulatory risk weight

As at 31 March 2013

Nature & category of exposures	Total gross credit exposure (₹ in 000s)	Credit risk mitigation (₹ in 000s)	Net exposure (before provision) (₹ in 000s)	Credit risk weight buckets summary < 100% (₹ in 000s)	100% (₹ in 000s)	> 100% (₹ in 000s)	Deduction from capital (₹ in 000s)
Inter bank exposures	**23,737,894**	**–**	**23,737,894**	**23,737,894**	**–**	**–**	**–**
Investments (HTM)	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Advances	**651,516,949**	**(14,182,865)**	**637,334,084**	**78,599,280**	**447,656,552**	**111,078,253**	**–**
Total fund based exposures	**675,254,843**	**(14,182,865)**	**661,071,978**	**102,337,174**	**447,656,552**	**111,078,253**	**–**
Fx and derivative contracts	**357,944,470**	**–**	**357,944,470**	**264,857,569**	**90,923,755**	**2,163,146**	**–**
Guarantees, Acceptances, endorsements and other obligations	**312,426,238**	**(3,123,526)**	**309,302,712**	**81,280,192**	**216,438,126**	**10,255,887**	**1,328,508**
Undrawn Commitments and others	**53,074,695**	**–**	**53,074,695**	**11,210,204**	**41,124,144**	**–**	**740,347**
Total non fund based exposures	**723,445,403**	**(3,123,526)**	**720,321,877**	**357,347,965**	**348,486,025**	**12,419,033**	**2,068,855**

As at 31 March 2012

Nature & category of exposures	Total gross credit exposure (₹ in 000s)	Credit risk mitigation (₹ in 000s)	Net exposure (before provision) (₹ in 000s)	Credit risk weight buckets summary < 100% (₹ in 000s)	100% (₹ in 000s)	> 100% (₹ in 000s)	Deduction from capital (₹ in 000s)
Inter bank exposures	15,271,405	–	15,271,405	15,271,405	–	–	–
Investments (HTM)	–	–	–	–	–	–	–
Advances	583,960,332	(8,798,497)	575,161,835	101,526,307	407,223,244	66,412,284	–
Total fund based exposures	599,231,737	(8,798,497)	590,433,240	116,797,712	407,233,244	66,412,284	–
Fx and derivative contracts	570,181,922	–	570,181,922	462,708,718	106,853,499	619,705	–
Guarantees, Acceptances, endorsements and other obligations	280,491,942	(3,816,576)	276,675,366	97,434,092	171,835,151	6,077,615	1,328,508
Undrawn Commitments and others	41,692,366	–	41,692,366	3,275,754	37,675,042	1,223	740,347
Total non fund based exposures	892,366,230	(3,816,576)	888,549,654	563,418,564	316,363,692	6,698,543	2,068,855

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

Credit risk mitigation: Disclosures for standardised approaches

Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, netting agreements, guarantees and restructuring. The reliance that can be placed on these mitigants is carefully assessed in light of issues such as legal certainty and enforceability, market valuation correlation and counterparty risk of the guarantor.

Risk mitigation policies determine the eligibility of collateral types. Collateral types for credit risk mitigation include cash; residential, commercial and industrial property; fixed assets such as motor vehicles, aircraft, plant and machinery; marketable securities; commodities; bank guarantees and letters of credit.

The above collateral types are applicable to all customer segments, including, corporates and financial institutions, though exposures to banks are generally non-collateralised. There are well laid down policies and processes for valuation/revaluation of collaterals, covering source of valuation, independent professional valuations, hair-cuts/margins on collateral market values, re-margining requirements and re-assessment of credit limits. However, from a local regulatory perspective, the main "eligible" collaterals under the SA are restricted to cash (including fixed deposits) and units of mutual funds. These are mainly collateral against retail loans.

Collateral is valued in accordance with the Bank's risk mitigation policy, which prescribes the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Collateral held against impaired loans is maintained at fair value, which is revalued at least annually as prescribed in risk mitigation policy and procedures. In case of stock and book debts, monthly statements are obtained from the clients. In case of marketable securities listed on recognised exchanges, the valuation frequency is daily.

Guarantees taken can be categorised as follows:

- Guarantee from a bank (including central banks), or surety bond which is repayable on demand.
- Guarantee from a related corporate (including government owned commercial enterprises).
- Guarantee from an unconnected corporate.
- Guarantee from a government department, or an entity classified as government risk (excluding those classified as banks or commercial enterprises).
- Guarantee or indemnity from a SCB Group entity (subsidiary/associate or branch).
- Guarantee from one or more individuals.

	As at 31 March 2013 (₹ in 000s)	As at 31 March 2012 (₹ in 000s)
Exposure covered by eligible financial collateral after application of haircuts	**47,534,545**	30,199,352
Exposure covered by guarantees	**19,312,520**	9,067,203

6.10. Securitisation: Disclosure for standardised approach

Securitisation transactions are generally undertaken with the objective of credit risk transfer, liquidity management, meeting regulatory requirements such as priority sector lending, and asset portfolio management. The Bank participates in securitisations in the role of originator, as well as, investor. In general, it provides credit enhancement services (as originator or as a third party), liquidity facilities, interest rate derivative products and acts as a service provider.

The key risks inherent in securitisation transactions include:

- Credit risk/market risk: risk arising on account of payment delinquencies from underlying obligors/borrowers in the assigned pool.
- Liquidity risk: risk arising on account of lack of secondary market to provide ready exit options to the investors/participants.
- Interest rate/currency risk: mark to market risks arising on account of interest rate/currency fluctuations.
- Prepayment risk: prepayments in the securitised pool results in early amortisation and loss of future interest to the investor on the prepaid amount.
- Co-mingling risk: risk arising on account of co-mingling of funds belonging to investor(s) with that of the originator and/or collection and processing servicer, when there exists a time lag between collecting amounts due from the obligors and payment made to the investors.

Monitoring credit risk

The Bank in the capacity of collection and processing agent prepares monthly performance reports which are circulated to investors/assignees/rating agencies. The securitised pools are continuously monitored and those requiring attention are subjected to specific interventions (e.g. focused collection efforts in affected geographies etc.) to improve their performance.

The risk assessment of the pools is done continuously by the rating agencies based on amortisation level, collection efficiency, credit enhancement utilisation levels and credit cover available for balance deal tenor.

The Bank has not used credit risk mitigants to mitigate retained risks.

The Bank provides credit enhancements in the form of cash deposits or guarantees in its securitisation transactions and also provides credit enhancement as a third party. The Bank makes appropriate provisions for any delinquency losses assessed at the time of sale as well as over the life of the securitisation transactions in accordance with the RBI guidelines.

Valuation

Pass Through Certificates (PTC) purchased have been marked to market on the basis of the Base Yield Curve and the applicable spreads as per the spread matrix relative to the Weighted Average Maturity of the paper as notified by Fixed Income Money Market and Derivative Association of India (FIMMDA).

Summary of the Bank's accounting policies for securitisation activities

Refer note 18(D)(3) of the financial statements.

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

Regulatory capital approach
As per the provisions of the Basel II framework, all banks have to mandatorily adopt SA for capital treatment of securitisation transactions. This approach requires use of external rating agencies for risk weighting securitisation exposures. The credit rating agencies used by the Bank for these types of exposures are those recognised by the RBI (refer section 6.9 above).

Quantitative Disclosures

6.10.1. Banking Book

a) The outstanding exposures securitised by the Bank (in ₹000's) as on 31 March 2013: ₹6,033,207 (Previous Year: ₹3,625,171).

b) Securitisation losses recognised by the Bank during 2012-13

	For the year ended 2012-13		For the year ended 2011-12	
Exposure Type	**Underlying Security Outstanding (₹ in 000s)**	**Losses (₹ in 000s)**	Underlying Security Outstanding (₹ in 000s)	Losses (₹ in 000s)
Corporate Loans	**2,862,395**	**(82)**	–	–

c) Assets intended to be securitised within a year – NIL (Previous Year: NIL).
The securitisation transactions are undertaken on a need basis to meet the objectives as disclosed above.

d) The total amount of exposures securitised with unrecognised gain / (loss)

	As at 31 March 2013		As at 31 March 2012	
Exposure Type	**Unrecognised Outstanding (₹ in 000s)**	**gain /(loss) (₹ in 000s)**	Unrecognised Outstanding (₹ in 000s)	gain /(loss) (₹ in 000s)
Housing Loans	**2,826,202**	**54,774**	3,534,271	60,045
Corporate Loans	**3,207,005**	**16**	90,900	45

e) Securitisation exposures retained or purchased

	As at 31 March 2013		As at 31 March 2012	
Exposure Type	**On Balance Sheet (₹ in 000s)**	**Off Balance Sheet (₹ in 000s)**	On Balance Sheet (₹ in 000s)	Off Balance Sheet (₹ in 000s)
Housing Loans	**755,104**	**1,328,508**	755,104	1,328,508
Vehicle Loans	**–**	**100,000**	–	–
	755,104	**1,428,508**	755,104	1,328,508

f) Aggregate amount of securitisation exposures retained or purchased and the associated capital charges

As at 31 March 2013

Exposure Type	**<100% risk weight (₹ in 000s)**	**100% risk weight (₹ in 000s)**	**>100% risk weight (₹ in 000s)**	**Total (₹ in 000s)**
Vehicle Loans	**–**	**100,000**	**–**	**100,000**
Capital Charge	**–**	**9,000**	**–**	**9,000**

As at 31 March 2012 - Nil

g) Securitisation exposures deducted from capital

As at 31 March 2013

Exposure Type	**Exposures deducted entirely from Tier-1 capital (₹ in 000s)**	**Credit enhancing I/Os deducted from total capital (₹ in 000s)**	**Other exposures deducted from total capital (₹ in 000s)**
Housing Loans	**–**	**–**	**2,083,612**

As at 31 March 2012

Exposure Type	Exposures deducted entirely from Tier-1 capital (₹ in 000s)	Credit enhancing I/Os deducted from total capital (₹ in 000s)	Other exposures deducted from total capital (₹ in 000s)
Housing Loans	–	–	2,083,612

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

6. Credit Risk (continued)

6.10.2. Trading Book

a) There are no outstanding exposures securitised for which the Bank has retained any exposure which is subject to Market Risk.

b) Securitisation exposures retained or purchased – On Balance Sheet and Off Balance Sheet.

As at 31 March 2013

Exposure Type	**On Balance Sheet (₹ in 000s)**	**Off Balance Sheet (₹ in 000s)**
Vehicle Loans	**25,487,593**	**–**
SME Loans	**4,419,672**	**–**
Total	**29,907,265**	**–**

As at 31 March 2012

Exposure Type	On Balance Sheet (₹ in 000s)	Off Balance Sheet (₹ in 000s)
Vehicle Loans	20,103,014	–
SME Loans	5,436,505	–
Total	25,539,519	–

c) Securitisation exposures retained or purchased

Risk Weight Bands	**As at 31 March 2013 (₹ in 000s)**	As at 31 March 2012 (₹ in 000s)
Exposures subject to Comprehensive Risk Measure for specific risk	**29,907,265**	25,539,519
Exposures subject to the securitisation framework for specific risk		
<100% risk weight	**29,907,265**	25,539,519
100% risk weight	**–**	–
>100% risk weight	**–**	–
Total	**29,907,265**	25,539,519

d) Aggregate amount of the capital requirements for the securitisation exposures

Risk Weight Bands	**As at 31 March 2013 (₹ in 000s)**	As at 31 March 2012 (₹ in 000s)
<100% risk weight	**538,331**	459,082
100% risk weight	**–**	–
>100% risk weight	**–**	–
Total	**538,331**	459,082

e) Securitisation exposures deducted from capital

As at 31 March 2013

Exposure Type	**Exposures deducted entirely from Tier-1 capital (₹ in 000s)**	**Credit enhancing I/Os deducted from total capital (₹ in 000s)**	**Other exposures deducted from total capital (₹ in 000s)**
	–	**–**	**–**

As at 31 March 2012

Exposure Type	Exposures deducted entirely from Tier-1 capital (₹ in 000s)	Credit enhancing I/Os deducted from total capital (₹ in 000s)	Other exposures deducted from total capital (₹ in 000s)
	–	–	–

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

7. Market Risk

The Bank recognises market risk as the potential for loss of earnings or economic value due to adverse changes in financial market rates or prices. The Bank is exposed to market risk arising principally from customer-driven transactions. The objective of the Bank's market risk policies and processes is to obtain a balance of risk and return while meeting customers' requirements.

The primary categories of market risk for the Bank are interest rate risk, currency exchange rate risk, commodity price risk and equity price risk.

7.1. Market Risk Governance

The GRC approves the Group's market risk appetite taking account of market volatility, the range of products and asset classes, business volumes and transaction sizes. The Group Market Risk Committee (GMRC), under authority delegated by the GRC, is responsible for setting VaR and stress loss triggers for market risk within the Group's risk appetite. The GMRC is also responsible for policies and other standards for the control of market risk and overseeing their effective implementation. These policies cover both trading and non-trading books. At a country level, there is an independent market risk function to implement Group market risk policies/limits and to monitor the market risk exposures in accordance with Group and local governance/regulatory norms.

Group Market Risk (GMR) approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and position concentrations, where appropriate. Sensitivity measures are used in addition to VaR as risk management tools. For example, interest rate sensitivity is measured in terms of exposure to a one basis point increase in yields, whereas, foreign exchange, commodity and equity sensitivities are measured in terms of the underlying values or amounts involved. Option risks are controlled through revaluation limits on underlying price and volatility shifts, limits on volatility risk and other variables that determine the options' value.

The CRC, in conjunction with GMR, provides market risk oversight, reporting and management of the market risk profile.

Value at Risk

The Bank measures the risk of losses arising from future potential adverse movements in market rates, prices and volatilities using a VaR methodology. VaR, in general, is a quantitative measure of market risk that applies recent historical market conditions to estimate the potential future loss in market value that will not be exceeded in a set time period at a set statistical confidence level. VaR provides a consistent measure that can be applied across trading businesses and products over time and can be set against actual daily trading profit and loss outcome. VaR is calculated for expected movements over a minimum of one business day and to a confidence level of 97.5 per cent. This confidence level suggests that potential daily losses, in excess of the VaR measure, are likely to be experienced six times per year.

Back Testing

To assess their predictive power, VaR models are back tested against actual results. Back testing is conducted against clean profit and loss, which is the actual profit and loss for a given business day, adjusted to remove the effect of certain items unrelated to market risk.

Stress Testing

Losses beyond the confidence interval are not captured by a VaR calculation, which therefore gives no indication of the size of unexpected losses in these situations. GMR complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risk that may arise from extreme market events that are rare but plausible.

Stress testing is an integral part of the market risk management framework and considers both, historical market events and forward looking scenarios. A consistent stress testing methodology is applied to trading and non-trading books. The stress testing methodology assumes that scope for management action would be limited during a stress event, reflecting the decrease in market liquidity that often occurs. Stress scenarios are regularly updated to reflect changes in risk profile and economic events.

Regular stress test scenarios are applied to interest rates, credit spreads, exchange rates and equity prices thereby covering asset classes in the Financial Markets (FM) non-trading and trading books. Ad hoc scenarios are also prepared, reflecting specific market conditions and for particular concentrations of risk that arise within the businesses.

7.2. Foreign Exchange Exposure

The foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange trading exposures are principally derived from customer driven transactions.

7.3. Interest Rate Exposure

The interest rate exposures arise from trading and non-trading activities. Structural interest rate risk arises from the differing re-pricing characteristics of commercial banking assets and liabilities.

7.4. Derivatives

Refer note 18(E)(3)(xxii)(b) of the financial statements for qualitative disclosures related to derivatives.

For quantitative details, refer "Minimum Regulatory Capital Requirements" under para 4.6 of this disclosure.

8. Interest Rate Risk in the Banking Book (IRRBB)

Interest rate risk from across the non-trading book portfolios is transferred to FM where it is managed by the local ALM desk under the supervision of ALCO. The ALM desk deals in the market in approved financial instruments in order to manage the net interest rate risk, subject to approved VaR and risk limits. VaR and stress tests are applied to non-trading book exposures in the same way as for the trading book.

The impact on market value of equity for a 200 basis upward move (in ₹000's) as at 31 March 2013 is ₹2,855,568 (previous year: ₹288,492).

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2013 continued

9. Operational Risk

OR is the potential for loss arising from the failure of people, processes, technology or the impact of external events. It is the Bank's objective to minimise exposure to OR, subject to cost trade-offs. The Bank's exposure to OR arises as a consequence of its business activities. The Bank seeks to control operational risks to ensure that operational losses do not cause material damage to the franchise.

The Group OR Framework governs the management of OR. The Group Operational Risk Committee (GORC) oversees the management of OR across the Group, supported by business, functional and country-level committees. Group OR is responsible for setting and maintaining standards for OR management and measurement. Locally, this is managed by the CORC, which exercises oversight of the Bank's OR exposures to ensure that it is managed in a manner consistent with the RMF. All OR committees operate on the basis of a defined structure of delegated authorities and terms of reference, derived from the GRC.

OR exposures are managed through a consistent set of management standards that drive risk identification, assessment, control and monitoring. These standards are challenged and revised regularly to ensure their ongoing effectiveness. The responsibility for daily management of OR exposures rests with business and function management as an integral component of their first line risk management responsibilities. In addition, specialist operational RCOs have responsibility for the management of OR arising from the following activities: legal processes, people management, technology management, vendor management, property management, security management, accounting and financial control, tax management, corporate authorities and structure and regulatory compliance. Each RCO is responsible for identifying risks that are material to the Group and for maintaining an effective control environment, which includes defining appropriate policies and procedures for approval by authorised risk committees.

Identified OR exposures are classified as 'Low', 'Medium', 'High' or 'Very High', in accordance with standard risk assessment criteria. Risks which are outside of set materiality thresholds receive a differential level of management attention and are reported to senior management and risk committees up to MANCO level.

The Bank uses the BIA consistent with the RBI's capital adequacy requirements to assess its regulatory capital requirements for OR. Under the BIA, a pre-determined beta co-efficient is applied to the average income for the previous three years, to determine the OR capital requirement.

10. Other Key Risks

10.1. Liquidity Risk

Liquidity risk is the potential that the Bank either does not have sufficient liquid financial resources available to meet all its obligations and commitments as they fall due, or can only access these financial resources at excessive cost.

The Liquidity Risk Framework governs liquidity risk and is managed by ALCO. In accordance with the framework, the Bank maintains a liquid portfolio of marketable securities as reserve assets. The level of the Bank's aggregate liquid reserves is in accordance with local regulatory minimum liquidity requirements.

10.2. Reputational Risk

Reputational risk is the potential for damage to the franchise, resulting in loss of earnings or adverse impact on market capitalisation as a result of stakeholders taking a negative view of the organisation or its actions.

The Reputational Risk Policy governs reputational risk and is managed by the MANCO through its sub-committees (CRC and CORC), with responsibility for protecting the Group's reputation locally to ensure that the Bank does not undertake any activities that may cause material damage to the Group's franchise.

Reputational risk is recorded and reviewed by the Country Head of Corporate Affairs, and key issues are flagged to the CRC and relevant business heads. Reputational risk is reported to the CEO through the CRC. Whilst the CRC covers all forms of reputational risk in country, business related reputational risks are also discussed and escalated to Group Communications Management team. Corporate Affairs representatives sit on CORC and CRC. Monthly reporting from Corporate Affairs to Group Communications Management team is in place to ensure that significant risks are duly escalated.

A fast track reporting process outside the normal reporting process is in place to respond to ad hoc issues or events which pose potential reputational risk to the Bank. The process involves alerting the appropriate level of the Bank and the Group promptly to give as much time as possible for steps to be taken to limit damage to its reputation.

11. Monitoring

Monitoring of risk management is achieved through independent reviews by RCO, GIA, Compliance, concurrent audits and spot checks by the external specialists as required under regulations.

To ensure the effectiveness of risk management processes in maintaining the risk profile of the Bank within risk appetite, the Bank maintains a three 'lines of defence' framework - refer para 5.1 above for further details.

Independent Auditors' Report

To the Members of St. Helen's Nominees India Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of St. Helens Nominees India Private Limited ("the Company"), which comprise the balance sheet as at 31st March, 2013, 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 Financial Statements

The Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' 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 auditors consider the internal controls relevant to the Company's preparation and fair presentation of the financial statements 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 Management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

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 31st March, 2013;

(b) in the case of the statement of profit and loss account, of the profit for the year ended on that date; and

(c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. The Companies (Auditor's Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, is not applicable to the Company. Accordingly, we have not commented on the matters specified in paragraphs 4 and 5 of the said Order.
2. As required by Section 227(3) of the Act, we report that:
   (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   (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, statement of profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
   (d) In our opinion, the balance sheet, statement of profit and loss, and cash flow statement comply with the Accounting Standards referred to in subsection (3C) of Section 211 of the Companies Act, 1956;
   (e) On the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956; and

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

Manoj Kumar Vijai
Partner
Membership No. 046882

Mumbai
9 May 2013

St. Helen's Nominees India Private Limited
Balance sheet
as at 31 March 2013

	Note	**31 March 2013 (₹)**	31 March 2012 (₹)
Equity and Liabilities			
Shareholder's funds			
Share capital	3	**100,000**	100,000
Reserves and surplus	4	**993,758**	664,023
		1,093,758	764,023
Current liabilities			
Other current liabilities	5	**5,360,115**	4,664,150
		5,360,115	4,664,150
Total		**6,453,873**	5,428,173
Assets			
Non-current Assets			
Other non current assets	7	**938,803**	630,333
		938,803	630,333
Current Assets			
Cash and cash equivalents	6	**5,275,748**	4,361,362
Other current assets		**4,661**	8,114
Trade receivables	8	**234,661**	428,364
		5,515,070	4,797,840
Total		**6,453,873**	5,428,173
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Balance sheet.

As per our report of even date.

For B S R & Co.
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of St. Helen's Nominees India Private Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Anurag Adlakha
Director

Dhiren Parekh
Director

9 May 2013
Mumbai

St. Helen's Nominees India Private Limited
Statement of Profit and Loss
for the year ended 31 March 2013

	Note	**31 March 2013 (₹)**	31 March 2012 (₹)
Revenue			
Revenue from operations		**3,890,137**	3,965,449
Total		**3,890,137**	3,965,449
Expenditure			
Staff costs	17	**2,178,947**	2,437,099
Other Expenses	9	**1,233,455**	1,041,370
		3,412,402	3,478,469
Profit before tax		**477,735**	486,980
Provision for Taxation			
– Current tax		**148,000**	151,000
– Prior year tax		**–**	(11,014)
Profit for the year		**329,735**	346,994
Amount available for Appropriation		**329,735**	346,994
Appropriations			
Balance carried forward to Balance sheet		**329,735**	346,994
Total		**329,735**	346,994
Basic and diluted earnings per share of face value of ₹10 each	10	**32.97**	34.70
Summary of significant accounting policies	2		

The accompanying notes form an integral part of the Statement of profit and loss.

As per our report of even date.

For B S R & Co.
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of
St. Helen's Nominees India Private Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Anurag Adlakha
Director

Dhiren Parekh
Director

9 May 2013
Mumbai

St. Helen's Nominees India Private Limited
Cash flow statement
for the year ended 31 March 2013

	31 March 2013 (₹)	31 March 2012 (₹)
Cash flow from operating activities		
Profit before taxation	**477,735**	486,980
Adjustments for:		
(Increase) in Other non current assets	**(456,472)**	(470,528)
(Increase) / decrease in Current assets	**197,157**	(237,232)
Increase in Other current liabilities	**695,966**	904,843
	436,651	197,083
Net cash from Operating activities before taxes	**914,386**	684,063
Net cash flow from Operating activities after taxes (A)	**914,386**	684,063
Cash flow from Investing activities (B)	**–**	–
Cash flow from financing activities (C)	**–**	–
Net increase in cash and cash equivalents (D=A+B+C)	**914,386**	684,063
Cash and cash equivalents as at beginning of the year (E)	**4,361,362**	3,677,299
Cash and cash equivalents as at the end of the year (D+E) (Refer note 6)	**5,275,748**	4,361,362

As per our report of even date.

For B S R & Co.
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of
St. Helen's Nominees India Private Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Anurag Adlakha
Director

Dhiren Parekh
Director

9 May 2013
Mumbai

Notes to the financial statements

for the year ended 31 March 2013

1. Background

St Helen's Nominees India Private Limited ('the Company') was incorporated on 22 June 1960. It was formed primarily as a nominee company, to hold in its name, on behalf of Standard Chartered Bank – India branches ('the Bank') and its customers, various shares / debentures and other securities in limited companies lodged / pledged with the Bank including as security against loans advanced. The Company has no beneficial interest in such securities, other than as nominee of the Bank who has certified to the Company that all responsibilities, financial or otherwise, including maintenance of related records arising from such holdings rest with the Bank. The Company also provides security trustee services to the Bank.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis of accounting, unless otherwise stated, and comply with the Accounting Standards prescribed in the Companies (Accounting Standard) Rules, 2006 (to the extent applicable), and in accordance with the generally accepted accounting principles ('GAAP') and the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company to the extent applicable. The financial statements are presented in Indian rupees, unless otherwise stated.

2.2 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.

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.

2.3 Use of estimates

The preparation of the financial statements is in conformity with GAAP in India and requires management to make estimates and assumptions that affect the reported amount 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.

2.4 Revenue recognition

Income from security trustee services is recognised on the accrual basis of accounting in accordance with the contractual agreement on a cost plus mark up basis.

2.5 Accounting for leases

Lease payments made under operating leases are recognised as an expense on a straight line basis over the lease term.

2.6 Earnings per share ('EPS')

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

Number of equity shares used in computing diluted earnings per share 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 earnings per share only potential equity shares that are dilutive are included.

Notes to the financial statements
for the year ended 31 March 2013 continued

2. Summary of significant accounting policies (continued)

2.7 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, if any, 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.

2.8 Taxation

Income tax comprises current tax expense (i.e. amount of tax for the year, determined in accordance with the Income Tax Act, 1961 and the rules framed there under) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the year).

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

The Company accounts for deferred tax in accordance with the provisions of AS 22-"Accounting for Taxes on Income". The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantially enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that assets can be realised. In case there is unabsorbed depreciation and carried forward loss under taxation laws, the deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. These are reviewed for appropriateness of their carrying value at each balance sheet date

Note – 3

	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Share capital		
Authorised:		
10,000 (Previous year: 10,000) equity shares of ₹10 each	**100,000**	100,000
Issued, subscribed and paid-up:		
10,000 (Previous year: 10,000) equity shares of ₹10 each	**100,000**	100,000
	100,000	100,000
A Reconciliation of number of shares:		
Number of shares at the beginning of the year	**10,000**	10,000
Number of shares at the end of the year	**10,000**	10,000

B Terms / Rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹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. As per records of the Company, including its register of shareholders / members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

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

The entire share capital is held by Standard Chartered Bank.

Notes to the financial statements
for the year ended 31 March 2013 continued

Note – 4

	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Reserves and Surplus		
Surplus in the Statement of profit and loss		
Opening balance	**664,023**	317,029
Profit for the year	**329,735**	346,994
	993,758	664,023

Note – 5

	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Other current liabilities		
Sundry creditors - dividend received on pledged shares	**5,160,214**	4,294,358
Sundry creditors for expenses	**140,674**	311,792
Other liabilities	**59,227**	58,000
	5,360,115	4,664,150

Note – 6

	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Cash and cash equivalents		
Current		
Balance with banks in current accounts (includes ₹5,160,214 (Previous year: ₹4,294,358) received and held on behalf of the customers of SCB)	**5,275,748**	4,361,362
	5,275,748	4,361,362

Note – 7

	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Other non current assets		
(Unsecured and considered good)		
Tax deducted at source / Advance tax (net of provision for taxes)	**938,803**	630,333
	938,803	630,333

Note – 8

	As at 31 March 2013 (₹)	As at 31 March 2012 (₹)
Trade receivables		
Debts outstanding for a period exceeding six months	**–**	–
Other debts		
– Unsecured and considered good (due from SCB)	**234,661**	428,364
	234,661	428,364

Notes to the financial statements
for the year ended 31 March 2013 continued

Note – 9

	For the year ended 31 March 2013 (₹)	For the year ended 31 March 2012 (₹)
Other expenses		
Rent	**894,357**	794,452
Processing charges	**–**	114,028
Legal and professional fees	**68,400**	29,292
Support service charges (Refer note 17)	**95,396**	60,704
Auditors remuneration		
– Audit fees	**33,000**	33,000
– Out of pocket expenses	**–**	400
Outsourcing charges	**133,489**	9,494
Miscellaenous expenses	**8,813**	–
	1,233,455	1,041,370

10. Earnings per share

Earnings per share 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:

	31 March 2013 Basic and Diluted (₹)	31 March 2012 Basic and Diluted (₹)
Net profit attributable to equity shareholders	**329,735**	346,994
Weighted average number of equity shares outstanding during the year for calculation of earnings per share (number)	**10,000**	10,000
Basic and diluted earnings per share of face value of ₹10 (₹)	**32.97**	34.70

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

11. Capital commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for ₹Nil (Previous year: ₹Nil).

12. 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.

13. Director's remuneration

No remuneration, sitting fees and commission was paid to any of the Directors during the year ended 31 March 2013 (Previous year: ₹Nil).

14. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

On the basis of the information and records including confirmations sought from suppliers on registration with specified authority under MSMED; no amounts pertaining to principal and interest were due or remained due as at and for the year ended 31 March 2013 (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.

Notes to the financial statements
for the year ended 31 March 2013 continued

15. Related party disclosure

The related parties are classified as follows:

(a) Name and nature of relationship of related parties where control exists is as under:

Name of related party	Nature of relationship
1. Standard Chartered PLC	Ultimate Holding Company
2. Standard Chartered Bank	Holding Company

(b) Name and nature of relationship of other related parties with whom the transactions have occurred during the year

1. Scope International Private Limited	Fellow Subsidiary

(c) Transactions of the Company with related parties:

Particulars	**For the year ended 31 March 2013**	For the year ended 31 March 2012
Transactions with parties by whom control is exercised		
Transactions with SCB, India Branches		
Fee income from security trustee services	**3,890,137**	3,965,449
Staff costs	**2,178,947**	2,437,099
Rent	**894,357**	794,452
Processing charges	**–**	114,028
Support Service Charges (refer Note 17)	**95,396**	60,704
Transactions with other related parties		
Transactions with Scope International Private Limited		
Outsourcing charges	**133,489**	9,489

(d) Receivable / (Payable):

Particulars	**As at 31 March 2013**	**Maximum o/s during the year**	As at 31 March 2012	Maximum o/s during the year
Balances with SCB, India branches				
Receivable	**234,661**	**405,134**	428,364	2,742,991
Payable	**(128,228)**	**(339,874)**	(301,325)	(2,731,437)
Balances with Scope International Private Limited				
Payable	**(12,446)**	**(12,856)**	(10,466)	(10,466)

Banking transactions in the normal course of business with related parties have not been considered.

16. Leases

Disclosures as required by Accounting Standard 19 – 'Leases', prescribed in the Companies (Accounting Standard) Rules, 2006, pertaining to lease arrangement entered into by the Company are given below:

- The premise taken on lease primarily relates to commercial premises and is in the nature of 'Operating' lease.
- The lease is a cancellable lease. Rentals payable are as per the agreement. Lease agreement does not have any undue restrictive or onerous clauses; other than those normally prevalent in similar agreements, for use of assets, rental increases and lease renewal.
- Lease rent charged to the statement of profit and loss for the year ended 31 March 2013 is ₹894,357 (Previous year: ₹794,452).

17. Staff costs and support service charges

Employee of the Company was seconded from the Bank. Related costs (including retirement benefits costs) are recovered by the Bank from the Company.

The Bank incurs expenditure on support functions like Corporate Real Estate Services, Human Resources, Finance, Legal, Compliance, Information Technology, Corporate Affairs and other costs which is for the common benefit of the Bank and group companies in India. Such costs are recovered by the Bank from group companies based on the specific or identifiable criteria and these expenditure are shown as support service charges under Note 9.

Notes to the financial statements
for the year ended 31 March 2013 continued

18. Nominee holdings in shares / securities

(a) The Company holds on behalf of the Bank certain securities that were the subject matter of a legal suit filed by the Bank in relation to the Bank's transactions in the securities market relating to the period April 1991 to May 1992. During the current year, the Company as directed by the special court has transferred all but ₹543 worth securities to the special court.

(b) The market value as at 31 March 2013 of securities registered in the name of the Company, which were pledged to the Bank by its customers, in connection with security based lending made by the Bank was approximately ₹41,930,822* (Previous year: ₹36,791,400).

* Quoted shares are valued at closing market rate at the reporting date and other unquoted securities are valued at nil.

19. Segment reporting

The Company is in the business of providing nominee and trusteeship services. Considering there are no revenues and costs assignable to the nominee business, all the amounts reported in the financial statements represent the trusteeship business. Further all the business operations are based in India. Accordingly no further disclosures as required under AS 17 – Segment Reporting have been made.

For B S R & Co.
Chartered Accountants
Firm Registration No. 101248W

For and on behalf of the Board of Directors of
St. Helen's Nominees India Private Limited

Manoj Kumar Vijai
Partner
Membership No. 046882

Anurag Adlakha
Director

Dhiren Parekh
Director

9 May 2013
Mumbai

Standard Chartered Branches in India

WEST

Ahmedabad

Abhijeet II, Ground Floor,
Mithakali 6 Road,
Ahmedabad 380 006
Tel: 079-26468300
Fax: 079-26470041

Bhopal

Ground floor, Northern wing,
Alankar Complex, Plot no. 10, Zone II,
M. P. Nagar, Bhopal 462 011
Tel: 0755-4218200
Fax: 0755-4218201

Chhinddwara

Sharma Complex, Ground Floor,
Plot No. 491, Ward No. 38 Parasia Road,
Chhinddwara 480 001, M. P.
Tel: 07162-2231160

Indore

D. M. Towers, 21/1,Race Course Road,
Indore 452 001
Tel: 0731-4206900
Fax: 0731-4206901

Jalgaon

Baba Plaza, Mumbai Nagpur Road,
Akashwani Square, Jalgaon 425 001
Tel: 0257-2237400
Fax: 0257-2237401

Mumbai

23-25, M. G. Road

23-25, M. G. Road, Mumbai 400 001
Tel: 022-67355692
Fax: 022-22852870

90, M. G. Road

90 M. G. Road, Mumbai 400 001
Tel: 2267350551
Fax: 2222623226

Andheri

Ameya House,
Raj Kumar Corner, J. P. Road,
Andheri West, Mumbai 400 058
Tel: 022-26774261/26794416/26794420
Fax: 022-26790237

Bandra - Waterfield Road

Unique Centre, Waterfield Road,
Bandra (W), Mumbai 400 050
Tel: 022-26457104
Fax: 022-26454953

Cresenzo, BKC

Crescenzo Building C-38/C-39 G Block,
Bandra kurla Complex,
Bandra (East), Mumbai 400 051
Tel: 022-61157038/022-61157033
Fax: 022-61157005

Borivali

Aditya Apartments, CTS No.639
Chandravarkar Road,
Borivali (W), Mumbai 400 092
Tel: 022-28924900

Breach Candy

87, Bhulabai Desai Road,
Breach Candy, Mumbai 400 036
Tel: 022-30042491/022-30042486/89
Fax: 022-23634299

Centre Point

Junction of Juhu & S. V.,
Santacruz, Mumbai 400 054
Tel: 022-22792426
Fax: 022-22623226

Chowpatty

Shree Pant Bhuvan, Sandhurust Bridge,
Chowpatty, Mumbai 400 007
Tel: 022-23682797
Fax: 022-23642173

Chembur

Garden Apartment, Diamond Garden
CHS Ltd., A Sores Road,
Chembur, Mumbai 400 071
Tel: 022-25201314/022-25213805/
022-25207391 • Fax: 022-25207390

Dadar N. C. Kelkar Road

Shivaji Mandir, N. C. Kelkar Road,
Dadar, Mumbai 400 028
Tel: 022-24210890/022-24385771/73
Fax: 022 24374097

Ghatkopar

170A Derasar Lane, Ghatkopar (E),
TPS II, Mumbai 400 077
Tel: 022-25015917,022-25015191,
022-25015682 • Fax: 022-25016220

Goregaon

201B/1, Western Express Highway,
Goregaon (E), Mumbai 400 063
Tel: 022-67373171

Lokhandwala

21-23, Samarth Vaibhav,
Off New Link Road, Lokhandwala,
Andheri (W), Mumbai 400 053
Tel: 022-26327702/6
Fax: 022-26340093

Santacruz

65-F, Vithalbhai Patel Road,
Santacruz (West), Mumbai 400 054
Tel: 022-26495519

Powai

Unit 101, Delta Building Hiranandani
Garden, Powai, Mumbai 400 076
Tel: 022-25707921/022-25707923/24

Vile Parle

B21, Sanghvi Paritosh,
V L Mehta Road, JVPD Scheme,
Vile Parle (W), Mumbai 400 049
Tel: 26145236
Fax: 26103720

Nagpur

Narang Towers, 27, Palm Road,
Nagpur 440 001
Tel: 0712-662-0700
Fax: 0712-6620710

Pune

Pune (JM Road)

364/365 Shreerang House,
Junglee Maharaj Road,
Shivaji Nagar, Pune 411 005
Tel: 020-30591070
Fax: 020-30591085

Kalyani Nagar

B2,Cerebrum IT Park,
Survey No:13/B1, B2, B3,
Survey No:14, Kumar City,
Vadgaonsheri,
Kalyani Nagar, Haveli,
Tel: 020-66803800
Fax: 020-66803815

Rajkot

Business Empire, 5, Jagnath Plot Corner,
Gymkhana Road, Rajkot 360 002

Tel: 0281-6626011

Fax: 0281-6626010

Surat

C. K. Tower, Towards Surat
Dumas Road, Parle Point,
Surat 395 007
Tel: 0261-2220108
Fax: 0261-2220078

Thane

Emerald Plaza, Block no. 2,
Hiranandani Meadows Pokahran Rd No. 2,
Thane 400 601
Tel: 022-21730902
Fax: 022-21730912

Vadodara

Gokulesh,
R. C. Dutt Road,
Vadodara 390 009
Tel: 0265-2320071
Fax: 0265-2322923

EAST

Bhubaneshwar

Plot no 3, Bapuji Nagar,
Janpath, Bhubaneshwar 751 009
Tel: 0674-2597485
Fax: 0674-2597681

Guwahati

G N Bardoloi Road, Ambari,
Guwahati 781 001
Tel: 0361-2632264
Fax: 0361-2543192

Howrah

49-Dobson Road, Howrah 711 101
Tel: 033-66160888
Fax: 033-26660551

Kolkata

M. G. Road

142 M. G. Road, Calcutta 700 001
Tel: 033-66134721
Fax: 033-66134700

19, N. S. Road
19 N. S. Road, Calcutta 700 001
Tel: 033-39120101
Fax: 033-22301696

Chowringhee
31 Chowringhee,
Calcutta 700 016
Tel: 033-66275301
Fax: 033-2226 3481

41, Chowringhee Road
Calcutta 700 071
Tel: 033-66279626
Fax: 033-22887501

21 A, Shakespeare Sarani
Calcutta 700 017
Tel: 033-22801619
Fax: 033-22907333

Church Lane
6 Church Lane, Calcutta 700 001
Tel: 033-22429200
Fax: 033-22428059

Gariahat
208 R. B. Avenue, Calcutta 700 029
Tel: 033-66137809
Fax: 033-2464 0669

Gurusaday Branch
G-08, Atria Mall, 23, Gurusaday Road,
Kolkata 700 019

Jodhpur Park
1/425 Gariahat Road South,
Jodhpur Park, Calcutta 700 068
Tel: 033-24733479
Fax: 033-24733038

Mani Square
Shop # G-3, Mani Square,
164/1, Maniktalla Main Road,
Salt Lake, Kolkata - 700 054
Tel: 033-23202060
Fax: 033-23202063

New Alipore Road
17 SA Nalini Ranjan Avenue
Calcutta 700 053
Tel: 033-23969770
Fax: 033-2396 6383

Rash Behari Avenue
163 Rash Behari Avenue,
Calcutta 700 019
Tel: 033-24664771 extn 20
Fax: 033-24664560

Salt Lake
CF347 Sector 1, Salt Lake,
Calcutta 700 064
Tel: 033-66160825
Fax: 033-23216205

Shyambazar-Bidhan Sarani
139C Bidhan Sarani,
Shambazaar, Calcutta 700 004
Tel: 033-25432706
Fax: 033-2555 5315

Shyambazar- R. G. Kar Road
21A, R. G. Kar Road, Shambazar,
Calcutta-700 004
Tel: 033-25548139

Patna
Bhagwati Dwaraka Arcade,
Plot No: 830 P, Exhibition Road,
Patna 800 001
Tel: 0612-2223158
Fax: 0612-2223136

Siliguri
City Plaza, Sevoke Road, Siliguri 734 001
Dist-Darjeeling, West Bengal
Tel: 0353-2643561
Fax: 0353-2643560

NORTH

Allahabad
2, Sardar Patel Marg. Civil Lines,
Allahabad 211 001
Tel: 0532-2427062

Amritsar
360, The Mall,
Amritsar Post Code 143 001
Tel: 0183-5003756
Fax: 0183-5014111

Chandigarh
SCO, 137-138 Sector 9C,
Madya Marg, Chandigarh 160 017
Tel: 172-5073884

Dayal Bagh (Agra)
4, Krishna Enclave, Near Bhagat Halwai,
Dayal Bagh Road,
Agra 282 005
Tel: 0562-2570442/43

Dehradun
Krishna Towers, 69 Rajpur Road,
Dehradun 248 001
Tel: 0135-3242061
Fax: 0135-3242090

Gurgaon
DLF Building No – 7A, DLF Cyber City,
Sector – 24/25/25A,
Gurgaon
Tel: 0124-4876033

Gurgaon, SCF-77- Sector 14
SCF-77 Sector 14, Gurgaon,
Harayana 122 001
Tel: 0124-4088702
Fax: 0124-4088701

Jalandhar
Plot No. 34, G. T. Road,
Jalandhar 144 001
Tel: 0183-5030325
Fax: 0183-5014111

Jaipur
H8, Bhagwat Bhawan,
Showroom #1, MI Road,
Jaipur 302 001
Tel: 0141-6452224

Jodhpur
9th, Chopasani Road, Jodhpur,
Plot No 839,G/F
Tel: 0291-2433879

Kanpur
16/105, M G Road, Kanpur 208 001
Tel: 0512-2306536
Fax: 0512-2304705

Lucknow
Narain Automobiles, 4,
Shanazaf Road, Lucknow 226 001
Tel: 0522-2201870
Fax: 0522-2201826

Ludhiana
SCO 16-17, Feroze Gandhi Market,
Ludhiana 141 001
Tel: 0161-5084030
Fax: 0161-5084031

Mathura
Pacific Mall, Plot No. C-1/B, Site B,
Industrial Area, Mathura 281 006
Tel: 0565-3206014
Fax: 0565-3206017

New Delhi

Barakhamba
Narain Manzil 23, BaraKhamba Road,
New Delhi 110 001
Tel: 011-41524419

Chanakyapuri
13, Malcha Marg, Chankyapuri,
New Delhi 110021
011-45874585
011-45874560

Dwarka
HL Wings, Pocket-4, Plot-2,
Sector-11(MLQ), Dwarka,
New Delhi 110 075
Tel: 011-45636501
Fax: 011-45636510

Greater Kailash
B-68, Greater Kailash Part I,
New Delhi 110 048
Tel: 011-46517896
Fax: 011-29246857

Greater Kailash II
M- 39, GFK II, Near Saviti Cinema,
New Delhi -110 048
Tel: 011-41669256
Fax: 011-41669258

H2 Connaught Circus

Hamilton House
Express Building, ITO,
Bahadur Shahzafar Marg,
New Delhi 110 001
Tel: 011-43593097
Fax: 011- 42512496

Janakpuri
B 1/517, Janakpuri, New Delhi 110 058
Tel: 011-41579038
Fax: 011-41021446

Karol Bagh
13/37, WEA, Arya Samaj Road,
Karol Bagh -110 005
Tel: 011-41546964
Fax: 011-41546963

New Friends Colony
20 Community Centre,
New Friends Colony,
New Delhi 110 065
Tel: 011-46605721
Fax: 011-41672306

Pitampura
A2, 3, 4, HB Twin Towers,
Netaji Subhas Place,
Wazirpur, Pitampura
Tel: 011-42470867
Fax: 011-42470880

Preet Vihar
Aditya Arcade, Plot No. 30,
Community Centre,
Preet Vihar New Delhi 110 092
Tel: 011-46107823
Fax: 011-46107849

Punjabi Bagh
41, Central Market,
Punjabi Bagh West 110 026
Tel: 011-42466792
Fax: 011-25228776

Saket
E-26 Saket, New Delhi 110 017
Tel: 011-41021456
Fax: 011-41021455

Sansad Marg
10 Sansad Marg, New Delhi 110 001
Tel: 011-49861198
Fax: 91-11-23340761

South Extension
M-1, South Extension Part II,
New Delhi 110 049
Tel: 011-4164862/41644865
Fax: 011-41644860

Noida
Brahm Datt Tower, Plot No. K -3,
Sector 18, NOIDA 201 301
Tel: 0120-4349254

Saharanpur
Mundarja No. 262, Delhi-Saharanpur-
Yamunotri Road, Saharanpur 247 001
Tel: 0132-2764855/0132-2764856

Udaipur
Ground Floor, Apex Square,
Bank Street Madhuban,
Udaipur (Raj) 313 001
Tel: 0294-5100926

SOUTH

Bangalore
Raheja Towers
Raheja Towers, 26/27, M. G. Road,
Bangalore 560 001
Tel: 080-30626242
Fax: 080-25584074

Residency Road
G2-G3, Prestige Poseidon,
139, Residency Road,
Bangalore 560 025
Tel: 080-41188952
Fax: 080-41188944

Serenity, Ground Floor,
112, Koramangala Industrial Area,
5th Block, Koramangala,
Bangalore 560 095
Tel: 080-67079501
Fax: 080-67079500

Chennai
Haddows Road
No 1 Haddows Road,
Chennai 600 006
Tel: 044-65716886
Fax: 044-28219660

Mount Road
Annanagar
Tel: 044-28517267
Fax: 044-28516491

Mylapore
29/30, Dr. Radhakrishnan Salai,
Raja Rajeshwari Towers,
Mylapore, Chennai 60004
Tel: 044-43526093
Fax: 044-28110060

Rajaji Salai
19,Rajaji Salai, Chennai 600 001
Tel: 040-30449005
Fax: 040-25342781

Sorrento, Adyar
No.6 Lattice Bridge Road,
Adyar, Chennai 600 020
Tel: 044-24460804
Fax: 044-24919473

T. Nagar, Chennai
Sagar Amar Court, 59-G. N. Chetty Road,
T. Nagar, Chennai 600 017
Tel: 044-28158707
Fax: 044-28152138

Coimbatore
509, D. B. Road, R. S. Puram,
Coimbatore 641 002
Tel: 0422-2550589
Fax: 0422-4366628

Ernakulam
HDFC House, M G Road, Ravipuram
Junction Ernakulam, Cochin 682 015
Tel: 0484-2358458
Fax: 0484-2358743

Willingdon Island
XXlv/1633, K. P. K. Menon,
Willingdon Island

Hyderabad
6-3-1090 Raj Bhawan Road,
Hyderabad 500 082
Tel: 040-42204312
Fax: 040-66256596

Jubliee Hills
Door No. 8-2-293/82/A/646A
Ground Floor, Road No.36, Jubilee Hills,
Hyderabad 500 033 SOMAJIGUDA
Tel: 040-23606701
Fax: 040-23606705

Secunderabad Branch
Ground Floor, Unit No.2, 2A & 3,
Ashoka Bhoopal Chambers, S P Road,
Secunderabad 500 003
Tel: 040-66907061
Fax: 040-66907060

Proddatur
Grd Floor, Meghana Mansion,
24/25 Gandhi Road, Proddatur,
Andhra Pradesh 516 360
Tel: 0856-4248845
Fax: 0856-4248842

Thiruvanathapuram
Ground and First Floor, Vrindavan Terrace,
Opp. Trivandrum Club, Vazhuthacaud,
Thiruvanathapuram (Kerala) Pin: 695 014
Tel: 0471-2322632

Standard Chartered
Here for good