Annual Report and Accounts 2009-10

Standard Chartered

Standard Chartered

Our Brand Belief

Can a bank really stand for something? Can it balance its ambition with its conscience? To do what it must. Not what it can. As not everything in life that counts can be counted. Can it not only look at the profit it makes but how it makes that profit? And stand beside people, not above them. Where every solution depends on each person. Simply by doing good, can a bank in fact be great? In the many places we call home, out purpose remains the same. To be here for people. Here for progress. Here for the long run. Here for good.

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Chief Executive's Statement

The past year has been a watershed year for Standard Chartered in India. Following a consistently solid performance through the financial crisis and after, Standard Chartered has asserted its position as one of India's most preferred banking partners.

Over the crisis, we had stayed open for business. We had built on key services and actively supported and engaged our customers, our people, the industry and the community. These efforts, possible only because of a sound long-term strategy of adhering to the basics of good banking and focusing on markets we know well, is reaping notable dividends for us.

We bank many of India's most valuable companies from blue chips to small enterprises, and more of these companies are making Standard Chartered their core bank. Among employees, an increasing number of the country's top talent want to work with us. Within the broader industry, our knowledge-sharing interactions have increased manifold.

India enjoys the distinction of being one of Standard Chartered's most profitable businesses worldwide. In recognition of India's pivotal role, the Standard Chartered Group launched the historic initiative of being the first organisation to sell Indian Depository Receipts. The listing, which was successfully completed over April-June 2010, is the strongest affirmation yet of our commitment to the country.

Today, we are not just India's largest international bank, but also one of its leading players and at the forefront of the financial sector's rapid transition into a world class industry. We are a formidable presence in a market whose global influence is spreading fast, a fact which is gaining recognition. Euromoney, which declared us the Best Bank in India in 2010, called us a pillar of the Indian banking industry.

Performance Highlights

Our financial performance reiterated the fundamental health and ruggedness of our business as we continued to witness healthy growth on the back of a sound asset portfolio despite the financial crisis, which had a knock-on effect on India.

Continuing with the trend of steady but robust year-on-year growth, net profit rose by 12 percent to ₹21.27 billion, while net interest income rose 23 percent to ₹38.91 billion. The Bank has more than trebled its profits over the past five years on the back of a robust performance across key businesses.

Interest income accounted for 67 percent of income, coming mainly from the loans business which grew by 11 percent. The bank is comfortably capitalised for growth with a capital adequacy ratio of 12.41 percent as of March 31, 2010, under Basel II norms. This is an increase over 11.56 percent in previous fiscal.

Key Highlights

- Profit after tax up 12 percent at ₹21.27 billion
- Net interest income up 23 percent at ₹38.91 billion
- Deposits increased by 15 percent to ₹481.92 billion
- Advances grew by 11 percent to ₹415.52 billion

In 2009-10, Standard Chartered Bank India not only remained open for business but also grew its chosen offerings. Maintaining a focus on the long-term sustainability of the business, we retained tight controls on liquidity, capital, risks and costs even as we leverage emerging opportunities. The 'One Bank' approach to business has underpinned our success as we extracted synergies between Wholesale and Consumer Banking businesses, local scale and cross-border capabilities, strengthening our offering to the customer.

Wholesale Banking

The Group's single largest business, Wholesale Banking banks India's leading companies from blue chips to mid-sizers to small and medium enterprises. A client-centric approach that supported customers even during tough times has resulted in an increasing number of these companies making Standard Chartered their core bank. In fact, a dedicated customer franchise has been key to sustaining our performance over 2009-10. Wholesale Banking contributed a significant 20 percent to global operating profit (for calendar 2009).

The year was a memorable one for the business. Led by Corporate Finance Advisory and Debt Capital Markets, the Wholesale Bank partnered India Incorporated in landmark deals including Bharti's acquisition of Zain's African assets where we were lead advisor and mandated lead arranger, GVK's stake acquisition in Bengaluru International Airport as advisor, and L&T Finance's retail debt issue, among the first such issues in recent years, to which we were book runners and lead managers.

The Debt Capital Markets business led the league table for Rupee Corporate Bonds while the Corporate Advisory business topped M&A league tables for January-March 2010. Wholesale Banking won many awards during the year including Global Finance Best Trade Finance Providers and Best Foreign Exchange Bank in India, Asset's Best

Debt House in India, Leading Sales Person in India, leading Research Person in India and Best Leveraged Finance House.

Our outlook for the long term is upbeat. Aligning with our customers' priorities, we are exploring synergies with BRIC countries and other emerging markets along with pursuing infrastructure financing through fiscally efficient structures. We will focus on a disciplined approach to costs, capital, and liquidity.

Consumer Banking

Consumer Banking's transition has also revolved around customer centricity, which is now embedded within the work ethos. Focusing on customer segments we know well, we have top-in-class propositions around Private Banking, Priority Banking, SME Banking among others. Backed by a 94-strong branch network and a robust team of relationship managers, we are well placed to provide differentiated products to our clients. At the same time, we have invested in our frontline and empowered them to deliver an enhanced customer experience, while maintaining a focus on cost, efficiency, risk and liquidity.

In 2009-10, Consumer Banking recorded a healthy performance, while maintaining a superior portfolio quality, thus building a base for strong future growth. Having positioned the business in line with our customers' needs, we are seeing strong momentum for future growth particularly in focus areas such as Private Banking, Wealth Management, Mortgages and SME Banking.

Several accolades have come our way including 'Outstanding Private Bank in Asia Pacific 2009' from Private Banker International, 'Structured Products Asia Awards 2009' from Structured Products magazine, and the 'Best New Debit Card' for India's first credit-cum-debit card by Cards & Payments Europe Global Awards 2009.

Our priorities now are to take a holistic view of customers' evolving needs and through customized services, establishing ourselves as their right partner. With this approach, we believe we are poised to gain significant market share in high value segments and deliver sustained profitability.

People

People are a priority. We believe that our people-oriented culture has helped us emerge as a preferred employer in the financial services sector. We attracted some of the industry's best professionals as well as top talent from campuses. As always, we provided opportunities to differently abled individuals as per our Diversity and Inclusion agenda. India, with more than 18,000 employees accounts for a fifth of the Group's headcount.

We are a preferred employer also because of our 'One Bank' approach, which encourages people to move across functions and geographies to enhance their professional skills and enrich their work experience. Indians occupy key positions across the Group, an example being our Asia CEO, Jaspal Bindra, who is now part of the Group's Board of Directors. India too has welcomed talent and we currently have employees representing about 15 different nationalities, enriching the climate of cultural experience and diversity. We also encourage cross border talent exchange programmes, successfully running these with countries such as China, Taiwan, Korea and Africa. Special efforts are devoted to developing talent, especially leadership skills, which makes our employees sought after not just within the Group but also across the industry.

Work-life balance is necessary for high productivity and the Bank proactively follows practices that enable staff to pursue personal responsibilities and interests. Flexible working hours, work from home, 6-month maternity leave are some of the initiatives that enable staff to balance personal commitments with professional ones. Over and above this, recognising that employees may be grappling with professional and personal issues that could impact their well being, Standard Chartered has made available counselling service.

John Peace, flanked by Jaspal Bindra and Neeraj Swaroop, rings the bell on the listing of Standard Chartered's IDRs on the Bombay Stock Exchange

The launch of the all new Pune Branch

Chief Executive's Statement

Technology

Technology at Standard Chartered is much more than a business facilitator. Technology partners with businesses in growth. Over 2009-10, our technology-based accomplishments deserve mention as customer experience improved even as we handled more volumes. Technology also facilitated a sound management of operational risks, cost controls and stability of our systems as we grew the business.

A key technology agenda is constantly enhancing our reach to customers. 'Doorstep Trade Services' (DTS), launched during the year, was an innovative way of doing just that. Specially equipped DHL vans travel to customers' offices and transmit trade documents to our offices online enabling us to begin processing the documents immediately, saving the customer considerable time.

DTS is a low cost highly scalable service that will particularly benefit fast growing clusters in smaller cities and commercial belts thriving on the outskirts of large cities. This service received the prestigious "Best Online and Multi-Channel Capability" award from Indian Banks Association & Trade Fairs & Conferences International.

For enhanced customer experience, our Internet Banking services are constantly enhanced for better customer experience. We launched Internet Bill Pay, which enables customers to make utility bill and other payments through Standard Chartered's online banking portal. Redeeming reward points has also become easier with online reward redemption facility.

Sustainability

Sustainability makes good business sense. Our long-term wellbeing depends squarely on that of the broader economy and community. Hence, supporting the community is a pillar of our strategy.

As a bank, furthering financial inclusion is also a responsibility. We have committed $ 500 million to microfinance across Asia, Africa and the Middle East over 5 years to 2011 and India will be a key beneficiary of this commitment. Additionally, we are supporting the development of the microfinance sector including by helping them raise funds from the capital market.

Community Investment is a mainstay of our Sustainability programme. Our outreach through initiatives such as Seeing is Believing, our flagship programme for tackling avoidable blindness, Living with HIV, a globally successful initiative to raise AIDS awareness in the workplace, and GOAL, a women's empowerment programme born in India that is now going global, are growing from strength to strength. Our people are also actively involved. Our Global Markets team, for instance, started with seed capital of a day's salary to set up a village school in Karjat, near Mumbai. Going forward, the kids will also be helped with finding jobs once their education is over.

The Standard Chartered Mumbai Marathon, our flagship sponsorship, is also growing from strength to strength as India's largest charity platform. The 2010 edition raised ₹9.16 crore, the highest collection to date.

Consciousness about our environmental impact is intensifying. We constantly find ways to reduce our carbon footprint and have adopted conservation measures such as using energy efficient lights and signboards, which save an estimated $ 2 million annually. We have set up a sewage treatment plant to recycle waste water in Mumbai and installed auto-closure taps in 10 offices across India, which will help save at least 12 million litres of water annually. Our paper recycling initiative is helping us recycle at least 100 tonnes of paper each year. Our sustained efforts have earned our Mumbai office the ISO14001 certification for building operations.

Our Brand

Our brand promise underpins all that we do and has helped us weather the worst financial crisis in living memory. After all, focusing on emerging markets wasn't something that happened by chance.

Matthew Norris and Dinesh Khanna inaugurate 'Doorstep Trade Service'

Peter Sands at a townhall with the visually challenged from Victoria Memorial

Rather, we have built our presence in these markets in line with a consistent vision that first took hold more than 150 years ago when The Chartered Bank of India, Australia and China was established. The geographical spread was extended to Africa when we merged with Standard Bank in 1969.

Our brand promise, 'Here for Good', only reflects that long-term commitment to our core markets which is now reaping rich dividends. 'Here for Good' encapsulates our philosophy of developing a deep understanding of our markets. It involves investing over the longer term in the business, in relationships. It involves being here for the country, for our people, for our customers, for progress, for good.

Our people are our chief brand ambassadors. They bear the responsibility of living the brand promise every day. Consequently, embedding the brand promise in them is important. Staff engagement activities kick in here. We organise activities that help strengthen the connect with the Standard Chartered brand and build bonds across departments.

The 'Standard Chartered Sports Challenge' which was hotly contested across 6 cities, brought together nearly 3,000 people including women, in a variety of sporting disciplines from carom to cricket. 'Supermanagers at Work' even engaged families by welcoming kids to spend time at the office and learn a bit more about what mom and dad do for a living.

Our flagship sponsorship, The Standard Chartered Mumbai Marathon, plays a fantastic role of taking the brand to the community. The event reached new horizons this year, being honoured with the Marathon Flame for the first time. The flame, which had travelled from Marathon in Greece, burned in Mumbai over the week of the Marathon. The route was also revised to include Mumbai's iconic new landmark, the Rajeev Gandhi Sea Link. As always, the event attracted record crowds in terms of participants and spectators.

Outlook

With the Indian economy regaining momentum, the time is right for a healthy organisation such as ours to stretch for new goals. The policy environment is also conducive with the government moving ahead with investor-friendly policies.

Opportunities abound within the country and across its borders. Indian companies are on a mission to globalise and a Bank such as ours, an emerging markets specialist with a global footprint, has a lot to offer. On the other side, financial inclusion remains an achievable yet still distant dream. Technology and conducive policies will drive success in this space.

With a robust outlook, we expect to continue with strong organic growth. And we look to the authorities for greater opportunities for expanding our reach, including in the under-banked sectors. We are well aligned to the country's priorities and can see ourselves making a significant contribution over and above what we are already doing. We look forward to working more closely with our peers in the industry, the authorities and the community towards the development and progress of the country.

Neeraj Swaroop
Regional Chief Executive -
India & South Asia

Marathon Flame in India

Sports Challenge 2010

Senior Management Team – India

Neeraj Swaroop,
Regional Chief Executive, India & South Asia

Neeraj joined Standard Chartered Bank in 2005 after successfully building the consumer banking business at HDFC Bank. As CEO for India and South Asia, his role is to provide leadership for the Group in India through developing overall country strategy and direction; balancing corporate governance, people & talent management, customers & franchise, and performance. Neeraj has also worked with Bank of America, and Unilever India.

Sreeram Iyer,
Regional Chief Operating Officer, India and South Asia

Sreeram is responsible for providing an effective situational supporting role to the Regional CEO in his capacity as the Governance Head of the Region. He also provides leadership to key Support Functions in India including Corporate Affairs, Legal; Compliance, Operational Risk Assurance, Global Technology & Operations; Corporate Real Estate Services and Subsidiaries in India (excluding SC Caps)

Anurag Adlakha,
Chief Financial Officer, India & South Asia

Anurag joined the bank in 2007 and is responsible for the regional finance function. His key responsibilities cover financial reporting and control, business performance analysis, balance sheet management, financial compliance and tax.

Arup Roy,
Managing Director and Head Origination & Client Coverage, India

Arup heads Origination and Client Coverage for Wholesale Banking in India, leading a team of over 150 relationship managers across the country across various client segments including Local Corporate, Multinational Corporate, Middle Market and Financial Institutions, with India being the largest client led franchisee in Standard Chartered Bank, globally.

Hemant Mishr,
Managing Director and Head, Global Markets, India and South Asia

Hemant drives Standard Chartered Bank's Global Markets agenda for India and South Asia, leading a team of more than 100 specialists in various financial market products including foreign exchange, fixed income, commodities and derivatives.

Sumeet Singla,
Regional Head, Corporate Affairs, India & South Asia

Sumeet joined the Bank in 2001. As Regional Head of Corporate Affairs, he is responsible for managing Standard Chartered's brand and reputation in the region. Sumeet leads a team of specialists with experience in internal and external communications, brand development, sponsorship and staff engagement.

Ravi Duvvuru,
Head of Compliance and Assurance, India and South Asia

Ravi joined the bank in March 2010. In this role, he is responsible for overseeing all matters pertaining to the regulatory framework in which the Bank operates as well as independent assessment of all Operational Controls in the Bank. Ravi brings with him rich experience in numerous areas such as Banking Supervision and the Administration of Foreign Exchange Regulation Act.

Madhavi Lall,
Regional Head Human Resources, India and South Asia

Madhavi is responsible for evolving people strategy and culture in business to deliver the Bank's strategic people agenda. She plays an active role in enabling businesses and functions to deliver improvement in productivity.

Matthew Norris,
Chief Information Officer, India and South Asia

Mathew joined the bank in 2005 and is responsible for developing and executing world-class technology and operations strategies that drive the business agenda for the region. In this role, he ensures resources are effectively and efficiently applied, by identifying and capturing synergies across Operations and Technology.

Peter Warbanoff,
Country Chief Risk Officer, India & Regional Credit Officer, India and South Asia

Peter joined the Bank in 1997. His main responsibilities include Country Governance for all risk. Within the Group structure, his main responsibility is overseeing the credit quality of the WB portfolio for India & South Asia.

Srinivasan Iyengar,
Managing Director and Head of Strategy, India

Srinivas is responsible for identifying inorganic opportunities for Standard Chartered's India business. He also works with business heads to identify ways of spurring organic growth. He ensures strong linkages with Regional and Group Business & Strategy Teams.

Sushen Jhingan,
Director, Public Affairs, India

Sushen joined the Bank in August 1997. His main responsibility includes developing the Government Relations framework for the Bank in India, position the Bank and its sustainability and other initiatives at the appropriate levels in the Government.

Balance Sheet
as at 31 March 2010

	Schedule	As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
Capital and Liabilities			
Capital	1	6,757,992	6,757,992
Reserves and Surplus	2	109,299,499	96,010,097
Deposits	3	481,923,855	418,017,661
Borrowings	4	87,214,944	95,535,931
Other Liabilities and Provisions	5	210,250,038	358,331,046
Total Capital and Liabilities		895,446,328	974,652,727
Assets			
Cash and Balances with the Reserve Bank of India ("RBI")	6	38,016,330	25,183,085
Balances with banks and money at call and short notice	7	9,790,003	17,011,991
Investments	8, 18 (D (1))	184,774,223	155,515,611
Advances	9, 18 (D (2))	415,521,514	374,891,281
Fixed Assets	10, 18 (D (6))	24,862,855	23,475,480
Other Assets	11	222,481,403	378,575,279
Total Assets		895,446,328	974,652,727
Contingent Liabilities	12	12,519,909,812	12,639,905,159
Bills for Collection		105,461,167	101,944,630
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 B S R & Co.
Chartered Accountants
Firm Registration No: 101248W

For Standard Chartered Bank – India Branches

Akeel Master
Partner
Membership No. 046768

Neeraj Swaroop
Regional Chief Executive – India and South Asia

16 June 2010
Mumbai

Anurag Adlakha
Chief Financial Officer – India and South Asia

Profit and Loss Account
for the year ended 31 March 2010

	Schedule	For the year ended 31.3.2010 (₹ in 000s)	For the year ended 31.3.2009 (₹ in 000s)
Income			
Interest earned	13, 18 (D (5))	56,748,901	56,494,089
Other income	14, 18 (D (5))	28,376,176	30,970,502
Total income		85,125,077	87,464,591
Expenditure			
Interest expended	15	17,837,816	24,896,206
Operating expenses	16	24,189,745	24,997,009
Provisions and contingencies	17, 18 (D (11))	21,827,131	18,503,661
Total expenditure		63,854,692	68,396,876
Net Profit		21,270,385	19,067,715
Profit available for appropriation		21,270,385	19,067,715
Appropriations			
Transfer to statutory reserve	2	5,317,596	4,766,929
Transfer to Capital Reserve – Surplus on sale of immovable properties	2	29	–
Remittable surplus retained in India for CRAR	2	–	9,300,786
Balance carried over to Balance Sheet	2	15,952,760	5,000,000
Total appropriations		21,270,385	19,067,715
Significant accounting policies and notes to financial statements.	18		

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

As per our report of even date.

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

For Standard Chartered Bank – India Branches

Akeel Master
Partner
Membership No. 046768

Neeraj Swaroop
Regional Chief Executive – India and South Asia

16 June 2010
Mumbai

Anurag Adlakha
Chief Financial Officer – India and South Asia

		As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
1.	**Capital**		
	Deposit kept with the RBI under Section 11(2)(b) of the Banking Regulation Act, 1949	26,700,000	25,400,000
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
	Balance, end of the year	6,736,032	6,736,032
	Total capital	6,757,992	6,757,992
2.	**Reserves and Surplus**		
a.	Statutory Reserves		
	Balance, beginning of the year	31,491,746	26,724,817
	Transfer from Profit and Loss Account	5,317,596	4,766,929
	Balance, end of the year	36,809,342	31,491,746
b.	Property Revaluation Reserve		
	Balance, beginning of the year	12,331,076	12,331,076
	Transfer to Capital Reserves – Surplus on sale of immovable properties	(6,778)	–
	Balance, end of the year	12,324,298	12,331,076
c.	Capital Reserves – Surplus on sale of immovable properties		
	Balance, beginning of the year	2,411,126	2,411,126
	Additions during the year	29	–
	Transfer from Property Revaluation Reserve	6,778	–
	Balance, end of the year	2,417,933	2,411,126
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	40,985,031	31,684,245
	Transfer from Profit and Loss Account	–	9,300,786
	Deduction for erstwhile AEBL Tax Assets [Refer Note 18 A (2)]	(685,176)	–
	Balance, end of the year	40,299,855	40,985,031

			As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
g.	Profit and Loss Account			
	Balance, beginning of the year		7,295,807	2,295,807
	Net profit for the year transferred from Profit and Loss Account		15,952,760	5,000,000
	Remitted to Head Office during the year		(7,295,807)	–
	Balance, end of the year		15,952,760	7,295,807
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
	Total reserves and surplus		109,299,499	96,010,097
3.	**Deposits**			
A	I	Demand deposits		
		from banks	7,696,995	5,355,537
		from others	134,359,198	104,439,351
	Total demand deposits		142,056,193	109,794,888
	II	Savings bank deposits	86,795,298	70,224,135
	Total savings bank deposits		86,795,298	70,224,135
	III	Term Deposits		
		from banks	13,887,937	9,923,212
		from others	239,184,427	228,075,426
	Total term deposits		253,072,364	237,998,638
	Total deposits		481,923,855	418,017,661
B	I	Deposits of branches in India	481,923,855	418,017,661
	II	Deposits of branches outside India	–	–
	Total deposits		481,923,855	418,017,661
4.	**Borrowings** including subordinated debt [Refer Note 18 E (4) (ii)]			
	I	Borrowings in India from		
		(i) RBI	–	6,650,000
		(ii) Other banks	9,300,000	2,250,649
		(iii) Other institutions and agencies	29,949,500	14,644,113
	II	Borrowings outside India	47,965,444	71,991,169
	Total borrowings		87,214,944	95,535,931
	Secured Borrowings included in I and II above		16,500,000	4,811,313

	As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
5. Other Liabilities and Provisions		
Bills payable	5,743,339	3,430,357
Inter office adjustment (net)	–	–
Interest accrued	2,189,285	3,845,572
Mark-to-market adjustments on Foreign Exchange and Derivative contracts	165,114,063	310,543,914
Provision for Tax (net of Advance Tax) [Refer Note 18 A (2)]	211,249	–
Provision against Standard Assets	4,427,175	4,427,175
Others	32,564,927	36,084,028
Total other liabilities and provisions	210,250,038	358,331,046
6. Cash and balances with the RBI		
Cash in hand (including foreign currency notes)	1,975,415	2,181,027
Balance with RBI in current accounts	36,040,915	23,002,058
Total cash and balances with the RBI	38,016,330	25,183,085
7. Balances with Banks and money at call and short notice		
In India		
(i) Balances with Banks		
(a) In current accounts	2,345,111	2,704,573
(b) In other deposit accounts	3,497,250	3,059,600
(ii) Money at call and short notice		
(a) with banks	–	–
(b) with other institutions	–	–
Total (i and ii)	5,842,361	5,764,173
Outside India		
(i) In current accounts	3,947,642	11,247,818
(ii) In other deposit accounts	–	–
(iii) Money at call and short notice	–	–
Total (i, ii and iii)	3,947,642	11,247,818
Total balances with banks and money at call and short notice	9,790,003	17,011,991
8. Investments		
In India		
Government securities	149,445,810	140,319,995
Other approved securities	–	–
Shares	140,452	140,452
Debentures and bonds	9,944,986	3,709,778
Subsidiaries	100	100
Others (including Certificates of Deposits, Commercial Paper and Pass Through Certificates)	25,242,875	11,345,286
Total investments	184,774,223	155,515,611
9. Advances		
a. Bills purchased and discounted	52,455,119	41,924,487
Cash credits, overdrafts and loans repayable on demand	197,963,376	188,296,438
Term loans	165,853,019	144,670,356
Less: Floating Provision [Refer Note 18 D (2)]	(750,000)	–
	415,521,514	374,891,281

		As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
b.	Secured by tangible assets	228,861,947	187,859,453
	(includes advances secured against book debts)	–	–
	Covered by bank / government guarantees	1,413,837	3,056,069
	Unsecured	185,995,730	183,975,759
	Less: Floating Provision [Refer Note 18 D (2)]	(750,000)	–
		415,521,514	374,891,281
c.	Advances in India		
	Priority sector	114,524,194	96,861,215
	Public sector	82,018	153,711
	Banks	–	–
	Others	301,665,302	277,876,355
	Less: Floating Provision [Refer Note 18 D (2)]	(750,000)	–
		415,521,514	374,891,281
	Total advances	415,521,514	374,891,281

10. Fixed Assets

	As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
Premises		
Balance, beginning of the year	16,190,419	16,196,769
Additions during the year	–	–
Deductions during the year (at cost)	(33,037)	(6,350)
	16,157,382	16,190,419
Less : Depreciation to date	(229,379)	(189,542)
Net book value of Premises	15,928,003	16,000,877
Other fixed assets (including furniture and fixtures)		
Balance, beginning of the year	3,542,182	2,599,583
Additions during the year	285,237	1,421,663
Deductions during the year (at cost)	(447,191)	(479,064)
	3,380,228	3,542,182
Less : Depreciation to date	(2,208,888)	(1,989,511)
Net book value of other fixed assets	1,171,340	1,552,671
Intangible (Capitalised Software)		
Balance, beginning of year	126,870	100,905
Additions during the year	51,356	25,965
Deductions during the year (at cost)	(3,909)	–
	174,317	126,870
Less : Depreciation to date	(117,864)	(102,738)
Net book value of Capitalised Software	56,453	24,132
Work In Progress*	7,707,059	5,897,800
Total net book value of fixed assets	24,862,855	23,475,480

* includes capitalisation of borrowing cost ₹489,355 (in 000's) – (2008-09: ₹ Nil)

		As at 31.3.2010 (₹ in 000s)	As at 31.3.2009 (₹ in 000s)
11.	**Other Assets**		
	Interest accrued	4,421,133	4,568,474
	Tax paid in advance / TDS (net of provision for tax)	–	2,729,682
	Deferred Tax asset [Refer Note E (10)]	4,218,881	3,386,169
	Stationery and stamps	891	2,054
	Mark-to-market adjustments on Foreign exchange and Derivative contracts	177,771,293	342,373,317
	Others	36,069,205	25,515,583
	Total other assets	222,481,403	378,575,279
12.	**Contingent Liabilities**		
	Claims against the Bank not acknowledged as debts	2,225,305	2,223,259
	Liability for partly paid investments in shares	–	–
	Liability on account of outstanding foreign exchange contracts	3,013,892,212	4,838,020,995
	Liability on account of derivative contracts	9,151,272,543	7,460,436,327
	Guarantees given on behalf of constituents		
	- in India	103,582,339	105,395,682
	- outside India	47,751,614	49,845,116
	Acceptances, endorsements and other obligations	134,251,574	133,646,644
	Other items for which the Bank is contingently liable	66,934,225	50,337,136
	Total contingent liabilities	12,519,909,812	12,639,905,159

		For the year ended 31.3.2010 (₹ in 000s)	For the year ended 31.3.2009 (₹ in 000s)
13.	**Interest Earned**		
	Interest / discount on advances / bills	41,742,707	43,582,168
	Income on investments	14,124,359	12,430,263
	Interest on balances with RBI and other inter-bank funds	449,729	295,076
	Others	432,106	186,582
	Total interest earned	56,748,901	56,494,089
14.	**Other Income**		
	Commission, exchange and brokerage	24,756,400	17,619,971
	Net loss on sale of investments	(1,111,081)	(1,348,712)
	(Loss) / Profit on revaluation of investments	(3,485,541)	2,518,282
	Net profit on sale of premises and other assets	15,526	14,877
	Net profit on exchange transactions	4,660,728	5,919,532
	Miscellaneous income (including derivatives and long term Fx contracts)	3,540,144	6,246,552
	Total other income	28,376,176	30,970,502
15.	**Interest Expended**		
	Interest on deposits	14,415,996	19,624,078
	Interest on RBI and inter-bank borrowings	1,496,843	3,689,032
	Others	1,924,977	1,583,096
	Total interest expended	17,837,816	24,896,206

		For the year ended 31.3.2010 (₹ in 000s)	For the year ended 31.3.2009 (₹ in 000s)
16.	**Operating Expenses**		
	Payments to and provisions for employees	10,245,479	10,522,163
	Rent, taxes and lighting	1,487,158	1,462,656
	Printing and stationery	193,210	402,163
	Advertisement and publicity	2,696,082	2,890,593
	Depreciation on Bank's property	598,443	557,150
	Auditors' fees and expense	6,070	5,420
	Legal and professional charges	671,997	340,984
	Postage, telegrams, telephones, etc.	787,907	779,917
	Repairs and maintenance	553,850	741,252
	Insurance	594,335	455,453
	Travelling	301,837	341,421
	Business Support Cost	3,962,987	5,873,558
	Other expenditure	2,090,390	624,279
	Total operating expenses	24,189,745	24,997,009
17.	**Provisions and Contingencies**		
	Specific provisions against advances and claims (net)	6,290,022	4,802,137
	General provision against Standard Assets	–	1,822,809
	Floating Provision [Refer Note 18 D (2)]	750,000	–
	(Release) / Charge against Investments	(4,000)	11,529
	Provision on account of tax		
	- Current tax expense [Refer note 18 D(10), 18 E(11)]	15,623,820	12,927,932
	- Fringe benefit tax	–	114,717
	- Deferred tax credit [Refer note 18 E(10)]	(832,711)	(1,175,463)
	Total provisions and contingencies	21,827,131	18,503,661

18. Significant accounting policies and notes to financial statements

A) Background

1. The accompanying financial statements for the year ended 31 March 2010 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.

2. The 'Other Assets' of American Express Bank Limited – India Branches ('AEBL') amounting to ₹1,322 million as at the Appointed Date (05 March 2008) included an amount of ₹685 million representing net advance tax taken over as part of the amalgamation scheme approved by the Reserve Bank of India ('RBI'). This amount was incorporated in the financial statements of the Bank for the year ended 31 March 2008, with a corresponding credit to Reserves and Surplus.

   As part of the global acquisition of the American Express Bank Ltd., it was agreed that the seller, American Express Company, USA shall be responsible for any tax liabilities and have the benefit of tax refunds that arise for the period prior to the completion of the global acquisition (i.e., 29 February 2008). In accordance with the same, the Bank has, during the current year, with prior approval of RBI vide letter DBOD.IBD.No.393/23.61.013/2009-10 dated 06 July 2009, adjusted the amount of ₹685 million against the Reserves and Surplus in Schedule 2.

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 RBI from time to time, the Accounting Standards ('AS') prescribed by the Companies (Accounting Standards) Rules, 2006 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 Management to make estimates and assumptions that affect the reported amount of assets, liabilities, income and expenses and disclosure of contingent liabilities 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.

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.3/21.04.141/2009-10 dated 01 July 2009.

Classification

Investments are classified as 'Held to Maturity' ('HTM') or 'Held for Trading' ('HFT') or 'Available for Sale' ('AFS') at the time of its 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 the short-term price / interest rate movements are classified as HFT. All other investments are classified as AFS.

In the financial statements, investments 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. Where in the opinion of Management, any diminution has occurred in the value of any HTM security, which is other than temporary, appropriate provisions are made.

Investments classified as AFS are marked to market on a quarterly basis and those classified under 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 is ignored.

The mark to market value of investments 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 and Commercial paper, being discounted instruments, 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 DBOD mail box circular dated 10 October 2008 pertaining to transfer of securities from one category to another.

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

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

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

Accounting for repos / reverse repos

Repurchase (repos) and reverse repurchase (reverse repos) transactions are accounted for on outright sale and outright purchase basis respectively in line with RBI guidelines. The difference between the clean price of first leg and the clean price of the second leg is recognised as interest income / expense over the period of the transaction in the Profit and Loss account. Depreciation in the value, if any, compared to the original cost is provided for.

(2) Advances

Classification and provisioning of advances of the Bank are carried out in accordance with the RBI Master Circular on prudential norms on income recognition, asset classification and provisioning pertaining to advances DBOD. No. BP.BC.17/21.04.048/2009-10 dated 01 July 2009.

Classification

Advances are classified into performing and non-performing advances based on Management's periodic internal assessment and RBI's prudential norms on classification.

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, subject to minimum provisioning norms laid down by the RBI.

The Bank has a policy for floating provisions, based on which an amount of ₹750 million (disclosed in Schedule 9 – Advances) has been recognised during the year and netted off from gross NPAs.

The Bank also maintains a general provision at rates and norms prescribed by RBI in accordance with RBI Circular DBOD.No.BP.BC.17/21.04.048/2009-10 dated 01 July 2009 and discloses the same in Schedule 5 - Other liabilities and provisions.

(3) Securitisation

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 of Standard Assets' vide circular DBOD.No. BP.BC.60/21.04.048/2005-06 dated 01 February 2006 issued by the RBI. Securitisation transactions that do not meet the criteria for derecognition are accounted for as secured borrowings.

In accordance with the above circular, the gain arising on securitisation is amortised over the life of security issued/to be issued by the SPV. 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, appropriate provisions/disclosures are made in accordance with AS 29 – Provisions, contingent liabilities and contingent assets.

(4) Derivative Transactions

Derivative financial instruments 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 and other derivatives not designated as hedges are marked to market and the resultant unrealised gain or loss is recognised in the Profit and Loss Account as Other Income.

Hedges are accounted for on accrual basis. In accordance with the practices adopted by the Standard Chartered Group, a derivative instrument is designated as a hedge only if it can be clearly identified with the hedged item or transaction; it involves an external party and is effective. A hedge is regarded as effective if at the inception and throughout its life, the Bank expects and the actual results indicate that changes in fair values or cash flows of the hedged item are offset by the changes in the fair value or cash flows of the hedge and actual results are within a range of 80% to 125%.

(5) Income Recognition

Interest income on advances is recognised on accrual basis, except in case of interest on non-performing advances, which is recognised as income on receipt.

Interest income on discounted instruments is recognised over the tenor of the instrument on a constant effective yield basis. Commission on guarantees, letters of credit, fees on loans and credit card fees are recognised at the inception of the transactions.

Realised gains on investments under the HTM category are recognised upfront in the Profit and Loss account and subsequently appropriated to Capital Reserve net of tax expense. Losses are recognised in the Profit and Loss account.

(6) Fixed Assets and Depreciation

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 line 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 the revalued cost. On disposal of revalued premises, the amount standing to the credit of revaluation reserve is transferred to Capital Reserve.

Profit on disposal of immovable properties is recognised in the Profit and Loss account and subsequently appropriated to Capital Reserve net of tax expense and 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 1 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. If such assets are considered to be impaired, the impairment is recognised by debiting 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 transactions. 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 swaps and forward rate agreements are revalued at the exchange rates notified by FEDAI. 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.

(9) Retirement and other employee benefits

As per requirements of AS 15 (Revised 2005) - Employee Benefits, the Bank has determined the actuarial liability for employee benefits as per the projected unit credit method using an independent actuary. Actuarial gain or loss is recognised in the Profit and Loss account.

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 provides for its gratuity liability, which is a defined benefit scheme, based on actuarial valuation of the gratuity liability at the balance sheet date, carried out by an independent actuary.

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 provides for its pension liability in respect of award staff, which is a defined benefit scheme, based on actuarial valuation of the pension liability at the balance sheet date, carried out by an independent actuary.

e) Compensated absences

The Bank provides for its leave encashment liability in respect of award staff, based on actuarial valuation of the leave encashment liability at the balance sheet date, carried out by an independent actuary. Short term compensated absences are provided for on an estimated basis.

(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 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 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 substantially 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.

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

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

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

(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 ECS transactions. Provision for such reward points is made on the basis of behavioural analysis of utilisation trends.

E) Notes to Accounts

(1) Claims and Inquiry Proceedings

(I) Claims on the Bank on account of deficiencies in its assets, arising from earlier transactions in the securities markets relating to the period from April 1991 to May 1992, involving civil actions against several banks, financial institutions and individuals to recover amounts, some of which have also been investigated by the Central Bureau of Investigation, continue to be pursued. An amount of ₹322 million (2008-09: ₹322 million) excluding interest has been included in Schedule 12 – Contingent Liabilities (under 'Claims against the Bank not acknowledged as debts').

(ii) Proceedings in relation to securities transactions, vostro accounts and NRE accounts pertaining to the year 1992 onwards are in progress. The outcome of such proceedings is uncertain; hence, no provision has been made in these financial statements to reflect the effect, if any, of the outcome of such proceedings. Certain NRE civil adjudication proceedings were concluded vide Delhi High Court order dated 18 December 2009 in favour of SCB setting aside all the Enforcement Directorate penalty orders.

(2) 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 their letter Ref. DBOC IBS 145/23.13.116/2002-03 dated 22 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 Enforcement Directorate and the same was deposited between May–July 2007. These orders have been challenged before the Appellate Tribunal and the hearing is in progress.

(3) Taxation

Provision on account of tax for the period ended 31 March 2010 is ₹14,791 million (2008-09: ₹11,867 million).

Tax liabilities (including interest) of the Bank amounting to ₹1,903 million (2008-09: ₹1,785 million for the assessment years 1991-92 to 2005-06) (included in Schedule 12 – Contingent Liabilities) for the assessment years 1991-92 to 2006-07, 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.

(4) Statutory Disclosures

(i) Capital Adequacy

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Tier I Capital	80,367,722	77,998,143*
Tier II Capital	31,148,937	34,788,178
Total Capital	111,516,659	112,786,321
Total Risk-weighted assets and contingents	898,365,827	976,061,407
Capital Ratios		
Tier I Capital	8.94%	7.99%
Tier II Capital	3.47%	3.57%
Total Capital	12.41%	11.56%
Amount of subordinated debt as Tier II capital	22,450,000	29,310,000

* Excludes matter referred in Note 18(A)(2)

Capital adequacy for the current year has been calculated based on the Guidelines on the implementation of the 'New Capital Adequacy Framework' (Basel II), issued vide circular DBOD.No.BP.BC.73/21.06.001/2009-10 dated 08 February 2010.

(ii) Subordinated Debt

Schedule 4 - Borrowings include an amount of ₹24,450 million (2008-09: ₹29,310 million) pertaining to subordinated debts, details of which are given below:

(₹ in 000s)

Date of allotment	Amount	Coupon Frequency	Final Maturity
23 February 2000	₹2,000,000	Semi-annual	22 May 2010
03 March 2008*	₹11,225,000	Semi-annual	02 March 2018
30 June 2008*	₹11,225,000	Semi-annual	29 June 2018

* From Head Office.

Note: Subordinated Debt, earlier shown under Schedule 5 - Other Liabilities & Provisions has been reclassified to Schedule 4 – Borrowings, as prescribed by RBI circular DBOD.BP.BC.No. 79 /21.04.018/2009-10 dated 15 March 2010.

(iii) Key Ratios

Sr. No.		For the Year ended 31.3.2010	For the Year ended 31.3.2009
i.	Interest income as a % to working funds[1]	8.08%	8.50%
ii.	Non-interest income as a % to working funds[1]	4.04%	4.66%
iii.	Operating profit as a % to working funds[1]	6.14%	5.66%
iv.	Return on assets[1]	3.03%	2.87%
v.	Business (deposits + advances) per employee (₹ '000s)[2]	108,345	97,143
vi.	Profit per employee (₹ in '000s)	2,631	2,382

Note

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 Patterns of Assets and Liabilities

As at 31 March 2010

(₹ in 000s)

Maturity Bucket	Loans and Advances*	Investments	Deposits*	Borrowings*	Foreign Currency Assets	Foreign Currency Liabilities
Day 1	8,126,526	46,074,953	6,352,517	292,166	6,766,820	12,844,982
	(5,877,233)	(40,006,174)	(10,296,994)	(6,629,501)	(20,062,320)	(27,487,429)
2-7 days	20,664,765	15,846,556	59,487,039	17,634,000	2,132,573	15,655,133
	(24,933,438)	(7,408,741)	(45,391,559)	(–)	(1,804,517)	(6,652,622)
8-14 days	24,754,284	6,601,045	60,365,126	3,250,000	1,313,627	9,554,575
	(31,038,280)	(8,432,206)	(46,992,339)	(9,388,042)	(4,310,893)	(513,955)
15-28 days	20,161,686	9,493,265	44,310,625	5,000,000	7,514,012	1,111,196
	(25,507,765)	(7,784,572)	(38,743,293)	(10,412,454)	(6,759,529)	(11,036,191)
29 days – 3 months	62,288,283	29,600,143	81,115,865	11,623,243	19,303,637	16,271,996
	(55,140,918)	(22,887,915)	(66,560,437)	(30,971,454)	(21,186,593)	(34,183,417)
Over 3 months – 6 months	62,550,654	9,726,023	25,864,371	20,465,535	39,780,151	31,533,188
	(40,767,925)	(7,069,834)	(20,757,707)	(7,324,480)	(27,243,016)	(11,529,516)
Over 6 months – 1 years	39,409,221	20,400,681	41,879,485	–	8,564,627	25,913,043
	(28,379,635)	(17,096,493)	(46,546,206)	(1,950,000)	(11,256,099)	(12,511,604)
Over 1 year – 3 years	78,911,597	41,733,512	159,786,209	6,500,000	24,301,176	29,306,936
	(83,394,299)	(36,695,146)	(142,067,240)	(3,500,000)	(58,783,090)	(40,119,961)
Over 3 years – 5 years	23,424,831	2,159,495	2,612,617	–	24,169,312	19,217,962
	(23,408,459)	(143,276)	(511,753)	(–)	(36,735,737)	(37,834,491)
Over 5 years	75,229,667	2,498,856	150,001	22,450,000	11,438,449	29,089,159
	(56,443,329)	(6,776,850)	(150,133)	(25,360,000)	(16,760,732)	(38,448,723)
Total	415,521,514	184,134,529	481,923,855	87,214,944	145,284,384	190,498,170
	(374,891,281)	(154,301,207)	(418,017,661)	(95,535,931)	(204,902,526)	(220,317,909)

* Including foreign currency balances.

Figures in brackets relates to previous year

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

(v) Investments

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Value of Investments		
(i) Gross Value of Investments	188,500,921	155,760,769
(a) In India	188,500,921	155,760,769
(b) Outside India	–	–
(ii) Provisions for Depreciation	3,726,698	245,158
(a) In India	3,726,698	245,158
(b) Outside India	–	–
(iii) Net Value of Investments	184,774,223	155,515,611
(a) In India	184,774,223	155,515,611
(b) Outside India	–	–

(vi) Movement of Provision towards Depreciation on Investments

(₹ in 000s)

	For the Year ended 31.3.2010	For the Year ended 31.3.2009
Balance, beginning of the year	245,158	2,751,910
Add: Provisions made during the year	3,551,550	49,768
Less: Write-off against provisions during the year	–	–
Less: Write back of provisions during the year	(70,010)	(2,556,520)
Balance, end of the year	3,726,698	245,158

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

For the year ended 31 March 2010

(₹ in 000s)

	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at 31.3.2010
Securities sold under repos	3,999,878	52,001,892	19,025,860	52,001,892
Securities purchased under reverse repos	3,000,000	20,000,000	470,960	–

For the year ended 31 March 2009

(₹ in 000s)

	Minimum outstanding during the year*	Maximum outstanding during the year	Daily average outstanding during the year	Outstanding at 31.3.2009
Securities sold under repos	530,105	55,352,227	17,217,145	39,946,208
Securities purchased under reverse repos	13,000,000	13,000,000	35,616	–

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

(viii) Issuer composition of non-SLR investments

As at 31 March 2010

(₹ in 000s)

Issuer	Total Amount	Extent of Private Placement (a)	Extent of 'Below Investment Grade' Securities (b)	Extent of Unrated securities (c)	Extent of Unlisted securities (d)
PSU	8,500,430	7,989,700	–	39,700	39,700
Financial institutions	2,848,140	2,492,540	–	867,000	1,992,540
Banks	12,550,776	9,451,013	–	127	12,550,776
Private corporate	774,209	774,209	44,802	151,209	148,678
Subsidiaries / Joint ventures	100	100	–	100	100
Others	10,699,579	10,699,579	19	392,519	10,699,579
Provisions held towards depreciation	(44,821)	(44,821)	(44,821)	(44,821)	(43,041)
Total	35,328,413	31,362,320	–	1,405,834	25,388,332

(viii) Issuer composition of non-SLR investments *(Continued)*

As at 31 March 2009

(₹ in 000s)

Issuer	Total Amount	Extent of Private Placement (a)	Extent of 'Below Investment Grade' Securities (b)	Extent of Unrated securities (c)	Extent of Unlisted securities (d)
PSU	1,622,560	1,118,334	–	39,700	39,700
Financial institutions	7,681,850	7,681,850	–	6,603,789	7,403,850
Banks	1,651,898	942,330	–	127	1,651,898
Private corporate	2,056,483	2,056,483	48,802	156,483	153,952
Subsidiaries / Joint ventures	100	100	–	100	100
Others	2,289,556	2,289,556	19	19	2,289,587
Provisions held towards depreciation	(106,831)	(102,878)	(48,821)	(48,821)	(47,041)
Total	15,195,616	13,985,775	–	6,751,397	11,492,046

Note: Total investments includes investments in Pass Through Certificates (PTCs) of ₹10,307 million (2008 - 09: ₹2,290 million).

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

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

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Balance, beginning of the year	48,821	37,292
Additions during the year	8,000	14,529
Reductions during the year	(12,000)	(3,000)
Balance, end of the year	44,821	48,821
Total provisions held at end of the year	44,821	48,821

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

The percentage of net NPA to net advances is 1.40 % as at 31 March 2010 (2008-09: 1.37%).
The Provision Coverage Ratio (PCR) is 47% as at 31 March 2010 (2008-09: 45 %).
The PCR is computed as per RBI circular no. DBOD.No.BP.BC.64/21.04.048/2009-10 dated 01 December 2009.

(₹ in 000s)

Movement of Gross NPA*	For the year ended 31.3.2010	For the year ended 31.3.2009
Balance, beginning of the year	9,279,976	6,132,177
Additions during the year	7,331,719	6,461,678
Reductions during the year	(5,655,700)	(3,313,879)
Balance, end of the year	10,955,995	9,279,976

* In accordance with RBI circular DBOD.No.BP.BC.46/21.04.048/2009-10 dated 24 September 2009; Gross NPA is shown net of Interest in Suspense.

(₹ in 000s)

Movement of Net NPA	For the year ended 31.3.2010	For the year ended 31.3.2009
Balance, beginning of the year	5,140,890	3,453,753
Additions during the year	4,452,256	3,830,079
Reductions during the year	(3,788,271)	(2,142,942)
Balance, end of the year	5,804,875	5,140,890

(x) Disclosures relating to Non Performing Assets ('NPA') and related provisions: *(Continued)*

(₹ in 000s)

Movement in Provision for NPA (excluding provisions on standard assets)	For the year ended 31.3.2010	For the year ended 31.3.2009
Balance, beginning of the year	4,139,086	2,678,424
Add: Provisions made during the year	2,879,463	2,631,599
Less: Utilisation / write back of provisions no longer required	(1,867,429)	(1,170,937)
Balance, end of the year	5,151,120	4,139,086

(₹ in 000s)

Concentration of NPAs*	As at 31.3.2010	As at 31.3.2009
Total exposure to top four NPA accounts	2,613,826	1,187,695

* Gross NPAs are shown net of Interest in Suspense.

	Percentage of Net NPAs to Total Advances in that sector	
Sector wise Net NPA	As at 31.3.2010	As at 31.3.2009
Agriculture & allied activities	–	–
Industry (Micro & Small, Medium and Large)	1.25	1.74
Services	1.76	0.12
Personal Loans	2.05	1.56

Movement in Non Performing Assets ('NPA') and related provisions

(₹ in 000s)

Particulars	For the year ended 31.3.2010	For the year ended 31.3.2009
Gross NPAs* as on 01 April	9,279,976	6,132,177
Additions (fresh NPAs) during the year	7,331,719	6,461,678
Sub-total (A)	16,611,695	12,593,855
Less:		
(i) Upgradations	(1,566,000)	(1,329,491)
(ii) Recoveries (excluding recoveries made from upgraded accounts)	(2,641,974)	(792,416)
(iii) Write-offs	(1,447,726)	(1,191,972)
Sub-total (B)	(5,655,700)	(3,313,879)
Gross NPAs as on 31 March (A-B)	10,955,995	9,279,976

* In accordance with RBI circular DBOD.No.BP.BC.46/21.04.048/2009-10 dated 24 September 2009; Gross NPA is shown net of Interest in Suspense.

(xi) Concentration of Advances*

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Total advances to twenty largest borrowers	210,748,169	192,452,498
Percentage of advances to twenty largest borrowers to total advances of the Bank	14.30%	14.05%

* Advances are computed as per definition of credit exposure (including derivatives) as per RBI Master Circular on Exposure Norms DBOD.No.DIR.BC.15/13.03.00/2009-10 dated 01 July 2009.

(xii) Concentration of Exposures*

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Total exposure to twenty largest borrowers / customers	347,309,918	477,476,547
Percentage of exposures to twenty largest borrowers / customers to total exposure of the Bank on borrowers / customers	19.29%	26.07%

* Exposures are computed based on credit and investment exposure as per RBI Master Circular on Exposure Norms DBOD.No.DIR.BC.15/13.03.00/2009-10 dated 01 July 2009.

(xiii) Provision towards Standard Assets / Country Risk Exposure

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Provisions towards Standard Assets	4,427,175	4,427,175
Provisions towards Country Risk Exposure	9,227	9,227
Total	4,436,402	4,436,402

(xiv) Details of non performing financial assets purchased

The amount of non performing financial assets purchased during the year is ₹ Nil (2008 – 09: ₹ Nil)

(xv) Details of non performing financial assets sold

(₹ in 000s)

		For the year ended 31.3.2010	For the year ended 31.3.2009
(a)	Number of accounts sold during the year	252,879	3
(b)	Aggregate outstanding*	–	12,313
(c)	Aggregate consideration received	156,536	41,964

* Net book value on date of sale.

(xvi) Details of sale of financial assets to Securitisation / Reconstruction Company for Asset Reconstruction

(₹ in 000s)

		For the year ended 31.3.2010	For the year ended 31.3.2009
i)	No of accounts	1	440
ii)	Aggregate value (net of provisions) of accounts sold to SC/RC*	2,243	21,070
iii)	Aggregate consideration	5,000	119,725
iv)	Additional consideration realised in respect of accounts transferred in earlier years	–	–
v)	Aggregate gain / (loss) over net book value	2,757	98,655

* Net book value on date of sale.

(xvii) Unsecured Advances

Total amount of advances for which intangible securities such as charge over the rights, licenses, authority etc has been taken is ₹ Nil (2008 – 09 ₹ Nil).

(xviii) Overseas Assets, NPA and Revenue

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

(xix) Accounts Restructured

(a) Particulars of accounts restructured vide RBI Circular No. DBOD.No.BP.BC.No.17/21.04.048/2009-10 dated 01 July 2009:

For the year ended 31 March 2010 (₹ in 000s)

	Particulars of Accounts Restructured	CDR Mechanism	SME Debt Restructuring Others	Others
Standard advances restructured	No. of Borrowers	1	–	7
	Amount outstanding	500,283	–	2,797,885
	(of which amount restructured)	368,030	–	2,365,460
	Sacrifice (diminution in fair value)	222,271	–	4,594
Sub standard advances restructured	No. of Borrowers	–	–	7,415
	Amount outstanding	–	–	1,710,824
	(of which amount restructured)	–	–	1,482,801
	Sacrifice (diminution in fair value)	–	–	170,704
Doubtful advances restructured	No. of Borrowers	–	–	4
	Amount outstanding	–	–	268
	(of which amount restructured)	–	–	268
	Sacrifice (diminution in fair value)	–	–	42
TOTAL	No. of Borrowers	1	–	7,426
	Amount outstanding	500,283	–	4,508,977
	(of which amount restructured)	368,030	–	3,848,529
	Sacrifice (diminution in fair value)	222,271	–	175,340

For the year ended 31 March 2009 (₹ in 000s)

	Particulars of Accounts Restructured*	CDR Mechanism	SME Debt Restructuring Others	Others
Standard advances restructured	No. of Borrowers	–	–	4,149
	Amount outstanding	–	–	5,785,800
	(of which amount restructured)	–	–	4,170,362
	Sacrifice* (diminution in fair value)	–	–	71,293
Sub standard advances restructured	No. of Borrowers	–	–	729
	Amount outstanding	–	–	177,549
	(of which amount restructured)	–	–	177,549
	Sacrifice* (diminution in fair value)	–	–	19,293
Doubtful advances restructured	No. of Borrowers	–	–	–
	Amount outstanding	–	–	–
	(of which amount restructured)	–	–	–
	Sacrifice* (diminution in fair value)	–	–	–
TOTAL	No. of Borrowers	–	–	4,878
	Amount outstanding	–	–	5,963,349
	(of which amount restructured)	–	–	4,347,911
	Sacrifice* (diminution in fair value)	–	–	90,586

* In respect of advances restructured post 27 August 2008, as per the prudential guidelines on restructuring of advances by Banks, issued vide RBI circular DBOD. No. BP.BC.37/21.04.132/2008-09 dated 27 August 2008.

(xx) Lending to Sensitive Sector

(₹ in 000s)

Category	As at 31.3.2010	As at 31.3.2009
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:	101,077,680	73,123,734
Of which individual housing loans eligible for inclusion in priority sector advances	15,724,451	19,933,288
(ii) Commercial Real Estate		
Lending secured by mortgages on commercial real estates	47,104,093	31,052,305
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures		
a. Residential	2,083,612	2,083,612
b. Commercial Real Estate	392,500	–
Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	2,078,868	2,362,794
Total Exposure to Real Estate	152,736,753	108,622,445
Exposure to Capital Markets		
1. 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;	43,578	47,758
2. 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;	102,154	49,417
3. 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;	4,411,260	3,003,085
4. 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;	700,000	100,000
5. Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	12,767,429	11,745,519
6. 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;	550,000	–
7. Bridge loans to companies against expected equity flows / issues;	–	–
8. 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;	–	–
9. Financing to stockbrokers for margin trading;	–	–
10. All exposures to Venture Capital Funds (both registered and unregistered)	–	–
Total Exposure to Capital Markets	18,574,421	14,945,779

(xxi) Assets Securitised (including assignments)

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

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Book value of loans securitised	1,379,050	23,430,163
Total number of loans securitised (nos.)	6,093	534
Sale consideration received	1,376,815	23,471,615
Net (loss) / profit on securitisation*	(2,235)	41,452

* Profit is amortised over the residual maturity of the securities.

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

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Credit Enhancement given in the form of Cash Collateral	755,104	755,104
Credit Enhancement given in the form of Guarantees	1,715,095	1,715,095
Liquidity Support	–	–
Post securitisation asset servicing	–	–

(xxii) Risk Exposure in Derivatives

(a) Exchange traded derivatives

The Bank has entered into interest rate future trades during the year (2008-09: Nil). There is no amount outstanding at the year end as notional principal on account of exchange traded interest rate derivatives (2008-09: Nil).

(b) Qualitative Disclosures

Risk Management in derivative trading

The Bank enters into derivative contracts in the normal course of business to meet customer requirements and to manage its own exposures to fluctuations in price, interest and exchange rates.

The derivatives are primarily subject to market risk, credit risk, interest rate and foreign exchange risk.

The Bank uses Value at Risk ('VaR') to measure and monitor all market risk related activities. VaR models are back tested against actual results to ensure that pre-determined level of accuracy is maintained. Additional limits are placed specific to instruments and currency concentrations where appropriate. In addition to VaR, other sensitivity measures like PV01 and stress testing are applied as risk management tools. Option risks are managed through revaluation limits on currency and volatility shifts and other control limits.

Appropriate internal limits and policies in this regard are set by the Bank's Group Risk Committee and Group Market Risk Committee and exposures against these limits are monitored on a daily basis by an independent department at country level as well as at Head Office level.

Policies for hedging

In accordance with the practices adopted by the Standard Chartered Group, a derivative instrument is designated as a hedge only if it can be clearly identified with the hedged item or transaction; it involves an external party and is effective.

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.

In case of certain clients, transactions are done on the back of margins from clients.

Provisioning on the exposure taken on derivative contracts is made as per Bank's internal guidelines and assessment subject to minimum RBI norms.

(xxii) Risk Exposure in Derivatives *(Continued)*

(c) Quantitative Disclosures

(₹ in Crores)

Sr. No.	Particulars	Currency Derivatives as at 31.3.2010	Interest rate derivatives as at 31.3.2010	Currency Derivatives as at 31.3.2009	Interest rate derivatives as at 31.3.2009
1	Derivatives (Notional Principal Amount)				
	a) For hedging	–	–	–	–
	b) For trading	485,436	731,081	663,169	566,677
2	Marked to Market Positions				
	a) Asset (+)	12,063	5,714	25,862	8,376
	b) Liability (-)	(10,604)	(5,908)	(21,992)	(9,062)
3	Credit Exposure[1]	27,921	11,706	46,956	12,677
4	Likely impact of one percentage change in interest rate (100*PV01)[2]				
	a) on hedging derivatives	–	–	–	–
	b) on trading derivatives	131.48	331.98	32.46	60.23
5	Maximum of 100*PV01 observed during the year[2]				
	a) on hedging	–	–	–	–
	b) on trading	195.18	394.85	153.36	142.50
6	Minimum of 100*PV01 observed during the year[2]				
	a) on hedging	–	–	–	–
	b) on trading	0.59	26.19	24.38	0.03

[1] Computed as per the current exposure method under 'New Capital Adequacy Framework' (Basel II), issued vide circular DBOD.No.BP.BC.73/21.06.001/2009-10 dated 08 February 2010.

[2] Only for INR 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:

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
IRS	7,219,279,970	5,590,467,148
IRO	86,792,332	72,709,351
FRA	4,732,675	3,591,990
	7,310,804,977	5,666,768,489

The credit risk is the pre-settlement risk which is estimated in accordance with the Bank's Loan Equivalent Risk approach. All IRS, IRO and FRA are monitored for price risks under the Value at Risk approach.

The Bank has not taken any collateral from counter parties of IRS, IRO and FRA.

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:

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
IRS	56,524,742	83,398,449
IRO	609,079	354,691
FRA	2,927	2,652
	57,136,748	83,755,792

As at 31 March 2010, the exposure on IRS contracts, IRO and FRA is spread over various industries. However, based on the notional principal amount, the maximum single industry exposure lies with banks at 92% (2008-09: 95%).

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

Fair value (net MTM value) which the Bank would receive or pay to terminate the swap agreements as on 31 March 2010 is as below:

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
IRS	(1,942,084)	(6,865,308)
IRO	–	(1,163)
FRA	–	–
	(1,942,084)	(6,866,471)

Note: figures in bracket denote negative MTM.

(xxiv) Country Risk Exposure

Provision for country risk exposure in accordance with RBI Master Circular No.22 /21.04.018/2009-10 dated 01 July 2009 is given under:

(₹ in 000s)

Risk Category	Funded Exposure (net) as at 31.3.2010	Provision held as at 31.3.2010	Funded Exposure (net) as at 31.3.2009	Provision held as at 31.3.2009
Insignificant	10,334,906	9,227	22,082,509	9,227
Low	1,019,157	–	598,951	–
Moderate	699,833	–	173,149	–
High	181,806	–	7,557	–
Very High	5,253	–	7,101	–
Restricted	–	–	–	–
Off-credit	–	–	–	–
Total	12,240,955	9,227	22,869,267	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 is within specified limits.

(xxvi) Provisions and contingencies

As per AS 29 – Provisions, Contingent Liabilities and Contingent Assets, given below are the movements in provision for reward points awarded to customer and provision for delinquencies on securitised assets, along with a brief description of the nature of contingent liabilities recognised by the Bank.

(a) Movement in provision for reward points awarded to customers

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Opening provision	119,732	126,416
Provision made during the year	102,244	52,819
Utilisation / write back of provision during the year	(79,401)	(59,503)
Closing provision	142,575	119,732

Basis of calculation of provision on reward points is explained in Note 18 (D) (12). The provision is utilised when actual claims for redemption are made by card holders.

(xxvi) Provisions and contingencies *(Continued)*

(b) Movement in provision for delinquency on securitised assets

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Opening provision	–	50,635
Provision made during the year	–	–
Utilisation / write back of provision during the year	–	(50,635)
Closing provision	–	–

Provisions are made based on expected losses / cash collateral utilised and will be utilised / written back on maturity of the underlying transactions.

(c) 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 with inter-bank participants 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.

(iii) Liability on account of derivative contracts:

These include notional principal on outstanding currency swaps, currency options, currency futures, interest rate swaps, interest rate options and forward rate agreements.

(iv) Guarantees given on behalf of constituents, acceptances, endorsements and others:

As a part of its commercial banking activities, the Bank issues documentary credit and guarantees on behalf of its customers. Documentary credits such as letters of credit enhance 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.

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

(d) Breakup of Schedule 17 – Provisions and Contingencies

(₹ in 000s)

Particulars	For the year ended 31.3.2010	For the year ended 31.3.2009
Specific provisions against advances and claims (net)	6,290,022	4,802,137
Floating Provision	750,000	–
(Release) / Charge against Investments	(4,000)	11,529
Provision towards Standard Assets[1]	–	1,822,809
Provision towards Income Tax		
– Current tax expense[2]	15,623,820	12,927,932
– Fringe benefit tax	–	114,717
– Deferred tax	(832,711)	(1,175,463)

[1] includes general provision on Off Balance Sheet exposures as per RBI circular DBOD.No.BP.BC. 1/21.04.157/2008-09 dated 08 August 2008 and provision towards country risk exposure.

[2] includes Wealth Tax.

(xxvi) Provisions and contingencies *(Continued)*

(e) Floating Provisions

(₹ in 000s)

Particulars	For the year ended 31.3.2010	For the year ended 31.3.2009
Opening Balance	–	–
Provisions made during the year	750,000	–
Utilisation during the year	–	–
Closing Balance	750,000	–

(f) Draw Down From Reserves

During the year ended 31 March 2010, there has been an adjustment to reserves on account of erstwhile AEBL's net advance tax balance of ₹685 million (2008 – 09: ₹ Nil) - Refer note 18 A (2).

(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 and gratuity is given below:

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Changes in present value of defined benefit obligations		
Opening Balance as at 1 April	1,241,929	914,178
Current Service cost	47,055	36,126
Interest cost	112,833	70,332
Actuarial (gains) / losses	(68,047)	118,093
Benefits paid	(111,474)	(82,380)
Closing balance as at 31 March	1,222,296	1,056,349
Present value of defined benefit obligations of employees of erstwhile AEBL as on 31 March	–	185,580
Total (A)	1,222,296	1,241,929
Changes in Fair Value of Plan Assets		
Opening Balance as at 1 April	621,518	292,830
Expected return on Plan Assets	49,008	26,382
Contributions paid by the Bank	97,502	171,396
Benefits paid	(111,474)	(82,380)
Actuarial gains / (losses)	18,867	4,532
Closing Balance as at 31 March	675,421	412,760
Fair Value of Plan Assets of erstwhile AEBL as on 31 March	–	208,758
Total (B)	675,421	621,518
Net Asset / (Liability) recognised (B-A)	(546,875)	(620,411)
Present value of Defined benefit obligations as at 31 March	1,222,296	1,241,929
Fair Value of Plan Assets as at 31 March	675,421	621,518
Funded Status [Surplus / (Deficit)]	(546,875)	(620,411)
Unrecognised assets as per paragraph 59(b) of AS 15	(15,201)	(3,601)
Net Asset / (Liability) recognised in Balance Sheet	(562,076)	(624,012)

The figures for year ended 31 March 2010 include the plan liabilities, assets and employer's expense of erstwhile AEBL.

(xxvii) Retirement Benefits *(Continued)*

(a) Defined Benefit Plans *(Continued)*

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Components of employer's expense		
Current service cost	47,055	36,126
Interest cost	112,833	70,332
Expected return on assets	(49,008)	(26,382)
Net actuarial (gains) / losses*	(86,914)	90,383
Effect of the limit in paragraph 59(b) of AS 15	11,600	520
Net Cost recognised in the Profit and Loss Account	35,566	170,979

* The figure for 31 March 2009 includes a component of employer's expenses of erstwhile AEBL.

Experience adjustments

	31.3.2010	31.3.2009
Experience adjustment on plan liabilities	41,745	20,152
Experience adjustment on plan assets	18,867	4,532

Key Assumptions

	31.3.2010	31.3.2009
Discount rate	8.00%	6.90%
Expected return on plan assets	7.50%	7.50%
Salary escalation rate		
• Management Staff	7.50%	6.50%
• Non Management Staff	6.00%	5.00%

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

The actuarial assumptions have been made on the basis of legislation enacted upto the Balance Sheet date.

The Bank's pension and gratuity funds are managed by its trust and insurer respectively. Plan assets are invested in the approved securities.

(b) Defined Contribution Plans

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

(₹ in 000s)

Particulars	For the year ended 31.3.2010	For the year ended 31.3.2009
Provident Fund	246,452	205,845
Superannuation Fund	40,215	33,320

(xxviii) Primary dealership

In line with the RBI circular IDMD.PDRS.01/03.64.00/2009-10 dated 01 July 2009, the details pertaining to net borrowing in call money markets are as under:

For the year ended 31 March 2010

(₹ in 000s)

Particulars	Average net call borrowing	Maximum net call borrowing
Net Call Borrowing	147,260	12,000,000

(xxviii) Primary dealership *(Continued)*

For the year ended 31 March 2009

(₹ in 000s)

Particulars	Average net call borrowing	Maximum net call borrowing
Net Call Borrowing	3,175,479	23,200,000

(xxix) Customer complaints and awards of Banking Ombudsman

In accordance with RBI circular DBOD.No.Leg.BC.75/09.07.005/2008-09 dated 03 November 2008, details with respect to customer complaints and awards passed by the Banking Ombudsman are given below:

Customer complaints:

(₹ in 000s)

		For the year ended 31.3.2010	For the year ended 31.3.2009
(a)	No. of complaints pending at the beginning of the year	88	121
(b)	No. of complaints received during the year	3,487	4,294
(c)	No. of complaints redressed during the year	3,281	4,327
(d)	No. of complaints pending at the end of the year	294	88

Awards passed by the Banking Ombudsman:

(₹ in 000s)

		For the year ended 31.3.2010	For the year ended 31.3.2009
(a)	No. of unimplemented awards at the beginning of the year	2	–
(b)	No. of awards passed by the Banking Ombudsman during the year	5	4
(c)	No. of awards implemented during the year	6	2
(d)	No. of unimplemented awards at the end of the year	1	2

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

During the year ended 31 March 2010, the Bank has not issued any LoC in favour of subsidiaries (2008 – 09: Nil).

(xxxi) Fees earned in respect of the bancassurance business

(₹ in 000s)

Nature of income	For the year ended 31.3.2010	For the year ended 31.3.2009
For selling life insurance policies (including ULIPs)	1,027,095	987,134
For selling non life insurance policies	55,802	73,909
Total	1,082,897	1,061,043

(xxxii) Concentration of Deposits

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Total deposits of twenty largest depositors	84,082,999	81,114,346
Percentage of deposits of twenty largest depositors to total deposits of the Bank	17.45%	19.40%

(xxxiii) Off-Balance Sheet SPVs sponsored

The Bank does not have any Off-Balance Sheet SPVs sponsored.

(5) Segment reporting

(i) Segment description

The Bank has disclosed its operations under the following business 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. The previous year segment classification is in line with the methodology adopted for the current year.

(ii) Segment Accounting Policy

Segment revenues stated below are aggregate of Schedule 13 – Interest earned and Schedule 14 – Other income less Schedule 15 – Interest expended. 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 Management's 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 segments based on period end Risk Weighted Assets.

(iii) Geographic Segments

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

(5) Segment reporting *(Continued)*

(iv) Segment Reporting:

For the year ended 31 March 2010

(₹ in 000s)

	Treasury	Wholesale Banking	Retail Banking	Others	Total
A. Net Segment Revenue	14,304,352	35,102,932	18,370,886	(490,909)	67,287,261
B. Segment Results	10,050,434	21,421,461	3,468,742	1,120,857	36,061,494
C. Operating Profit	–	–	–	–	36,061,494
D. Income Taxes	–	–	–	(14,791,109)	(14,791,109)
E. Net Profit	–	–	–	–	21,270,385
Other information					
F. Segment Assets	422,702,311	303,863,247	134,863,688	34,017,082	895,446,328
G. Segment Liabilities	294,222,405	337,093,818	248,267,480	15,862,625	895,446,328

For the year ended 31 March 2009

(₹ in 000s)

	Treasury	Wholesale Banking	Retail Banking	Others	Total
A. Net Segment Revenue	18,727,734	26,696,978	17,256,446	(112,773)	62,568,385
B. Segment Results	11,186,183	15,571,356	3,267,532	909,829	30,934,900
C. Operating Profit	–	–	–	–	30,934,900
D. Income Taxes	–	–	–	(11,867,185)	(11,867,185)
E. Net Profit	–	–	–	–	19,067,715
Other information					
F. Segment Assets	544,963,349	260,912,368	135,465,340	33,311,670	974,652,727
G. Segment Liabilities	452,844,479	287,774,132	221,090,243	12,943,873	974,652,727

(6) Penalties

A penalty of ₹10 (in 000s) was imposed on the Bank by RBI under section 11 (3) of Foreign Exchange Management Act, 1999 (FEMA) for violation of instructions issued under FEMA in a specific commodity derivative transaction.

(7) Related Party

(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 are given below:

(a) Ultimate Parent Company

Standard Chartered Plc

(b) Parent Company

Standard Chartered Holding Limited

(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 Branches
- Standard Chartered Bank UK
- Standard Chartered Bank Jersey Branches
- Standard Chartered Bank (Germany) GmbH (w.e.f. June 2009)
- Standard Chartered Bank Sri Lanka
- Standard Chartered Bank Bahrain

(e) Branches of Head Office *(Continued)*

- 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 Brunei
- Standard Chartered Bank Indonesia
- Standard Chartered Bank Korea
- Standard Chartered Bank Japan
- Standard Chartered Bank Australia Branches
- Standard Chartered Bank South Africa
- Standard Chartered Bank Bangladesh
- Standard Chartered Bank Jordan

(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 (Germany) GmbH (till June 2009)
- 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, India
- Standard Chartered Grindlays Pty 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
- Standard Chartered Bank Uganda Limited
- Standard Chartered Bank Zambia PLC
- Standard Chartered Private Equity Advisory (India) Private Limited
- Standard Chartered (Jersey) Limited
- Standard Chartered – STCI Capital Markets 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

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

(g) Key Management Personnel

In accordance with the RBI circular DBOD No BP.BC.89/21.04.018/2002-03 dated 29 March 2003, only Mr. Neeraj Swaroop, the Chief Executive Officer of the Bank for the year 2009-10, falls under the category of key management personnel, hence no related party disclosures are made with respect to the same.

(7) Related Party *(Continued)*

(ii) Transactions and Balances

In line with the RBI circular DBOD No.BP.BC.89/21.04.018/2002-03 dated 29 March 2003, 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.

(₹ in 000s)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	For the year ended 31.3.2010	For the year ended 31.3.2009	For the year ended 31.3.2010	For the year ended 31.3.2009	For the year ended 31.3.2010	For the year ended 31.3.2009
Leasing arrangements availed	–	–	–	–	8,214	19,248
Leasing arrangements provided	–	–	–	–	150,220	140,470
Sale of Fixed Assets	–	–	–	–	125,445	–
Employee Share Options	–	–	695,415	443,162	–	–
Rendering of services	–	–	283,583	467,530	753,302	933,286
Receiving of services	–	–	2,423,202	2,990,403	3,257,175	3,345,758
Interest Paid	–	–	982,565	2,423,133	120,251	110,934
Interest Received	–	–	3,030	35,694	137,242	142,392
Sale of foreign exchange	–	–	3,131,966,956	2,787,435,971	6,420,423	1,537,226
Purchase of foreign exchange	–	–	3,208,402,393	2,730,640,881	1,590,357	2,525,916
Fee and commission / other income	–	–	4,941,433	4,423,616	89,593	–
Service Fees received on Guarantees / LCs	–	–	45,271	32,772	7,895	10,616
Service Fees paid on Guarantees / LCs	–	–	24,189	39,325	1,349	3,210
Purchase of investments	–	–	–	–	12,704,483	2,325,982
Sale of investments	–	–	–	–	46,264,784	20,753,105

(₹ in 000s)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	As at 31.3.2010	Maximum Outstanding during the year	As at 31.3.2010	Maximum Outstanding during the year	As at 31.3.2010	Maximum Outstanding during the year
Lease Rentals Payable	–	–	–	–	–	(4,571)
Lease Rentals Receivable	–	–	–	–	12,190	22,373
Share Options	–	–	(564,485)	(564,485)	–	–
Borrowings	–	–	(25,223,278)	(53,288,017)	–	–
Subordinated Debts	–	–	(22,450,000)	(25,356,250)	(340,000)	(340,000)
Deposit / Vostros	–	–	(1,624,552)	(1,624,552)	(7,099,963)	(8,257,517)
Investments	–	–	–	–	1,125,640	1,138,893
Placements	–	–	–	17,636,383	–	–
Advances	–	–	–	–	546,740	1,731,090
Nostro Balances	–	–	2,367,592	19,466,245	26,774	431,979
Derivative Notional & Trade Contingents	–	–	1,110,945,665	1,220,501,365	31,155,441	51,007,317
Sundry Balances (Net)	–	–	(1,680,744)	(6,948,887)	(623,891)	(822,562)
Positive MTM	–	–	17,825,752	30,977,037	2,217,168	2,217,168
Negative MTM	–	–	(26,460,648)	(39,042,507)	(22)	(1,674,394)

(7) Related Party *(Continued)*

(₹ in 000s)

	Parent Company		Head Office & Branches		Subsidiaries & Fellow Subsidiaries	
	As at 31.3.2009	Maximum Outstanding during the year	As at 31.3.2009	Maximum Outstanding during the year	As at 31.3.2009	Maximum Outstanding during the year
Lease Rentals Payable	–	–	–	–	(4,571)	(19,248)
Lease Rentals Receivable	–	–	–	–	22,373	22,549
Share Options	–	–	(346,475)	(346,475)	–	–
Borrowings	–	–	(46,612,565)	(66,493,934)*	–	(617,326)
Subordinated Debts	–	–	(25,360,000)	(25,979,350)	(340,000)	(340,000)
Deposit / Vostros	–	–	(200,455)	(763,407)	(4,281,976)	(6,076,314)
Investments	–	–	–	–	800,596	2,326,082
Placements	–	–	–	102,904,307	–	–
Advances	–	–	–	–	1,120,590	3,289,590
Nostro Balances	–	–	9,756,999	21,908,553	3,633	96,438
Derivative Notional & Trade Contingents	–	–	1,215,461,674	1,323,026,624	23,614,910	27,097,733
Sundry Balances (Net)	–	–	(2,786,910)	(2,786,910)	(572,831)	(572,831)
Positive MTM	–	–	25,162,145	34,241,662	46,106	520,363
Negative MTM	–	–	(39,042,507)	(41,182,709)	(1,674,394)	(1,674,394)

* Based on the methodology adopted for current year.

Figures in bracket denotes payable.

(8) 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:

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Lease payments recognised in the Profit and Loss account in respect of operating leases	1,131,075	944,176

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Assets given on lease – Premises		
Gross carrying amount	1,944,548	1,949,981
Accumulated depreciation	51,506	51,001
Depreciation charge for the year	10,819	13,284

- 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.

(9) 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'):

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Number of suppliers registered with competent authorities	35	11
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	–	–

(10) Deferred Tax

The deferred tax benefit of ₹833 million for the year ended 31 March 2010 (2008-09: ₹1,175 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:

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Deferred tax assets		
Provision for Advances	3,562,503	2,728,034
Depreciation	143,275	174,848
Disallowances under section 43B of Income Tax Act 1961	363,648	368,415
Others	149,455	114,872
Deferred tax assets	4,218,881	3,386,169
Deferred tax liabilities	–	–
Net deferred tax assets	4,218,881	3,386,169

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

(₹ in 000s)

	For the year ended 31.3.2010	For the year ended 31.3.2009
Provision for Income Tax (excluding Wealth Tax)	15,608,820*	12,912,932

* Including ₹744 million relating to prior assessment years.

(12) Portfolio Purchase

The Bank has purchased loans (Retail Mortgages) amounting to ₹5,602 million (2008-09 ₹1,746 million) from various NBFCs.

(13) 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 ₹695 million (2008-09: ₹443 million) under the head 'Payments to and provisions for the employees', as cost on account of share-based payments.

(14) Revaluation of Premises

Premises are revalued periodically and are stated at revalued cost less accumulated depreciation. The most recent valuation of the premises was conducted in March 2008. The premises were stated at market values as at that date as determined by an external registered valuer. The resulting revaluation surplus amounting to ₹4,058 million was transferred to the revaluation reserve in March 2008.

(15) 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 2010

Particulars		For the year ended 31.3.2010 (₹ in 000s)	For the year ended 31.3.2009 (₹ in 000s)
Cash flow from Operating activities			
Profit Before Tax		36,061,494	30,934,900
Adjustments for:			
Depreciation on Bank's property		598,443	557,150
Interest on subordinated debt		1,196,478	1,528,953
Provision in respect of non-performing assets (including prudential provision on standard assets)		6,290,022	6,624,946
Floating Provision		750,000	–
Depreciation / (appreciation) on investments		3,481,541	(2,506,753)
Profit on sale of fixed assets		(15,526)	(14,876)
		48,362,452	37,124,320
Adjustments for:			
Decrease / (increase) in investments (excluding HTM investments)		(39,279,224)	(28,752,714)
Decrease / (increase) in advances		(47,670,256)	(46,447,080)
Decrease / (increase) in other assets		153,563,168	(178,090,859)
Increase / (decrease) in borrowings		(6,370,987)	(3,281,639)
Increase / (decrease) in deposits		63,906,194	47,982,439
Increase / (decrease) in other liabilities and provisions		(147,577,054)	163,987,855
		24,934,293	(7,477,678)
Direct taxes paid		(13,377,684)	(13,207,541)
Net Cash flow from / (used in) operating activities	(A)	11,556,609	(20,685,219)
Cash flow from investing activities			
Purchase of fixed assets (Including capital work in progress)		(2,145,438)	(6,829,180)
Proceeds from the sale of fixed assets		175,146	43,903
Decrease / (increase) in HTM Investments		6,539,071	3,616,432
Net Cash flow from / (used in) investing activities	(B)	4,568,779	(3,168,845)
Cash flow from financing activities			
Remittance to Head Office		(7,295,807)	–
Subordinated debt		(1,950,000)	10,755,938
Interest on subordinated debt		(1,268,324)	(1,391,608)
Net cash flow from / (used in) financing activities	(C)	(10,514,131)	9,364,330
Net (decrease) / increase in cash and cash equivalents (A+B+C)		5,611,257	(14,489,734)
Cash and cash equivalents at the beginning of the year		42,195,076	56,684,810
Cash and cash equivalents at the end of the year		47,806,333	42,195,076

Cash Flow Statement
for the year ended 31 March 2010

Note: Cash and Cash Equivalent represents

	Schedule	As at 31.3.2010	As at 31.3.2009
Cash and balances with the RBI	6	38,016,330	25,183,085
Balance with Banks and Money at call and short notice	7	9,790,003	17,011,991
Total		47,806,333	42,195,076

As per our report of even date

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

For Standard Chartered Bank – India Branches

Akeel Master
Partner
Membership No. 046768

Neeraj Swaroop
Regional Chief Executive – India and South Asia

16 June 2010
Mumbai

Anurag Adlakha
Chief Financial Officer – India and South Asia

Auditors' Report on the financial statements of Standard Chartered Bank – India Branches under Section 30 of the Banking Regulation Act, 1949

The Chief Executive Officer
Standard Chartered Bank – India Branches

We have audited the attached Balance Sheet of Standard Chartered Bank – India branches ("the Bank") as at 31 March 2010 and the related Profit and Loss Account and the Cash Flow Statement annexed thereto for the year ended on that date. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Balance Sheet and the Profit and Loss Account have been drawn up in accordance with the provisions of Section 29 of the Banking Regulation Act, 1949 read with sub-regulation (1), (2) and (5) of Section 211 and sub-section (5) of section 227 of the Companies Act, 1956.

In respect of the matter mentioned in the Schedule 18 (E) (1) to the financial statements, we are unable to form an opinion on their outcome and consequently their effect, if any, on the results of the Bank for the year.

In our opinion, subject to the effect of such adjustments in respect of matters mentioned in Schedule 18 (E) (1) if any, that might have become necessary had the outcome of the matter referred to above been known, and to the best of our information and according to the explanations given to us, the said accounts give the information required under the Banking Regulation Act, 1949 and the Companies Act, 1956 in the manner so required for banking companies and give a true and fair view:

a) In the case of Balance Sheet, of the state of affairs of the Bank as at 31 March 2010;
b) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Further, in our opinion, the financial statements dealt with by this report comply with the Accounting Standards, referred to in sub section 3(C) of Section 211 of the Companies Act, 1956, to the extent they are not inconsistent with the accounting policies prescribed by the Reserve Bank of India.

We further report that:

- We have obtained all information and explanations which to the best of our knowledge and belief, were necessary for the purpose of the audit and have found them to be satisfactory;
- The financial accounting systems of the Bank are centralised and therefore, accounting returns for the purpose of preparing financial statements are not required to be submitted by the branches;
- The transactions of the Bank, which have come to our notice have been within the powers of the Bank;
- In our opinion, the Bank has maintained proper books of account as required by the law insofar as appears from our examination of those books;
- The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- In our opinion, and to the best of our information and according to the explanation given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required for banking companies and guidelines issued by the Reserve Bank of India from time to time; and
- The requirements of Section 274(1)(g) of the Companies Act, 1956 are not applicable considering the Bank is a branch of Standard Chartered Bank, which is incorporated with limited liability in United Kingdom.

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

Akeel Master
Partner
Membership No. 046768

16 June 2010
Mumbai

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 over 1,650 branches and offices in more than 70 countries and territories; and over 77,000 employees. The Group is regulated by its home regulator, viz. Financial Services Authority (FSA), in the United Kingdom (UK).

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 both, the London Stock Exchange and the Stock Exchange of Hong Kong (from June 2010 in India as well). 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.

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, covered in this report, 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, the Foundation Internal Ratings Based Approach and the Advanced Internal Ratings Based Approach (AIRB). Basel II also introduced capital requirements for operational risk 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 AIRB and Value at Risk (VaR) model for the measurement of credit risk and market risk capital respectively and applies The Standardised Approach for determining its operational risk capital requirements. In accordance with mandatory local regulations, SCBI has adopted standardised approaches for local regulatory Pillar 1 purposes and intends to apply to RBI to migrate to advanced approaches as and when permitted and where it is considered appropriate to do so.

During the initial years of Basel II implementation, the minimum capital requirements under Pillar 1 were restricted by reference to the Basel I framework, so they could not fall below 80% of the Basel I capital requirements as of March 2010. This restriction was due to expire at the end of March 2010, but the RBI has decided to retain this capital floor until further advice.

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 operational risk.

The Group has developed an ICAAP framework which closely integrates the risk and capital assessment processes, and ensures that adequate levels of capital are maintained to support the Group's 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 as well.

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.

3.4 Accounting and Prudential Treatment / Consolidation Framework

The consolidation norms for accounting are determined by the prevailing Indian Generally Accepted Accounting Principles (GAAP) viz. AS 21 Consolidated Financial Statements (CFS) and AS 27 Financial Reporting of Interests in Joint Ventures. The regulatory requirements are governed by circulars and guidelines of the RBI. 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 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 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. Ltd.	Fully owned subsidiary of Licensed Bank	Holding shares / debentures in limited companies on behalf of SCBI including those given as collaterals to SCBI against loans, advances and other facilities.	Private Limited Company incorporated under Indian Companies Act	Full
Standard Chartered Investments and Loans India Limited (SCILL)	Entity controlled by Licensed bank'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 STCI Capital Markets Limited (SC Caps)	Entity controlled by Licensed bank's Parent / Group	Rendering broking services, distribution of financial products and depository services	Limited Company incorporated under Indian Companies Act	74.9%

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

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 meet regulatory capital requirements at all times.

4.2 Approach

Strategic, business and capital plans are drawn up annually covering a three year horizon and approved by the India Management Committee (MANCO) and the Group. These plans are underpinned by the Group / Bank's risk appetite and ensure that the forecast capital requirements are based on an explicit assessment of the overall risk profile. The plans also ensure that adequate levels of capital are maintained by the Bank to support its strategy. This is integrated with the Group / Bank's annual planning process which takes into consideration business growth assumptions across products and the related impact on capital ratios.

The capital plan takes the following into account:

- Regulatory capital requirements;
- Forecast demand for capital to maintain the internal trigger ratios;
- Demand for capital due to business growth, market stresses and potential risks; and
- Available supply of capital and capital raising options.

The Group / Bank uses internal models and other quantitative techniques in its internal risk and capital assessment. The models help to estimate potential future losses arising from credit, market and other risks, and hence, the amount of capital required to support them. In addition, the models enable the Bank to gain a deeper understanding of its risk profile, e.g., by identifying potential concentrations, assessing the impact of portfolio management actions and performing what-if analysis.

Stress testing and scenario analysis are used to ensure that the Group / Bank's internal capital assessment considers the impact of extreme but plausible scenarios on its risk profile and capital position. They provide an insight into the potential impact of significant adverse events on the Bank and how these could be mitigated. The Bank's target levels are set taking into account its risk appetite and its risk profile under future expected and stressed economic scenarios.

The Bank's assessment of risk appetite is closely integrated with its strategy, business planning and capital assessment processes, and is used to inform senior management's views on the level of capital required to support the Bank's business activities.

The Group / Bank uses a model to assess the capital demand for material risks, and support its internal capital adequacy assessment. Each material risk is assessed, relevant mitigants considered, and appropriate levels of capital determined. The capital model is a key part of the Group's management disciplines.

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 mitigants.

4.3 Governance and Target Setting

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, Group Capital Management Committee (CMC) and Group Treasury (GT). The responsibility of capital management has been assigned to a dedicated sub-committee of ALCO, the CMC, which meets at least once a month.

Regulatory capital (Pillar 1) ratios are, in general, managed to a trigger capital ratio of around 10% as against the regulatory minimum of 9%. However, during periods of unusual volatility in key variables impacting Risk Weighted Assets (RWA) or capital, the CMC / ALCO may in addition, set a Management Action Trigger above the 10% trigger ratio, to provide sufficient time for planning and undertaking mitigating / corrective actions.

Capital in branches and subsidiaries is maintained on the basis of host regulator's regulatory requirements. 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 the Group has sufficient capital available to meet local regulatory capital requirements at all times.

4.4 Mobility of Capital Resources

Taking into consideration that SCBI is a branch operation, as well as the current regulatory environment, its sources of capital are primarily profits generated locally and infusion of capital by Group Head Office (HO). Group policy requires all branches and subsidiaries to remit to HO all remittable profits. 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, trigger ratio and other relevant factors.

4.5 Capital Structure

Tier 1 capital mainly comprises of:

i) Capital funds injected by HO.

ii) Percentage of 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 / held to maturity investments.

All of these funds are not repatriable / distributable to HO as long as the Bank operates in India. Also, no interest is payable on these funds.

Tier 2 capital mainly comprises of:

i) 45% of Revaluation Reserve created due to periodic revaluation of immovable properties in accordance with the Indian GAAP.

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

iii) 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)(4)(ii) of the financial statements for details of outstanding subordinated debts.

As per RBI 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.

4.6 Capital and Risk Weighted Assets (RWA)

(₹ in 000s)

	31.3.2010		
	Solo bank*		Consolidated bank*
	Basel II	Basel I	Basel II
Tier 1 Capital:	80,367,722	80,783,434	85,141,025
Head Office capital	6,757,992	6,757,992	6,757,992
Paid-up capital of subsidiaries / associates	–	–	4,864,936
Eligible reserves	81,022,441	81,022,441	81,405,795
Intangible assets	(4,275,333)	(4,275,333)	(4,475,469)
Unconsolidated subsidiaries / associates	(50)	(50)	(50)
Other regulatory adjustments	(3,137,328)	(2,721,616)	(3,412,179)
Tier 2 Capital:	31,148,937	31,564,648	31,148,937
Eligible revaluation reserves	5,545,934	5,545,934	5,545,934
General provision	4,521,050	4,521,050	4,521,050
Debt capital instruments eligible to be reckoned as capital funds and included in Lower Tier 2 (of which amount raised during the year ₹ Nil)	24,450,000	24,450,000	24,450,000
Less: Amortisation of qualifying subordinated debts	(2,000,000)	(2,000,000)	(2,000,000)
Other regulatory adjustments	(1,368,047)	(952,286)	(1,368,047)
Total Capital Base	111,516,659	112,348,082	116,289,962

Risk review and disclosures under Basel II Framework
for the year ended 31 March 2010

Minimum Regulatory Capital Requirements

(₹ in 000s)

	31.3.2010 Solo bank*		Consolidated bank*
	Basel II	Basel I	Basel II
Credit Risk	55,799,696	49,427,532	56,397,099
Standardised approach portfolios	55,790,954	–	56,388,357
Securitisation exposures	8,742	–	8,742
Market Risk – Standardised Duration Approach	17,557,128	18,861,869	17,566,662
Interest rate risk	2,317,165	3,827,679	2,317,165
Foreign exchange risk (including gold)	360,000	360,000	360,000
Equity Risk	28,442	28,442	37,976
Counterparty / settlement risks	14,851,521	14,645,748	14,851,521
Operational Risk – Basic Indicator Approach	7,496,101	–	7,757,753
Total Minimum Regulatory Capital Requirements	80,852,925	68,289,401	81,721,514
Risk Weighted Assets and Contingents:			
Credit Risk	619,996,618	549,194,805	626,634,438
Market Risk (including counterparty / settlement risks)	195,079,194	209,576,317	195,185,132
Operational Risk – Basic Indicator Approach	83,290,015	–	86,197,257
Total Risk Weighted Assets and Contingents	898,365,827	758,771,122	908,016,827
Capital Ratios			
Tier 1 Capital	8.94%	10.65%	9.38%
Tier 2 Capital	3.47%	4.16%	3.43%
Total Capital	12.41%	14.81%	12.81%

(₹ in 000s)

	31.3.2009 Solo bank*		Consolidated bank*
	Basel II	Basel I	Basel II
Tier 1 Capital:	77,998,143	78,720,505	83,112,453
Head Office capital	6,757,992	6,757,992	6,757,992
Paid-up capital of subsidiaries / associates	–	–	4,936,843
Eligible reserves	75,698,038	75,698,038	76,284,476
Intangible assets	(3,410,301)	(3,410,301)	(3,431,372)
Unconsolidated subsidiaries / associates	(50)	(50)	(50)
Other regulatory adjustments	(1,047,536)	(325,174)	(1,435,436)
Tier 2 Capital	34,788,178	35,510,540	34,788,178
Eligible revaluation reserves	5,548,984	5,548,984	5,548,984
General provision	4,521,050	4,521,050	4,521,050
Debt capital instruments eligible to be reckoned as capital funds and included in Lower Tier 2 (of which amount raised during the year ₹12,680,000)	29,310,000	29,310,000	29,310,000
Less: Amortisation of qualifying subordinated debts	(3,550,000)	(3,550,000)	(3,550,000)
Other regulatory adjustments	(1,041,856)	(319,494)	(1,041,856)
Total Capital Base	112,786,321	114,231,045	117,900,631

Minimum Regulatory Capital Requirements

(₹ in 000s)

	31.3.2009 Solo bank*		Consolidated bank*
	Basel II	Basel I	Basel II
Credit Risk	51,735,289	46,532,732	52,521,238
Standardised approach portfolios	51,735,289	–	55,521,238
Securitisation exposures	–	–	–
Market Risk	30,369,423	30,790,415	30,408,018
Interest rate risk	8,230,823	7,790,887	8,230,823
Foreign exchange risk (including gold)	315,000	315,000	315,000
Equity risk	50,595	50,595	89,190
Counterparty / settlement risks	21,773,005	22,633,933	21,773,005
Operational Risk – Basic Indicator Approach	5,740,815	–	6,248,783
Total Minimum Regulatory Capital Requirements	87,845,527	77,323,147	89,178,039
Risk Weighted Assets and Contingents:			
Credit Risk	574,836,548	517,030,354	583,569,315
Market Risk (including counterparty / settlement risks)	337,438,031	342,115,722	337,866,859
Operational Risk – Basic Indicator Approach	63,786,828	–	69,430,926
Total Risk Weighted Assets and contingents	976,061,407	859,146,076	990,867,100
Capital Ratios			
Tier 1 Capital	7.99%	9.16%	8.39%
Tier 2 Capital	3.57%	4.14%	3.51%
Total Capital	11.56%	13.30%	11.90%

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

5. Risk Management

The management of risk lies at the heart of the Bank's business. 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, country, market, liquidity, operational, regulatory, pension, reputational and other risks; which are inherent to the Bank's strategy, product range and geographical coverage.

5.1 Risk Management Framework (RMF)

Effective risk management is fundamental to being able to generate profits consistently and sustainably and is thus, a central part of the financial and operational management of the Bank.

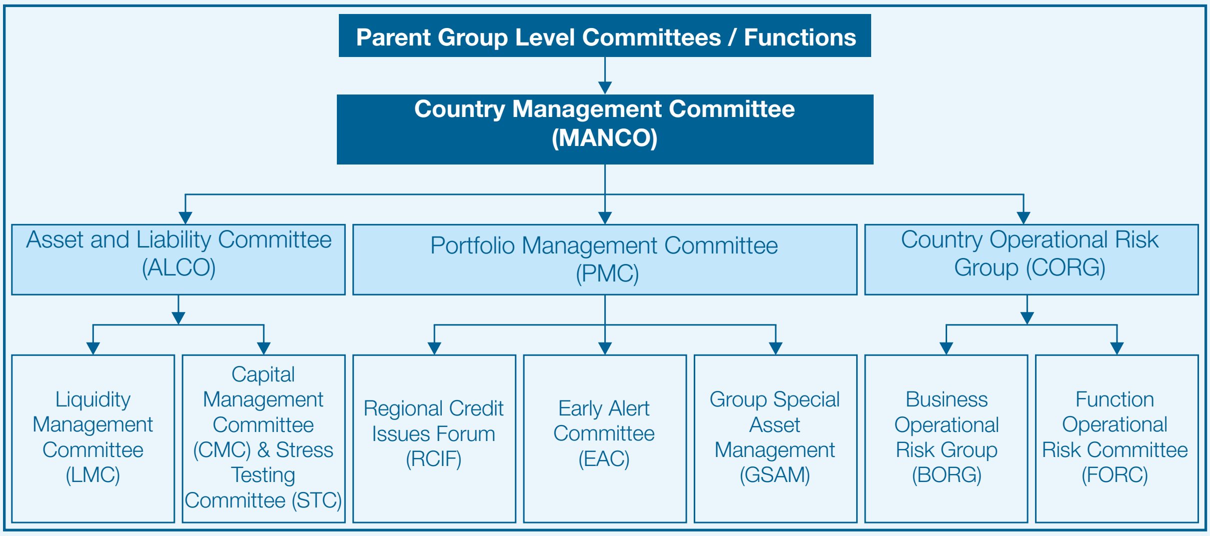
Through the RMF the Group / Bank manages enterprise-wide risks, with the objective of maximising risk-adjusted returns, while remaining within its risk appetite.

As part of this framework, the Group / Bank uses a set of principles that describe the risk management culture it wishes to sustain:

- Balancing risk and reward: risk is taken in support of the requirements of the stakeholders, in line with the Group / Bank's strategy and within its risk appetite;
- Responsibility: it is the responsibility of all employees to ensure that risk taking is disciplined and focused. The Group / Bank takes account of its social, environmental and ethical responsibilities, in taking risk to produce a return;
- Accountability: risk is taken only within agreed authorities and where there is appropriate infrastructure and resource. All risk taking must be transparent, controlled and reported;
- Anticipation: seek to anticipate future risks and to maximise awareness of all risks; and
- Competitive advantage: seek competitive advantage through efficient and effective risk management and control.

5.2 Risk Governance

The diagram below illustrates the high level risk committee structure.



Ultimate responsibility for the effective governance of the Indian operations, including risk governance, rests with the MANCO, headed by the Country Chief Executive Officer (CEO). MANCO's composition includes the functional heads for business, control and support functions in India. It is responsible for the governance of the Bank in India, including, compliance with all local laws and regulations, internal policies and processes and external standards mandated by the Group, and effective cooperation and coordination between the main businesses of the Bank in India. The MANCO constitutes of senior bankers who are well qualified, experienced and competent individuals and are well acknowledged in their respective fields.

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

MANCO has three permanent committees, the ALCO, the PMC and the CORG.

ALCO membership consists of the CEO and business heads of various parts of the Bank, viz. Corporate Bank, Consumer Bank, Treasury, Chief Operating Officer, Country Chief Risk Officer (CCRO), Chief Financial Officer (CFO) and the head of ALM. The committee is chaired by the CEO. ALCO is responsible for the establishment of and compliance with policies relating to balance sheet management including liquidity and capital adequacy management. LMC is an executive body which is a sub-committee of the Country ALCO. It was created to manage liquidity in the Bank. It draws its members from finance, ALM and the businesses. CMC is also a sub-committee of ALCO created to manage capital. It is chaired by the CFO and draws its members from finance, risk and the businesses. STC is chaired by the CCRO and comprises members from risk and finance, along with the economist.

PMC membership consists of the CEO, business heads, credit risk heads, economist and head of GSAM. PMC's responsibility is to review the credit portfolio in country to ensure that systems and controls are in place and operating effectively to ensure that portfolio quality is maintained within prescribed standards.

CORG membership consists of the CEO, CCRO, business heads, support functions heads and Country Operational Risk Officer (CORO). It provides a forum for the identification, assessment, mitigation and subsequent monitoring of country level operational risk trends and issues. It is responsible for providing assurance to the MANCO and the Group Risk Committee that the Operational Risk Management and Assurance Framework is operating effectively in the country and that key risks are being managed.

The committee process ensures that standards and policies are cascaded down through the organisation. Key information is communicated through the committees to the CEO and Group so as to provide assurance that standards and policies are being followed.

The CCRO manages the risk function which is independent of the businesses and which:

- Recommends implementation of Group standards and policies where appropriate against local regulation for risk measurement and management;
- Monitors and reports Group risk exposures for country, credit, operational and market risks;
- Acts as the key point of contact for all risk related regulatory queries / issues;
- Ensures risk appetite strategy is appropriate; and
- Provides oversight for the setting of risk limits and monitoring exposures against risk limits.

Individual MANCO members are accountable for risk management in their businesses and support functions. This includes:

- Implementing the policies and standards across all business activity.
- Managing risks in line with agreed appetite levels.
- Developing and maintaining an appropriate risk management infrastructure and systems to facilitate compliance with risk policies.

Before embarking on new activities or introducing products new to the Bank, the changes in firm-wide risks arising from these potential new products or activities are identified and reviewed and relevant infrastructure and internal controls necessary to manage the related risks are put in place. This process is managed through Product Programme Guide (PPG), Country Addendum (CA) or Transaction Processing Authorisation (TPA) requirements.

Overall risk governance refers to those parts of the Bank's governance mechanisms that relate to risk management and control. Risk governance is exercised through the decision making authority vested in individual managers and committees. The committees are also mechanisms to ensure that relevant stakeholders are properly informed about the risks in the Bank and have the opportunity to request and challenge information relating to those risks.

The Risk function is responsible for upholding 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 the Group's standards.

The Risk function is independent of the origination 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 revenues are recognised immediately while losses arising from risk positions only manifest themselves over time.

The Risk function is also responsible for maintaining the Group's RMF, ensuring it remains appropriate to the Group / Bank's activities and is effectively communicated and implemented across the Bank. The Risk function also administers risk-related governance and reporting processes.

The RMF identifies the risk types to which the Group / Bank is exposed, each of which is controlled by a designated risk control owner. The major risk types are described individually in the following sections. The risk control owners have responsibility for establishing minimum standards and for implementing governance and assurance processes.

The Country Assurance and Group Internal Audit (GIA) provide assurance, independent from the businesses, that risk is being measured and managed in accordance with the Group / Bank's standards and policies. GIA is a separate Group function that provides independent confirmation of compliance with Group and business standards, policies and procedures. Where necessary, it recommends corrective action to restore or maintain such standards.

5.3 Risk Appetite

The Group / Bank manages risks to build a sustainable franchise in the interests of all stakeholders. Risk appetite is an expression of the amount of risk the Group / Bank is willing to take in pursuit of its strategic objectives, reflecting its capacity to sustain losses and continue to meet its obligations arising from a range of different stress trading conditions.

The Group / Bank defines risk appetite in terms of both, volatility of earnings and the maintenance of minimum regulatory capital requirements under stress scenarios. The Group / Bank also defines risk appetite with respect to liquidity risks and reputational risk.

The Bank's quantitative risk profile is assessed through a 'bottom-up' analytical approach covering all of the Bank's major businesses and products. The risk appetite is approved by the MANCO and Group Risk Committee (GRC) and forms the basis for establishing the risk parameters within which businesses must operate, including, policies, concentration limits and business mix.

5.4 Stress Testing

Stress testing and scenario analysis are used to assess the financial and management capability of the Group / Bank to continue operating effectively under extreme but plausible trading conditions. Such conditions may arise from economic, legal, political, environmental and social factors.

The Group / Bank has a stress testing framework designed to:

- Contribute to the setting and monitoring of risk appetite;
- Identify the key risks to strategy, financial position and reputation;
- Examine the nature and dynamics of the risk profile and assess the impact of stresses on profitability and business plans;
- Ensure effective governance, processes and systems are in place to co-ordinate and integrate stress testing;
- Inform senior management of the results from stress tests and scenario analysis; and
- Ensure adherence to regulatory requirements.

A Stress Testing Forum (STF), led by the Risk function with participation from the businesses, Group Finance, Global Research and Group Treasury, aims to ensure that the earnings and capital implications of specific stress scenarios are fully understood. The STF generates and considers pertinent and plausible scenarios that have the potential to adversely affect the Group / Bank's business.

In 2009, stress testing activity was intensified at country, business and Group levels, with specific focus on certain asset classes, customer segments and the potential impact of macro economic factors. These stress tests have taken into consideration possible future scenarios that could arise as a result of the development of prevalent market conditions. Stress testing themes such as inflation, US dollar depreciation, swine flu, or potential border conflicts are coordinated by the STF to ensure consistency of impacts on different risk types or countries.

The India STC leverages on work done by Group and, in addition, develops scenarios specific to the local context, including for ICAAP.

6. Credit Risk

Credit risk is the risk that the counterparty to a financial transaction will fail to discharge an obligation, resulting in financial loss to the Bank. Credit exposures may arise from both, the banking book and the trading book.

Credit risk is managed through a framework which sets out policies and procedures covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators in the businesses and the 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 that are specific to each business are established by authorised risk committees within Wholesale and Consumer Banking. 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 Wholesale Banking (WB) business a pre-sanction appraisal is carried out by the relationship manager through a Business Credit Application (BCA). Credit risk is managed through a framework which sets out policies covering the measurement and management of credit risk. There is a clear segregation of duties between transaction originators and the approvers in the Risk function. 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 measure, with customers analysed against a range of quantitative and qualitative measures. The numeric grades run from 1 to 14. Counterparties with lower credit grades are assessed as being less likely to default. An A to C scale is assigned to the original numeric rating scale to enable more granular mapping of the probability of default, which results in a more refined risk assessment, risk control and pricing. A counterparty with an A suffix has a lower probability of default, than a counterparty with a C suffix. Credit grades 1A to credit grade 12C are assigned to performing customers while credit grades 13 and 14 are assigned to non-performing (or defaulted) customers. There is no direct relationship between the internal credit grades and those used by external rating agencies though there is some logical mapping. The Bank's credit grades are not intended to replicate external credit grades, although, as the risk factors used to grade a borrower are often similar, a borrower rated poorly by an external rating agency is typically rated in the lower rank of the internal credit grades.

Expected loss in addition to absolute nominal is used in the assessment of individual exposures and portfolio analysis. Expected loss is the long-run average credit loss across a range of typical economic conditions. 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 Group or regional / country level credit committee. All the credit facilities are subject to an annual credit review process.

SCB'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 (CRC), to ensure that deviations are justified and appropriately approved and would not result in any undue loss/risk to the Bank.

Consumer Banking

For Consumer Banking (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.

Sale of credit products is governed by the Direct Sales Representative (DSR) Policy, 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 probability of default calculated using AIRB 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 AIRB models have not yet been developed, the probability of default 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, corporate accounts or portfolios are placed on 'Early Alert' when they display signs of weakness or financial deterioration, for example, where there is a decline in the customer's position within the industry, a breach of covenants, non-performance of an obligation, or there are issues relating to ownership or management. Such accounts and portfolios are subjected to a dedicated process overseen by GSAM, the specialist recovery unit. Account plans are re-evaluated and 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 GSAM.

In CB, portfolio delinquency trends are monitored continuously at a detailed level. Individual customer behaviour is also tracked and impacts 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 Enterprise (SME) business is managed within CB in two distinct segments: small businesses, and medium enterprises, differentiated by the annual turnover of the counterparty. Medium enterprise accounts are monitored in line with WB procedures, while small business accounts are monitored in line with other CB accounts.

6.5 Concentration Risk

Credit concentration risk is managed within concentration caps set by counterparty or groups of connected counterparties and industry sector in WB; and by product in CB. Additional targets are set and monitored for concentrations by internal credit rating.

Credit concentrations are monitored by the responsible portfolio risk committees in each of the businesses and concentration limits that are material to the Group are reviewed and approved at least annually by the GCC.

Single Borrowing Limit (SBL) and Group Borrowing Limit (GBL) are monitored as per RBI guidelines.

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 target 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 AIRB for credit risk under Basel II, these include systems to calculate Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (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. AIRB portfolio metrics are widely used in these reports. Regular portfolio risk reports are made available at senior management committee meetings, including GRC and functional business and country level risk committees.

Risk measurement models are approved by the responsible risk committee, on the recommendation of the Group Model Assessment Committee (MAC). The MAC supports risk committees in ensuring risk identification and measurement capabilities are objective and consistent, so that risk control and risk origination decisions are properly informed. Prior to review by the MAC, all AIRB models are validated in detail by a model validation team, which is separate from the teams which develop and maintain the models. Models undergo a detailed annual review. Such reviews are also triggered if the performance of a model deteriorates materially against predetermined thresholds during the ongoing model performance monitoring process.

6.7 Problem Credit Management and Provisioning

Credit monitoring (review of performance and compliance with risk triggers / covenants) is undertaken for WB customers on a quarterly basis and on a monthly basis for CB customers. In addition, account conduct is also tracked on a monthly basis in terms of past dues, excesses, documentation, compliance with covenants and progress on exits accounts through the Account Subject To Additional Review Process (ASTAR). Potential problem credits are picked up through the credit monitoring process and are 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 PMC on a quarterly basis.

Wholesale Banking

There are no differences between definition of past due / impaired account and provisioning norms for local accounting and regulatory purposes. Loans are designated as impaired and considered non-performing, where analysis and review recognised weakness 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, which is independent of the main businesses.

The provisioning policy is in accordance with the RBI guidelines. Where an amount is considered uncollectable, a specific provision is raised. In any decision relating to the raising of provisions, the Bank attempts to balance economic conditions, local knowledge and experience, and the results of independent asset reviews.

Where it is considered that there is no realistic prospect of recovering an element of an account, against which an impairment provision has been raised, then that amount will be written off.

Consumer Banking

Within CB, an account is considered to be delinquent when payment is not received on the due date. For delinquency reporting purposes, the Bank follows international industry standards measuring delinquency as of 30, 60, 90, 120 and 150 days past due. Accounts that are overdue by more than 30 days are closely monitored and subject to a specific collections process. There are no differences between definition of past due / impaired account and provisioning norms for local accounting and regulatory purposes. Loans are designated as impaired and considered non-performing, where recognised weakness 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 minimum provisions required under the RBI guidelines. In case of unsecured products, outstanding balances are generally written off at 150 days past due or full provisions are created. 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.

6.8 Quantitative Disclosures

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

(₹ in 000s)

Nature and category of exposures	Credit risk exposures 31.3.2010	31.3.2009
Inter-bank exposures	9,790,003	17,011,991
Investments (HTM)	872,655	7,411,726
Advances	423,938,376	379,299,284
Total gross fund based exposures	434,601,034	403,723,001
Specific provisions / Provisions for depreciation in the value of investment[1]	(4,338,877)	(4,139,086)
Total net fund based exposures	430,262,157	399,583,915
Fx and derivative contracts	396,267,443	596,181,469
Guarantees, acceptances, endorsements and other obligations	205,493,441	207,763,483
Other commitments and credit Lines[2]	74,462,711	80,714,433
Total gross non-fund based exposures[3]	676,223,595	884,659,385
Specific Provisions	(737)	(737)
Total net non-fund based exposures	676,222,858	884,658,648

[1] Excluding floating provision (Refer note 18(D)(2)) and provision on restructured 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

(₹ in 000s)

Nature & category of industry	31.3.2010 Credit risk exposures Fund based	Non-fund based	Total	31.3.2009 Credit risk exposures Fund based	Non-fund based	Total
Loans to individuals						
- Mortgages	87,249,003	–	87,249,003	66,037,194	–	66,037,194
- Small & Medium Enterprises	59,548,680	9,481,314	69,029,994	54,151,658	6,252,499	60,404,157
- Other	23,333,001	1,328,508	24,661,509	32,819,128	–	32,819,128
Consumer Banking	170,130,684	10,809,822	180,940,506	153,007,980	6,252,499	159,260,479
Coal	872,393	678,597	1,550,990	1,208,673	852,795	2,061,468
Mining	779,590	275,063	1,054,653	4,834,660	1,111,726	5,946,386
Iron and Steel	3,933,301	10,148,356	14,081,657	4,127,682	8,551,893	12,679,575
Other Metals and Metal Products	13,134,356	9,146,427	22,280,783	12,857,030	14,527,383	27,384,413

(₹ in 000s)

Nature & category of industry	31.3.2010 Credit risk exposures Fund based	Non fund based	Total	31.3.2009 Credit risk exposures Fund based	Non fund based	Total
All Engineering	15,339,725	36,654,014	51,993,739	20,860,642	36,886,754	57,747,396
Of which:						
- Electronics	*3,454,417*	*16,949,368*	*20,403,785*	*6,624,382*	*12,381,457*	*19,005,839*
Cotton Textiles	561,591	100	561,691	48,579	–	48,579
Other Textiles	8,501,827	1,933,807	10,435,634	9,291,766	2,461,708	11,753,474
Sugar	4,394	3,334,106	3,338,500	96,688	1,894,733	1,991,421
Tea	–	153,959	153,959	4,450	254,325	258,775
Food Processing	11,871,324	2,371,482	14,242,806	12,198,780	239,563	12,438,343
Vegetables Oils (including Vanaspati)	1,843,528	5,905,237	7,748,765	666,920	3,172,139	3,839,059
Tobacco and Tobacco Products	699,416	480,731	1,180,147	673,318	366,898	1,040,216
Paper and Paper Products	1,518,253	858,390	2,376,643	1,785,937	1,269,469	3,055,406
Rubber and Rubber Products	2,353,566	3,421,063	5,774,629	1,688,560	2,342,901	4,031,461
Chemicals, Dyes, Paints	19,370,103	11,606,924	30,977,027	23,178,703	16,699,548	39,878,251
Of which:						
- Fertilizers	*290,580*	*2,169,649*	*2,460,229*	*345,875*	*2,516,838*	*2,862,713*
- Petro-chemicals	*4,579,303*	*3,383,699*	*7,963,002*	*5,149,976*	*5,026,740*	*10,176,716*
- Drugs and Pharmaceuticals	*10,309,790*	*1,904,793*	*12,214,583*	*10,713,248*	*3,455,763*	*14,169,011*
Cement	4,337,773	1,585,629	5,923,402	9,737,944	2,765,646	12,503,590
Leather and Leather Products	545,154	80,555	625,709	416,431	125,531	541,962
Gems and Jewellery	4,726,645	3,452,935	8,179,580	152,970	1,212,208	1,365,178
Constructions	7,564,574	19,528,764	27,093,338	5,836,496	22,321,993	28,158,489
Petroleum	12,688,223	8,184,174	20,872,397	76,387	12,699,155	12,775,542
Automobiles including Trucks	8,583,912	7,178,650	15,762,562	9,522,268	10,469,152	19,991,420
Computer Software	11,192,606	7,763,142	18,955,748	4,356,883	6,473,275	10,830,158
Infrastructure	27,377,897	41,725,580	69,103,477	22,050,290	39,018,459	61,068,749
Of which:						
- Power	*1,255,763*	*2,364,953*	*3,620,716*	*805,268*	*2,377,558*	*3,182,826*
- Telecommunications	*13,030,871*	*17,439,233*	*30,470,104*	*3,251,800*	*16,662,053*	*19,913,853*
- Roads and Ports	*9,725,805*	*21,921,394*	*31,647,199*	*17,993,223*	*19,978,849*	*37,972,072*
Other Industries	18,323,524	26,988,962	45,312,486	19,769,754	78,466,822	98,236,576
NBFC and Trading	57,642,408	67,617,137	125,259,545	42,676,696	13,912,567	56,589,263
Residual advances	20,041,609	3,701,921	23,743,530	18,172,797	4,538,299	22,711,096
Wholesale Banking	253,807,692	274,775,705	528,583,397	226,291,304	282,634,942	508,926,246
Specific provisions	(4,338,877)	(737)	(4,339,614)	(4,139,086)	(737)	(4,139,823)
Total Net Advances	419,599,499	285,584,790	705,184,289	375,160,198	288,886,704	664,046,902
Total Inter-bank exposures	9,790,003	–	9,790,003	17,011,991	–	17,011,991
Total investments (HTM)	872,655	–	872,655	7,411,726	–	7,411,726

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 2010

(₹ in 000s)

	Cash and Bank balances with RBI	Balances with Banks and money at call and short notice	Investments	Advances	Fixed Assets	Other Assets	Total Assets
1day (d)	12,331,553	6,292,753	46,074,953	8,126,526	–	10,686,934	83,512,719
2d - 7d	937,019	193,100	15,846,556	20,664,765	–	3,280,575	40,922,015
8d - 14d	1,430,922	186,400	6,601,045	24,754,284	–	1,463,775	34,436,426
15d - 28d	1,869,268	1,380,100	9,493,265	20,161,686	–	7,291,041	40,195,360
29d - 3month (m)	6,751,251	1,737,650	29,600,143	62,288,283	–	42,422,756	142,800,083
3m - 6m	2,236,985	–	9,726,023	62,550,654	–	28,623,733	103,137,395
6m - 1year (y)	2,252,790	–	20,400,681	39,409,221	–	25,115,945	87,178,637
1y - 3y	8,669,334	–	41,733,512	78,911,597	–	48,631,881	177,946,324
3y - 5y	145,306	–	2,159,495	23,424,831	–	34,164,229	59,893,861
> 5y	1,391,902	–	2,498,856	75,229,667	24,862,855	20,800,534	124,783,814
Total	38,016,330	9,790,003	184,134,529	415,521,514	24,862,855	222,481,403	894,806,634

As at 31 March 2009

(₹ in 000s)

	Cash and Bank balances with RBI	Balances with Banks and money at call and short notice	Investments	Advances	Fixed Assets	Other Assets	Total Assets
1d	6,058,512	13,952,391	40,006,174	5,877,233	–	7,868,070	73,762,380
2d - 7d	1,232,021	154,500	7,408,741	24,933,438	–	5,737,871	39,466,571
8d - 14d	1,572,196	214,500	8,432,206	31,038,280	–	1,635,522	42,892,704
15d - 28d	1,118,295	466,600	7,784,572	25,507,765	–	5,194,471	40,071,704
29d - 3m	4,118,311	2,224,000	22,887,915	55,140,918	–	99,061,707	183,432,851
3m - 6m	1,318,180	–	7,069,834	40,767,925	–	70,842,682	119,998,621
6m - 1y	1,959,155	–	17,096,493	28,379,635	–	39,779,567	87,214,850
1y - 3y	6,558,895	–	36,695,146	83,394,299	–	78,627,916	205,276,256
3y - 5y	23,241	–	143,276	23,408,459	–	49,284,897	72,859,873
> 5y	1,224,279	–	6,776,850	56,443,329	23,475,480	20,542,576	108,462,512
Total	25,183,085	17,011,991	154,301,207	374,891,281	23,475,480	378,575,279	973,438,321

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

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

(₹ in 000s)

	31.3.2010	31.3.2009
Substandard	7,495,737	6,643,660
Doubtful	1,337,158	1,809,140
- Doubtful 1	390,212	221,877
- Doubtful 2	941,088	1,524,568
- Doubtful 3	5,858	62,695
Loss	2,123,100	827,176
Gross NPAs	10,955,995	9,279,976
Provisions	(5,151,120)	(4,139,086)
Net NPAs	5,804,875	5,140,890
Cover Ratio	47.02%	44.60%

f) NPA Ratios

(₹ in 000s)

	31.3.2010	31.3.2009
Gross NPAs to gross advances	2.60%	2.45%
Net NPAs to net advances	1.40%	1.37%

g) Movement of NPAs

(₹ in 000s)

	31.3.2010		31.3.2009	
	Gross	Net	Gross	Net
Balance, beginning of the year	9,279,976	5,140,890	6,132,177	3,453,753
Additions during the year	7,331,719	4,452,256	6,461,678	3,830,079
Reductions during the year	(5,655,700)	(3,788,271)	(3,313,879)	(2,142,942)
Balance, end of the year	10,955,995	5,804,875	9,279,976	5,140,890

h) Movement of provisions for NPAs

(₹ in 000s)

	31.3.2010	31.3.2009
Balance, beginning of the year	4,139,086	2,678,424
Add : Provisions made during the year	2,879,463	2,631,599
Less : Utilisation / writeback of provisions no longer required	(1,867,429)	(1,170,937)
Balance, end of the year	5,151,120	4,139,086

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

(₹ in 000s)

	31.3.2010	31.3.2009
Balance, beginning of the year	48,821	37,292
Additions during the year	8,000	14,529
Reductions during the year	(12,000)	(3,000)
Balance, end of the year	44,821	48,821
Total provisions held at the end of the year	44,821	48,821

j) Movement of provisions for depreciation on investments

(₹ in 000s)

	31.3.2010	31.3.2009
Balance, beginning of the year	245,158	2,751,910
Add : Provisions made during the year	3,551,550	49,768
Less : Utilisation / writeback of provisions no longer required	(70,010)	(2,556,520)
Balance, end of the year	3,726,698	245,158

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 standardised approach for measurement of credit risk. The risk weights applied under the standardised approach 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 Poors
ICRA Limited	Moody's
Fitch Limited	
Credit Analysis and Research Limited	

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. Rated facilities have 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.

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

As at 31 March 2010

(₹ in 000s)

Nature and category of exposures	Total gross credit exposure	Credit risk mitigation	Net exposure (before provision)	Credit risk weight buckets summary < 100%	100%	> 100%	Deduction from capital
Inter-bank exposures	9,790,003	–	9,790,003	9,790,003	–	–	–
Investments (HTM)	872,655	–	872,655	–	872,655	–	–
Advances	423,938,376	(4,857,147)	419,081,229	85,798,123	305,522,920	27,760,186	–
Total fund based exposures	434,601,034	(4,857,147)	429,743,887	95,588,126	306,395,575	27,760,186	–
Fx and derivative contracts	396,267,443	–	396,267,443	309,230,697	86,978,240	58,506	–
Guarantees, acceptances, endorsements and other obligations	205,493,441	(275,599)	205,217,842	86,520,966	113,541,518	3,826,850	1,328,508
Undrawn commitments and others	74,462,711	(51,764,226)	22,698,485	1,214,539	21,450,296	33,650	–
Total non-fund based exposures	676,223,595	(52,039,825)	624,183,770	396,966,202	221,970,054	3,919,006	1,328,508

As at 31 March 2009

(₹ in 000s)

Nature and category of exposures	Total gross credit exposure	Credit risk mitigation	Net exposure (before provision)	Credit risk weight buckets summary < 100%	100%	> 100%	Deduction from capital
Inter bank exposures	17,011,991	–	17,011,991	17,011,991	–	–	–
Investments (HTM)	7,411,726	–	7,411,726	801,008	6,610,718	–	–
Advances	379,299,284	(1,156,281)	378,143,003	94,262,704	245,490,026	38,390,273	–
Total fund based exposures	403,723,001	(1,156,281)	402,566,720	112,075,703	252,100,744	38,390,273	–
Fx and derivative contracts	596,181,469	–	596,181,469	470,464,721	124,853,434	863,314	–
Guarantees, acceptances, endorsements and other obligations	207,763,483	(145,415)	207,618,068	112,898,112	91,198,193	2,193,255	1,328,508
Undrawn commitments and others	80,714,433	(39,946,208)	40,768,225	4,128,151	36,557,206	82,868	–
Total non fund based exposures	884,659,385	(40,091,623)	844,567,762	587,490,984	252,608,833	3,139,437	1,328,508

6.10 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, credit insurance and guarantees. 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. Collateral is valued in accordance with the risk mitigation policy, which prescribes the frequency of valuation for different collateral types, based on 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. The frequency of collateral valuation is driven by the volatility in each class of collateral. The valuation of collateral is monitored and back tested regularly. In the case of WB, the BCA's provide details of credit facilities, and terms and conditions governing the security, margin, covenants, risk triggers and the documentation. The collateral security is inspected per facility agreement and is generally carried out on an annual basis. Charges are created on security, where applicable.

However, from a local regulatory perspective, the main "eligible" collaterals under the standardised approach are restricted to cash (including fixed deposits) and units of mutual funds. These are mainly collateral against retail loans.

Guarantees taken can be categorised as follows:

- Guarantee from a bank (including central banks), insurance company credit wrap, 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.

(₹ in 000s)

	31.3.2010
Exposure covered by eligible financial collateral after application of haircuts	7,446,708
Exposure covered by guarantees	1,698,079

6.11 Securitisation: Disclosure for standardised approach

Securitisation transactions are generally undertaken with the objective of credit risk transfer, liquidity management, meeting regulatory requirements, such as, capital adequacy, 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.

Regulatory Capital Approach

As per the provisions of the Basel II framework, all banks have to mandatorily adopt a standardised approach 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

1. Banking Book

1.1 The outstanding exposures securitised by the Bank as on 31 March 2010: ₹ (000s) 6,239,897.

1.2 Securitisation losses recognised by the Bank during 2009-10

(₹ in 000s)

Exposure Type	Underlying Security	Losses
Personal Loans (sale without recourse)	–	2,235

1.3 Assets intended to be securitised within a year - NIL.

The securitisation transactions are undertaken on a need basis to meet the objectives as disclosed above.

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

As at 31 March 2010

(₹ in 000s)

Exposure Type	Outstanding	Unrecognised gain / (loss)
Housing Loans	6,239,897	1,763

1.5 Securitisation exposures retained or purchased

As at 31 March 2010

(₹ in 000s)

Exposure Type	On Balance Sheet	Off Balance Sheet
Housing Loans	755,104	1,328,508
Vehicle Loans	–	386,587
Total	755,104	1,715,095

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

As at 31 March 2010

(₹ in 000s)

Exposure Type	<100% risk weight	100% risk weight	>100% risk weight	Total
Vehicle Loans	386,587	–	–	386,587
Capital Charge	8,742	–	–	8,742

1.7 Securitisation exposures deducted from capital

As at 31 March 2010

(₹ in 000s)

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

2. Trading Book

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

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

As at 31 March 2010

(₹ in 000s)

Exposure Type	On Balance Sheet	Off Balance Sheet
Vehicle Loans	10,307,060	–

2.3 Securitisation exposures retained or purchased

As at 31 March 2010 (₹ in 000s)

	Total
Exposures subject to Comprehensive Risk Measure for specific risk	10,307,060

	<100% risk weight	100% risk weight	>100% risk weight	Total
Exposures subject to the securitisation framework for specific risk	9,671,562	–	–	9,671,562

2.4 Aggregate amount of the capital requirements for the securitisation exposures

As at 31 March 2010 (₹ in 000s)

Risk Weight Bands	Capital Requirement
<100% risk weight	881,384
100% risk weight	–
>100% risk weight	–
Total	881,384

2.5 Securitisation exposures deducted from capital

As at 31 March 2010 (₹ in 000s)

Exposure Type	Exposures deducted entirely from Tier-1 capital	Credit enhancing I/Os deducted from total capital	Other exposures deducted from total capital
Vehicle Loans	–	–	652,383

7. Market Risk

This section should be read in conjunction with the section on Risk exposures in derivatives in note 18(E)(4)(xxii)(a), (b) and (c) of the financial statements.

The Bank recognises market risk as the risk of loss resulting from changes in market prices and rates. 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 the best balance of risk and return while meeting customers' requirements.

The primary categories of market risk for the Group / Bank are:

- Interest rate risk arising from changes in yield curves and credit spreads;
- Currency exchange rate risk arising from changes in exchange rates and implied volatilities on foreign exchange options; and
- Equity price risk arising from changes in the prices of equities and equity indices.

7.1 Market Risk Governance

The GRC approves the Group's market risk appetite taking account of market volatility, the range of traded products and asset classes, the business volumes and transaction sizes. The Group Market Risk Committee (GMRC) is responsible, under authority delegated by the GRC, for setting VaR limits at a business level and recommends Group level VaR and stress loss limits for market risk. 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 both Group and local governance / regulatory norms.

Limits by location and portfolio are proposed by the businesses within the terms of agreed policy. 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.

7.2 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 which applies recent historic market conditions to estimate 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%. This confidence level suggests that potential daily losses, in excess of the VaR measure, are likely to be experienced six times per year.

The Bank uses historic simulation as its VaR methodology with an observation period of one year. Historic simulation involves the revaluation of all unmatured contracts to reflect the effect of historically observed changes in market risk factors on the valuation of the current portfolio.

VaR is calculated as the Bank's exposure as at the close of business. Intra-day risk levels may vary from those reported at the end of day.

Back Testing

To assess their predictive power, VaR models are back tested against actual results. Back testing is conducted daily 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. Back testing is also conducted against clean hypothetical profit and loss, which is the clean profit and loss that would have occurred for a given business day, if the portfolio on which the VaR number for that business day is based remained unchanged.

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.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The GMRC has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. The GRC considers stress testing results as part of its supervision of risk appetite. 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.

Regular stress test scenarios are applied to each interest rates, credit spreads, exchange rates, commodity prices and equity prices. This covers all asset classes in the Financial Markets banking and trading books. Ad hoc scenarios are also prepared, reflecting specific market conditions and for particular concentrations of risk that arise within the businesses.

7.3 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.

7.4 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.

7.5 Derivatives

Derivatives are financial contracts which derive characteristics and value from underlying financial instruments, interest and exchange rates or indices. They include futures, forwards, swaps and options transactions in the foreign exchange, credit and interest rate markets. Derivatives are an important risk management tool for banks and their customers because they can be used to manage the risk of price, interest rate and exchange rate movements.

The derivative transactions are principally in instruments where the mark-to-market values are readily determinable by reference to independent prices and valuation quotes, or by using standard industry pricing models.

The Bank enters into derivative contracts in the normal course of business to meet customer requirements and to manage its own exposure to fluctuations in interest, credit and exchange rates. Derivatives are carried at fair value and shown in the balance sheet as separate assets and liabilities. Recognition of fair value gains and losses depends on whether the derivatives are classified as trading or for hedging purposes.

The Bank applies the future exposure methodology to manage counterparty credit exposure associated with derivative transactions.

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 Financial Markets 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 table below shows the extent to which the Bank's interest rate exposures on assets and liabilities are matched. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

As at 31 March 2010 (₹ in 000s)

	Three months or less	Between three and six months	Between six months and one year	Between one and five years	More than five years	Non Interest Sensitive	Total
Assets							
Cash and balances with RBI	–	–	–	–	–	38,016,330	38,016,330
Balances with other banks	3,497,250	–	–	–	–	6,292,753	9,790,003
Investments	31,236,957	54,336,068	54,889,810	32,392,337	11,745,393	173,658	184,774,223
Advances	135,995,545	62,550,654	39,409,221	102,336,428	75,229,666	–	415,521,514
Fixed Assets	–	–	–	–	–	24,862,855	24,862,855
Other Assets	–	–	–	–	–	222,481,403	222,481,403
Total Assets	170,729,752	116,886,722	94,299,031	134,728,765	86,975,059	291,826,999	895,446,328
Liabilities							
Deposits	167,857,361	94,568,580	41,879,485	17,321,146	150,001	160,147,282	481,923,855
Borrowings	49,024,408	31,690,536	–	6,500,000	–	–	87,214,944
Other liabilities and provisions	–	–	–	–	–	210,250,038	210,250,038
Total Liabilities	216,881,769	126,259,116	41,879,485	23,821,146	150,001	370,397,320	779,388,837

As at 31 March 2009 (₹ in 000s)

	Three months or less	Between three and six months	Between six months and one year	Between one and five years	More than five years	Non Interest Sensitive	Total
Assets							
Cash & balances with RBI	–	–	–	–	–	25,183,085	25,183,085
Balances with other banks	3,059,600	–	–	–	–	13,952,391	17,011,991
Investments	55,679,929	3,613,055	49,230,353	40,372,107	6,442,509	177,658	155,515,611
Advances	142,497,636	40,767,925	28,379,635	106,802,758	56,443,327	–	374,891,281
Fixed assets	–	–	–	–	–	23,475,480	23,475,480
Other assets	–	–	–	–	–	378,575,279	378,575,279
Total assets	201,237,165	44,380,980	77,609,988	147,174,865	62,885,836	441,363,893	974,652,727
Liabilities							
Deposits	164,008,030	77,715,208	46,546,206	8,709,205	150,134	120,888,877	418,017,660
Borrowings	70,081,452	20,004,480	1,950,000	3,500,000	–	–	95,535,932
Other liabilities and provisions	–	–	–	–	–	358,331,046	358,331,046
Total liabilities	234,089,482	97,719,688	48,496,206	12,209,205	150,134	479,219,923	871,884,638

Impact on economic value for upward / downward rate shock of 200 basis points, broken down by currency, is as follows:

As at 31 March 2010 (₹ in 000s)

Currency	If interest rates were to go up by 200 basis points	If interest rates were to go down by 200 basis points
INR	1,324,607	(1,324,607)
USD	69,201	(69,201)
EUR	(12,912)	12,912
GBP	(105,620)	105,620
JPY	(35,272)	35,272
Total	1,240,004	(1,240,004)

9. Operational Risk

Operational risk (OR) is the risk of direct or indirect loss due to an event or action resulting from inadequate or failed internal processes, people and systems, or from external events. OR exposures arise as a result of business activities. It is the Bank's objective to minimise such exposures, subject to cost tradeoffs. This objective is met through a framework of policies and procedures that drive risk identification, assessment, control and monitoring.

Governance over OR management is achieved through a defined structure of committees at the Group, business, function and country level. The Group OR Committee (GORC), a subcommittee of the GRC, supervises the management of OR across all businesses and functions. Escalation rules, linked to risk tolerance limits, are in place to ensure that OR decisions are taken at the right level within the governance structure.

Responsibility for the management of OR rests with business and function management as an integral component of the management task. An independent OR function within the Risk function works alongside them to ensure that exposure to OR remains within acceptable levels.

The Group / Bank's OR management procedures and processes are integral components of the broader RMF. Operational risks are managed through an end to end process of identification, assessment, control and monitoring. This four step management process is performed at all levels across the Group / Bank and is the foundation of the management approach. Once identified, risks are assessed against standard criteria to determine their significance and the degree of risk mitigation effort required to reduce the exposure to acceptable levels. Risk mitigation plans are overseen by the appropriate governance committee.

Independent assurance reviews provide management and governance bodies with confirmation that the risk management standards and controls are being adhered to. These reviews are conducted by specialist control functions with support of an independent assurance function. The Group's audit function conducts regular audits of assurance activities.

In line with the Group risk management framework, there are three lines of assurance defined in India, whereby the business / function is the 1st line, Country Assurance is the 2nd line and GIA is the 3rd line. The Country Assurance function, independent from the businesses, is responsible for assuring that the OR management framework is adhered to.

At country level, CORG committees have the responsibility and oversight of OR issues. The monthly CORG process ensures that operational risks, losses and results of assurance reviews are reviewed and appropriate mitigating actions are initiated to enhance the control environment. OR in the businesses are reviewed by the business operational risk committees which escalate significant issues / views to the CORG, business risk committees and the GORC depending on the materiality of the identified risk / issue.

As mandated by the RBI, the Bank uses the Basic Indicator Approach to assess its local regulatory capital requirements for OR.

10. Other Key Risks

10.1 Liquidity Risk

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

It is the policy of the Bank to maintain adequate liquidity at all times and hence, to be in a position to meet all obligations as they fall due. The Bank manages liquidity risk both on a short-term and medium-term basis. In the short-term, the focus is on ensuring that the cash flow demands can be met through asset maturities, customer deposits and wholesale funding where required.

The GALCO is the responsible governing body that approves the Group's liquidity management policies. The Group Liquidity Management Committee ("LMC") receives authority from the GALCO and is responsible for setting liquidity limits, and proposing liquidity risk policies and practices. Liquidity in each country is managed by the Country ALCO within the pre-defined liquidity limits set by the Group LMC and in compliance with Group liquidity policies and local regulatory requirements. The Group Treasury and Group Market Risk functions propose and oversee the implementation of policies and other controls relating to the above risks.

The Bank seeks to manage its liquidity prudently for all currencies. Exceptional market events can impact the Bank adversely, thereby, affecting the Bank's ability to fulfill its obligations as they fall due. The principal uncertainties for liquidity risk are that customer depositors withdraw their funds at a substantially faster rate than expected, or that repayment for asset maturities is not received on the intended day. To mitigate these uncertainties, the Bank has a customer deposit base diversified by type and maturity. In addition it has ready access to wholesale funds, if required, under normal market conditions, and has a portfolio of liquid assets which can be realised if a liquidity stress occurs.

The Bank also reviews deposit concentrations on a regular basis to ensure associated risks are assessed and managed as part of its overall liquidity planning.

The Bank forecasts the balance sheet as part of the budget process and then re-forecasts during the year. This forecasting ensures that business growth is balanced and liquidity metrics remain appropriate for the prudent management of the balance sheet.

10.2 Compliance and Regulatory Risk

Compliance and regulatory risk includes the risk of non-compliance with regulatory requirements of both, the in-country regulator (i.e., RBI) and home regulator (i.e., FSA). The local Compliance function is responsible for implementing and monitoring of compliance with policies and procedures established by the Group Compliance and Regulatory function and also responsible for establishing and maintaining the local compliance framework. Adherence to such policies and procedures is the responsibility of all managers / staff.

10.3 Legal Risk

Legal risk is the risk of unexpected loss, including, reputational loss, arising from defective transactions or contracts, claims being made, or some other event resulting in a liability, or other loss for the Group / Bank, failure to protect the title to and ability to control the rights to assets of the Group / Bank (including intellectual property rights), changes in the law, or jurisdictional risk. The Group manages legal risk through the Group Legal Risk Committee, legal risk policies and procedures and effective use of its internal and external lawyers. The Bank applies clear standards for the booking and documentation of contracts in order to ensure reliable information quality, the legal enforceability of agreements and the protection of Bank's rights.

10.4 Reputational Risk

Reputational risk is the risk of failure to meet the standards of performance or behaviours mandated by the Bank and expected by stakeholders in the way in which business is conducted. It will arise from the failure to effectively mitigate one or more of country, credit, liquidity, market, regulatory and operational risk. It may also arise from the failure to comply with social, environmental and ethical standards. It is the Bank's policy that, at all times, the protection of the Bank's reputation should take priority over all other activities, including revenue generation.

Risks such as reputational risk are not generally a part of the customer value proposition and arise more as a negative side effect of doing business. These are usually taken into account during the business origination process. Any related trade offs are informed and challenged by Risk and other specialists who can help to improve the risk and cost efficiency of such transactions and to uphold the integrity and transparency of the origination process.

From an organisational perspective the Group manages reputational risk through the Reputational Risk and Responsibility Committee (RRRC) and at India level through MANCO.

The RRRC is responsible for alerting the Group to emerging or thematic reputational risks; for seeking to ensure that effective risk monitoring is in place for reputational risk; and for reviewing the mitigation plan for any significant reputational risk that arises.

At country level, it is the responsibility of the CEO to protect the Bank's reputation in that market. To achieve this, the CEO and MANCO:

- Promote awareness and application of the Group's policy and procedures regarding reputational risk;
- Encourage business and functions to take account of the Group's reputation in all decision making, including, dealings with customers and suppliers;
- Implement effective functioning of the in country reporting system to ensure their management committee is alerted of all potential issues; and
- Promote effective, proactive stakeholder management.

11. Monitoring

Monitoring of risk management is achieved through independent reviews by GIA, business risk reviews and Compliance & Assurance functions and also by concurrent audits, spot checks by the external specialists as required under regulations. GIA function reports to the Group CEO and the Group Audit Committee.

St. Helen's Nominees India Private Limited
Balance sheet at 31 March 2010

(Currency: Indian rupees)

Particulars	Schedule	As at 31.3.2010	As at 31.3.2009
Source of Funds			
Share capital	1	100,000	100,000
		100,000	100,000
Application of Funds			
Balances with scheduled bank in current account		3,001,295	2,357,460
Receivable from Standard Chartered Bank – India branches		20,957	20,957
		3,022,852	2,378,417
Less: Current liabilities and provisions			
Sundry creditors – Audit fees and expenses		20,957	20,957
Sundry creditors – Dividends received for pledged shares		2,901,295	2,257,460
Net current assets		100,000	100,000
Significant accounting policies and notes to accounts	2		

The attached notes and schedules referred to above form an integral part of this balance sheet.

As per our report of even date

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

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

Akeel Master
Partner
Membership No. 046768

Dhiren Parekh
Director

Anurag Adlakha
Director

14 June 2010
Mumbai

St. Helen's Nominees India Private Limited
Profit and loss account for the year ended 31 March 2010

(Currency: Indian rupees)

	Schedule	For the year ended 31.3.2010	For the year ended 31.3.2009
Income		–	–
Expenditure	2C	–	–
Profit / (Loss)		–	–
Basic and diluted earnings per share of face value of ₹10 each	2I	–	–
Significant accounting policies and notes to accounts	2		

The attached notes and schedules referred to above form an integral part of this profit and loss account.

As per our report of even date

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

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

Akeel Master
Partner
Membership No. 046768

Dhiren Parekh
Director

Anurag Adlakha
Director

14 June 2010
Mumbai

(Currency: Indian rupees)

	As at 31.3.2010	As at 31.3.2009
1. Share capital		
Authorised capital		
10,000 (previous year: 10,000) equity shares of ₹10 each	100,000	100,000
	100,000	100,000
Issued, subscribed and paid-up capital		
10,000 (previous year:10,000) equity shares of ₹10 each	100,000	100,000

The entire share capital is held by Standard Chartered Bank – India branches and its nominee.

2 Significant accounting policies and notes to accounts

A. Background

St Helen's Nominees India Private Limited ('the Company') holds 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 with the Bank including security against loans advanced and other facilities. 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 does not earn any income for providing this service.

During the current year no further securities were held in the Company's name on behalf of the Bank.

During the current year the Board of Directors approved the proposal to commence security trustee service operations at the Company, however no such trustee services were rendered in the current financial year ended 31 March 2010.

B. Significant accounting policies and notes to accounts

1. Basis of preparation

The accompanying financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except as otherwise stated and comply with the Accounting Standards ('AS') prescribed by Company (Accounting Standards) Rules 2006, (to the extent applicable) and in accordance with the generally accepted accounting principles in India and the relevant provisions of the Companies Act, 1956.

2. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles (GAAP) in India requires Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities on the date of the financial statements. Actual results may differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

C. Profit and loss account

The Company did not have any activities during the year other than continuing to hold certain securities in its name. No income was earned during the year. The expenses incurred are the registrar of companies filing fees of ₹1,400 and the statutory audit fee of ₹20,957 (including service tax and education cess of ₹1,957) which are borne by the Bank.

D. 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.

The details of the values of these securities at 31 March 2010 are set out below:

(₹ in 000s)

	As at 31.3.2010	As at 31.3.2009
Registered shares / debentures	1,735	1,198

Note: Quoted shares are disclosed at market value at the reporting date where as debentures and unquoted shares are disclosed at nil value.

b) The market value as at 31 March 2010 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 ₹37,466,353 (Previous year: ₹10,827,021).

E. Taxation

No provision for tax has been made due to nil results during the year. Accordingly, deferred tax is nil for the year ended 31 March 2010.

F. Small scale industrial undertakings

There are no amounts payable to small scale industrial undertakings and ancillary suppliers at 31 March 2010. (Previous year: ₹ Nil)

G. Micro, Small and Medium Enterprise Development Act, 2006 ('the Act')

There are no amounts payable to Micro, Small and Medium Enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006. (Previous year: ₹ Nil)

H. Directors remuneration

No remuneration, sitting fees and commission was paid to any of the Directors during the year ended 31 March 2010. (Previous year: ₹ Nil)

I. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issues equity shares were exercised or converted during the year. Diluted earnings per share is computed using the weighted average number of equity shares and dilutive potential equity shares during the year, except where the results are anti-dilutive.

The computation of earnings per share is set out as below.

	Year ended 31 .3.2010	Year ended 31 .3.2009
Net Profit / (Loss)	–	–
Weighted Average Number of Shares (par value ₹10 each)	10,000	10,000
Basic / Diluted Earnings Per Share	–	–

J. Related Party Transactions

Standard Chartered Bank, India branches is the holding company and the only related party

	Year ended 31 .3.2010	Year ended 31 .3.2009
Expenses borne by Bank	22,357	21,557
Balances receivable as at year end	20,957	20,957

K. Segment Reporting

The Company has a single business segment which does not include products and services with significantly differing risks and returns. During the year the Company did not have any operations.

L. Cash flow

The movement in cash and cash equivalent is only on account of dividend received on pledged shares which is deposited in the bank account. As the expenses are borne by the Bank, there has not been any other movement in the cash balances. Accordingly no cash flow statement has been prepared for the current and previous years.

M. Schedule VI disclosures

Disclosure under Part II of Schedule VI to the Companies Act, 1956 has been made to the extent applicable to the Company.

N. Prior year figures

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

Additional information pursuant to Part IV of Schedule VI to the Act, to the extent applicable
Balance sheet abstract and Company's general business profile

I. Registration details

Registration no.	11728
State code	11

Balance sheet date	Date	Month	Year
	31	03	10

II. Capital raised during the year (Amount in ₹ thousands)

Public issue	Nil
Rights issue	Nil
Bonus issue	Nil
Private placement	Nil

III. Position of mobilisation and deployment of funds (Amount in ₹ thousands)

Total liabilities	3,023
Total assets	3,023

Source of Funds

Paid-up capital	100
Reserves and surplus	Nil
Secured loans	Nil
Unsecured loans	Nil

Application of Funds

Net fixed assets	Nil
Investments	Nil
Net current assets	100
Miscellaneous expenditure	Nil
Accumulated losses	Nil

IV. Performance of Company (Amount in ₹ thousands)

Turnover	Nil
Total expenditure	Nil
Profit before tax	Nil
Profit after tax	Nil
Earning per share (₹)	–
Dividend	Nil

V. Generic names of three principal products / services of Company
(As per monetary terms)

Item code no (ITC code)	Not Applicable
Product description	Not Applicable

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

Dhiren Parekh
Director

Anurag Adlakha
Director

14 June 2010
Mumbai

Auditors' report
To the Member of St. Helen's Nominees India Private Limited

We have audited the attached balance sheet of St Helen's Nominees India Private Limited ('the Company') as at 31 March 2010 and the profit and loss account for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. The Companies (Auditors' Report) Order, 2003 and amendments thereto (together referred to as 'the Order') issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, 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. Further to our comment above, we report that:
   a) we have obtained all information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit;
   b) in our opinion, proper books of account as required by law have been kept by the Company, so far as, appears from our examination of the books;
   c) the balance sheet and profit and loss account dealt with by this report are in agreement with the books of account;
   d) in our opinion, the balance sheet and the profit and loss account comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956.
   e) on the basis of written representations received from the Directors of the Company as at 31 March 2010, and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as director of the Company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
   f) in our opinion, and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India
      i) in the case of the balance sheet, of the state of affairs of the Company as at 31 March 2010; and
      ii) in the case of the profit and loss account, of the nil results of the Company for the year ended on that date.

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

Akeel Master
Partner
Membership No. 046768

14 June 2010
Mumbai

Standard Chartered Offices in India

Principal Office:
90, M. G. Road, Mumbai - 400 001, India
Tel: 022 2267 0162

WEST BRANCHES

Ahmedabad
Abhijeet II, Ground Floor,
Mithakali Six Roads, Ahmedabad - 380 006.
Tel: 079-2647 0051/52/88 • Fax: 079-2647 0041

Bhopal
Alankar Complex,
Ground Floor, Northern Wing, Plot no. 10,
Zone II, M. P. Nagar, Bhopal - 462 011.
Tel: 0755-421 4208 • Fax: 0755-255 2892

Indore
D. M. Towers, 21/1, Race Course Road,
Indore - 452 001. MP
Tel: 0731-420 6902 • Fax: 0731-420 6901

Jalgaon
Baba Plaza, Mumbai Nagpur Road,
Akashwani Square, Jalgaon - 425001.
Tel: +91 257 2237400 • Fax: +91 257 2237401

Mumbai

23-25, M.G. Road
23-25, M.G. Road, Mumbai - 400 001.
Tel: 022-67355692 • Fax: 022-2285 2870

90, M. G. Road
90, M. G Road, Mumbai - 400 001.
Tel: 022-67350389 • Fax: 022-22623226

Andheri
Ameya House, Raj Kumar Corner, J. P. Road,
Andheri (W), Mumbai - 400 058.
Tel: 022-26774261 / 022-26790236/34
FAX: 022-26790237

Bandra
Unique Centre, Waterfield Road,
Bandra (W), Mumbai - 400 050.
Tel: 022-26443908 • Fax: 022-2645 4953

Breach Candy
87, Bhulabai Desai Road,
Breach Candy, Mumbai - 400 036.
Tel: 022-2369 6265 / 2363 1214
Fax: 022-2363 4299

Borivali
Aditya Apts, CTS No. 639, Chandavarkar Road,
Borivali (West), Mumbai - 400 092.
Tel: 022-28924900 • Fax: 022-2890 3902

Centre Point
Junction of Juhu & S. V. Road,
Santa Cruz, Mumbai - 400 054.
Tel: 022-2464 64153 / 54 • Fax: 022-2649 3965

Chowpatty
Shree Pant Bhuvan, Sandhurust Bridge,
Chowpatty, Mumbai - 400 007.
Tel: 022-2368 0203 • Fax: 022-2364 2173

Chembur
Garden Apartment, Diamond Garden CHS Ltd.,
A Sores Road, Chembur, Mumbai - 400 071.
Tel: 022-2520 7395 • Fax: 022-2520 7390

D. N. Road
Oriental Building, 364,
Dr. D. N. Road. Mumbai - 400 001.
Tel:22802001, 22802006, 22802008, 22802045

Dadar
Shivaji Mandir, N. C. Kelkar Road,
Dadar (West), Mumbai - 400 028.
Tel: 022-2433 1920 • Fax: 022-2437 4097

Ghatkokar
170 A, Derasar Lane, Ghatkopar (E),
TPS II, Mumbai - 400 077.
Tel: 022-2501 5542 • Fax: 022-2501 6220

Juhu
B 21, Sanghvi Paritosh, V. L. Mehta Road,
J. V. P. D. Scheme, Vile Parle (W),
Mumbai - 400 049.
Tel: 022-26145236 / 26123747
Fax: 022- 26103720

Lokhandwala
21/23, Samarth Vaibhav, Near Milat Nagar Circle,
Lokhandwala, Andheri (W), Mumbai - 400 053.
Tel: 022-2632 7732 • Fax: 022-2634 0093

Santacruz
65-F, Vithalbhai Patel Road,
Santacruz (W), Mumbai - 400 054.
Tel: 022-2648 7510 / 2604 1435
Fax: 022-2649 3959

SCT
Standard Chartered Bank, SCT
Standard Chartered Towers
201 B/1, Western Express Highway,
Goregaon (East), Mumbai - 400063.
Tel: 0222 67373171 • Fax: 022-67373185

S. G. Marg
21/29, S. G. Marg, Mumbai - 400 002.
Tel: 022-2201 9692 / 22071570
Fax: 022-2200 0609

Thane
Emerald Plaza, Block No. 2,
Hiranandani Meadows, Pokhran Road No.2,
Thane - 400 601.
Tel: 022-21730902 • Fax: 022-21730912

Nagpur

Narang Towers
27, Palm Road, Civil Lines, Nagpur - 440 001.
Tel: 91-0712-6620700 • Fax: 91-712-662 0710

Pune

J. M. Road
364/365, Shrirang House,
Junglee Maharaj Road, Pune - 411 005.
Tel: 020-25521880 • Fax: 020-25521883

Kalyani Nagar
B2 The Cerebrum IT Park,
Behind Gold Big Cinemas,
Kalyani Nagar, Pune - 411014.
Tel: 020-66803800 • Fax: 020-66803815

Rajkot
Business Empire, 5, Jagnath Plot Corner,
Gymkhana Road, Rajkot - 350 002.
Tel: 0281-662 6002 • Fax: 0281-662 6010

Surat
1st Floor, C. K. Tower,
Near Sargam Shopping Centre,
Towards Surat Dumas Road,
Parle Point, Surat - 395 007.
Tel: 0261-222 0110 • Fax: 0261-222 0078

Vadodara
Gokulesh, R. C. Dutt Road, Baroda - 390 007.
Tel: 0265-232 0071 • Fax: 0265-232 2923

EAST BRANCHES

Bhubaneshwar
Plot No 3, Bapujinagar, Janpath,
Bhubaneshwar - 751 009.
Tel: 0674- 2597485 • Fax: 0674 – 2597681

Guwahati
G. N. Bardoloi Road,
Ambari, Guwahati - 781 001.
Tel: 0361-263 2264 / 263 2255
Fax: 0361-254 3192

Kolkata

142, M. G. Road
142, M. G. Road, Kolkata - 700 007.
Tel: 033-6613 4705-08 • Fax: 033-66134700

19, N. S. Road
19, N. S. Road, Kolkata - 700 001.
Tel: 033-2222 0101 / 0122
Fax: 033- 2230 1696

31, Chowringhee Road
31, Chowringhee Road, Kolkata - 700 016.
Tel: 033 - 6627 5301; 6627 5303; 6627 5304
Fax: 033-2226 3481

41, Chowringhee Road
41, Chowringhee Road, Kolkata - 700 071.
Tel: 033 6627-9626 to 6627-9635
Fax: 033-2288 7501

17, Salt Lake
AB-17, Sector 1, Salt Lake, Kolkata - 700 064.
Tel: 033-2359 8893 / 2358 3483
Fax: 033-2334 9958

347, Salt Lake
CF 347, Sector 1, Salt Lake,
Kolkata - 700 064.
Tel: 033-2337 0927 / 2334 3305
Fax: 033-2321 6205

Church Lane
6, Church Lane, Kolkata - 700 001.
Tel: 033-2242 0998 / 2248 6234
Fax: 033-2242 9200

Gariahat
208, R. B. Avenue, Kolkata - 700 029.
Tel: 033-6613 7801/ 6613 7803
Fax: 033-2464 0669

Standard Chartered Offices in India

Principal Office:
90, M. G. Road, Mumbai - 400 001, India
Tel: 022 2267 0162

Howrah
49, Dobson Road, Howrah - 711 101.
Tel: 033-2675 9043 - 48 • Fax: 033-2666 0551

Jodhpur Park
1/425, Gariahat Road South,
Jodhpur Park, Kolkata - 700 068.
Tel: 033-2414 8718 / 2473 3413
Fax: 033-2473 3038

New Alipore
17, S. A. Nalini Ranjan Avenue,
Kolkata - 700 053.
Tel: 033-2396 9770 • Fax: 033-2396 6383

Old Court House
21, Old Court House Street, Kolkata - 700 001.
Tel: 033-22223036 / 22223026
033-64490897

R. G. Kar Road
21A, R. G. Kar Road,
Shambazar, Kolkata - 700 004.
Tel: 033-2555 1870

Rash Behari Avenue
163, Rash Behari Avenue, Kolkata - 700 019.
Tel: 033-2466 1906 • Fax: 033-2466 4560

Shakespeare Sarani
21 A, Shakespeare Sarani, Kolkata - 700 017.
Tel: 033-2280 9055 / 2280 9056 / 22809054
Fax:033 2290 7333

Shambazaar
139 C, Bidhan Sarani,
Shambazar, Kolkata - 700 004.
Tel: 033-2555 6482 • Fax: 033-2555 5315

Patna
Bhagwati Dwaraka Arcade, Plot No.830P,
Exhibition Road, Patna - 800 001.
Tel: 0612-222 3124 / 3125 / 3158
Fax: 0612-222 3136

Siliguri
144, Hill Cart Road, Siliguri - 734 001.
Tel: 0353 2535900 • Fax: 0353 2535990

NORTH BRANCHES

Amritsar
360, The Mall, Amritsar Post Code - 143 001.
Tel: 0183-500 3756 • Fax: 0183-501 4111

Allahabad
2, Sardar Patel Marg, Civil Lines,
Allahabad - 211 001.
Tel: 0532-242 7070 • Fax: 0532-242 7066

Chandigarh
SCO, 137-138, Sector 9C, Madya Marg,
Chandigarh - 160 017.
Tel: 0172-507 2880 • Fax: 0172-507 2881

Dehra Dun
Krishna Towers, 69, Rajpur Road,
Dehradun - 248 001.
Tel: 0135-324 2061 • Fax: 0135-274 7090

Jaipur
H 8, Showroom No. 1, Bhagwat Bhawan,
M. I. Road, Jaipur - 302 001.
Tel: 0141-511 6072 / 6452220
Fax: 0141-511 6073

Jalandhar
Plot No. 34, G. T. Road, Jalandhar - 144 001.
Tel: 0181-507 3412 • Fax: 0181-222 0295

Kanpur
16/105, M. G. Road, Kanpur - 208 001.
Tel: 0512-230 6536 • Fax: 0512-230 4705

Lucknow
Narain Automobiles,
4, Shanazaf Road, Lucknow - 226 001.
Tel: 0522-220 1870 • Fax: 0522- 220 1826

Ludhiana
SCO 16-17, Feroze Gandhi Market,
Ludhiana - 141 001.
Tel: 0161-508 4030 • Fax: 0161-508 4031

Mathura
Pacific Mall, Plot No. C-1/B, Site B,
Industrial Area, Mathura - 281 006.
Tel: 0565-320 6014

New Delhi
Barakhamba Road, Narain Manzil,
23, Barakhamba Road, New Delhi - 110 001.
Tel: 011-4152 4400 • Fax: 011-4152 4402

Dwarka
H L Wings, Pocket - 4, Plot 2, Sector 11,
Dwarka, New Delhi - 110 075.
Tel: 011-45636501 • Fax: 011-45636510

Chankyapuri
13, Malcha Marg, Chankyapuri,
New Delhi - 110 021.
Tel: 011-2688 2994 • Fax: 011-2688 3169

Connaught Circus
H-2 Block, Connaught Place,
New Delhi - 110001.
Tel: 011-2340 6450 • Fax: 011-2335 5188

Greater Kailash
B-68, Greater Kailash Part I, New Delhi - 110 048.
Tel: 011-2924 5433 • Fax: 011-2924 6857

Gurgaon
SCF-77, Sector-14, Gurgaon - 122 001.
Tel: 0124-408 8700 • Fax: 0124-408 8701

DLF
DLF Building No.7A, DLF Cyber City,
Sector - 24 / 25 / 25A, Gurgaon - 122 001.
Tel: 0124-487 6007

Hamilton House
A-1, Block, Hamilton House,
Connaught Place, New Delhi – 110 001.
Tel: 011-4365 4040 • Fax: 011-43751127

Janakpuri
B-1/517, Opp. District Centre,
New Delhi - 110 058.
Tel: 011-4158 9327 • Fax: 011-4102 1446

Karol Bagh
13/37, WEA, Arya Samaj Road,
Karol Bagh, New Delhi - 110 005.
Tel: 011-4154 6964 • Fax: 011-4154 6963

New Friends Colony
20, Community Centre, New Friends Colony,
New Delhi - 110 025.
Tel: 011-4167 2305 • Fax: 011-4167 2306

Preet Vihar
Aditya Arcade, Plot No. 30, Community Centre,
Preet Vihar, New Delhi - 110 092.
Tel: 011-2244 0201 • Fax: 011-2202 4701

Punjabi Bagh
41, Central Market, Punjabi Bagh West,
New Delhi - 110 026.
Tel: 011-4246 6792 • Fax: 011-2522 8776

Pitampura
A2, 3, 4, HB Twin Towers, District Centre,
Netaji Subash Place, Wazirpur,
Pitampura, New Delhi - 110 088.
Tel: 011-4247 0867 • Fax: 011-4247 0880

Sansad Marg
10, Sansad Marg, New Delhi - 110 001.
Tel: 011-2340 6202 • Fax: 011-2374 7119

South Extension
M-1, South Extension Part II,
New Delhi - 110 049.
Tel: 011-4164 4866 • Fax: 011-4164 4860

Saket
E-26, Saket, New Delhi - 110 017.
Tel: 011-4102 1454 • Fax: 011-4102 1455

Vasant Vihar
2-3, Basant Lok, Vasant Vihar,
New Delhi - 110 057.
Tel: 011-4166 9256 • Fax: 011-4166 9258

Noida
Brahm Datt Tower, Plot No. K-3,
Sector 18, Noida - 201 301.
Tel: 0120-432 3759 • Fax: 0120-423 1901

Saharanpur
Mundarja No. 262, Delhi - Saharanpur -
Yamunotri Road, Saharanpur - 247 001.
Tel: 0132-2764855 • Fax: 0132-2764857

SOUTH BRANCHES

Bangalore
Koramangala
Serenity, 112, Ground Floor,
Koramangala Industrial Area, 5th Block,
Bangalore - 560 052.
Tel: 080-6707 9501 • Fax: 080-6707 9500

M. G. Road
Raheja Towers, 26, M. G. Road,
Bangalore - 560 001.
Tel: 080-6631 0004 • Fax: 080-2558 9739

Prestige Poseidon
G2-G3, Prestige Poseidon,
139, Residency Road, Bangalore - 560 025.
Tel: 080-41188952

Chennai

Anna Salai
187, Anna Salai, Chennai - 600 006.
Tel: 044 28564014

Haddows Road
No 1, Haddows Road,
Nungambakkam, Chennai - 600 006.
Tel: 044-2821 9666 / 2821 9658
Fax: 044-2821 9660

Mylapore
29/30, Dr. Radhakrishna Salai,
Raja Rajeshwari Towers, Chennai - 600 004.
Tel: 044-43526093 • Fax: 044-2811 0060

Rajaji Salai
19, Rajaji Salai, Chennai - 600 001.
Tel: 044-4202 7272 / 25349346
Fax: 044-2534 2781

Sorrento
No. 6, Lattice Bridge Road, Adyar,
Chennai - 600 020.
Tel: 044-2491 8562 / 2491 0440
Fax: 044-2491 9473

T. Nagar
Sagar Court 59, G. N. Chetty Road,
T. Nagar, Chennai - 600 017.
Tel: 044-2815 8707
Fax: 044-2815 2138

Coimbatore
509, Red Rose Plaza, D. B. Road,
R. S. Puram, Coimbatore - 641 002.
Tel: 0422-255 0589 / 254 4620
Fax: 0422-254 2592

Ernakulam
HDFC House, M. G. Road, Ravipuram Junction,
Ernakulam, Cochin - 682 015.
Tel: 0484-6536563 / 6536616
Fax: 0484-2358743 / 2358837

COCHIN
1633, K. P. K. Menon Road, Willingdon Island,
Cochin - 682003.
Tel: 044 - 2534 9328 • Fax: 044 - 25350225

Hyderabad

Lumbini Rockdale
301, 3rd Floor,
Diamond Block, Lumbini Rockdale,
Somajiguda, Hyderabad - 500 082.
Tel: 040-23376145

Somajiguda
6-3-1090, TSR Towers, Rajbhavan Road,
Somajiguda, Hyderabad - 500 082.
Tel: 040-2332 1160 / 2330 8443
Fax: 040-2332 1288

Secunderabad
Ground Floor, Unit No. 2A & 3,
Ashok Bhoopal Chambers, S. P. Road,
Secunderabad - 500 003.
Tel: 040-6690 7050 • Fax: 040-6690 7060

Proddatur
Meghana Mansion G/F,
24/25, Opp. Laxmi Vilas Bank,
Gandhi Road Cuddapah Dist.,
Proddatur - 516 360.
Tel: 08564248842 • Fax: 08564248841

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Goal is a Standard Chartered Bank community investment initiative which uses sport and life skills education to transform the lives of adolescent girls.

We provide girls with the basic skills they need to build their confidence and create a better future for themselves, their families and communities.

“Now I am more confident and can talk to anyone without fear... someday I’ll prove I am no less than my brothers.”

Rakhi, 17, Goal Champion

For more information about the Goal programme email Goal.info@sc.com or visit www.goal-girls.com

Goal reaching new heights

Standard Chartered

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