

**Notes to Financial Results for the period ended March 31, 2005**  
(Currency : Indian Rupee in crores)

**1 Significant accounting policies**

**1.1 Basis of preparation**

The financial results are prepared under the historical cost convention, as modified for investments which are 'marked to market', on the accrual basis of accounting and in accordance with the accounting standards and policies specified in the Ninth Schedule of the Regulations and amendments thereto, and the accounting standards and guidance notes issued by the Institute of Chartered Accountants of India, to the extent applicable.

**1.2 Investment :**

**Basis of accounting**

Transactions for purchase and sale of investments are recorded on trade date. Cost of investments includes brokerage. Any front end-discount on privately placed investments is reduced from the cost of such investments.

Broken period interest is debited/credited to Interest Receivable account and is not included in the cost of purchase.

Inter scheme purchase/sale of securities are at last valued prices.

**Valuation**

Investments for the purpose of valuation are classified as traded and non traded in accordance with the provisions of the Regulations.

Investments are stated at market/fair value as follows :

**Traded securities**

**Debt / Money market instruments**

Traded securities / instruments (other than Government securities) are valued at the last quoted closing price on the date of valuation on the National Stock Exchange (the 'NSE') or the last quoted closing price on principal exchange on which the security is traded on the date of valuation, where on the particular valuation day a security is not quoted on the NSE.

There is a change in the accounting estimate for valuation of the money market instruments with effect from October 20, 2004. Prior to this such instruments were valued on the same basis as non-traded securities with residual maturity upto 182 days. However, the effect of this change in the accounting estimate on the results for the year and on the financial statements is not ascertainable.

**Government securities**

Government securities are valued at prices obtained from CRISIL in accordance with the guidelines for valuation of securities for mutual funds issued by SEBI.

**Non-traded/ thinly traded securities**

**Debt securities**

Non traded debt securities (other than Government Securities) are securities that are not traded on any stock exchange for a period of fifteen days prior to the valuation date.

A debt security (other than Government Securities) shall be considered a thinly traded security if on the valuation date, there are no individual trades in that security in marketable lots of Rs 50 million on the principal stock exchange or any other stock exchange.

Non traded/thinly traded debt securities with residual maturity of over 182 days to maturity are being valued as per Credit Rating Information Services of India Limited ('CRISIL') Bond Valuer ('CBV') from the day on which the security is not traded. These are valued 'in good faith' by the AMC under procedures approved by the Trustees and on the basis of the valuation principles laid down by the Regulations.

Non traded securities purchased with residual maturity upto 182 days are valued at cost / last valuation price (including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost / last valuation price, spread uniformly over the remaining maturity period of the instrument.

**Government securities**

Government securities are valued at prices obtained from CRISIL in accordance with the guidelines for valuation of securities for mutual funds issued by SEBI.

**Money market instruments**

Money market instruments are valued at cost / last valuation price (including accrued interest till the beginning of the day) plus the difference between the redemption value (inclusive of interest) and cost / last valuation price, spread uniformly over the remaining maturity period of the instrument.

**Repos**

Instruments bought on 'repo' basis are valued at the resale price after deduction of applicable interest upto date of resale.

**Asset backed securities**

Asset backed securities with a residual maturity over 182 days and where the cash flows are variable are valued on the same basis as that for non traded securities with residual maturity over 182 days.

Asset backed securities with a residual maturity upto 182 days and where cashflows are variable are valued on the basis of amortisation, the last valued yield being the base for amortisation.

**Derivatives**

In accordance with SEBI guidelines, the Fund enters into derivative transactions in the form of short dated Interest Rate Swaps for the purposes of balance sheet hedging and portfolio balancing only. Such interest rate swaps are accounted for on accrual basis.

**2 Disclosure under regulation 25 (8) of SEBI Regulations**

a) The disclosure made is towards brokerage or commission paid to the sponsor or any of its associates as defined in the regulation 25(8):

Entity/Nature of payment	Commission (INR Crs.)
<b>Standard Chartered Bank - India branches</b>	
GSSIF-IP	0.30
GSSIF-ST	0.02
GCF	0.19
GGSF-IP	0.00
GGSF-ST	0.00
GDBF	0.15
GFRF	0.57
GSSIF-MT	0.06
GGSF-PF	0.00
GFRF-LT	0.25
SCASBF	0.17
GFMP-A6	0.29

b) Subscription in issues lead managed by Associate Companies of the Sponsor

(INR Crs.)

Security	Lead Manager	GFRF-LT
AP - HDFC Bank ABS Trust Ser 6	SCB	27.24

**3. Details of investment in companies that hold more than 5% of NAV of any scheme of Standard Chartered Mutual Fund:**

Investing Scheme Name	Security	Aggregate for the period under Regulation 25(11)		Outstanding as at 31-Mar-05 At Market/Fair Value (Rs.)
		At Cost (Rs.)	At Market/Fair Value (Rs.)	
GSSIF-IP	IDBI	4,669,180,800.00	53,527,700.00	
GSSIF-ST	IDBI	8,279,903,277.81	-	
GCF	IDBI	15,099,681,647.23	1,539,315,415.37	
GDBF	IDBI	3,329,763,050.00	-	
GFRF	IDBI	6,277,492,358.99	1,000,363,963.20	
GSSIF-MT	IDBI	1,763,123,278.90	10,973,890.00	
GFMP-A	IDBI	725,164,750.00	258,570,250.00	
GFMP-A2	IDBI	364,470,250.00	200,734,287.20	
GFMP-6	IDBI	444,432,200.00	439,718,200.00	
GFMP-5	IDBI	205,403,910.00	205,418,000.00	
GFMP-7	IDBI	296,879,830.00	296,664,210.00	
GFMP-9	IDBI	53,859,410.00	53,527,700.00	
GFRF-LT	IDBI	2,578,031,249.99	617,373,500.00	
GFMP-4	IDBI	369,039,900.00	368,702,600.00	
GCF	Tisco	23,306,875.00	-	
GSSIF-ST	Tisco	276,645,950.00	-	
GSSIF-IP	Hindalco Industries Limited	681,578,050.00	-	
GSSIF-ST	Hindalco Industries Limited	366,867,300.00	-	
GCF	Hindalco Industries Limited	15,250,200.00	-	
GSSIF-IP	HDFC Limited	4,862,734,033.29	49,521,050.00	
GSSIF-ST	HDFC Limited	3,567,442,620.45	-	
GCF	HDFC Limited	19,203,361,955.00	900,277,900.00	
GDBF	HDFC Limited	4,815,504,550.00	-	
GFRF	HDFC Limited	10,952,812,072.00	950,381,550.00	
GSSIF-MT	HDFC Limited	1,807,998,650.00	-	
GFRF-LT	HDFC Limited	5,231,470,260.50	1,408,190,305.00	
GFMP-6	HDFC Limited	100,099,500.00	100,406,600.00	
GFMP-5	HDFC Limited	105,876,700.00	105,093,700.00	
GFMP-7	HDFC Limited	156,408,300.00	155,947,500.00	
GFMP-4	HDFC Limited	314,888,801.62	315,713,711.00	
GSSIF-IP	Mahindra & Mahindra	771,134,582.00	196,171,197.12	
GSSIF-ST	Mahindra & Mahindra	2,047,036,377.00	47,376,980.88	
GSSIF-MT	Mahindra & Mahindra	20,056,218.00	-	
GCF	Mahindra & Mahindra	37,518,754,194.77	910,868,346.13	
GDBF	Mahindra & Mahindra	1,703,438,140.00	47,376,984.17	
GFRF	Mahindra & Mahindra	4,022,893,159.83	217,241,901.03	
GFMP-Q	Mahindra & Mahindra	35,043,334.20	-	
GFMP-A	Mahindra & Mahindra	527,687,770.00	551,808,241.54	
GFMP-A2	Mahindra & Mahindra	153,770,700.00	152,560,650.00	
GFMP-4	Mahindra & Mahindra	188,972,400.00	-	
GFRF-LT	Mahindra & Mahindra	1,534,293,100.00	50,853,550.00	
GSSIF-IP	Indian Aluminium Company Limited	257,579,650.00	-	
GCF	Indian Aluminium Company Limited	320,000,000.00	-	
GFRF	Indian Aluminium Company Limited	160,000,000.00	-	
GSSIF-ST	Indian Aluminium Company Limited	600,000,000.00	-	
GSSIF-IP	Indo Gulf Corporation	250,000,000.00	-	
GDBF	Indo Gulf Corporation	264,420,250.00	-	
GCF	ICICI Securities & Finance Co. Ltd.	345,132,250.00	-	
GSSIF-ST	ICICI Securities & Finance Co. Ltd.	147,977,993.64	-	
GFMP-10	ICICI Securities & Finance Co. Ltd.	245,762,500.00	246,935,379.42	
GSSIF-IP	ICICI Bank Limited	4,241,115,618.76	-	
GSSIF-ST	ICICI Bank Limited	7,059,290,208.95	-	
GCF	ICICI Bank Limited	23,470,481,902.21	2,804,042,890.40	
GSSIF-MT	ICICI Bank Limited	2,015,734,576.40	28,850,501.34	
GDBF	ICICI Bank Limited	2,738,769,035.00	96,378,864.53	
GFRF	ICICI Bank Limited	8,689,932,850.00	1,714,726,182.44	
GFSS-A3	ICICI Bank Limited	289,564,590.00	-	
GFSS-A4	ICICI Bank Limited	119,902,925.10	-	
GFSS-A6	ICICI Bank Limited	88,613,480.76	-	
GFMP-Q	ICICI Bank Limited	197,082,200.00	-	
GFMP-A	ICICI Bank Limited	323,301,550.00	309,053,650.00	
GFMP-A2	ICICI Bank Limited	159,451,500.00	154,124,500.00	
GFMP-6	ICICI Bank Limited	106,103,600.00	106,473,600.00	
GFMP-5	ICICI Bank Limited	157,909,650.00	156,663,000.00	
GFMP-3	ICICI Bank Limited	2,957,142,000.00	-	
GFMP-7	ICICI Bank Limited	75,541,130.00	75,090,450.00	
GFMP-9	ICICI Bank Limited	50,000,000.00	49,434,000.00	
GFMP-10	ICICI Bank Limited	1,479,121,500.00	1,733,843,894.18	
GFMP-4	ICICI Bank Limited	96,040,900.00	-	
GFRF-LT	ICICI Bank Limited	2,091,663,230.00	1,384,885,765.46	
GCF	Larsen & Toubro Limited	2,515,609,355.26	-	
GDBF	Larsen & Toubro Limited	50,000,000.00	-	
GFRF	Larsen & Toubro Limited	651,187,335.38	-	

**3. Details of investment in companies that hold more than 5% of NAV of any scheme of Standard Chartered Mutual Fund:**

Investing Scheme Name	Security	Aggregate for the period under Regulation 25(11)		Outstanding as at 31-March-05 At Market/Fair Value (Rs.)
		At Cost (Rs.)	At Market/Fair Value (Rs.)	
GSSIF-IP	Larsen & Toubro Limited	250,000,000.00	-	
GSSIF-ST	Larsen & Toubro Limited	997,551,853.46	-	
GSSIF-IP	IDFC Limited	1,361,393,650.00	-	
GSSIF-ST	IDFC Limited	1,913,733,286.34	-	
GCF	IDFC Limited	3,753,184,250.00	-	
GFRF	IDFC Limited	4,056,701,050.00	-	
GDBF	IDFC Limited	639,568,050.00	-	
GFRF-LT	IDFC Limited	2,648,228,050.00	1,202,828,400.00	
GFMP-6	IDFC Limited	102,991,900.00	103,899,300.00	
GFMP-10	IDFC Limited	246,112,250.00	247,271,098.51	
GSSIF-IP	ITC Limited	200,000,000.00	-	
GCF	Global Trade Finance	950,000,000.00	-	
GSSIF-MT	Global Trade Finance	200,000,000.00	-	
GSSIF-ST	Global Trade Finance	1,350,000,000.00	-	
GFRF	Global Trade Finance	50,000,000.00	-	
GSSIF-IP	GE Capital Services Ltd.	1,201,566,636.93	102,852,320.00	
GSSIF-ST	GE Capital Services Ltd.	3,183,188,186.77	-	
GCF	GE Capital Services Ltd.	10,876,688,718.32	343,121,783.41	
GFRF	GE Capital Services Ltd.	6,667,002,263.46	38,743,559.94	
GDBF	GE Capital Services Ltd.	1,804,163,750.00	-	
GSSIF-MT	GE Capital Services Ltd.	502,868,600.00	-	
GFSS-A3	GE Capital Services Ltd.	90,000,000.00	-	
GFMP-A	GE Capital Services Ltd.	300,000,000.00	299,810,300.00	
GFMP-A2	GE Capital Services Ltd.	57,411,380.00	58,115,704.39	
GFMP-6	GE Capital Services Ltd.	250,913,075.00	252,647,300.00	
GFMP-7	GE Capital Services Ltd.	250,106,250.00	250,842,500.00	
GFRF-LT	GE Capital Services Ltd.	698,440,200.00	-	
GCF	Bajaj Auto Fin.	147,320,050.00	49,290,992.23	
GFRF-ST	Bajaj Auto Fin.	147,313,400.00	49,290,992.23	
GDBF	Bajaj Auto Fin.	49,807,700.00	-	
GFRF-ST	Raymonds	750,000,000.00	-	
GFRF-LT	Raymonds	350,000,000.00	-	
GCF	Raymonds	350,000,000.00	-	
GFMP-A	Tata Sons	101,433,100.00	100,624,000.00	
GFMP-A2	Tata Sons	50,716,550.00	50,312,000.00	
GFMP-5	Tata Sons	199,408,600.00	200,679,400.00	
GSSIF-IP	Tata Power	-	41,589,107.50	
GFRF	UTI Bank Ltd.	2,154,451,400.00	237,710,600.35	
GDBF	UTI Bank Ltd.	312,461,400.00	113,300,373.12	
GFMP-Q	UTI Bank Ltd.	98,615,800.00	-	
GFMP-A	UTI Bank Ltd.	195,391,200.00	-	
GFMP-A2	UTI Bank Ltd.	97,716,250.00	-	
GFMP-4	UTI Bank Ltd.	377,156,000.00	311,576,014.94	
GCF	UTI Bank Ltd.	6,679,313,926.00	1,991,618,092.09	
GSSIF-ST	UTI Bank Ltd.	1,022,367,772.00	18,883,398.29	
GFRF-LT	UTI Bank Ltd.	385,740,700.00	-	
GSSIF-MT	UTI Bank Ltd.	28,253,100.00	28,325,087.70	
GSSIF-IP	UTI Bank Ltd.	47,192,500.00	47,208,497.16	

In the opinion of Standard Chartered Asset Management Company Private Limited, the above investments were considered sound and are in line with the investment objective of relevant plans of the Scheme.

**4 Details of large holdings over 25% of net assets as on March 31, 2005: Nil**

**5 Exposure to derivatives as on March 31, 2005: Nil**

6 None of the Schemes of the Mutual Fund have invested in foreign securities and there have been no borrowings during the half year ended March 31, 2005.

**7 Total non performing assets (NPAs) provided for and its percentage to net assets as on March 31, 2005: Nil**

8 The NAV per unit mentioned in this Half Yearly Report and those posted on the AMFI website and published in the Fund Review would differ on account of the Unit Capital of March 31, 2005 being accounted for in this Report.

**9 Benchmark Performance \$**

We have considered CRISIL Composite Bond Fund Index for GSSIF - IP, GDBF, SCASBF, GFMP - A, GFMP - 5, GFMP - 6, GFMP - 7, GFMP - 9 and have considered CRISIL Liquid Index for GCF, GFMP A2, GFMP - 4, GFMP - 10 and Calculated Mibor Index for GFRF - ST, GFRF - LT, I-Sec composite Index for GGSF - IP, GGSF - ST & GGSF - PF and CRISIL Short Term Bond Fund Index for GSSIF-ST and GSSIF - MT. Please note that the benchmarks are published by AMFI. However looking at asset allocation pattern and portfolio duration the benchmarks are not strictly comparable for GGSF - ST, GGSF - PF, GDBF, GFMPs & GSSIF-MT.

**10 Plans wound up during the Half Year ended March 31, 2005**

The following plans were wound up on December 31, 2004 : Grindlays Super Saver Income Fund - Investment Plan - Plan B, Grindlays Super Saver Income Fund - Medium Term Plan - Plan B & C, Grindlays Super Saver Income Fund - Short Term Plan - Plan C, Grindlays Dynamic Bond Fund - Plan C & D and Grindlays Government Securities Fund - Investment Plan - Plan B.

The following plans were wound up on March 31, 2005 : Grindlays Super Saver Income Fund - Short Term Plan - Plan B, Grindlays Dynamic Bond Fund - Plan B, Standard Chartered All Seasons Bond Fund - Plan B.

**Please read the Offer Document carefully before investing.**

**Risk Factors:** Mutual Funds and securities investments are subject to market risks, reinvestment risk, changes in political, economic environment and government policy and there is no assurance or guarantee that the objectives of the Scheme/s will be achieved. The NAV of the Scheme/s can go up or down depending on factors and forces affecting the Securities Market including fluctuation in interest rates, trading volumes and reinvestment risk. Past performance of the Sponsor/AMC/Mutual Fund is not necessarily indicative of the future performance of the Scheme/s. Grindlays Super Saver Income Fund (GSSIF), Grindlays Cash Fund (GCF), Grindlays Government Securities Fund (GGSF), Grindlays Dynamic Bond Fund (GDBF), Grindlays Fixed Maturity Plan - Annual (GFMP-A), Grindlays Fixed Maturity Plan Annual Plan 2 (GFMP-A2), Grindlays Fixed Maturity 4th Plan (GFMP-4), Grindlays Fixed Maturity 5th Plan (GFMP-5), Grindlays Fixed Maturity 6th Plan (GFMP-6), Grindlays Fixed Maturity 7th Plan (GFMP-7), Grindlays Fixed Maturity 9th Plan (GFMP-9), Grindlays Fixed Maturity 10th Plan (GFMP-10), Grindlays Floating Rate Fund (GFRF) & Standard Chartered All Seasons Bond Fund (SCASBF) are names of the Schemes and do not in any manner indicate either the quality of the Schemes, their future prospects or returns. The Sponsor or any of its associates is not responsible or liable for any loss resulting from the operation of the Schemes beyond the corpus of the Trust of Rs. 20,000/- . Scheme specific risk of SCASBF: The Scheme will invest in a basket of 100% debt schemes. Hence the performance of the scheme would depend upon the performance of the underlying schemes. This being a Fund of Funds scheme, the investors are bearing the recurring expenses of the underlying schemes.

**Statutory Details:** Standard Chartered Mutual Fund has been set up as a trust by Standard Chartered Bank (liability restricted to corpus of Trust of Rs. 20,000) with Standard Chartered Trustee Company Private Limited (Company with limited liability) as the trustee and Standard Chartered Asset Management Company Private Limited (Company with limited liability) as the investment manager.

**Terms of Issue & Load Structure:** GSSIF, GCF, GGSF, GDBF, GFRF & SCASBF: During the continuous offer the AMC calculates and publishes NAVs and offers for sale and redemption of units of the Scheme on all Business Days. There is no entry/exit load on GCF, GGSF-ST, GSSIF-