



Annual
Report
&
Accounts
December
2006

**Standard Chartered
Asset Management Company Pvt. Ltd.**

REPORT OF THE DIRECTORS

To the Members,

We are pleased to present the Seventh Annual Report to the Members, along with the audited Profit and Loss Account for the period ended December 31, 2006 and the Balance Sheet as on December 31, 2006.

FINANCIAL RESULTS

(Rupees in '000)

Particulars	Year ended December 31, 2006	Year ended December 31, 2005
Gross Income	411,536.48	3,27,187.93
Profit before Interest, Depreciation & Tax	92,227.73	45,164.22
Depreciation	5,969.31	6,126.25
Profit before Tax	86,258.42	39,037.97
Provision for Tax	30,000.00	4300
Deferred Tax Liability	951.00	790
Profit after Tax	54,612.37	33,947.97
Balance brought forward from previous year	1,73,988.08	1,73,953.45
Amount available for Appropriation	2,28,600.45	2,07,840.68
APPROPRIATIONS		
Transfer to General Reserve	2,800.00	-
Proposed Dividend on Preference Shares	29,688.75	29,688.75
Interim Dividend on Equity Shares	3,654.00	-
Distribution tax on Interim Dividend	512.48	-
Distribution tax on Proposed Dividend	5,045.60	4,163.85
Balance carried to Balance Sheet	1,86,899.62	1,73,988.08

OPERATIONS OF STANDARD CHARTERED MUTUAL FUND

The Company is the Investment Manager of the schemes of Standard Chartered Mutual Fund (SCMF). The Assets under Management of Standard Chartered Mutual Fund were Rs. 12,642.71 crores as on December 31, 2006.

During the period under review, SCMF launched several equity schemes and liquid schemes. On January 12, 2006, the Fund introduced 'Standard Chartered Liquidity Manager (SCLM)' which collected a total of INR 454.17 crores during the New Fund Offer. On March 23, 2006, 'Standard Chartered Liquidity Manager Plus (SCLMP)' was launched which collected a total of INR 120.22 crores during the New Fund Offer period. Both SCLM and SCLMP are open ended liquid Schemes which seek to provide high liquidity by investing in a portfolio of money market instruments and debt instruments.

The 'Standard Chartered Imperial Equity Fund' was launched on January 30, 2006. This scheme collected a total of INR 433.76 crores during the New Fund Offer. This scheme is an open ended Equity Scheme which seeks to generate

capital appreciation and/or provide income distribution from a portfolio of predominantly equity and equity related instruments.

On April 19, 2006, Standard Chartered Enterprise Equity Fund was launched which is a close ended equity scheme. The tenor of the scheme is 36 months with automatic conversion into an open ended scheme on completion of 36 months. This scheme collected a total of INR 1,434.329 crores during the New Fund Offer. The objective of the scheme is to seek to generate capital growth from a portfolio of predominantly equity and equity related instruments (including equity derivatives). The scheme may also invest in debt and money market instruments to generate reasonable income. The Scheme invests in companies which are involved in or are in the process of setting up various business activities, ventures, projects or other commercial endeavours. The Scheme invests in equity IPOs, subsequent public offers or in the secondary market, other equity related instruments (including derivatives), benefit out of the cash and derivative markets arbitrage opportunity and invest the residual sums in debt and money market instruments.

The 'Standard Chartered Arbitrage Fund' launched on November 14, 2006, which is also an open ended equity fund. This scheme collected a total of INR 460.13 crores during the New Fund Offer. The investment objective of the scheme is to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and the derivative segments of the equity markets and by investing the balance in debt and money market instruments.

During the year under review, the fund also launched twenty one close-ended schemes in the form of fixed maturity plans, including Grindlays Fixed Maturity Plus Plans (I-III) and Standard Chartered Tristar Series-I. These fixed maturity plans collected approximately Rs.3509.36 crores.

The Fund did various innovative marketing schemes with the objective of growing assets and attracting retail funds. The focus on Independent Financial Advisors (IFA) channel was stepped up and training programs on equities were conducted at various locations.

Pursuant to a Share Purchase Agreement dated January 26, 2007, between Standard Chartered Bank (SCB) and UBS Group represented by (Swiss Finance Corporation (Mauritius) Limited ("UBS Mauritius") and UBS (India) Private Limited ("UBS India"), SCB has agreed to sell its entire stake held in Standard Chartered Asset Management Company Private Limited (SCAMC) to the UBS Group. SCB has also agreed to procure the sale of shares held by minority shareholders to the UBS Group. Application seeking approval for acquisition of shares and change in sponsor was made to the Securities and Exchange Board of India (SEBI) and the approvals are awaited.

On receipt of necessary regulatory approval, the UBS Group will acquire the entire issued share capital of SCAMC thereby maintaining the existing infrastructure and management team. The terms of the transaction would be governed by the Sale Purchase agreement as mentioned above and signed between the two parties.

DIVIDEND

The Company has made a profit after tax of INR 5.46 crs. during the year under review. The Company proposes to pay a preference dividend @ Rs.1.50 per preference share (15% on preference share of face value of Rs.10).

Interim dividend @ Rs.1.40 per equity shares (14% on an equity share of face value of Rs.10) was paid to all shareholders on August 7, 2006. The Board of Directors had approved the declaration of Interim Dividend on August 2, 2006. The Interim Dividend declared will be considered as the total dividend for the year.

SHARE CAPITAL

No further equity or preference share capital was issued by the company during the year.

FIXED DEPOSITS

The company has not accepted any Fixed Deposits from the public.

PARTICULARS OF EMPLOYEES

As required under the provisions of Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, the names and other particulars of employees is annexed to this Report.

STATUTORY DISCLOSURE OF PARTICULARS

The requirements of disclosure, in terms of Section 217 (1)(e) of the Companies Act, 1956, read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, pertaining to steps taken regarding conservation of energy & technology absorption, do not apply to the Company.

The Company as an Investment Manager of Standard Chartered Mutual Fund, uses state of the art technology for managing assets of the fund. Registry Service has been outsourced to Computer Age Management Limited (CAMS) who possess good technology support.

There were no foreign exchange earnings by the company during the period under review. Expenditure in foreign currency amounted to Rs 2.82 lacs on account of foreign travel for business purposes.

The Board of Directors of the Company met Five times during the Year and four meetings of the Audit Committee were convened during the year. The Annual Accounts of the Company have been reviewed by the Audit Committee.

DIRECTORS RESPONSIBILITY STATEMENT

Based on the representation made by the management, the directors, pursuant to the provisions of Section 217 (2AA) the Directors wish to state

1. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. that they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
3. that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. that they have prepared the annual accounts on a going concern basis

AUDITORS

M/s M. P. Chitale and Co., Chartered Accountants and Statutory Auditors of the Company would be retiring at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The auditors have confirmed their eligibility and willingness to accept the office if re-appointed. The Members are requested to consider their re-appointment, at a remuneration to be decided by the Board of Directors, for the calendar year ending December 31, 2007 as set out in the Notice convening the Annual General Meeting.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mrs. Bakul Patel retires by rotation and is eligible for re-appointment.

ACKNOWLEDGEMENT

The Board places on record its gratitude to the Government of India, Securities & Exchange Board of India, Reserve Bank of India, Association of Mutual Funds of India, other regulatory authorities and institutions and to the Members for their continued guidance and support and expresses its sincere appreciation to all the employees for their commendable teamwork and enthusiastic contribution during the year.

For and on behalf of the Board of Directors

Paul Jebson
Chairman

Place : Mumbai
Date : June 05, 2007

AUDITORS' REPORT

To The Members of Standard Chartered Asset Management Company Private Limited

We have audited the attached Balance Sheet of Standard Chartered Asset Management Company Private Limited as at December 31, 2006 and also 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) As required by the Companies Auditors Report Order (CARO) 2003, issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose as Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- (2) Further to our comments in the Annexure referred to in paragraph 1 above, we state that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of those books;
 - (c) The Balance Sheet and the Profit and Loss Account dealt with in this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the accounting standards referred to in Section 211 (3C) of the Companies Act, 1956 to the extent applicable.
 - (e) On the basis of written representation received by the Company from the directors in the months of April 2007 which is taken on record by the Board of Directors in their meeting held on 5TH June 2007, we report that none of the directors is disqualified as on 31st December 2006 from being appointed as a director in terms of 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 Balance Sheet and the Profit and Loss Account with notes thereon 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 so far as it relates to the Balance Sheet, of the state of affairs of the company as at December 31, 2006, and
 - (ii) in so far as it relates to the Profit and Loss Account, of the profit of the company for the year ended on that date.

For M. P. Chitale & Co.
Chartered Accountants

Viraj Londhe
Partner
M. No. 45761

Mumbai
Date: June 6, 2007

Annexure referred to in paragraph 1 of the report of even date of the Auditors to the members of Standard Chartered Asset Management Company Private Limited.

- (i) (a) The Company has maintained proper records, showing full particulars including quantitative details and situation of Fixed Assets.
- (b) We have been informed that all the assets have been physically verified by the Management at the year-end and no discrepancies have been noticed on such verification.
- (c) The company has not disposed of substantial part of fixed assets during the year.
- (ii) The Company has not granted any loans to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iii) The Company has not taken any loans from Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for purchase of fixed assets and for the services rendered.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions that need to be entered into a register in pursuance of section 301 of the Companies Act 1956.
- (vi) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public.
- (vii) Company has an internal audit system commensurate with its size and nature of business.
- (viii) Central Government has not prescribed maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
- (ix) According to the information and explanations given to us and the records of the Company examined by us, there were no undisputed statutory dues including Investor Education and Protection Fund, Income-tax, Wealth tax, Service Tax, Sales-tax, Customs duty, Excise duty, cess and any other statutory dues as at the last day of the financial year for a period of more than six months from the date they became payable.
- (x) The company does not have accumulated losses at the end of the financial year.
- (xi) In our opinion and according to the information and explanations given to us, during the year, the company has not taken any loan and no amounts were due towards principal or interest to financial institution, bank or debenture holders during the year.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) According to the information and explanations given to us, the company is not dealing or trading in shares, securities, debentures and other securities.
- (xiv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xv) According to the information and explanations given to us, the company has not taken any term loan.
- (xvi) According to the information and explanations given to us, during the year, the company has not raised any funds.
- (xvii) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act.
- (xviii) According to the information and explanations given to us, the company has not issued any debentures up to 31st December 2006.
- (xix) The company has not raised money from public issue.
- (xx) According to the information and explanations given to us, No fraud on or by the company has been noticed or reported during the year.
- (xxi) Considering the nature of the business and the services rendered by the company, clauses (ii) and (xiii) under Clause 4 of the CARO are not applicable.

For M. P. Chitale & Co.
Chartered Accountants

Viraj Londhe
Partner
M. No. 45761

Mumbai
Date: June 6, 2007

Balance Sheet as 31st December 2006

		"Amount (Rs.'000)"	As at 31.12.06 Amount (Rs.'000)	As at 31.12.05 Amount (Rs.'000)
I SOURCES OF FUNDS				
(1) Shareholder's Funds:				
(A) Share Capital	A	224,025.02		224,025.02
(B) Reserve1s and Surplus	B	215,249.62		199,538.08
			439,274.64	
TOTAL			439,274.64	423,563.10
II APPLICATION OF FUNDS				
(1) Fixed Assets	C			
Gross Block		36,721.06		32,644.48
Less : Depreciation		23,749.32		17,780.01
Net Block			12,971.74	14,864.47
(2) Investments	D		491,248.92	469,138.86
(3) Current Assets, Loans & Advances	E			
(A) Current Assets				
(a) Sundry Debtors		37,957.14		31,845.29
(b) Cash & Bank Balances		13,296.99		-
(B) Loans & Advances		252,870.31		248,568.72
		304,124.44		280,414.01
Less : Current Liabilities & Provisions	F	368,216.46		339,117.73
Less : Deferred Tax Liability		854.00		1,805.00
Net Current Assets			(64,946.02)	(60,508.72)
(4) Misc. Expenditure to the extent not written off	G		-	68.49
TOTAL			439,274.64	423,563.10
NOTES TO ACCOUNTS	L			
Schedules annexed hereto forming part of the Balance Sheet and Profit and Loss Account				

As per our report attached of even date

For M.P.Chitale & Co.
Chartered AccountantsViraj Y. Londhe
PartnerMumbai
Date : June 6, 2007

For and on Behalf of the Board of Directors

Naval Bir Kumar
Managing DirectorMumbai
Date : June 5, 2007Atul C.Choksey
DirectorUttara Deka
AVP-Risk & Compliance

Profit & Loss Account for the year ended 31st December 2006

	Schedule	2006 Amount (Rs.'000)	2005 Amount (Rs.'000)
Income			
Investment Management Fees		387,821.67	270,132.02
Interest	H	195.17	5,222.18
Dividend Income		16,534.89	14,732.97
Profit on Sale of Investments		6,784.04	36,900.76
Provision for diminution in value of investments no longer required now written back		200.71	-
Excess Provision Written Back		-	200.00
TOTAL		411,536.48	327,187.93
Expenses			
Personnel Costs		164,520.46	142,123.37
Fringe Benefit Tax		1,891.79	3,080.21
Other Operating Expenses	I	148,258.20	134,236.01
Share of Intra Group Business Cost	J	4,569.81	2,314.06
Miscellaneous Expenditure Written Off	K	68.49	270.08
Depreciation		5,969.31	6,126.25
TOTAL		325,278.06	288,149.97
Profit before tax		86,258.42	39,037.97
Less:- Provision for Income Tax		30,000.00	4,300.00
Less:- Provision for Income Tax for prior period		2,597.05	-
Less:- Provision for Deferred Tax Liability		-	790.00
Add:- Provision for Deferred Tax Liability written back		951.00	-
Profit After Tax		54,612.37	33,947.97
Less: Prior Period items		-	60.74
Balance brought forward from Previous year		173,988.08	173,953.45
Amount Available for Appropriation		228,600.45	207,840.68
Appropriations			
General Reserve		2,800.00	-
Proposed Dividend on Preference Shares		29,688.75	29,688.75
Interim Dividend on Equity Shares		3,654.00	-
Distribution tax on Interim Dividend		512.48	-
Distribution tax on Proposed Dividend		5,045.60	4,163.85
Balance carried forward to the Balance Sheet		186,899.62	173,988.08
Earnings per share (Rs.)		7.62	0.01
Notes forming part of the Accounts	L		

Schedules annexed hereto forming part of the Balance Sheet and Profit and Loss Account

As per our report of even date attached

For M.P.Chitale & Co.

Chartered Accountants

Viraj Y. Londhe

Partner

Mumbai

Date : June 6, 2007

For and on Behalf of the Board of Directors**Naval Bir Kumar**

Managing Director

Mumbai

Date : June 5, 2007

Atul C.Choksey

Director

Uttara Deka

AVP-Risk & Compliance

Schedules Forming Part of Balance Sheet and Profit and Loss Account

	2005 Amount (Rs.'000)	2004 Amount (Rs.'000)
SCHEDULE A		
Authorised Share Capital		
40,00,000 equity shares of Rs. 10/- each	40,000.00	40,000.00
2,10,00,000 15% Non participating, non convertible , cumulative redeemable Preference shares of Rs. 10/- each	210,000.00	210,000.00
Issued Subscribed & Paid up Capital		
26,10,002 equity shares of Rs. 10/- each (Note: Out of the above shares 19,57,500 fully paid shares are held by Standard Chartered Bank., U.K., the holding company)	26,100.02	26,100.02
19,792,500 15% non participating, non convertible, cumulative redeemable Preference shares of Rs. 10/- each redeemable on 2nd January,2020. (Note: All the preference shares are held by Standard Chartered Bank, U.K.,the holding company)1	197,925.00	197,925.00
TOTAL	224,025.02	224,025.02
SCHEDULE B		
Reserve & Surplus		
(1) General Reserve		
Opening Balance	25,550.00	25,550.00
Add: Transferred from Profit & Loss Account	2,800.00	-
	28,350.00	25,550.00
(2) Profit and Loss Account		
	186,899.62	173,988.08
TOTAL	215,249.62	199,538.08

Schedule C

Schedule of Fixed Assets for the year ended 31.12.06

Description of Assets	Opening Block as at 01.01.06	Addition During the year	Deletion During the year	Gross Block as at 31.12.06	Gross Block as at 31.12.05	Cumulative Depreciation as at 01.01.06	Depreciation for the period	Depreciation on sale of assets	Cumulative Depreciation as at 31.12.06	Cumulative Depreciation as at 31.12.05	Net Block as at 31.12.06	Net Block as at 31.12.05
Furniture's & Fixtures	864.00	308.22	-	1,172.22	864.00	690.53	55.93	-	746.46	690.53	425.76	173.47
Office Equipment	6,765.25	875.20	-	7,640.45	6,765.25	1,954.54	741.02	-	2,695.56	1,954.54	4,944.89	4,810.71
Computer Hardware	19,667.05	2,548.15	-	22,215.20	19,667.05	10,973.71	3,662.90	-	14,636.61	10,973.71	7,578.59	8,693.34
Computer Software	5,348.18	345.01	-	5,693.19	5,348.18	4,161.23	1,509.46	-	5,670.69	4,161.23	22.50	1,186.95
TOTAL	32,644.48	4,076.58	-	36,721.06	32,644.48	17,780.01	5,969.31	-	23,749.32	17,780.01	12,971.74	14,864.47

SCHEDULE D**Long Term Investments (At Cost)**

- -

Units of Mutual Funds**Short Term Investments (At Cost or market value whichever is less)**

(i) Grindlays Cash Fund (Growth Option)	-	49,462.48
(2005 : 3,892,370 units @ 12.7075 per unit)		
Aggregate Market Value of GCF as at 30/12/2005 Rs.50,065 Thousands		
(ii) GSSIF-Short Term-Plan C-Monthly Dividend	255,630.48	291,171.71
25,521,422 units @ 10.02 per unit		
Aggregate Market Value of GSSIF-ST-Plan C-Mon Div. as at 31/12/2006		
Rs.256,480.08 Thousands Aggregate Market Value of GSSIF-ST-Plan C-Mon		
Div. as at 30/12/2005 Rs.291,172 Thousands		
(iii) GSSIF-Short Term-Plan C-Growth	83,200.00	78,504.67
7,741,839 units @ 10.75 per unit		
Aggregate Market Value of GSSIF-ST-Plan C-Growth as at 31/12/2006		
Rs.83,693.16 Thousands Aggregate Market Value of GSSIF-ST-Plan C-Growth		
as at 30/12/2005 Rs.78,505 Thousands		
(iv) All Season Bond Fund-Growth	-	50,000.00
Aggregate Market Value of ASBF as at 30/12/2005 Rs.50,003 Thousands		
(v) SCLM Plus Daily Dividend	152,418.44	-
152,403 units @ 1,000.10 per unit		
Aggregate Market Value of SCLM Plus Daily Dividend as at 30/12/2006		
Rs.152,418.44 Thousands		
TOTAL	491,248.92	469,138.86

SCHEDULE E**Current Assets , Loans & Advances****(A) Current Assets****(a) Sundry Debtors unsecured considered good**

(1) Debts outstanding for more than six months

- -

(2) Other debts

37,957.14 31,845.29

Total

37,957.14 31,845.29

Less: Provision for Doubtful debts

- -

37,957.14 31,845.29

(b) Cash and Bank Balances and Deposits

Balance with Scheduled Bank in Current Account

13,296.99 -

(B) Loans and Advances

(Recoverable in cash or in kind or for value to be received)

Prepaid Expenses

953.24 719.90

Security Deposits

841.70 364.00

Advance Income Tax and TDS	222,172.04	227,403.49
Fringe Benefit Tax Paid	4,953.21	-
Service Tax Input Credit	19,274.70	5,454.83
Advance for expenses	782.71	3,144.15
Recoverable from Standard Chartered Trustee Co.(P) Ltd.	439.71	258.66
Recoverable from Standard Chartered Mutual Fund	3,179.42	11,220.35
Other Advances	273.58	3.34
		252,870.31
TOTAL		304,124.44

SCHEDULE F**Current Liabilities & Provisions****(A) Current Liabilities**

Sundry creditors	114,409.14	91,893.51
Service Tax Payable	8,969.79	5,891.28
Book Overdraft-Standard Chartered Bank	-	5,077.09
		123,378.93

(B) Provisions

Provision for Income Tax	205,131.18	200,800.00
Provision for Fringe Benefit Tax	4,972.00	1,603.25
Proposed Dividend	29,688.75	29,688.75
Provision for distribution tax on Proposed Dividend	5,045.60	4,163.85
		244,837.53

TOTAL

368,216.46	339,117.73
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SCHEDULE G**MISCELLANEOUS EXPENDITURE****(To the extent not written off or adjusted)****Deferred Revenue Expenditure**

Refurbishment expenditure	68.49	338.57
Add: incurred during the current year	-	-
Less: amortised during the current year	68.49	270.08

Balance to the extent not written off

-	68.49
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TOTAL

-	68.49
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SCHEDULE H**Interest**

Interest on Government Securities	-	5,222.18
Interest on Income Tax Refund	195.17	-

TOTAL

195.17	5,222.18
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SCHEDULE I**Other Operating Expenses**

Office Premises Rent	22,109.84	12,732.79
Repairs & Maintenance -Office Premises	21,856.41	7,154.56
Repairs & Maintenance -Equipment & Software	550.80	3,764.35
Staff Training and Welfare expenses	1,448.02	2,379.35
Recruitment Charges	190.59	392.77
Scheme Issue Expenses	7,094.21	8,042.84
Courier & Postage	2,810.43	1,664.25
Sitting Fees	250.00	210.00
Entertainment Expenses	233.68	623.19
Insurance Charges	123.53	155.53
Printing & Stationery	4,874.84	3,678.27
Legal & Professional Fees	28,602.52	17,534.02
Profession Tax	2.50	2.50
Licence Fees	269.05	2.55
Bank Charges	4.02	36.75
Marketing & Business Development Expenses	30,999.75	49,212.32
Subscription, Books & Periodicals	1,201.52	1,090.46
Data Communication Expenses	4,010.71	2,446.12
Software Expenses & Networking Charges	6,761.96	3,347.54
Office & Miscellaneous Expenses	876.36	724.15
Hire / Lease Charges	152.00	233.96
Telephone Expenses	3,502.38	4,805.09
Travelling and Conveyance	6,578.99	8,910.86
Loss on Foreign Exchange	6.86	6.39
Conference Expenses	1,074.90	1,415.83
Compensation Paid	2,132.46	3,178.81
Brokerage Charges	539.87	-
Donation	-	115.00
Custody Charges	-	41.88
Bad Debts	-	0.58
Loss On Sale Of Asset	-	132.59
Diminution in Value of Investments	-	200.71
TOTAL	148,258.20	134,236.01

SCHEDULE J**Share of Intra Group Business Cost**

Group Support Cost	4,569.81	2,314.06
TOTAL	4,569.81	2,314.06

SCHEDULE K**Miscellaneous Expenditure Written Off**

Deferred Revenue Expenses	68.49	270.08
TOTAL	68.49	270.08

Schedule: L**Notes to Accounts :****1. Significant Accounting Policies :****a. Method of Accounting :**

The accounts are prepared under the historical cost convention and on the going concern basis, with revenues recognised and expenses accounted on their accrual. However no provision for expenses is made for an individual bill of less than Rs.50,000/-and no adjustment is made for prepaid expenses for an individual bill of less than Rs. 50,000/-.

b. Fixed Assets & Depreciation :

- 1) Fixed Assets are stated at historical cost. Costs comprise the purchase cost and other attributable costs.
- 2) Assets individually costing less than Rs. 10,000/- are fully depreciated in the year of acquisition.
- 3) Depreciation on fixed assets is provided on the basis of Straight Line Method.
- 4) Depreciation is provided at the following rates:

Furniture & Fixtures	10% Per annum
Office Equipment	10% Per annum
Computer Hardware	20% Per annum
Computer Software	100% Per annum

c. Investments :

Investments in units of the Mutual fund viz. GSSIF-Short Term-Plan C-Monthly Dividend, GSSIF-Short Term-Plan C-Growth, SCLM Plus Daily Dividend being short term in nature are stated at cost or market value whichever is less.

d. Revenue Recognition :

Revenue is recognised when no significant uncertainty as to measurability and collectibility exists.

e. Preliminary, Deferred revenue and preoperative expenses :

Refurbishment cost incurred by the Company upto 31st December, 2003 continue to be accounted as deferred revenue expenses and written off over the remaining period of lease of the premises.

f. Share of intra group business Costs :

Share of expenses for various services provided by Standard Chartered Bank to the Company as mentioned below are accounted as share of Intra Group Business Costs:

- i) Information Technology Services
- ii) Human Resources Services
- iii) Property Services Administration
- iv) Group Finance
- v) Risk Management & Compliance

g. Personnel Cost :

Staff cost comprises gross payments made to Standard Chartered Bank for providing its employees on secondment to the Company.

h. Retirement Benefits :

With effect from 1st April 2003, all employees of the Company became employees of Standard Chartered Bank and were seconded to the Company. Consequently no provisions have been made for retirement benefits of these employees w.e.f April 1, 2003.

2. Managerial Remuneration :

Particulars	Current year (Rs.'000)	Previous year (Rs.'000)
Salaries including bonus	15,895.93	12,730.02
Company's Contribution to Provident Fund & other fund	221.60	596.73
Perquisites	1,653.52	1,910.50
Total	17,771.05	15,237.25

The company has been advised by a reputed firm of solicitors that the company is a private limited company pursuant to the Companies (Amendment) Act, 2000. Accordingly, provisions of the Companies Act, 1956 limiting remuneration to directors are not applicable to the company w.e.f. December 13, 2000 on which the Companies (Amendment) Act, 2000 came in force. The Auditors of the Company have relied upon this legal advice received by the Company.

3. Legal and Professional Fees includes :

Particulars	Current Year (Rs.'000)	Previous Year (Rs.'000)
(a) Audit Fees	280.90	280.60
(b) Tax Audit Fees	168.36	165.30
(c) Other Services	16.84	11.02
(d) Reimbursement of expenses	7.07	2.40
Total	473.17	459.32

4. Scheme Issue expenses:

Scheme Issue Expenses are the expenses incurred by the Company towards launching schemes & plans of the Mutual Fund during the year.

5. Marketing and Business Development Expenses:

Marketing & Business development expenses includes cost of advertising, publicity and marketing of various schemes of Standard Chartered Mutual fund.

6. Software & Networking Expenses:

Software Expenses & Networking Expenses includes payments for licences, onetime payments made for acquiring operating systems and networking charges.

7. Compensation paid includes interest charged by bank to the Mutual Fund and borne by the Company and payments made to investors of Mutual Fund on account of delay in payment of redemption proceeds.

8. Service Tax Credit of Rs.19,274.70 Thousands, would be claimed against future Service Tax Liability.

9. Income Tax:

The tax year for the Company being the year ending March 31, 2006, the provision for taxation for the year is the aggregate of the provision made for three months ended 31st March 2006 and the provision based on the figures remaining for the nine months up to 31st December 2006, the ultimate tax liability of which will be determined on the basis of the figures for the period 1st April 2006 to 31st March 2007.

10. Estimated amount of contract remaining to be executed on capital account and not provided for Rs.Nil.

11. a) Earnings in foreign currency:	Current Year	Previous Year
	NIL	NIL
	Current Year Rs. Thousands	Previous Year Rs. Thousands
b) Expenditure in foreign currency		
Foreign travel	282.35	479.19
Staff Training	-	462.81
Conference expense	-	84.99
Software Expenses	45.01	79.18
Recoverable from others	-	70.34
c) Exchange Loss:	Current Year	Previous Year
	Rs. 6.86 Thousands	Rs. 6.39 Thousands

12. Contingent Liabilities not provided for: Nil (Previous Year : Income tax demand against the Company not acknowledged as debt , for assessment year 2003-04, for which no liability is provided for and against which the company is in appeal is Rs.1,277.30 Thousands.)

13. The Company has proposed preference dividend @ 15% p.a. for the year 2006 on 1,97,92,500, 15% non-convertible, non-participating, redeemable, cumulative preference shares of Rs.10/- each held by Standard Chartered Bank, U.K.

The Company has provided for distribution tax @ 16.995% of Rs.5,045.60 Thousands on distributed profits, u/s 115-O of the Income Tax Act, 1961.

14. The company has entered into lease agreements for office premises at following locations as per details below .

Sr. No.	Location	Name of the Lesser
1	Mumbai	Standard Chartered Bank
2	Chennai	Standard Chartered Bank
3	Bangalore	Standard Chartered Bank
4	Kolkatta	Standard Chartered Bank
5	Ahmedabad	Pranav Multitech
6	Baroda	West coast Contractors (P) Ltd
7	Pune	Prashant Kumar Kapse (HUF)
8	Surat	Standard Chartered Bank
9	Hyderabad	Standard Chartered Bank
10	Coimbatore	Standard Chartered Bank
11	Cochin	Standard Chartered Bank
12	Jaipur	Gurpreet Singh & Surjit Kaur
13	Chandigarth	Standard Chartered Bank
14	Ludhiana	Standard Chartered Bank
15	Kanpur	Standard Chartered Bank
16	Lucknow	Standard Chartered Bank
17	Goa	Suzette Indresh Advani
18	Durgapur	Shibshankar Dutta
19	Raipur	Dhirendra Kumar Chauhan
20	Indore	Standard Chartered Bank
21	Nasik	Dhanlaxmi Lockers Pvt. Ltd.
22	Bhavnagar	Hiren Khatsuriya
23	Jamnagar	Mavji Bhai Vaishanav
24	New Delhi	Deep Kiran Kaur, Amrit Kaur, Jasleen Kaur & Komal Kaur
25	Bangalore	M N Dastur & Co. Pvt. Ltd.

15. The earning per share, in terms of Accounting Standards 20 issued by the Institute of Chartered Accountants of India, is as under :

Particulars	Current year	Previous year
Profit after Tax (Rs.'000)	54,612.37	33,887.23
Less: Proposed dividend on Preference Shares(Rs.'000)	29,688.75	29,688.75
Less: Tax on dividend on Preference Shares (Rs.'000)	5,045.60	4,163.85
Profit attributable to Equity shareholders (Rs.'000)	19,878.02	34.63
No. of Shares	2,610,002	2,610,002
Earnings per share in Rs.	7.62	0.01

16. Deferred Tax Liability of Rs.854 Thousands is on account of tax effect of depreciation.
17. Details of Movement in Provisions, in terms of Accounting Standards 29 issued by the Institute of Chartered Accountants of India, is as under :

(Rupees in Thousands)

Nature of Provision	Opening Balance as on 01/01/2006	Provisions made during the year	Provisions reversed / adjusted	Closing Balance as on 31/12/2006
Provision for Diminution in Value of Investments	200.71	-	200.71	-
Provision for Income Tax	200,800.00	32,597.05	28,265.87	205,131.18
Provision for Deferred Tax Liability	1,805.00	-	951.00	854.00
Provision for Fringe Benefit Tax	1,603.25	3,368.75	-	4,972.00

18. As on the Balance sheet date there was no amount exceeding Rs. 1 Lac, due to any small-scale Industrial undertaking, outstanding for more than 30 days.
19. Previous year's figures have been regrouped wherever necessary.

For M.P.Chitale & Co.
Chartered Accountants

Viraj Y. Londhe
Partner

Mumbai
Date : June 6, 2007

For and on Behalf of the Board of Directors

Naval Bir Kumar
Managing Director

Mumbai
Date : June 5, 2007

Atul C.Choksey
Director

Uttara Deka
AVP-Risk & Compliance

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER PART IV TO THE COMPANIES ACT, 1956.

I Registration Details

State Code

Registration No.

Balance Sheet Date

II Capital Raised during the year

(Amount in Rupees Thousands)

Public Issue
 Bonus Issue

Right Issue
 Private Plaement

III Position of Mobilization and Deployment of funds

(Amount in Rupees Thousands)

TOTAL LIABILITIES

TOTAL ASSETS

Sources of Funds

Paid up capital

Reserves & Surplus

Secured Loans

Unsecured Loans

Application of Funds

Net Fixed Assets

Loans & Investments

Net Current Assets and advance

Miscellaneous Expenditure

Accumulated Losses

IV Performance of the company

(Amount in Rupees Thousands)

Turnover (Gross Income)

Total Expenditure

+ -
 Profit before Tax
 Earning per share in Rupees

+ -
 Profit after Tax
 Dividend Rate % on equity shares

(Please tick appropriate box + for profit and - for loss)

V Generic Names of Principal Products/services of the Company

Item code no.

Investment Management services

Standard Chartered Mutual Fund Offices:

Ahmedabad	:	Abhijeet - II, Ground Floor, Mithakali Six Road, Ahmedabad - 6. Tel.: 26460923.
Bangalore	:	Raheja Towers, 26 M.G. Road, 6th Floor, West Wing, Bangalore - 1. Tel.: 25323059/ 7395.
Chandigarh	:	SCO 137-138, Sector 9 C, Madhya Marg, Chandigarh - 17. Tel.: 5071918/ 19.
Chennai	:	Grindlays Centre, I Floor, 19, Rajaji Salai, Chennai - 1. Tel.: 25349371/ 72/ 73.
Cochin	:	1st Floor, HDFC House, Ravipuram Junction, M. G. Road, Cochin - 15. Tel.: 2358639.
Coimbatore	:	Red Rose Plaza, 509, D. B. Road, R. S. Puram, Coimbatore - 2. Tel.: 2542645/ 78.
Hyderabad	:	#6/3/1090, TSR Towers, Raj Bhavan Road, Somajiguda, Hyderabad - 82. Tel.: 55779925.
Jaipur	:	G-7,8, Anukampa Tower, Church Road, Jaipur, Rajasthan- 1. Tel.: 5105798.
Kanpur	:	16/105, Mahatma Gandhi Road, Mall Road, Kanpur - 1. Tel.: 2305955/ 2331071.
Kolkata	:	41, Chowringee, Kolkata -71. Tel.: 22881686/ 22883017.
Lucknow	:	Narain Automobiles, 4 Shahnazaf Road, Lucknow - 1. Tel.: 2200097.
Ludhiana	:	SCO 16-17, Feroze Gandhi Market, Ludhiana - 1. Tel.: 5022155/ 56.
Mumbai	:	90, Mahatma Gandhi Road, Fort, Mumbai - 21. Tel.: 22621111.
Nagpur	:	Narang Towers, 22, Palm Road, Civil Lines, Nagpur - 440 001. Tel.: 5620714.
New Delhi	:	Connaught Circus, H Block, Ground Floor, New Delhi -1. Tel.: 23406701/ 51513041/ 42.
Patna	:	Bhagawati Dwaraka Arcade, Plot No. 830 P, Patna - 800 001. Telefax: 2223172.
Pune	:	4th Floor, Shrirang House, 364-365 J. M. Road, Shivajinagar, Pune - 5. Tel.: 56020965.
Surat	:	1st Floor, Manav Mandir, Parle Point, Surat - 7. Tel.: 2254837.
Vadodara	:	Ground Floor, Akashganga Complex, Adjacent to Vanijya Bhawan, Vadodara - 7. Tel.: 5520919/39.

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Website: www.standardchartereddmf.com

CONTACT US

Standard Chartered Asset Management Company Pvt. Ltd.

90, M. G. Road, Fort, Mumbai - 400 001. Tel.: 022-22621111 Fax: 022-22693365.

STATUTORY DETAILS

SPONSOR

Standard Chartered Bank
1, Aldermanbury Square
London, EC 2V 7SB, UK.

TRUSTEE

Standard Chartered Trustee Company Private Limited
Registered & Corporate Office:
90 M. G. Road, Fort, Mumbai 400 001.

INVESTMENT MANAGER

Standard Chartered Asset Management Company Private Limited
Registered & Corporate Office:
90 M. G. Road, Fort, Mumbai 400 001.

REGISTRAR

Computer Age Management Services Limited
Gems Foundation Building, 383 Anna Salai, Saidapet, Chennai - 600 015.
Tel: 044-24312121 / 24312122 / 24312123.
(Registration No.: INR 000002813)

CUSTODIAN

Deutsche Bank AG
Kodak House, 222, D.N. Road, Fort, Mumbai 400 001.
(Registration No.: IN/CUS/003)

AUDITORS

B. S. R. & Co.
KPMG House, Kamala Mills Compound
448, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.