



Annual
Report
&
Accounts
December
2007

Standard Chartered
Asset Management Company Pvt. Ltd.

REPORT OF THE DIRECTORS

To the Members,

We are pleased to present the Eighth Annual Report to the Members, along with the Audited Profit and Loss Account for the period ended December 31, 2007 and the Balance Sheet as on December 31, 2007.

FINANCIAL RESULTS

(Rupees in '000)

Particulars	Year ended December 31, 2007	Year ended December 31, 2006
Gross Income	516,799.26	411,536.48
Profit before Interest, Depreciation & Tax	109,441.31	92,227.73
Depreciation	5073.57	5,969.31
Profit before Tax	104,367.74	86,258.42
Provision for Tax	35700	30,000.00
Deferred Tax Liability	-	951.00
Profit after Tax	70,609.32	54,612.37
Balance brought forward from previous year	186,899.63	1,73,988.08
Amount available for Appropriation	257508.95	2,28,600.45
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	5045.60	5,045.60
Balance carried to Balance Sheet	222,774.60	1,86,899.62

OPERATIONS OF STANDARD CHARTERED MUTUAL FUND

The Company is the Investment Manager of the scheme of Standard Chartered Mutual Fund (SCMF). The Assets under Management of Standard Chartered Mutual Fund were Rs. 13,091.62 crores (Excluding FUM of FoF Scheme) as on December 31, 2007.

During the period under review, SCMF launched Close Ended Equity scheme and several fixed maturity plans :

Standard Chartered Tax Saver (ELSS) Fund was launched on November 20, 2006. It is a 10 years close ended Equity linked savings scheme (subject to lock in for a period of 3 years from date of allotment i.e March 15, 2007). This scheme had collected a total of INR ,59.61 crores during the New Fund Offer. The investment objective of the scheme is to seek generate capital growth from a portfolio of predominantly equity and equity-related instruments.

The 'Standard Chartered Fixed Maturity Arbitrage Fund - Series 1' was launched on November 16, 2006. This scheme collected a total of INR 74.25 crores during the New Fund Offer. This scheme is an Close Ended Equity Scheme seeking to generate capital appreciation and income by predominantly investing in arbitrage opportunities in the cash and the derivative segments of the equity markets and the arbitrage opportunities available within the derivative segment and by investing the balance in debt and money market instruments.

During the year under review, the fund launched twenty eight Close-Ended Schemes in the form of Fixed Maturity Plans (FMP's) which comprised of Standard Chartered Fixed Maturity 10th Plan (SCFMP-10), Standard Chartered Fixed Maturity Plan - Quarterly Series 3 (SCFMP-QS3), Standard Chartered Fixed Maturity Plan - Quarterly Series 4 (SCFMP-QS4), Standard Chartered Fixed Maturity Plan - Quarterly Series 5 (SCFMP-QS5), Standard Chartered Fixed Maturity Plan - Quarterly Series 7 (SCFMP-QS7), Standard Chartered Fixed Maturity Plan - Half Yearly Series 2 (SCFMP-HYS2), Standard Chartered Fixed Maturity Plan - Half Yearly Series 1 (SCFMP-HYS1), Standard Chartered Fixed Maturity Plan - Quarterly Series 6 (SCFMP-QS6), Standard Chartered Fixed Maturity Plan - Yearly Series 2 (SCFMP-YS2), Standard Chartered Fixed Maturity Plan - Yearly Series 3 (SCFMP-YS3), Standard Chartered Fixed Maturity Plan - Yearly Series 4 (SCFMP-YS4), Standard Chartered Fixed Maturity Plan - Yearly Series 5 (SCFMP-YS5), Standard Chartered Fixed Maturity Plan - Yearly Series 6 (SCFMP-YS6), Standard Chartered Fixed Maturity Plan - Quarterly Series 8 (SCFMP-QS8), Standard Chartered Fixed Maturity Plan - Quarterly Series 9 (SCFMP-QS9), Standard Chartered Fixed Maturity Plan - Yearly Series 7 (SCFMP-YS7), Standard Chartered Fixed Maturity Plan - Quarterly Series 10 (SCFMP-QS10), Standard Chartered Fixed Maturity Plan - Quarterly Series 11 (SCFMP-QS11), Standard Chartered Fixed Maturity Plan - Quarterly Series 13 (SCFMP-QS13), Standard Chartered Fixed Maturity Plan - Yearly Series 8 (SCFMP-YS8), Standard Chartered Fixed Maturity Plan - Yearly Series 9 (SCFMP-YS9), Standard Chartered Fixed Maturity Plan - Yearly Series 11 (SCFMP-YS11), Standard Chartered Fixed Maturity Plan - Quarterly Series 14 (SCFMP-QS14), Standard Chartered Fixed Maturity Plan - Quarterly Series 15 (SCFMP-QS15), Standard Chartered Fixed Maturity Plan - Yearly Series 10 (SCFMP-YS10), Standard Chartered Fixed Maturity Plan - Yearly Series 12 (SCFMP-YS12), Standard Chartered Fixed Maturity Plan - Quarterly Series 19 (SCFMP-QS19), Standard Chartered Fixed Maturity Plan - Eighteen Months Series 1 (SCFMP-EMS1) and one Quarterly Interval Fund called Standard Chartered Quarterly Interval Fund - Plan A (SCQIF-Plan A) which collected approximately 46.61 crores.

The above Fixed Maturity Plans collected approximately Rs.7348.53 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 the UBS Group, SCB had agreed to sell its entire stake held in Standard Chartered Asset Management Company Private Limited (SCAMC) to the UBS Group. SCB had also agreed to procure

the sale of shares held by minority shareholders to the UBS Group. As the requisite regulatory approvals were not received by the UBS Group, Standard Chartered Bank has decided not to proceed with the planned disposal of its India fund management business to UBS AG and Standard Chartered Bank will now seek a new buyer by reinitiating the tender process.

DIVIDEND

The Company has made a profit after tax of INR 7.06 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).

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 0.02 lacs on account of foreign travel for business purposes.

The Board of Directors of the Company met four 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, 2008 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, Mr. Pradip Madhavji retires by rotation and is eligible for re-appointment.

Dr. R. H. Patil was appointed by the Board of Directors of the Company as an additional director on October 8, 2007. In accordance with the applicable provisions of the Companies Act, 1956, the members are requested to confirm his appointment as a director of the company.

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 : March 17, 2008

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, 2007 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 and 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 December 2007, January 2008, February 2008 and March 2008, which is taken on record by the Board of Directors on March 17, 2008, we report that none of the directors is disqualified as on 31st December 2007 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, 2007, 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

Mumbai
Date : March 18, 2008

Vidya Barje
Partner
M. No. 104994

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 2007.
- (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

Vidya Barje
Partner

M. No. 104994

Mumbai

Date : March 18, 2008

Balance Sheet as 31st December 2007

		"Amount (Rs.'000)"	As at 31.12.07 Amount (Rs.'000)	As at 31.12.06 Amount (Rs.'000)
I SOURCES OF FUNDS				
(1) Shareholder's Funds:				
(A) Share Capital	A	224,025.02		224,025.02
(B) Reserve's and Surplus	B	251,124.60		215,249.62
			475,149.62	
TOTAL			475,149.62	439,274.64
II APPLICATION OF FUNDS				
(1) Fixed Assets	C			
Gross Block		43,933.91		36,721.06
Less : Depreciation		28,822.89		23,749.32
Net Block			15,111.02	12,971.74
(2) Investments	D		492,227.03	491,248.92
(3) Current Assets, Loans & Advances	E			
(A) Current Assets				
(a) Sundry Debtors		48,104.87		37,957.14
(b) Cash & Bank Balances		23,305.54		13,296.99
(B) Loans & Advances		356,372.50		252,870.31
		427,782.91		304,124.44
Less : Current Liabilities & Provisions	F	458,653.34		368,216.46
Less : Deferred Tax Liability		1,318.00		854.00
Net Current Assets			(32,188.43)	(64,946.02)
(4) Misc. Expenditure to the extent not written off	G		-	-
TOTAL			475,149.62	439,274.64
NOTES TO ACCOUNTS	K			

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

For **M. P. Chitale & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

Vidya V. Barje
Partner**Naval Bir Kumar**
Managing Director**Atul C. Choksey**
Director**Uttara Deka**
Company SecretaryPlace: Mumbai
Date : March 18, 2008Place: Mumbai
Date: March 17, 2008

Profit & Loss Account for the year ended 31st December 2007

	Schedule	2007 Amount (Rs.'000)	2006 Amount (Rs.'000)
Income			
Investment Management Fees		486,357.55	387,821.67
Interest on Income Tax Refund		2,392.69	195.17
Dividend Income		24,540.71	16,534.89
Profit on Sale of Investments		3,508.31	6,784.04
Provision for diminution in value of investments no longer required now written back		-	200.71
TOTAL		516,799.26	411,536.48
Expenses			
Personnel Costs		239,707.10	164,520.46
Fringe Benefit Tax		2,500.00	1,891.79
Other Operating Expenses ^H		159,064.92	148,258.20
Share of Intra Group Business Cost	I	6,085.93	4,569.81
Miscellaneous Expenditure Written Off	J	-	68.49
Depreciation		5,073.57	5,969.31
TOTAL		412,431.52	325,278.06
Profit before tax		104,367.74	86,258.42
Less:- Provision for Income Tax		(35,700.00)	(30,000.00)
Less:- Provision for Income Tax for prior period		-	(2,597.05)
Add:- Provision for Income Tax for prior period no longer required now written back		2,405.58	-
Less:- Provision for Deferred Tax Liability		(464.00)	-
Add:- Provision for Deferred Tax Liability written back		-	951.00
Profit After Tax		70,609.32	54,612.37
Balance brought forward from Previous year		186,899.63	173,988.08
Amount Available for Appropriation		257,508.95	228,600.45
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	5,045.60
Balance carried forward to the Balance Sheet		222,774.60	186,899.62
Earnings per share (Rs.)		13.75	7.62
Notes forming part of the Accounts	K		
Schedules annexed hereto forming part of the Balance Sheet and Profit and Loss Account			

For **M. P. Chitale & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

Vidya V. Barje
Partner

Naval Bir Kumar
Managing Director

Atul C. Choksey
Director

Uttara Deka
Company Secretary

Place: Mumbai
Date : March 18, 2008

Place: Mumbai
Date: March 17, 2008

Schedules Forming Part of Balance Sheet and Profit and Loss Account

	2007 Amount (Rs.'000)	2006 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)	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	28,350.00
(2) Profit and Loss Account		
	222,774.60	186,899.62
TOTAL	251,124.60	215,249.62

Schedule C

Schedule of Fixed Assets for the year ended 31.12.07

Description of Assets	Opening Block as at 01.01.07	Addition During the year	Deletion During the year	Gross Block as at 31.12.07	Gross Block as at 31.12.06	Cumulative Depreciation as at 01.01.07	Depreciation for the period	Depreciation on sale of assets	Cumulative Depreciation as at 31.12.07	Cumulative Depreciation as at 31.12.06	Net Block as at 31.12.07	Net Block as at 31.12.06
Furniture's & Fixtures	1,172.22	-	-	1,172.22	1,172.22	746.46	62.20	-	808.66	746.46	363.56	425.76
Office Equipment	7,640.45	864.69	-	8,505.14	7,640.45	2,695.56	779.46	-	3,475.02	2,695.56	5,030.12	4,944.89
Computer Hardware	22,215.20	2,900.37	-	25,115.57	22,215.20	14,636.61	3,259.90	-	17,896.51	14,636.61	7,219.06	7,578.59
Computer Software	5,693.19	3,447.79	-	9,140.98	5,693.19	5,693.19	972.01	-	6,642.70	5,670.69	2,498.28	22.50
TOTAL	36,721.06	7,212.85	-	43,933.91	36,721.06	36,721.06	5,073.57	-	28,822.89	23,749.32	15,111.02	12,971.74

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

(i)	GSSIF-Short Term-Plan C-Monthly Dividend	-	255,630.48
	(2006: 25,521,422 units @ 10.02 per unit)		
	Aggregate Market Value of GSSIF-ST-Plan C-Mon Div. as at 31/12/2007 Rs.Nil		
	Aggregate Market Value of GSSIF-ST-Plan C-Mon Div. as at 31/12/2006 Rs.256,480.08 Thousands		
(ii)	GSSIF-Short Term-Plan C-Growth	-	83,200.00
	(2006: 7,741,839 units @ 10.75 per unit)		
	Aggregate Market Value of GSSIF-ST-Plan C-Growth as at 31/12/2007 Rs.Nil		
	Aggregate Market Value of GSSIF-ST-Plan C-Growth as at 31/12/2006 Rs.83,693.16 Thousands		
(iii)	SCLM Plus Daily Dividend	-	152,418.44
	(2006: 152,403 units @ 1,000.10 per unit)		
	Aggregate Market Value of SCLM Plus Daily Dividend as at 31/12/2007 Rs.Nil		
	Aggregate Market Value of SCLM Plus Daily Dividend as at 30/12/2006 Rs.152,418.44 Thousands		
(iv)	SCFM 10th Plan-Growth	100,000.00	-
	10,000,000 units @ 10.00 per unit		
	Aggregate Market Value of SCFM 10th Plan-Growth as at 31/12/2007 Rs.108,856.00 Thousands		
	Aggregate Market Value of SCFM 10th Plan-Growth as at 31/12/2006 Rs.Nil		
(v)	GFRF-LT-Plan B-Daily Div	392,227.03	-
	39,210,019.869 units @ 10.0032 per unit		
	Aggregate Market Value of GFRF-LT-Plan B-Daily Div as at 31/12/2007 Rs.392,315.85 Thousands		
	Aggregate Market Value of GFRF-LT-Plan B-Daily Div as at 31/12/2006 Rs.Nil		
	TOTAL	492,227.03	491,248.92

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

48,104.87

37,957.14

Total

48,104.87

37,957.14

Less: Provision for Doubtful debts

-

-

48,104.87

37,957.14

(b) Cash and Bank Balances and Deposits

Balance with Scheduled Bank in Current Account

23,305.54

13,296.99

(B) Loans and Advances

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

Prepaid Expenses

3,617.21

953.24

Security Deposits

6,772.79

841.70

Advance Income Tax and TDS	267,393.78	222,172.04
Fringe Benefit Tax Paid	9,192.21	4,953.21
Service Tax Input Credit	41,123.16	19,274.70
Advance for expenses	370.50	782.71
Recoverable from Standard Chartered Trustee Co.(P) Ltd.	119.72	439.71
Recoverable from Standard Chartered Mutual Fund	858.62	3,179.42
Other Advances	26,924.51	273.58
		356,372.50
TOTAL		427,782.91
SCHEDULE F		
Current Liabilities & Provisions		
(A) Current Liabilities		
Sundry creditors	166,077.65	114,409.14
Service Tax Payable	11,943.74	8,969.79
		178,021.39
(B) Provisions		
Provision for Income Tax	238,425.60	205,131.18
Provision for Fringe Benefit Tax	7,472.00	4,972.00
Proposed Dividend	29,688.75	29,688.75
Provision for distribution tax on Proposed Dividend	5,045.60	5,045.60
		280,631.95
TOTAL		458,653.34
SCHEDULE G		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Deferred Revenue Expenditure		
Refurbishment expenditure		68.49
Add: incurred during the current year		-
Less: amortised during the current year		68.49
Balance to the extent not written off		-
TOTAL		-

SCHEDULE H**Other Operating Expenses**

Office Premises Rent	37,568.40	22,109.84
Repairs & Maintenance -Office Premises	10,453.47	21,856.41
Repairs & Maintenance -Equipment & Software	1,224.14	550.80
Staff Training and Welfare expenses	1,300.79	1,448.02
Recruitment Charges	209.00	190.59
Scheme Issue Expenses	28,612.16	7,094.21
Courier & Postage	2,046.19	2,810.43
Sitting Fees	200.00	250.00
Entertainment Expenses	1,241.14	233.68
Insurance Charges	192.55	123.53
Printing & Stationery	4,200.00	4,874.84
Legal & Professional Fees	28,381.57	28,602.52
Profession Tax	2.50	2.50
Licence Fees	370.70	269.05
Bank Charges	15.58	4.02
Marketing & Business Development Expenses	16,671.71	30,999.75
Subscription, Books & Periodicals	1,458.68	1,201.52
Data Communication Expenses	4,186.71	4,010.71
Software Expenses & Networking Charges	5,028.07	6,761.96
Office & Miscellaneous Expenses	1,130.78	876.36
Hire / Lease Charges	60.80	152.00
Telephone Expenses	4,321.68	3,502.38
Travelling and Conveyance	7,254.26	6,578.99
Loss on Foreign Exchange	1.65	6.86
Conference Expenses	1,111.04	1,074.90
Compensation Paid	1,821.35	2,132.46
Brokerage Charges	-	539.87
TOTAL	159,064.92	148,258.20

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

Group Support Cost	6,085.93	4,569.81
TOTAL	6,085.93	4,569.81

SCHEDULE J**Miscellaneous Expenditure Written Off**

Deferred Revenue Expenses	-	68.49
TOTAL	-	68.49

Schedule: K**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. SCFM 10th Plan-Growth, GFRF-LT-Plan B-Daily Div 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. 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

f. 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	24,314.68	15,895.93
Company's Contribution to Provident Fund & Other Fund	433.23	221.60
Perquisites	428.78	1,653.52
Total	25,176.69	17,771.05

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	365.17	280.90
(b) Tax Audit Fees	168.54	168.36
(c) Other Services	162.92	16.84
(d) Reimbursement of expenses	12.62	7.07
Total	709.25	473.17

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.41,123.16 Thousands (Previous year 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, 2008, the provision for Income Tax and fringe benefit tax for the year is the aggregate of the provision made for three months ended 31st March 2007 and the provision based on the figures remaining for the nine months up to 31st December 2007, the ultimate Income Tax and Fringe Benefit Tax liability will be determined on the basis of the figures for the period 1st April 2007 to 31st March 2008.

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	2.22	282.35
Staff Training	-	-
Conference expense	-	-
Software Expenses	-	45.01
Recoverable from others	-	-
Hotel Accommodation	-	-
Roadshows & Events	15.82	-
	Current Year	Previous Year
c) Exchange Loss :	Rs. 1.65 Thousands	Rs. 6.86 Thousands

12. Contingent Liabilities not provided for: Nil.
13. The Company has proposed preference dividend @ 15% p.a. for the year 2007 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	Kolkata	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	Chandigarh	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 (DBP) Pvt. Ltd.
22	Bhavnagar	Hiren Khatsuriya
23	Jamnagar	Mavji Bhai Vaishnav
24	New Delhi	Deep Kiran Kaur, Amrit Kaur, Jasleen Kaur & Komal Kaur
25	Kanpur	Deep Management & Eco Consultants Pvt. Ltd., Rachit Prakash, Tripti Srivastava
26	Chennai	Maalavika Hotels Pvt. Ltd.
27	Ludhiana	Mohinder Singh Deol, Manjit Kaur Deol, Jatinder Pal Singh Sekhon, Surjit Kaur Sekhon, Gurbir Singh Deol, Gurdial Singh Sekhon and Gauravjit Singh Deol
28	Kolkata	Oswal Holdings

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)	70,609.32	54,612.37
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	5,045.60
Profit attributable to Equity shareholders (Rs.'000)	35,874.97	19,878.02
No. of Shares	2,610,002	2,610,002
Earnings per share in Rs.	13.75	7.62

16. Deferred Tax Liability of Rs.1,318 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 01/01/2007	Provisions made during the year	Provisions reversed / adjusted	Closing Balance as on 31/12/2007
Provision for Income Tax	205,131.18	35,700.00	2,405.58	238,425.60
Provision for Deferred Tax Liability	854.00	464.00	-	1,318.00
Provision for Fringe Benefit Tax	4,972.00	2,500.00	-	7,472.00

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.
20. Pursuant to a Share Purchase Agreement dated January 26, 2007, between Standard Chartered Bank (SCB) and the UBS Group, SCB had agreed to sell its entire stake held in Standard Chartered Asset Management Company Private Limited (SCAMC) to the UBS Group. SCB had also agreed to procure the sale of shares held by minority shareholders to the UBS Group. As the requisite regulatory approvals were not received by the UBS Group, Standard Chartered Bank decided not to proceed with the planned disposal of its India fund management business to UBS AG. Thereafter, SCB reinitiated the bidding process and on March 7, 2008, SCB signed an agreement to sell its Mutual Fund business in India to IDFC, subject to applicable regulatory approvals.

For **M. P. Chitale & Co.**
Chartered Accountants

For and on behalf of the Board of Directors

Vidya V. Barje
Partner

Naval Bir Kumar
Managing Director

Atul C. Choksey
Director

Uttara Deka
Company Secretary

Place: Mumbai
Date : March 18, 2008

Place: Mumbai
Date: March 17, 2008

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

+ -
 Profit after Tax

Earning per share in Rupees

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	: Ground Floor, Zodiac Avenue, Opp. Mayor's Bungalow, Near Westside, Law Garden, Ahmedabad - 380006 Tel: 26400572
Bangalore	: Raheja Point, 2nd Floor, Opp. Garuda Mall, Magrath Road, Bangalore - 560025. Tel.: 080 - 66111504/05/06.
Bhubaneswar	: Plot No.3, Bapuji Nagar, Bhubaneswar-751009
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.: 66779925.
Indore	: D. M. Towers, 21/1, Race Course Road, Indore - 452 001. Tel.: 4206927/23
Jaipur	: G-7,8, Anukampa Tower, Church Road, Jaipur, Rajasthan-1. Tel.: 5105798.
Kanpur	: Office No 214,215, IInd Floor, KAN Chambers, 14/113, Civil Lines, Kanpur - 208001.
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	: 270, D N Road, 4th floor, Cox Building, Fort, Mumbai - 1. Tel.: 22683993.
New Delhi	: 4th Floor, Narain Manzil, 23, Barakhamba Road, New Delhi - 110 001 Tel: 41513042-44
Patna	: Bhagwati Dwaraka Arcade, Club NO.830P, Exhibition Road, Patna-800 001
Pune	: 1st Floor, Dr. Herekar Park Bldg., Next to Kamala Nehru Park, Off. Bhandarkar Road, Pune 411004 Tel.: 66020965.
Rajkot	: Business Empire, 5 Jagnath Plot Corner, Gymkhana Road, Rajkot-360 002.
Surat	: C K Tower, 1st Floor, Near Sargam Shopping Centre, Parle Point, Surat-7. Tel.: 2254837.
Vadodara	: Ground Floor, Akashganga Complex, Adjacent to Vanijya Bhawan, Vadodara-7. Tel.: 6620919/39.

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* Available from 8.00 a.m. to 7.00 p.m. on Business Days.

Website: www.standardcharteredmf.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.