

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

7TH ANNUAL REPORT AND ACCOUNTS 2006-2007

Directors

K. V. Kamath, *Chairman*
Barry Stowe
Kalpana Morparia
Chanda D. Kochhar
H. T. Phong
M. P. Modi
R. Narayanan
Keki Dadiseth
Shikha Sharma, *Managing Director*
Bhargav Dasgupta, *Executive Director*
N. S. Kannan, *Executive Director*

Auditors

Walker, Chandio & Co.
Chartered Accountants

Haribhakti & Co.
Chartered Accountants

C. L. Baradhvaj
Company Secretary

Registered Office

ICICI PruLife Towers
1089, Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025

directors' report

to the members

Your Directors have pleasure in presenting the Seventh Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2007.

OPERATIONAL REVIEW & OUTLOOK

The performance for fiscal 2007 is summarized below:

Particulars	Fiscal 2006	(Rs. in billion) Fiscal 2007
No. of New Policies (in '000)	838	1,960
Financials:		
Premium Income	42.61	79.13
• New Business Premium (including Single Premium)	26.03	51.62
• Renewal Premium	16.58	27.51
Total Income	46.84	87.61
Sum Assured in force -		
• Base Policy	339.48	726.92
• Total (Base + Riders)	458.77	923.34
Annualized Premium Equivalent (APE)	21.63	43.81
Assets Held	88.21	158.18
Expense Ratio *	14%	14%
Sales & Distribution Strength:		
Geographical Spread -		
• No. of Branches ⁺	177	583
• No. of Locations ⁺	132	421
No. of Advisors (in '000)	72	234

* Expense Ratio = All expenses (excluding commission and front line sales cost)/(Total income - 90% of single premium - 50% of limited pay premium)

⁺ Includes Representative Office

The details of Surplus/(Deficit) in Revenue / Profit & Loss Accounts before transfer from Shareholders' funds are as under:

Particulars	Fiscal 2006	(Rs. in billion) Fiscal 2007
Participating	0.02	0.05
Non-participating and Health	0.04	(0.41)
Linked	(2.27)	(6.83)
Shareholders (before Tax)	0.35	0.75
Total *	<u>(1.86)</u>	<u>(6.44)</u>

* Assuming credit to shareholders of 10% of surplus in participating funds

During the year ended March 31, 2007, the Company registered new business premium income of Rs. 51.62 billion showing an increase of 98% over the earlier year. The renewal premiums continue to grow and stood at Rs. 27.51 billion for the year. The new business growth is further reflected in more than 1.96 million policy issuances during the year, leading to the Company crossing the 4 million policies mark at March 31, 2007.

The Company continues to be a leader in private life insurance space on several parameters including weighted new business premium and assets held, and has an estimated **retail market share of 29.1%** (basis weighted new business premium income) amongst the private life insurers for the eleven month period ended February 28, 2007 and an over-all market share of around 9.9% for the above period.

Expanding the Reach

The Company has expanded its reach to customers by establishing 583 branches in 421 locations at March 31, 2007. At March 31, 2007, the Company had over 16,000 employees and 234,000 advisors and thus is in a better position to cater to the needs of customers.

Products

The continuing success of the business is on the back of a strategy that drives both value and volume growth. The Company is accomplishing this by simultaneously expanding the distribution to get closer to the customer and offering them products that meet their requirements.

During this year, IRDA prescribed guidelines for Unit Linked products. These guidelines have stipulated minimum level of sum assured, minimum period of premium payment and several other requirements including NAV computation methodology etc. The Company has transited into the new regime seamlessly since most of its products were already compliant with the guidelines. As required

by the guidelines, the Company has re-filed the products which have been well received by the customers.

Continuing the drive in introducing new products to strengthen the offerings in the health segment, the Company has introduced a first-of-its-kind product for diabetics. The Company continues to focus on the health sector apart from life and pension sectors.

Dividend

As the Company continues its growth, the financial operations have resulted in a loss, essentially due to the strain caused by new business including the investment required to expand the distribution infrastructure. In view of the loss incurred, the Directors are unable to recommend any dividend.

Claims

The Company believes in efficient customer service and claim settlement on time. Processes to ensure efficient service have been developed and the performance metrics are monitored regularly.

During the year, the Company settled over 2,000 mortality claims. The average time taken from the date of submission of the final requirement by the Claimant to despatch of claim payment was around 7 days.

B) Board Committees

The Board has 3 committees, details on which are as follows:

	Risk Management and Audit Committee	Investment Committee	Governance Committee
Scope & Term of Reference	Responsible for oversight of risk management, financial reporting and internal control systems. Key terms of reference of this Committee include directing and overseeing the audit plan, review of financial statements, review of findings of internal and statutory auditors, recommendation for appointment of statutory auditors, fixing their remuneration, and review of quarterly compliance certificate.	Recommend and review investment policy and changes thereto, review investments and oversee the risk management framework for investments.	Nominating directors to the Board, fixing their remuneration and approving executive compensation program.
Members	Maresh P. Modi (Chairman) H.T. Phong Chanda D. Kochhar	Kalpna Morparia (Chairperson) H.T. Phong Shikha Sharma N. S. Kannan Puneet Nanda (Chief Investments Officer) Azmi Mithani (Appointed Actuary)	Kalpna Morparia (Chairperson) H.T. Phong Shikha Sharma
No. of times met during the year	4	4	2

C) Grievance Redressal Committee

The Grievance Redressal Committee is chaired by Mr. R. Narayanan – an Independent Director, with three other members from senior management. The Committee's objective is to provide accessible machinery to the policyholders for settlement of their grievances. The Committee ensures a fair and expeditious complaint handling system. It also provides feedback to management for systems review, where required.

D) Internal Audit Framework

The Company has in place an internal audit framework with a risk based audit approach. The internal audit covers auditing of processes as well as transactions. Key audit observations and recommendations made are reported to the Board Risk Management and Audit Committee. Implementation of the recommendations is actively monitored.

Governance

As a good corporate citizen reflecting the parentage of the shareholders, the Company continues to institutionalize its governance framework, brief details of which are as follows:

A) Board of Directors

The Board comprises 11 Directors – three nominated by ICICI Bank Limited, two nominated by Prudential Plc, three Independent Directors, a Managing Director and two Whole Time Directors. Except the Managing Director and the two Whole Time Directors, all other Directors including the Chairman of the Board are Non-Executive Directors. There is a clear segregation of responsibility and authority between the Chairman and the Managing Director. The Board of Directors is responsible for overall Corporate Strategy and other Board related matters. The Managing Director oversees implementation of strategy, achievement of the business plan and day-to-day activities and operations related issues. There is an appropriate mix of Executive, Non-Executive and Independent Directors to maintain the professionalism and independence of the Board and to separate the functions of governance and management. The Independent Directors are eminent personalities with significant expertise in the fields of finance and insurance. None of the Directors is related to any other Director or employee of the Company.

E) Risk Management Framework

Investment Risk : The Company has a prudent investment strategy to optimise risk adjusted returns. Its Asset-Liability Management (ALM) framework is designed to mitigate the investment related risks of assets. The Assets under Management for the linked portfolio, in respect of which there is minimal asset-liability mismatch risk, amounts to over 80% of the policyholders funds. The linked portfolios are benchmarked against suitable external benchmarks. On the participating portfolio, the Company's strategic asset allocation, which includes investments in equities, is designed to achieve the twin objectives of managing base guarantees and maximising returns. As part of ALM of non-linked portfolio, the Company hedges the participating portfolio by duration matching/ cash flow matching within the market and regulatory constraints. This is reviewed monthly.

Operational Risks : The Management assesses and rates the various

directors' report

operational risks and prepares a mitigation plan. Internal Audit carries performs risk-based audit and reports the findings to the Risk Management and Audit Committee.

F) Whistle Blower Policy

The Company has a Whistle Blower Policy that is designed to provide its employees a channel for communicating any issues in the areas of breaches of the Code of conduct, legal violation and irregularities in accounting policies and procedures.

RURAL AND SOCIAL BUSINESS

More than 434,000 policies were issued in rural areas, constituting over 22% of total policy issuances. The Company also covered more than 117,700 lives falling within the norm of 'social sector' business.

DIRECTORS

During the year under review, Barry Stowe was nominated as Director by Prudential plc. in place of mark Mark Norbom. Consequently, Barry Stowe was appointed as an Additional Director of the Company on November 6, 2006.

The Board places on record its sincere appreciation for services and guidance provided by Mark Norbom during his tenure.

The Board also appointed Bhargav Dasgupta as an Executive Director (Additional Director) on November 6, 2006.

Barry Stowe and Bhargav Dasgupta will hold their respective offices as Additional Directors till the ensuing Annual General Meeting and are proposed to be appointed as Directors at the ensuing Annual General Meeting. Notices have been received from a Member proposing them as Directors.

During the year, Lalita Gupte ceased to be a Director on the Board of the Company consequent upon her retirement from ICICI Bank. The Board places on record its appreciation for her valuable contribution during her tenure.

Mahesh P. Modi and R. Narayanan will retire by rotation at the above Annual General Meeting and are eligible for re-appointment.

DETAILS AS PER SECTION 217(2A)

As required by 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 relevant particulars of the employees are set out in Annexure to the Directors' Report which was tabled before the board and is available on request.

INCREASE IN SHARE CAPITAL

The capital of the Company was increased by Rs. 1.25 billion contributed by the parent organizations, ICICI Bank Limited and Prudential Plc, UK, taking the paid-up capital to Rs.13.12 billion as at March 31, 2007.

PUBLIC DEPOSITS

During the year under review, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956.

AUDITORS

M/s. Walker, Chandio & Co., and M/s. Haribhakti & Co., Chartered Accountants were appointed/re-appointed as joint statutory auditors of the Company at the last Annual General Meeting. They are retiring in the ensuing Annual General Meeting and are eligible for re-appointment.

ADDITIONAL INFORMATION

In view of the nature of business activity of the Company, the information relating to the conservation of energy and technology absorption, as required under Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, is not required to be given. Details about foreign exchange earnings and outgo required under above Rules are as under:

Particulars	(Rs. in million)	
	Fiscal 2006	Fiscal 2007
Foreign Exchange Earnings & Outgo		
– Earnings	1	0.5
– Outgo	106	167

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed;
2. the Directors have selected such accounting policies and applied them consistently and made judgments 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 loss of the Company for that period;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the annual accounts on a going concern basis.

Acknowledgements

The Company is grateful to the Insurance Regulatory & Development Authority, Reserve Bank of India and Government of India for their continued co-operation, support and advice.

The Company would also like to take this opportunity to express sincere thanks to its valued customers for their continued patronage.

The Board expresses its gratitude for the valuable advice, guidance and support received from time to time from, the auditors and the statutory authorities. The Directors express their deep sense of appreciation to all employees and distributors, who continue to display outstanding professionalism and commitment, enabling the organisation to achieve market leadership in its business operations. Finally, the Directors wish to express their gratitude to ICICI Bank and Prudential for their continued trust and support.

For and on behalf of the Board

Mumbai, April 24, 2007

K.V. KAMATH
Chairman

auditors' report

to the members of ICICI Prudential Life Insurance Company Limited

1. We have audited the attached Balance Sheet of ICICI Prudential Life Insurance Company Limited ('the Company') as at March 31, 2007, the related Revenue Account, the Profit & Loss Account and the Receipts and Payments Account for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
 2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance as to 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.
 3. We report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of the audit and have found them to be satisfactory;
 - (b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
 - (c) As the Company's financial accounting system is centralized, no returns for the purpose of our audit are prepared at the branches of the Company;
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;
 - (e) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of liabilities as at March 31, 2007 has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Actuarial Society of India in concurrence with IRDA. We have relied upon the Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company;
 - (f) On the basis of the written representations received from the Directors of the Company, as on March 31, 2007 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2007 from being appointed as a Director in terms of Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 4. In our opinion and to the best of our information and according to the explanations given to us, we further report that:
 - (a) The Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ('the Regulations') and/or orders/directions issued by IRDA in this behalf;
 - (b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub-section (3C) of Section 211 of the Companies Act, 1956 and with the accounting principles as prescribed in the Regulations and orders/directions issued by IRDA in this behalf;
 - (c) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in compliance with the applicable accounting standards referred to under sub-section (3C) of Section 211 of the Companies Act, 1956; and
 - (d) The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account together with the notes thereon and attached thereto are prepared in accordance with the requirements of the Regulations, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and give a true and fair view in conformity with applicable accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;
 - (ii) in the case of Revenue Account, of the net surplus for the year ended on that date;
 - (iii) in the case of Profit and Loss account, of the loss for the year ended on that date; and
 - (iv) in the case of the Receipts and Payments Account, of the receipts and payments for the year ended on that date.
 5. Further, on the basis of our examination of books and records of the Company and according to the information and explanations given to us, we certify to the best of our knowledge and belief that:
 - (a) We have reviewed the Management Report attached to the financial statements for the year ended March 31, 2007, and have found no apparent mistake or material inconsistencies with the financial statements; and
 - (b) Based on management representations and compliance certificates noted by the Risk Management and Audit Committee, nothing has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA
- For WALKER, CHANDIOK & CO.
Chartered Accountants

KHUSHROO B. PANTHAKY
Partner

Membership No.: 42423
Mumbai, April 24, 2007

For HARIBHAKTI & CO.
Chartered Accountants

MANOJ DAGA
Partner

Membership No.: 48523
Mumbai, April 24, 2007

auditors' certificate



In accordance with the information and explanations given to us and to the best of our knowledge and belief and based on our examination of the books of account and other records maintained by ICICI Prudential Life Insurance Company Limited ('the Company') for the year ended March 31, 2007, we certify that:

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's loans and investments as at March 31, 2007, by actual inspection or on the basis of certificates/confirmations received from the Custodian appointed by the Company, as the case may be. As at March 31, 2007, the Company does not have reversions and life interests;
2. The Company is not a trustee of any trust; and
3. No part of the asset of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of Insurance Act, 1938 relating to the application and investments of the Policyholders' Funds.

This certificate is issued to comply with Schedule C of Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ('the Accounting Regulations'), read with Regulation 3 of the Accounting Regulations and may not be suitable for any other purpose.

For WALKER, CHANDIOK & CO.
Chartered Accountants

KHUSHROO B. PANTHAKY
Partner

Membership No.: 42423

Mumbai, April 24, 2007

For HARIBHAKTI & CO.
Chartered Accountants

MANOJ DAGA
Partner

Membership No.: 48523

Mumbai, April 24, 2007

revenue account

for the year ended March 31, 2007

Form A-RA

Name of the Insurer: ICICI Prudential Life Insurance Company Limited

Registration No. and Date of Registration with the IRDA : Regn. No. 105 dated 24.11.2000

(Rs. in 000's)

Policyholders' Account (Technical Account)

Particulars	Schedule	Par Life	Par Pension	Non-Par	Annuity Non-Par	Health	Linked Life	Linked Pension	Linked Group	Total
Premiums earned - net										
(a) Premium	1	3,266,431	543,956	1,764,324	2,034,592	169,938	52,739,228	13,260,310	5,351,100	79,129,879
(b) Reinsurance ceded		(2,410)	(118)	(107,653)	—	(14,868)	(32,505)	(954)	(3,194)	(161,702)
Income from Investments										
(a) Interest, Dividend & Rent - Gross		489,232	173,569	138,933	31,436	1,337	2,118,037	577,449	275,450	3,805,443
(b) Profit on sale/redemption of investments		484,281	109,960	24,863	347	404	3,742,727	855,796	204,697	5,423,075
(c) Loss on sale/redemption of investments		(41,150)	(2,647)	(5,048)	(1,931)	—	(1,036,291)	(230,048)	(68,570)	(1,385,685)
(d) Unrealised gain/(loss)		—	—	—	—	—	1,447,594	217,419	73,552	1,738,565
(e) Appropriation / Expropriation Adjustment Account		—	—	—	—	—	256,414	58,350	(5,572)	309,192
Other income										
Contribution from the Shareholders' account		—	—	206,728	165,265	380,608	4,634,831	2,025,459	167,081	7,579,972
Fees and Charges		451	—	452	—	1	446	—	297	1,647
Total (A)		4,196,835	824,720	2,022,599	2,229,709	537,420	63,870,481	16,763,781	5,994,841	96,440,386
Commission	2	241,975	12,159	74,078	1,309	44,024	4,208,325	673,079	185	5,255,134
Operating expenses related to Insurance business	3	727,757	108,431	714,859	45,180	396,237	9,762,222	3,327,471	147,430	15,229,587
Provision for taxation (Fringe Benefit tax)		5,576	765	582	170	421	91,434	23,655	—	122,613
Total (B)		975,308	121,355	789,519	46,659	440,682	14,061,981	4,024,215	147,615	20,607,334
Benefits Paid (Net)	4	265,633	97,273	338,685	37,129	2,173	4,434,547	1,429,402	670,205	7,275,047
Change in valuation of liability in respect of life policies		2,869,733	639,113	555,653	2,145,921	94,565	44,636,734	11,079,113	5,177,021	67,197,853
Total (C)		3,135,366	736,386	894,338	2,183,050	96,738	49,071,281	12,508,515	5,847,226	74,472,900
Surplus/(Deficit) (D) = (A)-(B)-(C)		86,161	(33,021)	338,742	—	—	737,219	231,051	—	1,360,152
Appropriations										
Transfer to Shareholders' account		4,575	2,745	338,742	—	—	—	—	—	346,062
Balance being funds for future appropriations		81,586	(35,766)	—	—	—	737,219	231,051	—	1,014,090
Total (D)		86,161	(33,021)	338,742	—	—	737,219	231,051	—	1,360,152
Funds for future Appropriation										
Opening Balance as at April 1, 2006		185,840	156,425	—	—	—	612,668	179,499	—	1,134,432
Add: Current year appropriations		81,586	(35,766)	—	—	—	737,219	231,051	—	1,014,090
Balance Carried forward to Balance Sheet		267,426	120,659	—	—	—	1,349,887	410,550	—	2,148,522
Significant Accounting Policies & Notes to Accounts	16									
Details of total Surplus		Par Life	Par Pension							
(a) Interim bonuses paid		41,777	24,703							
(b) Allocation of bonus to policyholders'		86,161	(33,021)							
(c) Surplus shown in the Revenue Account										
Total Surplus		127,338	(8,318)							

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India by the Company have been fully debited to the Policyholders' Revenue Account as expenses.

Schedules referred to herein form an integral part of the Policyholders' Revenue Account.
As per our report of even date attached

For WALKER, CHANDIOK & CO.
Chartered Accountants

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

For HARIBHAKTI & CO.
Chartered Accountants

MANOJ DAGA
Partner
Membership No. 48523

AZIM MITHANI
Appointed Actuary

C. L. BARADHWAJ
Company Secretary

For and on behalf of the Board of Directors

K.V. KAMATH
Chairman

SHIKHA SHARMA
Managing Director

M.P. MODI
Director

N. S. KANNAN
Executive Director

H.T. PHONG
Director

Place : Mumbai
Date : April 24, 2007

revenue account



for the year ended March 31, 2006

Form A-RA

Name of the Insurer: ICICI Prudential Life Insurance Company Limited

Registration No. and Date of Registration with the IRDA : Regn. No. 105 dated 24.11.2000

(Rs. in 000's)

Policyholders' Account (Technical Account)

Particulars	Schedule	Par Life	Par Pension	Non-Par	Annuity Non-Par	Health	Linked Life	Linked Pension	Linked Group	Total
Premiums earned – net										
(a) Premium	1	2,927,172	562,397	774,437	55,860	3,174	30,810,616	5,223,709	2,253,100	42,610,465
(b) Reinsurance ceded		(3,261)	(43)	(45,934)	—	(26)	(19,037)	(62)	—	(68,363)
Income from investments										
(a) Interest, Dividend & Rent—Gross		322,458	113,747	84,819	1,912	—	1,045,727	353,529	107,135	2,029,327
(b) Profit on sale/redemption of investments		125,588	40,077	29,925	—	1	1,607,154	452,328	61,070	2,316,143
(c) Loss on sale/redemption of investments		(53,326)	(5,537)	(102)	—	—	(396,630)	(141,874)	(29,616)	(627,085)
(d) Unrealised gain/(loss)		—	—	—	—	—	8,537,936	1,847,685	127,927	10,513,548
Other income:										
Contribution from the Shareholders' account		—	—	—	2,511	400	2,216,106	—	87,638	2,306,655
Fees and charges		230	3	749	—	—	3,740	—	—	4,722
Total (A)		3,318,861	710,644	843,894	60,283	3,549	43,805,612	7,735,315	2,607,254	59,085,412
Commission	2	210,344	6,342	30,595	—	864	2,429,035	156,074	661	2,833,915
Operating expenses related to insurance business	3	581,746	110,489	333,693	1,504	2,216	5,284,319	852,302	83,769	7,250,037
Provision for taxation (Fringe benefit tax)		4,903	708	435	—	4	48,605	6,346	—	61,001
Total (B)		796,992	117,539	364,723	1,504	3,084	7,761,959	1,014,722	84,430	10,144,953
Benefits paid (Net)	4	188,545	29,585	82,802	510	—	1,315,036	326,234	151,954	2,094,666
Change in valuation of liability in respect of life policies		2,251,597	620,468	352,082	58,269	465	34,728,617	6,362,784	2,370,870	46,745,152
Total (C)		2,440,142	650,053	434,884	58,779	465	36,043,653	6,689,018	2,522,824	48,839,818
Surplus/ (Deficit) (D) =(A)-(B)-(C)		81,727	(56,948)	44,287	—	—	—	31,575	—	100,641
Appropriations										
Transfer to Shareholders' account		—	—	44,287	—	—	—	31,575	—	75,862
Balance being funds for future appropriations		81,727	(56,948)	—	—	—	—	—	—	24,779
Total (D)		81,727	(56,948)	44,287	—	—	—	31,575	—	100,641
Funds for future Appropriation										
Opening Balance as at April 1, 2005		104,113	213,373	—	—	—	—	—	—	317,486
Add: Current year appropriations		81,727	(56,948)	—	—	—	—	—	—	24,779
Balance Carried forward to Balance Sheet		185,840	156,425	—	—	—	—	—	—	342,265
Significant Accounting Policies & Notes to Accounts	16									
Details of Total Surplus		Par Life	Par Pension							
(a) Interim bonuses paid		—	—							
(b) Allocation of bonus to policyholders'		—	—							
(c) Surplus shown in the Revenue Account		81,727	(56,948)							
Total Surplus		81,727	(56,948)							

As required by Section 40-B(4) of the Insurance Act, 1938 we certify that all expenses of Management in respect of life insurance business in India by the Company have been fully debited to the Policyholders' Revenue Account as expenses.

Schedules referred to herein form an integral part of the Policyholders' Revenue Account.
As per our report of even date attached

For WALKER, CHANDIOK & CO.
Chartered Accountants

For HARIBHAKTI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

MANOJ DAGA
Partner
Membership No. 48523

AZIM MITHANI
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 24, 2007

balance sheet

profit and loss account

as at March 31, 2007

for the year ended March 31, 2007

Form A-BS

Name of the Insurer: ICICI Prudential Life Insurance Company Limited

Registration No. and Date of Registration with the IRDA : Regn. No. 105 dated 24.11.2000

Form A-PL

(Rs. in 000's)

Particulars	Schedule	March 31, 2007	March 31, 2006	Particulars	Schedule	March 31, 2007	March 31, 2006
SOURCES OF FUNDS				Shareholders' Account (Non-Technical Account)			
Shareholders' Funds				Amounts transferred from Policyholders' Account (Technical Account)		346,062	75,862
Share capital	5	13,123,015	11,850,000	Income From Investments			
Employees stock option outstanding		19,399	52,363	(a) Interest, Dividend & Rent-Gross		267,100	165,786
Reserve and surplus	6	7,593,813	—	(b) Profit on sale/redemption of investments		100,668	36,917
Fair Value Change Account - Net		291,038	180,306	(c) Loss on sale/redemption of investments		(35,928)	(1,578)
Sub-Total		21,027,265	12,082,669	Other Income		—	2,252
Borrowings	7	—	—	Total (A)		677,902	279,239
Policyholders' Funds				Expense other than those directly related to the insurance business	3A	14,622	5,872
Fair Value Change Account - Net		1,014,996	1,246,696	Bad Debts written-off		—	—
Revaluation reserve - Investment Property		316,319	—	Amounts transferred to Policyholders' Account (Technical Account)		7,579,972	2,306,656
Policy Liabilities		17,656,173	11,224,766	Provisions (other than taxation)			
Provision for linked liabilities		130,762,734	69,996,288	(a) For diminution in value of investments (net)		—	—
Sub-Total		149,750,222	82,467,750	(b) Provision for doubtful debts		—	—
Funds for Future Appropriations				Total (B)		7,594,594	2,312,528
— Linked (Refer note 3.25 of Schedule 16)		1,760,437	792,166	(Loss) before Tax		(6,916,692)	(2,033,289)
— Non Linked		388,085	342,265	Provision for Taxation			
Total		172,926,009	95,684,850	— Deferred tax (Refer note 3.14 of Schedule 16)		427,620	154,500
APPLICATION OF FUNDS				Profit/(Loss) after Tax		(6,489,072)	(1,878,789)
Investments				Appropriations			
— Shareholders'	8	1,567,176	4,484,730	(a) Balance at the beginning of the year		(9,527,908)	(6,856,953)
— Policyholders'	8A	23,421,083	12,514,550	(b) Funds for future appropriation - Linked (Refer note 3.25 of Schedule 16)		—	(792,166)
Asset held to cover linked liabilities	8B	132,523,171	70,788,454	(c) Interim dividends paid during the year		—	—
Loans	9	40,393	14,247	(d) Proposed final dividend		—	—
Fixed assets	10	2,194,439	610,535	(e) Dividend distribution tax		—	—
Deferred tax asset (Refer note 3.14 of Schedule 16)		690,004	262,384	(f) Transfer to reserves/other accounts		—	—
Current Assets				Profit/(Loss) carried to Balance Sheet		(16,016,980)	(9,527,908)
— Cash and Bank Balances	11	4,823,827	2,458,976	Significant Accounting Policies & Notes to Accounts	16		
— Advances and Other Assets	12	2,359,279	1,121,070	Earnings per equity share (Refer note 3.24 of Schedule 16)			
Sub-Total (A)		7,183,106	3,580,046	Basic earnings per equity share (Rs.)		(5.28)	(1.82)
Current Liabilities	13	10,061,083	5,934,917	Diluted earnings per equity share (Rs.)		(5.25)	(1.81)
Provisions	14	649,260	163,087	Nominal value per equity share (Rs.)		10.00	10.00
Sub-Total (B)		10,710,343	6,098,004	Schedules referred to herein form an integrated part of the Shareholders' Account.			
Net Current Assets (C) = (A) - (B)		(3,527,237)	(2,517,958)				
Miscellaneous Expenditure (to the extent not written-off or adjusted)	15	—	—				
Debit Balance in Profit & Loss Account (Shareholders' Account)		16,016,980	9,527,908				
Total		172,926,009	95,684,850				
Significant Accounting Policies & Notes to Accounts							
Schedules referred to herein form an integral part of the Balance Sheet.	16						

As per our report of even date attached

For WALKER, CHANDIOK & CO.
Chartered Accountants

For HARIBHAKTI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

MANOJ DAGA
Partner
Membership No. 48523

AZIM MITHANI
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 24, 2007

schedules



forming part of the financial statements

(Rs. in 000's)

SCHEDULE - 1 PREMIUM

Particulars	For the year ended March 31, 2007								
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
First year premiums	567,915	3,968	141,438	—	167,671	29,906,648	8,476,771	4,441,688	43,706,099
Renewal Premiums	2,698,516	539,988	195,302	—	2,267	18,777,039	4,386,043	909,412	27,508,567
Single Premiums	—	—	1,427,584	2,034,592	—	4,055,541	397,496	—	7,915,213
Total Premium	3,266,431	543,956	1,764,324	2,034,592	169,938	52,739,228	13,260,310	5,351,100	79,129,879
Premium Income from business written :									
In India	3,266,431	543,956	1,764,324	2,034,592	169,938	52,739,228	13,260,310	5,351,100	79,129,879
Total Premium	3,266,431	543,956	1,764,324	2,034,592	169,938	52,739,228	13,260,310	5,351,100	79,129,879

Particulars	For the year ended March 31, 2006								
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
First year premiums	695,873	9,786	105,713	—	3,174	19,029,121	1,177,465	1,913,450	22,934,582
Renewal Premiums	2,231,299	552,611	120,953	—	—	9,459,922	3,881,013	339,650	16,585,448
Single Premiums	—	—	547,771	55,860	—	2,321,573	165,231	—	3,090,435
Total Premium	2,927,172	562,397	774,437	55,860	3,174	30,810,616	5,223,709	2,253,100	42,610,465
Premium Income from business written :									
In India	2,927,172	562,397	774,437	55,860	3,174	30,810,616	5,223,709	2,253,100	42,610,465
Total Premium	2,927,172	562,397	774,437	55,860	3,174	30,810,616	5,223,709	2,253,100	42,610,465

SCHEDULE - 2 COMMISSION EXPENSES

Particulars	For the year ended March 31, 2007								
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
Commission*									
Direct— First year premiums	118,962	297	31,605	—	44,024	3,581,520	631,856	185	4,408,449
— Renewal Premiums	123,013	11,862	8,363	—	—	550,935	34,707	—	728,880
— Single premiums	—	—	34,110	1,309	—	75,870	6,516	—	117,805
Total	241,975	12,159	74,078	1,309	44,024	4,208,325	673,079	185	5,255,134
Add: Commission on Re-insurance accepted	—	—	—	—	—	—	—	—	—
Less: Commission on Re-insurance ceded	—	—	—	—	—	—	—	—	—
Net Commission	241,975	12,159	74,078	1,309	44,024	4,208,325	673,079	185	5,255,134
Break-up of the expenses (Gross) incurred to procure business									
Tied Agency	203,355	9,593	27,885	798	21,693	2,719,988	318,439	—	3,301,751
Corporate Agency	29,389	2,212	3,795	457	18,149	870,322	283,174	—	1,207,498
Brokers	3,242	20	488	54	91	37,846	3,693	185	45,619
Bancassurance	5,989	334	41,910	—	4,091	580,169	67,773	—	700,266
Total Commission	241,975	12,159	74,078	1,309	44,024	4,208,325	673,079	185	5,255,134

* Commission includes referral payments

Particulars	For the year ended March 31, 2006								
	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
Commission									
Direct— First year premiums*	147,064	576	21,070	—	864	2,085,034	91,229	661	2,346,498
— Renewal Premiums	63,280	5,766	9,525	—	—	309,603	63,562	—	451,736
— Single premiums	—	—	—	—	—	34,398	1,283	—	35,681
Total	210,344	6,342	30,595	—	864	2,429,035	156,074	661	2,833,915
Add: Commission on Re-insurance accepted	—	—	—	—	—	—	—	—	—
Less: Commission on Re-insurance ceded	—	—	—	—	—	—	—	—	—
Net Commission	210,344	6,342	30,595	—	864	2,429,035	156,074	661	2,833,915
Break-up of the expenses (Gross) incurred to procure business									
Tied Agency	178,724	4,443	15,269	—	814	1,459,704	94,443	661	1,754,058
Corporate Agency	20,692	1,584	1,436	—	14	244,471	9,368	—	277,565
Brokers	1,927	20	272	—	8	21,766	804	—	24,797
Bancassurance	9,001	295	13,618	—	28	703,094	51,459	—	777,495
Total Commission	210,344	6,342	30,595	—	864	2,429,035	156,074	661	2,833,915

* Commission includes referral payments

schedules

forming part of the financial statements

Continued

(Rs. in 000's)

SCHEDULE - 3 OPERATING EXPENSES RELATED TO INSURANCE BUSINESS For the year ended March 31, 2007

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
Employees' remuneration & welfare benefits	178,709	22,032	53,984	15,536	117,567	3,753,081	1,145,924	82,873	5,369,706
Travel, conveyance and vehicle running expenses	20,020	2,502	6,285	1,822	19,113	402,284	131,071	36,522	619,619
Rents, rates & taxes	108,496	20,510	42,452	2,216	11,370	534,162	271,506	18	990,730
Repairs	26,569	4,673	8,196	167	2,124	84,828	45,636	21	172,214
Printing & stationery	18,687	2,560	36,850	440	11,128	149,959	51,127	5,173	275,924
Communication expenses	96,005	17,602	66,097	1,162	18,362	433,114	212,737	1,786	846,865
Legal & professional charges	14,423	1,847	3,748	1,663	2,592	260,574	88,617	1,784	375,218
Medical fees	3,702	64	9,966	(58)	11,502	93,654	5,352	101	124,283
Auditors' fees:									
(a) as auditor	51	—	7	5	13	2,288	550	—	2,914
(b) as advisor or in any other capacity	—	—	—	—	—	—	—	—	—
Advertisement and publicity	28,922	3,221	9,390	4,224	121,776	667,999	210,400	8,337	1,054,269
Interest & Bank Charges	10,704	1,684	32,981	423	9,287	130,205	30,417	2,672	218,373
Agents Training & Recruitment	77,085	10,785	28,299	6,844	13,072	1,259,822	439,206	65	1,835,178
Depreciation	25,443	4,950	9,878	181	2,292	93,930	51,366	—	188,040
Service tax on premium absorbed	246	1	56	64	72	12,208	3,024	—	15,671
Information technology cost	36,347	7,236	14,429	141	3,273	103,770	66,874	105	232,175
Administration support expenses	18,372	126	309,427	7,743	7,478	938,774	340,282	18	1,622,220
Others	63,976	8,638	82,814	2637	45,216	841,570	233,382	7,955	1,286,188
Total	727,757	108,431	714,859	45,180	396,237	9,762,222	3,327,471	147,430	15,229,587

For the year ended March 31, 2006

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
Employees' remuneration & welfare benefits	181,349	27,538	29,371	752	363	2,420,356	292,314	72,219	3,024,262
Travel, conveyance and vehicle running expenses	16,925	2,553	2,760	—	30	195,791	26,568	5,167	249,794
Rents, rates & taxes	78,807	23,043	20,388	—	98	199,211	111,003	14	432,564
Repairs	25,908	7,592	5,409	—	45	47,179	31,748	63	117,944
Printing & stationery	11,482	2,053	15,286	—	153	68,365	15,448	248	113,035
Communication expenses	67,967	17,349	30,103	—	219	217,544	92,714	712	426,608
Legal & professional charges	8,124	2,794	1,510	—	12	49,266	12,012	1,169	74,887
Medical fees	5,141	110	11,248	—	410	65,037	2,039	—	83,985
Auditors' fees:									
(a) as auditor	152	25	12	—	—	1,286	205	—	1,680
(b) as advisor or in any other capacity, in respect of	—	—	—	—	—	—	—	—	—
Taxation matters	10	1	1	—	—	84	13	—	109
Advertisement and publicity	27,329	2,712	4,727	—	103	479,606	46,660	334	561,471
Interest & Bank Charges	12,024	619	14,369	—	165	62,520	13,503	769	103,969
Agents Training & Recruitment	48,044	5,622	8,614	—	78	653,800	72,634	12	788,804
Depreciation	24,124	6,910	5,819	—	30	89,016	34,006	—	159,905
Service tax on premium absorbed	1,740	38	278	—	—	8,653	(1,634)	(1)	9,074
Information technology cost	9,978	1,682	891	—	12	100,714	15,953	2	129,232
Administration support expenses	11,432	123	138,581	—	48	263,774	20,556	5	434,519
Others	51,209	9,725	44,326	752	450	362,117	66,560	3,056	538,195
Total	581,745	110,489	333,693	1,504	2,216	5,284,319	852,302	83,769	7,250,037

SCHEDULE - 3A EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS For the year ended March 31, 2007

Particulars	March 31, 2007	March 31, 2006
Employees' remuneration & welfare benefits	959	1,356
Travel, conveyance & vehicle running expenses	66	40
Legal and professional fees	9	2
Sales Promotion	—	—
Loss on sale/write off of Fixed Assets (Net)	—	—
Printing & stationery	3	1
Communication expenses	7	115
Interest & Bank Charges	2,846	2,475
Depreciation	—	8
Information Technology Cost	100	115
Others	10,632	1,760
Total	14,622	5,872

schedules

(Rs. in 000's)

SCHEDULE - 4

BENEFITS PAID [NET]

For the year ended March 31, 2007

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
1. Insurance Claims									
(a) Claims by death	41,175	14,514	94,508	1,188	200	227,052	38,697	10,937	428,271
(b) Claims by maturity	—	39,049	248,308	—	—	—	—	—	287,357
(c) Annuities / Pension payment	—	—	—	35,941	—	—	—	—	35,941
(d) Other benefits									
— Surrender	28,040	42,092	19,191	—	—	4,183,421	1,389,605	660,589	6,322,938
— Survival	181,207	—	9,714	—	—	—	—	—	190,921
— Rider	15,211	1,618	2,397	—	3	27,911	1,100	—	48,240
— Health	—	—	450	—	1,970	—	—	—	2,420
Sub-Total (A)	265,633	97,273	374,568	37,129	2,173	4,438,384	1,429,402	671,526	7,316,088
2. Amount Ceded in reinsurance									
(a) Claims by Death *	—	—	(35,883)	—	—	(3,837)	—	(1,321)	(41,041)
(b) Claims by Maturity	—	—	—	—	—	—	—	—	—
(c) Annuities / Pension payment	—	—	—	—	—	—	—	—	—
(d) Other benefits									
— Surrender	—	—	—	—	—	—	—	—	—
— Survival	—	—	—	—	—	—	—	—	—
— Rider	—	—	—	—	—	—	—	—	—
— Health	—	—	—	—	—	—	—	—	—
Sub-Total (B)	—	—	(35,883)	—	—	—	—	(1,321)	(41,041)
Total (A) + (B)	265,633	97,273	338,685	37,129	2,173	4,434,547	1,429,402	670,205	7,275,047
Benefits paid to claimants:									
In India	265,633	97,273	374,568	37,129	2,173	4,438,384	1,429,402	671,526	7,316,088
Total	265,633	97,273	374,568	37,129	2,173	4,438,384	1,429,402	671,526	7,316,088

For the year ended March 31, 2006

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
1. Insurance Claims									
(a) Claims by death	36,273	10,755	34,293	—	—	94,839	21,273	1,986	199,419
(b) Claims by maturity	—	11,702	31,320	—	—	—	—	—	43,022
(c) Annuities / Pension payment	—	—	—	510	—	—	—	—	510
(d) Other benefits									
— Surrender	12,799	4,556	10,408	—	—	1,208,184	303,270	149,968	1,689,185
— Survival	125,178	—	13,013	—	—	—	—	—	138,191
— Rider	14,295	2,572	1,486	—	—	15,513	1,691	—	35,557
— Health	—	—	—	—	—	—	—	—	—
Sub-Total (A)	188,545	29,585	90,520	510	—	1,318,536	326,234	151,954	2,105,884
2. Amount Ceded in reinsurance									
(a) Claims by death	—	—	(7,718)	—	—	(3,500)	—	—	(11,218)
(b) Claims by maturity	—	—	—	—	—	—	—	—	—
(c) Annuities / Pension payment	—	—	—	—	—	—	—	—	—
(d) Other benefits									
— Surrender	—	—	—	—	—	—	—	—	—
— Survival	—	—	—	—	—	—	—	—	—
— Rider	—	—	—	—	—	—	—	—	—
— Health	—	—	—	—	—	—	—	—	—
Sub-Total (B)	—	—	(7,718)	—	—	(3,500)	—	—	(11,218)
Total (A) + (B)	188,545	29,585	82,802	510	—	1,315,036	326,234	151,954	2,094,666
Benefits paid to claimants:									
In India	188,545	29,585	90,520	510	—	1,318,536	326,234	151,954	2,105,884
Total	188,545	29,585	90,520	510	—	1,318,536	326,234	151,954	2,105,884

SCHEDULE - 5 SHARE CAPITAL

Particulars	March 31, 2007	March 31, 2006
Authorised Capital		
Equity Shares of Rs. 10 each	15,000,000	12,000,000
Issued, Subscribed & Called up Capital		
Equity Shares of Rs. 10 each fully paid up	13,123,015	11,850,000
Total	13,123,015	11,850,000

schedules

forming part of the financial statements

Continued

(Rs. in 000's)

SCHEDULE – 5A

PATTERN OF SHAREHOLDING [As Certified by the Management]

Shareholder	March 31, 2007		March 31, 2006	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian (ICICI Bank Limited)	969,328,571	73.87	876,900,000	74.00
Foreign (Prudential Corporation Holdings Limited)	340,574,903	25.95	308,100,000	26.00
Others	2,398,061	0.18	—	—
Total	<u>1,312,301,535</u>	<u>100</u>	<u>1,185,000,000</u>	<u>100</u>

SCHEDULE – 6

RESERVES AND SURPLUS

Particulars	March 31, 2007	March 31, 2006
Capital reserves	—	—
Capital redemption reserve	—	—
Share Premium	7,593,813	—
Revaluation Reserve	—	—
General Reserves	—	—
Less: Debit balance in Profit and Loss Account, if any	—	—
Less: Amount utilized for buy-back	—	—
Catastrophe reserve	—	—
Other reserves	—	—
Balance of profit in Profit and Loss Account	—	—
Total	<u>7,593,813</u>	<u>—</u>

SCHEDULE – 7

BORROWINGS

Particulars	March 31, 2007	March 31, 2006
Debentures / Bonds	—	—
Banks	—	—
Financial Institutions	—	—
Others	—	—
Total	<u>—</u>	<u>—</u>

SCHEDULE – 8

INVESTMENTS-SHAREHOLDERS'

Particulars	March 31, 2007	March 31, 2006
LONG TERM INVESTMENTS		
Government securities *	144,930	345,035
(Market value current year : Rs. 136,413 thousands)		
(Market value previous year : Rs. 332,995 thousands)		
Other Investments :		
Equity	886,933	774,904
(Historical value current year : Rs. 685,257 thousands)		
(Historical value previous year : Rs. 612,401 thousands)		
Debentures/Bonds	—	101,719
(Market value previous year : Rs. 99,160 thousands)		
CCIL Deposit	1,393	—
(Market value current year : Rs. 1,393 thousands)		

Particulars

Investments in Infrastructure and Social Sector

Equity	36,785	34,168
(Historical value current year : Rs. 30,886 thousands)		
(Historical value previous year : Rs. 28,201 thousands)		
Debenture/Bonds	49,059	515,053
(Market value current year : Rs. 47,586 thousands)		
(Market value previous year : Rs. 502,393 thousands)		
Other than Approved Investments :		
Equity	247,754	101,529
(Historical value current year : Rs. 164,291 thousands)		
(Historical value previous year : Rs. 89,694 thousands)		
Debentures/Bonds	87,160	51,280
(Market value current year : Rs. 84,081 thousands)		
(Market value previous year : Rs. 49,833 thousands)		
SHORT TERM INVESTMENTS		
Government securities	1,568	1,109,091
(Market value current year : Rs. 1,568 thousands)		
(Market value previous year : Rs. 1,108,953 thousands)		
Other Investments :		
Debentures/ Bonds	—	251,543
(Market value previous year : Rs. 251,270 thousands)		
Certificate of Deposit	—	239,175
(Market value previous year : Rs. 239,174 thousands)		
Commercial Papers	5,592	248,372
(Market value current year : Rs. 5,587 thousands)		
(Market value previous year : Rs. 248,372 thousands)		
Fixed Deposits	—	186,000
(Market value previous year : Rs. 186,000 thousands)		
Reverse Repo	887	—
(Market value current year : Rs. 887 thousands)		
Investment in Infrastructure and social sector :		
Debentures/Bonds	90,992	479,724
(Market value current year : Rs. 89,449 thousands)		
(Market value previous year : Rs. 477,859 thousands)		
Other than Approved Investments :		
Debentures/Bonds	14,123	47,137
(Market value current year : Rs. 13,366 thousands)		
(Market value previous year : Rs. 46,536 thousands)		
Total	<u>1,567,176</u>	<u>4,484,730</u>
In India	<u>1,567,176</u>	<u>4,484,730</u>
Total	<u>1,567,176</u>	<u>4,484,730</u>

* Includes Rs. 100,050 thousands of securities under section 7 of Insurance Act, 1938 (Previous Year : Rs. 112,215 thousands) (Refer Note 3.9 of Schedule 16)

schedules

(Rs. in 000's)

SCHEDULE - 8A

INVESTMENTS - POLICYHOLDERS'

March 31, 2007

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
LONG TERM INVESTMENTS									
Government securities	5,182,767	1,976,241	1,260,113	755,946	41,716	1,038,846	98,320	26,133	10,380,082
(Market value current year : Rs. 9,815,316 thousands)									
Other Investments :									
Debentures/Bonds	500,189	111,500	224,836	179,921	4,000	213,567	22,227	1,900	1,258,140
(Market value current year : Rs. 1,225,360 thousands)									
Equity	2,034,969	754,957	—	175,726	—	—	—	—	2,965,652
(Historical value current year : Rs. 2,139,284 thousands)									
CCIL Deposit	1,810	601	163	22	2	91	19	7	2,715
(Market value current year : Rs. 2,715 thousands)									
Fixed Deposit	—	—	387,350	—	7,250	88,300	27,600	4,600	515,100
(Market value current : Rs. 515,100 thousands)									
Property	251,260	250,580	—	—	—	—	—	—	501,840
Investment in Infrastructure and Social Sector :									
Debentures/Bonds	1,645,528	177,134	185,615	800,560	5,908	132,771	110,871	7,141	3,065,528
(Market value current year : Rs. 2,909,728 thousands)									
Equity	67,298	48,894	—	2,508	—	—	—	—	118,700
(Historical value current year : Rs. 94,601 thousands)									
Other than Approved Investments :									
Debentures/Bonds	53,682	—	49,989	—	—	—	—	—	103,671
(Market value current year : Rs. 90,524 thousands)									
Equity	475,278	—	—	—	—	—	—	—	475,278
(Historical value current year : Rs. 310,750 thousands)									
Venture Fund	400,000	—	—	—	—	—	—	—	400,000
(Historical value current year : Rs. 400,000 thousands)									
SHORT TERM INVESTMENTS									
Government securities	145,945	12,851	45,776	118,699	127,529	1,189,494	429,805	284	2,070,383
(Market value current year : Rs. 2,069,918 thousands)									
Other Investments :									
Debentures/Bonds	—	—	29,591	—	—	64,079	—	—	93,670
(Market value current year : Rs. 91,817 thousands)									
Certificate of Deposit	—	—	—	—	—	1,273	97,426	—	98,699
(Market value current year : Rs. 98,719 thousands)									
Commercial Papers	—	—	6,994	—	535	140,958	24,666	10,361	183,514
(Market value current year : Rs. 183,472 thousands)									
Fixed Deposits	—	—	41,100	—	8,000	44,800	16,600	2,300	112,800
(Market value current year : Rs. 112,800 thousands)									
Reverse Repo	16,464	145,215	52,107	142,256	10	47,670	30	10	403,762
(Market value current year : Rs. 403,762 thousands)									
Investment in Infrastructure and Social Sector :									
Debentures/Bonds	206,990	—	212,989	—	—	241,061	8,507	2,002	671,548
(Market value current year : Rs. 663,108 thousands)									
Total	10,982,180	3,477,973	2,496,623	2,175,638	194,950	3,202,910	836,071	54,738	23,421,083
In India	10,982,180	3,477,973	2,496,623	2,175,638	194,950	3,202,910	836,071	54,738	23,421,083
Total	10,982,180	3,477,973	2,496,623	2,175,638	194,950	3,202,910	836,071	54,738	23,421,083

schedules

forming part of the financial statements

Continued

(Rs. in 000's)

SCHEDULE - 8A

INVESTMENTS - POLICYHOLDERS'

March 31, 2006

Particulars	Par Life	Par Pension	Non Par	Annuity Non Par	Health	Linked Life	Linked Pension	Linked Group	Total
LONG TERM INVESTMENTS									
Government Securities	4,073,758	1,662,223	585,392	—	—	132,478	—	445	6,454,296
(Market value Rs 6,215,024 thousands)									
Other Investments :									
Equity Shares at fair value (Historical Cost Rs 1,513,274 thousands)	1,929,596	706,311	—	—	—	—	—	—	2,635,907
Debentures/ Bonds (Market value Rs 152,926 thousands)	50,236	—	88,300	—	—	15,000	—	—	153,536
Long term fixed deposit (Market value : Rs 250,100 thousands)	—	—	250,100	—	—	—	—	—	250,100
Investment Properties - Real Estate (Market value : Rs 185,521 thousands)	92,763	92,758	—	—	—	—	—	—	185,521
Investment in Infrastructure and Social Sector :									
Equity Shares at fair value (Historical cost Rs 84,479 thousands)	107,595	32,997	—	—	—	—	—	—	140,592
Debentures/ Bonds (Market value Rs 952,875 thousands)	672,067	80,075	200,106	—	—	30,122	—	1,501	983,871
Other than Approved Investments :									
Equity Shares at fair value (Historical cost Rs 172,027 thousands)	239,978	—	—	—	—	—	—	—	239,978
Debentures/ Bonds (Market value : Rs 95,469 thousands)	54,007	—	49,981	—	—	—	—	—	103,988
Venture Fund (Market value : Rs 150,000 thousands)	150,000	—	—	—	—	—	—	—	150,000
SHORT TERM INVESTMENTS									
Government securities	418,122	183,083	99,371	55,822	471	3,024	3,850	9,522	773,265
(Market value Rs 7,73,538 thousands)									
Other Investments :									
Debentures/ Bonds (Market value Rs 59,779 thousands)	—	—	50,597	—	—	—	—	—	50,597
Certificate of Deposit (Market value : Rs 49,848 thousands)	—	—	49,848	—	—	—	—	—	49,848
Fixed Deposits (Market value : Rs 14,000 thousands)	—	—	10,000	—	—	4,000	—	—	14,000
Investment in Infrastructure and Social Sector :									
Debentures/ Bonds (Market value : Rs 295,336 thousands)	165,911	—	49,006	—	—	21,176	31,734	1,587	269,414
Other than Approved Investments :									
Debentures/ Bonds (Market value : Rs 59,500 thousands)	—	—	59,637	—	—	—	—	—	59,637
Total	<u>7,954,033</u>	<u>2,757,447</u>	<u>1,492,338</u>	<u>55,822</u>	<u>471</u>	<u>205,800</u>	<u>35,584</u>	<u>13,055</u>	<u>12,514,550</u>
In India	<u>7,954,033</u>	<u>2,757,447</u>	<u>1,492,338</u>	<u>55,822</u>	<u>471</u>	<u>205,800</u>	<u>35,584</u>	<u>13,055</u>	<u>12,514,550</u>
Total	<u>7,954,033</u>	<u>2,757,447</u>	<u>1,492,338</u>	<u>55,822</u>	<u>471</u>	<u>205,800</u>	<u>35,584</u>	<u>13,055</u>	<u>12,514,550</u>

schedules

(Rs. in 000's)

SCHEDULE - 8B

ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2007			
	Linked Life	Linked Pension	Linked Group	Total
LONG TERM INVESTMENTS				
Government Securities	1,259,678	443,350	209,582	1,912,610
(Historic value current year : Rs. 1,943,953 thousands)				
Other Investments				
Equity	59,313,212	13,042,496	1,262,277	73,617,985
(Historical value current year : Rs. 63,891,449 thousands)				
Debentures/Bonds	3,862,556	1,140,069	996,515	5,999,140
(Historical value current year : Rs. 6,104,783 thousands)				
Long term fixed deposit	564,429	173,874	161,697	900,000
(Historical value current year : Rs. 900,000 thousands)				
SGF Deposit	5,706	1,739	1,047	8,492
(Historical value current year : Rs. 8,492 thousands)				
Investments in Infrastructure and Social Sector				
Equity	1,602,566	235,590	13,785	1,851,941
(Historical value current year : Rs. 1,926,848 thousands)				
Debentures/Bonds	1,878,024	539,471	467,684	2,885,179
(Historical value current year : Rs. 2,966,437 thousands)				
Other than Approved Investments				
Equity	8,983,044	2,406,154	219,068	11,608,266
(Historical value current year : Rs. 7,855,508 thousands)				
Debentures/Bonds	960,101	319,756	175,895	1,455,752
(Historical value current year : Rs. 1,482,806 thousands)				
SHORT TERM INVESTMENTS				
Government Securities	708	—	648	1,356
(Historical cost : Rs. 1421 thousands)				
Other Investments :				
Debentures/Bonds	2,730,667	706,125	303,376	3,740,168
(Historical value current year : Rs. 3,791,274 thousands)				
Certificate of Deposit	3,728,750	1,141,566	1,120,749	5,991,065
(Historical value current year : Rs. 5,892,684 thousands)				
Commercial Papers	1,195,092	317,816	440,108	1,953,016
(Historical value current year : Rs. 1,880,867 thousands)				
Fixed Deposits	7,116,854	2,207,216	2,113,330	11,437,400
(Historical value current year : Rs. 11,437,400 thousands)				
Reverse Repo	1,222,776	310,864	71,749	1,605,389
(Historical value current year : Rs. 1,605,390 thousands)				
Investments in Infrastructure and Social Sector				
Debentures/Bonds	1,378,169	466,649	380,974	2,225,792
(Historical value current year : Rs. 2,239,722 thousands)				
Other than Approved Investments				
Debentures/Bonds	894,101	458,147	114,832	1,467,080
(Historical value current year : Rs. 1,473,328 thousands)				
Mutual Fund units at Fair value	404,140	—	—	404,140
(Historical value current year : Rs. 404,000 thousands)				
Net Current Assets	2,070,498	711,625	676,277	3,458,400
Total	99,171,071	24,622,507	8,729,593	132,523,171
In India	99,171,071	24,622,507	8,729,593	132,523,171
Total	99,171,071	24,622,507	8,729,593	132,523,171

schedules

forming part of the financial statements

Continued

(Rs. in 000's)

SCHEDULE - 8B

ASSETS HELD TO COVER LINKED LIABILITIES

March 31, 2006

Particulars	Linked Life	Linked Pension	Linked Group	Total
LONG TERM INVESTMENTS				
Government Securities at fair value (Historical cost Rs. 2,306,143 thousands)	1,524,912	554,638	183,442	2,262,992
Other Investments :				
Equity Shares at fair value (Historical cost Rs. 26,473,742 thousands)	30,371,512	6,133,191	471,846	36,976,551
Debentures/ Bonds at fair value (Historical cost Rs. 4,208,241 thousands)	2,805,017	947,836	349,977	4,102,830
Investments in Infrastructure and Social Sector				
Equity Shares at fair value (Historical cost Rs. 495,740 thousands)	598,262	122,704	10,430	731,396
Debentures/ Bonds at fair value (Historical cost Rs. 1,633,372 thousands)	1,104,336	384,689	107,157	1,596,182
Other than Approved Investments :				
Equity Shares at fair value (Historical cost Rs. 3,060,441 thousands)	3,280,790	709,911	65,768	4,056,469
Debentures/ Bonds at fair value (Historical cost Rs. 1,044,365 thousands)	675,394	216,661	117,868	1,009,923
SHORT TERM INVESTMENTS				
Government Securities (Historical cost Rs. 2,904 thousands)	1,647	748	616	3,011
Other Investments :				
Debentures/ Bonds (Historical cost Rs. 2,045,331 thousands)	1,311,088	500,999	200,574	2,012,661
Certificate of Deposit (Historical cost Rs. 2,381,215 thousands)	1,284,328	743,168	376,398	2,403,894
Commercial Papers (Historical cost Rs. 2,916,737 thousands)	2,142,112	512,813	310,044	2,964,969
Fixed Deposits	4,408,946	1,451,585	565,269	6,425,800
Investments in Infrastructure and Social Sector				
Debentures/ Bonds (Historical cost Rs. 2,103,404 thousands)	1,241,222	588,195	258,262	2,087,679
Other than Approved Investments :				
Debentures/ Bonds (Historical cost Rs. 1,841,464 thousands)	1,345,008	324,473	154,901	1,824,382
Mutual Fund investment at fair value (Historical cost Rs. 620,000 thousands)	566,000	50,000	4,000	620,000
Net Current Assets	1,269,966	58,867	380,882	1,709,715
Total	53,930,540	13,300,478	3,557,436	70,788,454
In India	53,930,540	13,300,478	3,557,436	70,788,454
Total	53,930,540	13,300,478	3,557,436	70,788,454

schedules

(Rs. in 000's)

SCHEDULE - 9

LOANS

Particulars

1. SECURITY-WISE CLASSIFICATIONS

Secured:

(a) On mortgage of property:

(aa) In India

(bb) Outside India

(b) On Shares, Bonds, Govt Securities, etc.

(c) Loans against policy

(d) Others

Unsecured

Total

March 31, 2007 March 31, 2006

10,372 13,368

30,021 879

40,393 14,247

2. BORROWER-WISE CLASSIFICATION

(a) Central and State Governments

(b) Banks and Financial Institutions

(c) Subsidiaries

(d) Companies

(e) Loans against policies

(f) Loans to employees

Total

10,372 13,368

30,021 879

40,393 14,247

Particulars

March 31, 2007

March 31, 2006

3. PERFORMANCE-WISE CLASSIFICATION

(a) Loans classified as standard:

(aa) In India

(bb) Outside India

(b) Non-standard loans less provisions:

(aa) In India

(bb) Outside India

Total

40,393 14,247

— —

— —

40,393 14,247

4. MATURITY-WISE CLASSIFICATION

(a) Short-Term

(b) Long-Term

Total

4,068 3,872

36,325 10,375

40,393 14,247

SCHEDULE - 10

FIXED ASSETS

Particulars	Gross Block at Cost				Depreciation				Net Block	
	As at March 31, 2006	Additions	Deductions	As at March 31, 2007	Upto March 31, 2006	For The Year	Deductions	Upto March 31, 2007	As at March 31, 2007	As at March 31, 2006
Buildings	—	992,280	—	992,280	—	89	—	89	992,191	—
Improvements to Leasehold Property	694,604	554,513	22,015	1,227,102	185,137	110,384	13,421	282,100	945,002	509,467
Furniture and Fixtures	84,013	13,547	3,816	93,744	66,847	17,971	3,816	81,002	12,742	17,166
Office Equipment	182,432	14,522	10,259	186,695	158,307	23,055	9,825	171,537	15,158	24,125
Information Technology Equipment	163,476	4,462	13,156	154,782	150,728	12,710	12,844	150,594	4,188	12,748
Software	95,083	27,245	—	122,328	71,058	18,985	—	90,043	32,285	24,025
Networks	41,932	591	4,302	38,221	33,858	4,293	4,108	34,043	4,178	8,074
Vehicles	—	2,479	—	2,479	—	554	—	554	1,925	—
Total	1,261,540	1,609,639	53,548	2,817,631	665,935	188,041	44,014	809,962	2,007,669	595,605
Capital Work in progress	—	—	—	—	—	—	—	—	186,770	14,930
Total	1,111,984	149,556	—	1,261,540	506,023	159,912	—	665,935	2,194,439	610,535
Previous Year	1,111,984	149,556	—	1,261,540	506,023	159,912	—	665,935	595,605	—

SCHEDULE - 11

CASH AND BANK BALANCES

Particulars

Cash (including cheques, drafts and stamps)

Bank Balance

(a) Deposit Account :

(aa) Short-term (due within 12 months of the date of balance sheet)

(bb) Others

(b) Current Accounts

Money at Call and Short Notice

Others

Total

March 31, 2007 March 31, 2006

1,851,229 1,182,657

— —

2,972,598 1,276,319

— —

4,823,827 2,458,976

CASH & BANK BALANCES

In India

Outside India

Total

4,822,719 2,455,984

1,108 2,992

4,823,827 2,458,976

SCHEDULE - 12

ADVANCES AND OTHER ASSETS

Particulars

ADVANCES

Prepayments

Advance tax paid and taxes deducted at source

Deposits

Other advances

Other receivables

Total (A)

March 31, 2007 March 31, 2006

83,307 78,747

539 91

325,320 181,661

502,285 89,806

208,935 103,883

1,120,386 454,188

OTHER ASSETS

Income accrued on investments/deposits

Outstanding Premiums

Deposit with Reserve Bank of India (Refer to Note 3.9 of Schedule 16)

Sundry Debtors (Investments)

Others

Total (B)

Total (A+B)

358,642 264,144

147,343 132,157

— —

83,648 105,455

649,260 165,126

1,238,893 666,882

2,359,279 1,121,070

SCHEDULE - 13

CURRENT LIABILITIES

Particulars

Agents' Balances

Sundry creditors

Deposits

Expenses payable

Reinsurance premium payable

Due to holding company

TDS payable

Claims outstanding

Unallocated premium (Suspense)

Premium received in advance

Outstanding purchases (Investments)

Other liabilities

Total

March 31, 2007 March 31, 2006

499,918 268,490

117,687 81,875

5,981 5,981

2,616,644 1,356,845

73,462 24,475

590,444 226,627

248,421 141,351

37,348 27,990

1,739,821 478,024

204,898 393,171

5,989 105,104

3,920,470 2,824,984

10,061,083 5,934,917

SCHEDULE - 14

PROVISIONS

Particulars

For taxation (less payments and taxes deducted at source)

For proposed dividends

For dividend distribution tax

Others provisions

Total

March 31, 2007 March 31, 2006

— —

— —

— —

649,260 163,087

649,260 163,087

SCHEDULE - 15

MISCELLANEOUS EXPENDITURE

(To the extent not written-off or adjusted)

Particulars

Discount allowed in issue of shares / debentures

Others

Total

March 31, 2007 March 31, 2006

— —

— —

— —

SCHEDULE - 16

Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2007

1. Background

ICICI Prudential Life Insurance Company Limited ('the Company') a joint venture between ICICI Bank Limited and Prudential Corporation Holdings Limited was incorporated on July 20, 2000 as a company under the Companies Act, 1956 ('the Act'). The Company is licensed by the Insurance Regulatory and Development Authority ('IRDA') for carrying life insurance business in India.

The Company's life insurance business comprises individual life and pension and group life, superannuation & gratuity business, including participating, non-participating, annuities, pension, health and linked segments. Some of these policies have riders attached to them such as Accident and Disability Benefit, Level Term, Critical Illness, Waiver of Premium and Major Surgical Assistance. These products are distributed through individual agents, corporate agents, banks and brokers.

2. Summary of significant accounting policies

2.1 Basis of preparation

The accompanying financial statements have been prepared & presented under the historical cost convention, on the accrual basis of accounting, in accordance with accounting principles generally accepted in India, in compliance with the accounting standards ('AS') issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, Insurance Regulatory and Development Authority Act, 1999, and the regulations framed thereunder, the Act to the extent applicable, various circulars issued by IRDA and the practices prevailing within the insurance industry in India.

2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as on the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively.

2.3 Revenue recognition

2.3.1. Premium income

Premium is recognised as income when due. Premium on lapsed policies is recognised as income when such policies are reinstated.

Top up premiums are considered as single premium.

For linked business, premium is recognised as income when the associated units are created.

2.3.2. Income from Linked Fund

Income from linked funds which includes fund management charges, policy administration charges, mortality charges, etc. are recovered from the linked fund in accordance with terms and conditions of policy and are accounted on accrual basis.

2.3.3. Income earned on investments

Interest income on investments is recognised on accrual basis. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight-line basis.

Dividend income is recognised when the right to receive dividend is established.

Realised gain / loss on debt securities for other than linked business is the difference between the sale consideration and the amortised cost, which is computed on a weighted average basis, as on the date of sale.

Realised gain / loss on debt securities for linked business is the difference between the sale consideration and the book value, which is computed on weighted average basis, as on the date of sale.

Profit or loss on sale of equity shares / mutual fund units is the difference between the sale consideration & the value in the books of the Company. In respect of non linked business the profit or loss includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

2.3.4. Income earned on loans

Interest income on loans is recognised on an accrual basis.

2.3.5. Income from operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as operating leases. Operating lease rentals are recognised as income when due.

2.4 Reinsurance premium

Cost of reinsurance ceded is accounted for at the time of recognition of premium income in accordance with the treaty or in-principle arrangement with the reinsurer. Profit commission on reinsurance ceded is netted off against premium ceded on reinsurance.

2.5 Benefits Paid

Benefits paid comprise of policy benefits & claim settlement costs, if any.

Death, rider & surrender claims are accounted for on receipt of intimation. Survival benefit claims and maturity claims are accounted when due. Withdrawals under linked policies are accounted in the respective schemes when the associated units are cancelled. Reinsurance recoveries on claims are accounted for, in the same period as the related claims.

2.6 Acquisition Costs

Acquisition costs are costs that vary with & are primarily related to acquisition of insurance contracts & are expensed in the period in which they are incurred.

2.7 Actuarial Liability Valuation

Actuarial liability for life policies in force and for policies in respect of which premium has been discontinued but a liability exists, is determined by the Appointed Actuary using the gross premium method, in accordance with accepted actuarial practice, requirements of Insurance Act 1938, IRDA regulations and the stipulations of Actuarial Society of India. Liabilities under unit linked policies are the sum total of the unit value and a provision for the unexpired mortality and morbidity risk determined on unearned premium basis.

2.8 Investments

Investments are made in accordance with the Insurance Act, 1938, the IRDA (Investment) Regulations, 2000, and various other circulars / notifications issued by the IRDA in this context from time to time.

Investments are recorded at cost on the date of purchase, which includes brokerage and taxes, if any, and excludes accrued interest.

2.8.1. Classification

Investments maturing within twelve months from the balance sheet date and investments made with the specific intention to dispose them off within twelve months from the balance sheet date are classified as short-term investments.

Investments other than short-term investments are classified as long-term investments.

2.8.2. Valuation – shareholders' investments and non-linked policyholders' investments

All debt securities are considered as 'held to maturity' and accordingly stated at historical cost, subject to amortisation of premium or accretion of discount in the revenue account or the profit and loss account over the period of maturity/holding on a straight line basis.

Listed equity shares as at the balance sheet date are stated at fair value being the last quoted closing price on the National Stock Exchange ('NSE') (In case of securities not listed on NSE, the last quoted closing price on the Bombay Stock Exchange ('BSE') is used). Mutual fund units as at the balance sheet date are valued at the previous day's net asset values. Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment.

Unrealised gains/ losses arising due to changes in the fair value of listed equity shares and mutual fund units are taken to "Fair Value Change Account" and carried forward in the balance sheet.

Investment in real estate is valued at historical cost, subject to revaluation (done at least once in every three years) & provision for impairment, if any. Change in carrying amount of investments in real estate is taken to Revaluation Reserve under Policyholders' Funds in the balance sheet.

2.8.3. Valuation - linked business

Securities issued by Government of India are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Government securities issued by various State Governments of India and money market instruments are valued at historical cost, subject to amortisation of premium or accretion of discount in the revenue account of linked funds over the period of maturity/holding on a straight-line basis. Debt securities other than Government securities are valued on the basis of CRISIL bond valuer.

Listed equity shares are valued at fair value, being the last quoted closing price on the NSE (In case of securities not listed on NSE, the last quoted closing price on the BSE is used). Mutual fund units are valued at the previous day's net asset values. Other investments are valued as per approved valuation policy.

Unrealised gains and losses are recognised in the respective fund's revenue account.

2.8.4. Transfer of investments

Transfer of investments from Shareholders' Fund to the Policyholders' Fund is at cost or market price, whichever is lower. However in case of debt securities all transfers are carried out at the net amortised cost. Transfer of investments between unit linked funds is done at market price.

2.9 Loans

Loans are stated at historical cost, subject to provision for impairment, if any.

2.10 Fixed assets, Intangibles and Impairment

2.10.1. Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes the purchase price and any cost directly attributable to bringing the asset to its working condition for its intended use. Assets costing upto Rs. 20,000 (Rupees twenty thousand) are fully depreciated in the year of acquisition. The rate of depreciation is higher of the managements estimate based on useful life or the rates prescribed under the Act. Depreciation is provided using Straight-Line Method ('SLM') prorated from the date of acquisition / upto the date of sale, based on estimated useful life for each class of asset, as stated below:

Asset	Depreciation rates
Buildings	1.63%
Leasehold improvements	Over the lease period, subject to a maximum of 9 years
Communication networks and servers	25%
Computers and peripheral equipments	33.33%
Office Equipment	25%
Furniture & Fixtures	25%
Motor Vehicles	25%

2.10.2. Intangibles

Intangible assets comprising software are stated at cost less amortisation. Significant improvements to software are capitalised and amortised over the remaining useful life of original software. Software expenses are amortised using Straight Line Method over a period of 3 years from the date of being put to use.

2.10.3. Impairment of assets

Management periodically assesses, using external and internal sources, whether there is any indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above.

2.11 Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the leased term are classified as operating leases. Operating lease rentals are recognised as an expense, as applicable, over the lease period.

2.12 Staff benefits

The Company has undertaken an early adoption of AS 15 (Revised 2005) on "Employee Benefits", issued by ICAI.

All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.

The Company has incorporated a Provident Fund Trust to which it pays a fixed contribution at the rate specified in the trust deed. The trust deed also provides for the company to indemnify to the trust, interest at the rates prescribed by the Central Government, in case the fund does not hold sufficient assets. The Company has categorised its Provident Fund as a defined benefit plan & accordingly all contributions including interest differential if any, are charged to the revenue account & the profit & loss account, as applicable.

The Company's liability towards gratuity & leave encashment being defined benefit plans is accounted for on the basis of an independent actuarial valuation done at the year end and actuarial gains / losses are charged to the revenue account and the profit & loss account as applicable.

Superannuation is a defined contribution plan. The Company has accrued for superannuation liability based on a percentage of basic salary payable to eligible employees for the period of service.

2.13 Foreign exchange transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Current assets and liabilities in foreign currency, if any, are translated at the year-end closing rates. The resulting exchange gain or loss arising either on settlement or on translation, if any, are reflected in the revenue account and the profit and loss account as applicable.

2.14 Segment reporting policies

Based on the primary segments identified under IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations 2002 ('the Regulations') read with AS 17 on "Segmental Reporting" issued by ICAI, the company has classified & disclosed segmental information into Shareholder & Policyholder - Participating, Non Participating, Pension, Linked (Life, Pension & Group), Health & Annuity businesses.

There are no reportable geographical segments, since all business is written in India.

Allocation of expenses

Operating expenses relating to insurance business are allocated to specific business segments in the following manner, which is applied on a consistent basis.

Expenses that are directly identifiable to the segment are allocated on actual basis.

Other expenses (including depreciation and amortization), that are not directly identifiable to a business segment, are allocated on either of the following bases:

- Number of policies
- Weighted annualised first year premium income
- Sum assured
- Total premium income
- Medical cases
- Funds under management

The method of allocation has been decided based on the nature of the expense and its logical co-relation with various business segments.

2.15 Taxation

Tax expense comprises current income tax, deferred tax & fringe benefit tax. Current income tax & fringe benefit tax comprises the amount of tax for the period determined in accordance with the Income-tax Act, 1961. Deferred tax charge or credit reflects the tax effects of timing differences like carry forward of losses. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. The effect of change in tax rates on deferred tax assets and liabilities is recognised in the profit and loss account in the year of change.

Deferred tax assets are recognised only if there is a virtual certainty backed by convincing evidence of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and are appropriately adjusted to reflect the amount that is reasonably or virtually certain to be realised.

2.16 Service tax unutilized credit

Service Tax liability on life insurance service is set-off against the service tax credits available from tax paid on input services. Unutilised credits, if any, are carried forward for future set-off. A provision is created based on estimated realisation of such unutilised credit.

2.17 Employee Stock Option Scheme

The Company has formulated an Employee Stock Option Scheme ('the Scheme'). The Scheme provides that eligible employees are granted options to acquire equity shares of the Company that vest in graded manner. The vested options may be exercised within a specified period. The exercise price of the option is diluted when there is a subsequent issue of shares at a price lower than the grant price. The company had until March 31, 2006 adopted "Fair Value" method of valuing the options and used the option pricing model in accordance with the Black Scholes formula. During the year, the Company has decided to follow the "Intrinsic Value" method for valuing the options with effect from April 1, 2006. The intrinsic value of the options (if any) is amortised over the vesting period. Incremental intrinsic value of options, arising from modification of exercise price if any, is amortised over the remainder of the vesting period.

2.18 Provisions & Contingencies

The Company creates a provision for claims (other than insurance claims), litigation, assessment, fines, penalties, etc when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2.19 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

2.20 Appropriation/Expropriation

In accordance with the ULIP guidelines issued by IRDA effective July 1, 2006 the company has followed the Appropriation / Expropriation method for calculating the Net Asset Value (NAV). This method provides for adjusting the NAV on account of the 'Dealing Costs'. The accounting for dealing costs is disclosed in the Revenue Account as an adjustment with corresponding changes to the Change in Valuation of Policy Liability Account. Corresponding adjustments are also made in the Assets Held to cover Policy Liabilities & the Provisions for Linked Liabilities in the Balance Sheet.

2.21 Funds for Future Appropriation – Linked

Amounts estimated by Appointed Actuary as Funds for Future Appropriations (FFA) – Linked are required to be set aside in the balance sheet and are not available for distribution to shareholders until the expiry of the revival period. The Company previously appropriated FFA from Profit and Loss Account. From April 1, 2006 onwards, the Company has changed the accounting of FFA as required by IRDA and appropriates FFA from the Revenue Account.

3. Notes to accounts

Regulatory disclosures

Regulatory disclosures as required by the IRDA (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('the Regulations').

3.1 Contingent liabilities

(Rs. in 000's)

Particulars	As at March 31, 2007	As at March 31, 2006
Partly-paid up investments	70,177	108,864
Underwriting commitments outstanding	—	—
Claims, other than those under policies, not acknowledged as debts	1,063	—
Guarantees given by or on behalf of the company	—	—
Statutory demands/liabilities in dispute, not provided for*	85,694	85,694
Reinsurance obligations to the extent not provided for in accounts	—	—
Others – Policy related claims under litigation	12,576	—

* Company has received a Show Cause-Cum-Demand notice dated April 19, 2006 from Office of the Commissioner of Service Tax with respect to excess utilisation of Cenvat credit towards service tax liability.

3.2 Actuarial method and assumptions

The actuarial liability on both participating and non-participating policies is calculated using the gross premium method, using assumptions for interest, mortality, expense and inflation, and in the case of participating policies, future bonuses together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations. No allowance is made for expected lapses or policies expected to convert to paid-ups.

The interest rates used for valuing the liabilities are in the range of 4.7% to 10% per annum (Previous year - 4.7% to 10% per annum).

Mortality rates used are based on the published L.I.C. (1994 – 96) Ultimate Mortality Table for assurances and LIC 96-98 table for annuities, adjusted to reflect expected experience whilst morbidity rates used are based on CIBT 93 table, also adjusted for expected experience.

Expenses are provided for at long term expected renewal expense levels. Per policy renewal expenses are assumed to inflate at 5.50%.

Unearned premium reserves are held for the unexpired portion of the risk for the general fund liabilities of linked business and riders thereunder and one year renewable group term insurance.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the net asset value (NAV) prevailing at the valuation date. The adequacy of charges under unit-linked policies to meet future expenses has been tested and provision made as appropriate. Provision has also been made for the cost of guarantee under unit-linked products that carry a guarantee.

3.3 Encumbrances of Assets

The assets of the Company are free from all encumbrances as at March 31, 2007 (Previous Year: Rs. Nil).

3.4 Assets to be deposited under local law

There are no assets required to be deposited by the Company under any local laws or otherwise encumbered in or outside India as of March 31, 2007 except investments to be held under Section 7 of the Insurance Act, 1938 as disclosed under 3.9 below. (Previous year: Rs. Nil).

3.5 Restructured Assets

There are no assets including loans subject to re-structuring (Previous year: Rs. Nil).

3.6 Commitments

Commitments made and outstanding for loans and investment is Rs. Nil (Previous Year: Rs. Nil).

Estimated amount of contracts remaining to be executed on fixed assets to the extent not provided for (net of advance) is Rs. 63,051 thousands (Previous Year: Rs. 25,426 thousand).

3.7 Claims

Claims settled and remaining unpaid, pending receipt of succession certificates, for a period of more than six months as at March 31, 2007 amount to Rs. 4,943 thousand (Previous Year: Rs. 2,853 thousand).

3.8 Managerial remuneration

The details of the Managing and Executive Directors' remuneration included in employee remuneration & welfare benefits are as follows:

(Rs. in 000's)

Particulars	March 31, 2007	March 31, 2006
Salary, perquisites and bonus	29,887	19,262
Contribution to Provident Fund	1,248	768

Notes: Perquisites & bonus are based on actual payment.

Expenses towards gratuity and leave encashment provision are determined actuarially for the company as a whole on an annual basis and accordingly have not been considered in the above information.

The managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 and as approved by IRDA.

3.9 Investments

- The investments are effected from the respective funds of the policyholders or shareholders and income thereon has been accounted accordingly.
- All investments are performing investments.
- Investments under Section 7 of the Insurance Act, 1938 are as follows:

(Rs. in 000's)

Particulars	March 31, 2007	March 31, 2006
7.40% Govt. of India Securities *	90,050	100,050
12.32% Govt. of India Securities*	10,000	12,165
Total	100,050	112,215

* This investment is held by the Custodian in Constituent Subsidiary General Ledger Account under intimation to IRDA.

3.10 Values of investment contracts where settlement or delivery is pending is as follows:

(Rs. in 000's)

Particulars	March 31, 2007		March 31, 2006	
	Linked Business	Non-linked Business	Linked Business	Non-linked Business
Purchases where deliveries are pending	1,945,226	5,989	2,398,174	105,104
Sales where receipts are pending	552,315	83,648	473,442	105,455

3.11 Real Estate – Investment Property

In accordance with the IRDA Regulations, 2002 (Preparation of Financial Statements & Auditors Report of Insurance Companies), the value of Investments in real estate property are subject to revaluation at least once in three years. As a result, during the year the Company's real estate investments have been revalued by an independent valuer. The value of real estate investment based on valuation report dated March 27, 2007 is disclosed at revalued amount and the change in carrying amount is classified under Revaluation Reserve. The value of the investment property in accordance with the independent valuation dated March 27, 2007 is Rs. 501,840 thousand (Historical cost: Rs. 185,521 thousand).

3.12 Sector-wise percentage of business

Sector-wise break-up of policies issued during the year is as follows:

Sector	March 31, 2007	March 31, 2006
Rural - Number of policies	434,005	156,433
- Percentage of total policies	22%	19%
Social - Number of policies	54	15
- Percentage of total policies	0.0028%	0.0018%
- Number of lives	117,709	162,463
- Percentage of group lives	21%	34%
- Gross premium (Rs. in 000's)	19,833	11,035
- Percentage of total premium	0.04%	0.04%
Total - Number of policies	1,960,034	838,242
- Number of group lives	551,101	474,693
- Gross premium (Rs. in 000's)	51,621,312	26,025,017

3.13 Risks retained and reinsured

Extent of risk retained and reinsured based on sum assured, is as follows:

(Rs. in 000's)

Particulars	March 31, 2007	March 31, 2006
Individual business		
Risk retained	93%	92%
Risk reinsured	7%	8%
Group business		
Risk retained	38%	35%
Risk reinsured	62%	65%

Other disclosures

3.14 Deferred taxes

Deferred tax asset is recognized on carry forward of eligible tax losses which can be set off against future taxable income.

Deferred Tax Asset is created on current year's eligible tax losses to the extent it is virtually certain of realisability. As at March 31, 2007, Rs. 690,004 thousand represents asset on carry forward unabsorbed losses (Previous year: Rs. 262,384 thousand).

3.15 Operating lease commitments

The Company takes premises (both commercial and residential), office equipments, computers, servers & modular furniture on lease. Certain lease arrangements provide for cancellation by either party and also contain a clause for renewal of the lease agreement. Lease payments on cancelable and non-cancelable operating lease arrangements are charged to the revenue account and the profit and loss account; and the future minimum lease payments in respect of non-cancelable operating leases as at the balance sheet date are summarised below:

(Rs. in 000's)

Particulars	March 31, 2007	March 31, 2006
Not later than one year	314,888	152,442
Later than one year but not later than five years	693,501	326,978
Later than five years	—	—

The total operating lease rentals charged to profit and loss account in the current year is Rs. 216,640 thousand (Previous year Rs. 127,345 thousand)

3.16. Details of related parties and transactions with related parties

Related parties and nature of relationship

Nature of relationship	Name of the related party
Holding Company	ICICI Bank Limited
Substantial Interest	Prudential Corporation Holdings Limited
Fellow Subsidiaries	ICICI Securities Limited (formerly known as ICICI Brokerage Services Limited) ICICI Bank UK Limited ICICI Bank Canada ICICI Venture Funds Management Company Limited ICICI Bank Eurasia Limited Liability Company ICICI Home Finance Company Limited Prudential ICICI Asset Management Company Limited ICICI Lombard General Insurance Company Limited Prudential ICICI Trust Limited ICICI Trusteeship Services Limited ICICI Property Trust ICICI Securities Primary Dealership Limited ICICI Eco-net Internet and Technology Fund (formerly known as ICICI Securities Limited) ICICI Equity Fund ICICI Securities Inc. ICICI Emerging Sectors Fund ICICI Securities Holding Inc. ICICI Strategic Investments Fund ICICI Investment Management Company Limited TCW/ICICI Investment Partners Limited Liability Company ICICI International Limited TSI Ventures (India) Private Limited
Key management personnel	Shikha Sharma, Managing Director N. S. Kannan, Executive Director Bhargav Dasgupta, Executive Director (appointed on November 6, 2006)
Significant influence	ICICI Prudential Life Insurance Company Limited Employees' Group Gratuity Cum Life Insurance Scheme ICICI Prudential Life Insurance Company Limited Employees' Provident Fund ICICI Prudential Life Insurance Company Limited Superannuation Scheme

The following represents significant transactions between the Company and related parties:

Transactions for the ear ended March 31, 2007:

(Rs. in 000's)

Particulars	Holding Company	Fellow Subsidiaries	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Income					
Premium Income	453,565	24,338	—	800	10,374
Interest Income	191,050	14,075	—	—	—
Expenses					
Establishment & Other Expenditure*	2,311,512	72,582	—	31,135	—
Provident Fund, Superannuation and Gratuity contribution	—	—	—	—	138,648
Claims	3,423	—	—	—	1,067
Others					
Share Capital issued during the year	924,286	—	324,749	—	—
Share Premium	5,545,714	—	1,948,494	—	—
Purchase of Securities	5,225,138	5,693,062	—	—	—
Sale of Securities	467,429	3,284,119	—	—	—
Repo transactions	1,200,380	9,202,635	—	—	—
Purchase of Fixed Asset	945,000	—	—	—	—

* Establishment & Other Expenditure includes expenses for sharing of common services and facilities, consultancy fees, insurance, business support and managerial remuneration.

Balances of Related Parties as at March 31, 2007:

(Rs. in 000's)

Particulars	Holding Company	Fellow Subsidiaries	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Assets					
Long term fixed Deposits & Corporate Bonds / Deposits	629,963	146,675	—	—	—
Cash, Bank Balances and Deposits	3,575,194	—	—	—	—
Income accrued on investments	74,143	3,337	—	—	—
Other Assets	58,024	27,459	—	—	—
Liabilities					
Share Capital	9,693,286	—	3,405,749	—	—
Share Premium	5,545,714	—	1,948,494	—	—
Other Liabilities	515,218	3,286	—	—	—

schedules

Transactions for the year ended March 31, 2006:

(Rs. in 000's)

Particulars	Holding Company	Fellow Subsidiaries	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Income					
Premium Income	106,663	26,312	—	491	16,128
Interest Income	64,632	—	—	—	—
Expenses					
Establishment & Other Expenditure*	1,000,982	49,514	—	20,030	—
Provident Fund, Superannuation and Gratuity contribution	—	—	—	—	80,285
Claims	29,750	1,226	—	—	598
Others					
Share Capital issued during the year	1,924,000	—	676,000	—	—
Purchase of Securities	4,283,429	54,114,656	—	—	—
Sale of Securities	1,059,349	1,653,641	—	—	—

* Establishment & Other Expenditure includes expenses for sharing of common services and facilities, consultancy fees, insurance, business support and managerial remuneration. Expenses also include amount of brokerage paid to ICICI Securities Limited which is included in the cost of investments (For the year 2005-2006 Rs. 20,553 thousand)

Balances of Related parties as at March 31, 2006:

(Rs. in 000's)

Particulars	Holding Company	Fellow Subsidiaries	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Assets					
Long term fixed Deposits & Corporate bonds / Deposits	572,975	120,000	—	—	—
Cash, Bank Balances and Deposits	4,426,448	—	—	—	—
Income accrued on investments	36,178	—	—	—	—
Other Assets	134	20,922	—	—	1,929
Liabilities					
Share Capital	8,769,000	—	3,081,000	—	—
Others Liabilities	226,652	—	—	—	6,128

3.17. Segmental Reporting

Income and expenses directly attributable or allocable to the segments are recorded and disclosed under the respective segments in the revenue account and Profit and Loss account as applicable.

Investments and policy liabilities are disclosed in the balance sheet under the respective segments. Net fixed assets of Rs. 2,194,439 thousand (Previous year Rs. 610,535 thousand) are disclosed in shareholders segment, Depreciation expense has been allocated as disclosed in Note 2.14.

Segment-wise information of current assets, loans and deferred tax asset and current liabilities & provisions to the extent identifiable are given below:

(Rs. in 000's)

Business Segments	Current Assets, Loans & Deferred Tax Asset		Current Liabilities & Provisions	
	March 31, 2007	March 31, 2006	March 31, 2007	March 31, 2006
Shareholders	5,376,010	3,415,332	4,473,401*	5,955,837*
Par Life	377,587	205,144	335,215	78,210
Par Pension	89,472	75,874	68,265	41,580
Non-Par	169,798	52,833	232,206	5,349
Annuity Non-Par	41,707	2,447	17,574	—
Health	40,559	20	140,479	26
Linked Life	1,550,897	81,227	4,350,074	16,715
Linked Pension	249,327	18,829	1,042,988	136
Linked Group	18,147	4,971	50,141	151
Total	7,913,504	3,856,677	10,710,343	6,098,004

* includes amounts subsequently transferred to the respective schemes under linked business

Segment-wise information of non-cash items being amortization of premium included in interest income on debt instruments is tabled below:

(Rs. in 000's)

Business Segments	March 31, 2007	March 31, 2006
Shareholders	(61,016)	2,541
Par Life	24,024	29,103
Par Pension	12,263	11,662
Non-Par	(2,266)	13,363
Annuity Non-Par	(789)	—
Health	(276)	—
Linked Life	(175)	6,085
Linked Pension	(1,835)	2,035
Linked Group	(866)	32
Total	(30,936)	64,821

schedules

forming part of the financial statements

Continued

3.18 Fund Balance Sheet as at March 31, 2007

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Funds										Total
		Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
SOURCES OF FUNDS												
Policyholders' Funds:												
Policyholder contribution	F-1	18,018,614	6,885,489	52,680,116	855,520	137,059	1,138,820	543,197	375,760	140,549	2,751,428	83,526,552
Revenue Account		3,868,381	725,178	10,916,925	(13,998)	3,094	127,477	18,122	(5,238)	64	4,514	15,644,519
Total		21,886,995	7,610,667	63,597,041	841,522	140,153	1,266,297	561,319	370,522	140,613	2,755,942	99,171,071
APPLICATION OF FUNDS												
Investments	F-2	21,199,021	7,346,300	63,025,499	804,580	134,611	1,242,839	534,584	349,864	97,261	2,366,014	97,100,573
Current Assets	F-3	775,940	272,935	1,425,771	37,716	5,678	24,314	31,277	25,976	65,893	1,037,432	3,702,932
Less: Current Liabilities and Provisions	F-4	87,966	8,568	854,229	774	136	856	4,542	5,318	22,541	647,504	1,632,434
Net Current Assets		687,974	264,367	571,542	36,942	5,542	23,458	26,735	20,658	43,352	389,928	2,070,498
Total		21,886,995	7,610,667	63,597,041	841,522	140,153	1,266,297	561,319	370,522	140,613	2,755,942	99,171,071
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. in '000)		21,886,995	7,610,667	63,597,041	841,522	140,153	1,266,297	561,319	370,522	140,613	2,755,942	99,171,071
(b) Number of Units outstanding		1,089,472,348	559,141,700	1,994,907,738	72,858,087	12,090,269	107,318,849	42,585,264	33,801,674	13,921,955	272,610,097	4,198,707,981
(c) NAV per Unit (a)/(b) (Rs.)		20.09	13.61	31.88	11.55	11.59	11.80	13.18	10.96	10.10	10.11	

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds								Total
		Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	
SOURCES OF FUNDS										
Policyholders' Funds:										
Policyholder contribution	F-1	5,536,342	2,907,104	10,856,542	69,812	76,915	108,614	51,589	1,203,846	20,810,764
Revenue Account		1,273,499	308,864	2,203,546	4,232	7,730	10,477	256	3,139	3,811,743
Total		6,809,841	3,215,968	13,060,088	74,044	84,645	119,091	51,845	1,206,985	24,622,507
APPLICATION OF FUNDS										
Investments	F-2	6,627,833	3,114,832	12,811,321	71,178	83,028	110,066	43,011	1,049,613	23,910,882
Current Assets	F-3	199,423	104,760	392,926	2,937	1,668	10,139	18,124	428,243	1,158,220
Less: Current Liabilities and Provisions	F-4	17,415	3,624	144,159	71	51	1,114	9,290	270,871	446,595
Net Current Assets		182,008	101,136	248,767	2,866	1,617	9,025	8,834	157,372	711,625
Total		6,809,841	3,215,968	13,060,088	74,044	84,645	119,091	51,845	1,206,985	24,622,507
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. in '000)		6,809,841	3,215,968	13,060,088	74,044	84,645	119,091	51,845	1,206,985	24,622,507
b) Number of Units outstanding		384,397,030	248,986,166	457,447,889	6,526,575	7,192,697	9,008,400	5,120,340	119,610,804	1,238,289,900
(c) NAV per Unit (a)/(b) (Rs.)		17.72	12.92	28.55	11.35	11.77	13.22	10.13	10.09	

schedules

3.18 Fund Balance Sheet as at March 31, 2007 (Contd.)

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds								Total	Grand Total
		Balanced	Income	Short-Term Debt	Capital Guarantee Short-Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth		
SOURCES OF FUNDS											
Policyholders' Funds:											
Policyholder contribution	F-1	3,935,925	408,953	1,944,783	359,509	202,048	2,566	1,193,325	13,889	8,060,998	112,398,314
Revenue Account		449,136	13,443	79,540	4,492	15,423	57	106,294	210	668,595	20,124,857
Total		4,385,061	422,396	2,024,323	364,001	217,471	2,623	1,299,619	14,099	8,729,593	132,523,171
APPLICATION OF FUNDS											
Investments	F-2	4,248,661	412,247	1,473,369	362,357	208,425	2,478	1,331,653	14,126	8,053,316	129,064,771
Current Assets	F-3	141,058	10,505	552,401	1,815	10,408	148	11,850	202	728,387	5,589,539
Less: Current Liabilities and Provisions	F-4	4,658	356	1,447	171	1,362	3	43,884	229	52,110	2,131,139
Net Current Assets		136,400	10,149	550,954	1,644	9,046	145	(32,034)	(27)	676,277	3,458,400
Total		4,385,061	422,396	2,024,323	364,001	217,471	2,623	1,299,619	14,099	8,729,593	132,523,171
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. in '000)		4,385,061	422,396	2,024,323	364,001	217,471	2,623	1,299,619	14,099	8,729,593	132,523,171
(b) Number of Units outstanding		285,297,200	34,445,957	165,341,703	33,214,209	19,114,118	247,808	66,517,754	1,370,857	605,549,605	6,042,547,486
(c) NAV per Unit (a)/(b) (Rs.)		15.37	12.26	12.24	10.96	11.38	10.58	19.54	10.28		

SCHEDULE: F-1

POLICYHOLDERS' CONTRIBUTION

(Rs. in 000's)

Particulars	Linked Funds										Total
	Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
Opening balance	13,041,103	6,385,737	21,315,620	268,765	77,459	932,449	225,276	—	—	—	42,246,409
Add: Additions during the year*	9,206,487	2,704,378	33,299,254	587,641	60,298	435,735	318,422	375,934	140,549	2,751,687	49,880,385
Less: Deductions during the year*	4,228,976	2,204,626	1,934,758	886	698	229,364	501	174	—	259	8,600,242
Closing balance	18,018,614	6,885,489	52,680,116	855,520	137,059	1,138,820	543,197	375,760	140,549	2,751,428	83,526,552

(Rs. in 000's)

Particulars	Linked Pension Funds								Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	
Opening balance	3,963,669	2,916,944	3,514,750	49,404	50,219	52,457	—	—	10,547,443
Add: Additions during the year*	2,542,314	991,769	7,874,008	21,094	45,365	56,383	51,590	1,203,943	12,786,466
Less: Deductions during the year*	969,641	1,001,609	532,216	686	18,669	226	1	97	2,523,145
Closing balance	5,536,342	2,907,104	10,856,542	69,812	76,915	108,614	51,589	1,203,846	20,810,764

(Rs. in 000's)

Particulars	Linked Group Funds								Total	Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short-Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth		
Opening balance	2,285,736	62,645	742,934	14,895	2,068	100	183,899	—	3,292,277	56,086,129
Add: Additions during the year*	1,995,910	365,129	1,383,519	341,752	197,920	2,460	1,025,856	13,831	5,326,377	67,993,228
Less: Deductions during the year*	345,721	18,821	181,670	(2,862)	(2,060)	(6)	16,430	(58)	557,656	11,681,043
Closing balance	3,935,925	408,953	1,944,783	359,509	202,048	2,566	1,193,325	13,889	8,060,998	112,398,314

* Additions represents units creation and deductions represent unit cancellations.

schedules

forming part of the financial statements

Continued

Schedule: F-2

INVESTMENTS

(Rs. in 000's)

Particulars	Linked Funds										Total
	Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
Approved Investments											
Government Bonds	744,814	453,658	35	34,099	6,772	262	17,718	8,734	—	—	1,266,092
Corporate Bonds	3,111,191	2,068,560	872,632	167,833	30,140	135,381	110,221	45,163	5,101	47,000	6,593,222
Infrastructure Bonds	1,786,328	1,251,656	—	120,694	22,542	—	53,810	20,207	957	—	3,256,194
Equity	6,756,823	—	52,516,705	—	571	—	100,914	96,282	32,504	1,411,980	60,915,779
Money Market	7,079,272	3,098,643	1,213,626	442,853	68,965	1,079,719	205,467	152,556	40,739	446,059	13,827,899
Mutual Funds	—	—	—	—	—	—	—	—	—	—	—
Total	19,478,428	6,872,517	54,602,998	765,479	128,990	1,215,362	488,130	322,942	79,301	1,905,039	85,859,186
Other Investments											
Corporate Bonds	667,578	473,783	430,000	39,101	5,609	27,477	17,037	8,037	9,582	176,000	1,854,204
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—
Equity	1,053,015	—	7,588,358	—	12	—	29,417	18,885	8,378	284,975	8,983,040
Money Market	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	404,143	—	—	—	—	—	—	—	404,143
Total	1,720,593	473,783	8,422,501	39,101	5,621	27,477	46,454	26,922	17,960	460,975	11,241,387
Grand Total	21,199,021	7,346,300	63,025,499	804,580	134,611	1,242,839	534,584	349,864	97,261	2,366,014	97,100,573
% of Approved Investments to Total	92%	94%	87%	95%	96%	98%	91%	92%	82%	81%	
% of Other Investments to Total	8%	6%	13%	5%	4%	2%	9%	8%	18%	19%	

(Rs. in 000's)

Particulars	Linked Pension Funds								
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	Total
Approved Investments									
Government Bonds	234,872	202,707	6	3,783	12	3,709	—	—	445,089
Corporate Bonds	916,713	867,339	—	16,420	5,243	22,481	2,399	15,600	1,846,195
Infrastructure Bonds	475,289	507,152	—	12,541	—	10,658	479	—	1,006,119
Equity	2,064,803	—	10,555,361	—	—	22,163	14,524	621,235	13,278,086
Money Market	2,357,519	1,327,950	102,090	35,418	76,673	43,656	17,842	190,188	4,151,336
Mutual Funds	—	—	—	—	—	—	—	—	—
Total	6,049,196	2,905,148	10,657,457	68,162	81,928	102,667	35,244	827,023	20,726,825
Other Investments									
Corporate Bonds	191,957	209,684	267,500	3,016	1,100	3,106	5,041	96,500	777,904
Infrastructure Bonds	—	—	—	—	—	—	—	—	—
Equity	386,680	—	1,886,364	—	—	4,293	2,726	126,090	2,406,153
Money Market	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	—	—	—	—	—	—
Total	578,637	209,684	2,153,864	3,016	1,100	7,399	7,767	222,590	3,184,057
Grand Total	6,627,833	3,114,832	12,811,321	71,178	83,028	110,066	43,011	1,049,613	23,910,882
% of Approved Investments to Total	91%	93%	83%	96%	99%	93%	82%	79%	
% of Other Investments to Total	9%	7%	17%	4%	1%	7%	18%	21%	

schedules

SCHEDULE: F-2

INVESTMENTS (Contd.)

(Rs. in 000's)

Particulars	Linked Group Funds									Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short-Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Total	
Approved Investments										
Government Bonds	176,000	10,287	103	10	6,668	77	17,789	342	211,276	1,922,457
Corporate Bonds	821,172	99,298	179,605	22,343	43,212	434	132,144	1,683	1,299,891	9,739,308
Infrastructure Bonds	628,716	37,059	81,145	22,068	28,978	292	50,274	127	848,659	5,110,972
Equity	631,138	—	—	—	31,437	—	608,836	4,651	1,276,062	75,469,927
Money Market	1,704,471	248,833	1,171,487	316,777	87,917	1,631	369,727	6,791	3,907,634	21,886,869
Mutual Funds	—	—	—	—	—	—	—	—	—	—
Total	3,961,497	395,477	1,432,340	361,198	198,212	2,434	1,178,770	13,594	7,543,522	114,129,533
Other Investments										
Corporate Bonds	190,604	16,770	41,029	1,159	5,687	44	35,434	—	290,727	2,922,835
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—
Equity	96,560	—	—	—	4,526	—	117,449	532	219,067	11,608,260
Money Market	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	—	—	—	—	—	—	404,143
Total	287,164	16,770	41,029	1,159	10,213	44	152,883	532	509,794	14,935,238
Grand Total	4,248,661	412,247	1,473,369	362,357	208,425	2,478	1,331,653	14,126	8,053,316	129,064,771
% of Approved Investments to Total	93%	96%	97%	100%	95%	98%	89%	96%		
% of Other Investments to Total	7%	4%	3%	0%	5%	2%	12%	4%		

SCHEDULE: F-3

CURRENT ASSETS

(Rs. in 000's)

Particulars	Linked Funds										Total
	Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
Accrued Interest	253,291	168,086	11,305	15,941	2,883	14,342	8,673	3,848	324	2,953	481,646
Cash & Bank Balance	10,692	449	67,257	98	27	17	259	71	19	102	78,991
Dividend Receivable	5,327	—	44,117	—	—	—	81	94	12	748	50,379
Receivable for Sale of Investments	153,103	23,012	134,476	2,121	375	—	16,734	592	—	—	330,413
Unit Collection Account	310,293	81,764	964,905	17,905	2,117	10,018	4,415	20,668	65,371	1,027,625	2,505,081
Other Current Assets (for Investments)	43,234	(376)	203,711	1,651	276	(63)	1,115	703	167	6,004	256,422
Total	775,940	272,935	1,425,771	37,716	5,678	24,314	31,277	25,976	65,893	1,037,432	3,702,932

(Rs. in 000's)

Particulars	Linked Pension Funds									Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth		
Accrued Interest	70,698	67,957	3,221	1,495	857	1,785	153	1,413		147,579
Cash & Bank Balance	4,120	193	12,821	9	44	77	13	47		17,324
Dividend Receivable	1,289	—	7,324	—	—	20	5	341		8,979
Receivable for Sale of Investments	27,903	9,298	135,061	192	—	7,424	—	—		179,878
Unit Collection Account	81,923	27,472	192,649	1,094	763	596	17,880	423,731		746,108
Other Current Assets (for Investments)	13,490	(160)	41,850	147	4	237	73	2,711		58,352
Total	199,423	104,760	392,926	2,937	1,668	10,139	18,124	428,243		1,158,220

schedules

forming part of the financial statements

Continued

SCHEDULE: F-3

CURRENT ASSETS (Contd.)

(Rs. in 000's)

Particulars	Linked Group Funds									Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short-Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Total	
Accrued Interest	83,077	7,022	18,023	3,000	4,089	41	10,310	71	125,633	754,858
Cash & Bank Balance	1,539	24	20	18	74	1	787	19	2,482	98,797
Dividend Receivable	461	—	—	—	13	—	274	2	750	60,108
Receivable for Sale of Investments	33,067	653	—	—	460	7	7,814	23	42,024	552,315
Unit Collection Account	31,733	2,785	534,265	(1,221)	5,345	99	(9,994)	59	563,071	3,814,260
Other Current Assets (for Investments)	(8,819)	21	93	18	427	—	2,659	28	(5,573)	309,201
Total	141,058	10,505	552,401	1,815	10,408	148	11,850	202	728,387	5,589,539

SCHEDULE: F-4

CURRENT LIABILITIES

(Rs. in 000's)

Particulars	Linked Funds										Total
	Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
Payable for Purchase of Investments	53,512	—	752,274	—	—	—	3,993	4,991	22,517	646,971	1,484,258
Other Current Liabilities	34,454	8,568	101,955	774	136	856	549	327	24	533	148,176
Unit Payable a/c#	—	—	—	—	—	—	—	—	—	—	—
Total	87,966	8,568	854,229	774	136	856	4,542	5,318	22,541	647,504	1,632,434

(Rs. in 000's)

Particulars	Linked Pension Funds								Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	
Payable for Purchase of Investments	9,142	—	126,890	—	—	998	9,285	270,695	417,010
Other Current Liabilities	8,273	3,624	17,269	71	51	116	5	176	29,585
Unit Payable a/c#	—	—	—	—	—	—	—	—	—
Total	17,415	3,624	144,159	71	51	1,114	9,290	270,871	446,595

(Rs. in 000's)

Particulars	Linked Group Funds									Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short-Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Total	
Payable for Purchase of Investments	—	—	—	—	998	—	42,762	200	43,960	1,945,228
Other Current Liabilities	4,658	356	1,447	171	364	3	1,122	29	8,150	185,911
Unit Payable a/c#	—	—	—	—	—	—	—	—	—	—
Total	4,658	356	1,447	171	1,362	3	43,884	229	52,110	2,131,139

Represents inter fund receivables or payables, if any.

schedules

Fund Balance Sheet as at March 31, 2006

(Rs. in 000's)

Particulars	Linked Funds							Total
	Balancer	Protector	Maximiser	Preserver	Cash Plus	Secure Plus	Invest Shield	
SOURCES OF FUNDS								
Policyholders' Funds:								
Policyholder contribution	13,041,103	6,385,737	21,315,620	932,449	268,765	77,459	225,276	42,246,409
Revenue Account	2,826,169	411,002	8,367,370	48,967	6,978	2,899	20,744	11,684,129
Total	15,867,272	6,796,739	29,682,990	981,416	275,743	80,358	246,020	53,930,538
APPLICATION OF FUNDS								
Investments								
Government Securities	855,020	621,775	—	—	24,194	7,861	17,709	1,526,559
Equities	6,054,865	—	28,126,177	—	—	594	68,928	34,250,564
Debentures & Bonds	3,987,654	3,720,193	460,000	118,972	101,746	33,781	59,719	8,482,065
Certificate of Deposit	473,463	366,553	—	351,279	52,520	12,690	27,823	1,284,328
Commercial Paper	1,275,677	475,888	119,412	203,174	35,055	8,063	24,843	2,142,112
Fixed Deposits	2,604,246	1,382,600	—	310,000	55,100	15,300	41,700	4,408,946
Mutual Fund	—	—	566,000	—	—	—	—	566,000
Total	15,250,925	6,567,009	29,271,589	983,425	268,615	78,289	240,722	52,660,574
Current Assets								
Money at Call	—	—	—	—	—	—	—	—
Bank Balances-in current account	4,959	2,638	462,488	131	466	106	289	471,077
Income accrued on investment	136,133	122,754	96	6,990	3,154	1,122	1,900	272,149
Dividend Receivable	985	—	4,600	—	—	—	22	5,607
Unit Collection account	514,485	149,466	1,442,878	40,448	7,105	2,374	5,000	2,161,756
Outstanding Sale Contracts	112,859	95,195	153,202	—	1,562	504	15,031	378,353
Other Assets	4	—	7	—	2	—	1	14
Total	769,425	370,053	2,063,271	47,569	12,289	4,106	22,243	3,288,956
Less: Current Liabilities & Provisions								
Outstanding purchase contract	129,213	132,774	1,609,835	48,945	4,894	1,958	16,705	1,944,324
Other current liabilities	23,865	7,549	42,035	633	267	79	240	74,668
Net Current Assets	616,347	229,730	411,401	(2,009)	7,128	2,069	5,298	1,269,964
Total	15,867,272	6,796,739	29,682,990	981,416	275,743	80,358	246,020	53,930,538

schedules

forming part of the financial statements

Continued

Fund Balance Sheet as at March 31, 2006 (Contd.)

(Rs. in 000's)

Particulars	Linked Pension Funds						Total
	Balancer	Protector Income	Maximiser fund Growth	Secure Plus Pension	Invest Shield Pension	Preserver	
SOURCES OF FUNDS							
Policyholders' Funds:							
Policyholder contribution	3,963,669	2,916,944	3,514,750	49,404	52,457	50,219	10,547,443
Revenue Account	895,176	148,846	1,698,557	1,676	5,517	3,262	2,753,034
Total	4,858,845	3,065,790	5,213,307	51,080	57,974	53,481	13,300,477
APPLICATION OF FUNDS							
Investments							
Government Securities	258,809	287,657	—	4,665	4,255	—	555,386
Equities	1,858,520	—	5,090,944	—	16,341	—	6,965,805
Debentures & Bonds	1,285,955	1,539,860	97,550	21,578	14,497	3,413	2,962,853
Certificate of Deposit	384,090	321,473	—	10,297	7,321	19,987	743,168
Commercial Paper	239,632	251,441	—	3,238	4,669	13,833	512,813
Fixed Deposits	779,000	634,610	—	9,885	9,965	18,125	1,451,585
Mutual Fund	—	—	50,000	—	—	—	50,000
Total	4,806,006	3,035,041	5,238,494	49,663	57,048	55,358	13,241,610
Current Assets							
Money at Call	—	—	—	—	—	—	—
Bank Balances-in current account	2,884	903	64,523	59	65	70	68,504
Income accrued on investment	41,335	51,596	57	822	525	523	94,858
Divident Receivable	152	—	774	—	5	—	931
Unit Collection account	75,735	42,677	92,353	1,275	867	12	212,919
Outstanding Sale Contracts	29,699	17,458	26,585	289	3,631	—	77,662
Other Assets	2	—	(1)	—	(1)	2	2
Total	149,807	112,634	184,291	2,445	5,092	607	454,876
Less: Current Liabilities & Provisions							
Outstanding purchase contract	90,409	78,311	202,012	979	4,109	2,447	378,267
Other current liabilities	6,559	3,574	7,466	49	57	37	17,742
Net Current Assets	52,839	30,749	(25,187)	1,417	926	(1,877)	58,867
Total	4,858,845	3,065,790	5,213,307	51,080	57,974	53,481	13,300,477

schedules

Fund Balance Sheet as at March 31, 2006 (Contd.)

(Rs. in 000's)

Particulars	Linked Group Funds							Total	Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Fund	Growth	Capital Guarantee Balance Fund*	Capital Guarantee Debt Fund*		
SOURCES OF FUNDS									
Policyholders' Funds:									
Policy holder contribution	2,285,736	62,645	742,934	14,895	183,899	2,068	100	3,292,277	56,086,129
Revenue Account	210,841	4,321	26,625	737	22,483	151	2	265,160	14,702,323
Total	2,496,577	66,966	769,559	15,632	206,382	2,219	102	3,557,437	70,788,452
APPLICATION OF FUNDS									
Investments									
Government Securities	170,085	6,490	—	—	7,416	60	7	184,058	2,266,003
Equities	435,136	—	—	—	112,476	435	—	548,047	41,764,416
Debentures & Bonds	818,374	35,798	286,535	8,418	39,161	428	25	1,188,739	12,633,657
Certificate of Deposit	242,371	7,007	105,524	52	20,995	429	20	376,398	2,403,895
Commercial Paper	222,454	5,321	69,353	2,671	9,702	517	26	310,044	2,964,969
Fixed Deposits	407,000	11,960	122,700	2,769	20,500	320	20	565,269	6,425,800
Mutual Fund	—	—	—	—	4,000	—	—	4,000	620,000
Total	2,295,420	66,576	584,112	13,910	214,250	2,189	98	3,176,555	69,078,740
Current Assets									
Money at Call	—	—	—	—	—	—	—	—	—
Bank Balances-in current account	2,396	37	1,281	63	272	13	1	4,063	543,644
Income accrued on investment	25,325	1,202	9,047	276	683	6	1	36,540	403,547
Dividend Receivable	40	—	—	—	20	—	—	60	6,598
Unit Collection account	220,842	(1,103)	175,588	1,399	6,142	10	1	402,879	2,777,555
Outstanding Sale Contracts	14,891	1,461	—	—	1,031	40	6	17,429	473,444
Other Assets	(2)	(1)	1	(2)	(1)	(1)	(1)	(7)	9
Total	263,492	1,596	185,917	1,736	8,147	68	8	460,964	4,204,797
Less: Current Liabilities & Provisions									
Outstanding purchase contract	58,733	1,112	—	—	15,697	34	4	75,580	2,398,171
Other current liabilities	3,602	94	470	14	318	4	—	4,502	96,912
Net Current Assets	201,157	390	185,447	1,722	(7,868)	30	4	380,882	1,709,714
Total	2,496,577	66,966	769,559	15,632	206,382	2,219	102	3,557,437	70,788,454

schedules

forming part of the financial statements

Continued

3.19 Fund Income & Expenditure Account for the year ended March 31, 2007 Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Funds										Total
		Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
Income from investments												
Interest income		729,101	487,380	20,730	29,944	6,751	44,516	17,793	4,423	146	3,229	1,344,013
Dividend income		106,363	—	629,804	—	9	—	1,408	413	16	943	738,956
Profit/loss on sale of investment		665,432	(8,801)	1,981,578	3,673	473	29,699	10,888	1,264	19	619	2,684,844
Profit/loss on inter fund transfer/ sale of investment		8,094	450	1,233	110	22	13,244	—	82	—	—	23,235
Appropriation / Expropriation Adjustment Account		43,233	(376)	203,704	1,651	276	(63)	1,115	703	167	6,004	256,414
Unrealised Gain/loss*		87,567	24,152	1,293,981	572	199	13,051	15,166	10,276	163	2,467	1,447,594
Total Income (A)		1,639,790	502,805	4,131,030	35,950	7,730	100,447	46,370	17,161	511	13,262	6,495,056
Fund management charges		351,512	96,820	886,074	5,722	1,255	9,027	4,532	1,562	24	533	1,357,061
Other charges:	F-5	246,066	91,809	695,402	51,204	6,280	12,910	44,460	20,837	423	8,215	1,177,606
Total Expenditure (B)		597,578	188,629	1,581,476	56,926	7,535	21,937	48,992	22,399	447	8,748	2,534,667
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)		1,042,212	314,176	2,549,554	(20,976)	195	78,510	(2,622)	(5,238)	64	4,514	3,960,389
Balance at the beginning of the year		2,826,169	411,002	8,367,371	6,978	2,899	48,967	20,744	—	—	—	11,684,130
Balance at the end of the year		3,868,381	725,178	10,916,925	(13,998)	3,094	127,477	18,122	(5,238)	64	4,514	15,644,519

* Net change in mark to market value of investments.

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds								Total
		Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	
Income from investments										
Interest income		210,351	203,482	5,669	3,696	2,163	3,872	64	1,508	430,805
Dividend income		31,213	—	107,486	—	—	334	7	412	139,452
Profit/loss on sale of investment		226,449	(3,529)	385,215	143	2,223	3,163	9	244	613,917
Profit/loss on inter fund transfer/ sale of investment		1,787	5,263	3,892	127	294	7	—	—	11,370
Appropriation / Expropriation Adjustment Account		13,490	(160)	41,848	147	4	237	73	2,711	58,350
Unrealised Gain/loss*		23,907	11,363	178,454	174	646	1,885	184	806	217,419
Total Income (A)		507,197	216,419	722,564	4,287	5,330	9,498	337	5,681	1,471,313
Fund management charges		88,339	43,107	138,403	688	473	996	5	176	272,187
Other charges:	F-5	40,535	13,294	79,172	1,043	389	3,542	76	2,366	140,417
Total Expenditure (B)		128,874	56,401	217,575	1,731	862	4,538	81	2,542	412,604
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)		378,323	160,018	504,989	2,556	4,468	4,960	256	3,139	1,058,709
Balance at the beginning of the year		895,176	148,846	1,698,557	1,676	3,262	5,517	—	—	2,753,034
Balance at the end of the year		1,273,499	308,864	2,203,546	4,232	7,730	10,477	256	3,139	3,811,743

* Net change in mark to market value of investments.

schedules

3.19 Fund Income & Expenditure Account for the year ended March 31, 2007 (Contd.) Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds									Grand Total
		Balanced	Income	Short Term Debt	Capital Guarantee Short Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Total	
Income from investments											
Interest income		182,643	9,270	38,644	3,337	6,610	63	17,123	132	257,822	2,032,640
Dividend income		9,703	—	—	—	343	—	5,422	15	15,483	893,891
Profit/loss on sale of investment		82,359	577	8,243	601	3,094	7	31,864	33	126,778	3,425,539
Profit/loss on inter fund transfer/ sale of investment		5,472	(138)	2,613	32	301	3	949	—	9,232	43,837
Appropriation / Expropriation Adjustment Account		(8,818)	21	93	18	427	—	2,659	28	(5,572)	309,192
Unrealised Gain/loss*		17,136	1,328	12,472	374	7,360	(2)	34,791	93	73,552	1,738,565
Total Income (A)		288,495	11,058	62,065	4,362	18,135	71	92,808	301	477,295	8,443,664
Fund management charges#		50,200	1,936	9,150	607	2,863	16	8,997	91	73,860	1,703,108
Other charges:	F-5	—	—	—	—	—	—	—	—	—	1,318,023
Total Expenditure (B)		50,200	1,936	9,150	607	2,863	16	8,997	91	73,860	3,021,131
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)		238,295	9,122	52,915	3,755	15,272	55	83,811	210	403,435	5,422,533
Balance at the beginning of the year		210,841	4,321	26,625	737	151	2	22,483	—	265,160	14,702,324
Balance at the end of the year		449,136	13,443	79,540	4,492	15,423	57	106,294	210	668,595	20,124,857

* Net change in mark to market value of investments.

Rs. 57,990 thousand on account of year end adjustment for fund management charges (of group business) recovered is not included above and shown under Policyholders Contribution in Schedule F-1.

BREAK UP OF OTHER EXPENSES UNDER ULIP

SCHEDULE: F- 5 OTHER EXPENSES*

(Rs. in 000's)

Particulars	Linked Funds										Total
	Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	
Policy Administration charge	14,933	3,106	64,057	19,450	3,076	483	19,528	14,444	66	1,681	140,824
Surrender charge*	—	—	—	—	—	—	—	—	—	—	—
Switching charge*	—	—	—	—	—	—	—	—	—	—	—
Mortality charge #	198,817	77,155	529,807	31,411	3,204	11,713	22,030	6,393	296	5,079	885,905
Rider Premium charge #	32,316	11,548	101,538	343	—	714	2,902	—	61	1,455	150,877
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charge	—	—	—	—	—	—	—	—	—	—	—
Total	246,066	91,809	695,402	51,204	6,280	12,910	44,460	20,837	423	8,215	1,177,606

* Surrender & Switch charges, as not available at fund level, have been shown under the schedule (F-1) for Policyholders' contribution.

Gross of Service Tax.

schedules

forming part of the financial statements

Continued

BREAK UP OF OTHER EXPENSES UNDER ULIP

SCHEDULE: F- 5

OTHER EXPENSES* (Contd.)

(Rs. in 000's)

Particulars	Linked Pension Funds								Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	
Policy Administration charge	27,088	4,435	56,499	716	219	2,441	61	1,945	93,404
Surrender charge*	—	—	—	—	—	—	—	—	—
Switching charge*	—	—	—	—	—	—	—	—	—
Mortality charge #	11,210	7,298	18,659	327	145	945	13	364	38,961
Rider Premium charge #	2,237	1,561	4,014	—	25	156	2	57	8,052
Partial withdrawal charge	—	—	—	—	—	—	—	—	—
Miscellaneous charge	—	—	—	—	—	—	—	—	—
Total	40,535	13,294	79,172	1,043	389	3,542	76	2,366	140,417

(Rs. in 000's)

Particulars	Linked Group Funds								Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short-Term Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	
Policy Administration charge	—	—	—	—	—	—	—	—	234,228
Surrender charge*	—	—	—	—	—	—	—	—	—
Switching charge*	—	—	—	—	—	—	—	—	—
Mortality charge #	—	—	—	—	—	—	—	—	924,866
Rider Premium charge #	—	—	—	—	—	—	—	—	158,929
Partial withdrawal charge	—	—	—	—	—	—	—	—	—
Miscellaneous charge	—	—	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—	—	1,318,023

* Surrender & Switch charges, as not available at fund level, have been shown under the schedule (F-1) for Policyholders' contribution

Gross of Service Tax

Fund Income & Expenditure Account for the year ended March 31, 2006

(Rs. in 000's)

Particulars	Linked Funds							Total
	Balancer	Protector	Maximiser	Preserver	Cash Plus	Secure Plus	Invest Shield	
Income from Investments								
Interest income	379,362	392,296	12,239	24,078	7,273	2,808	3,744	821,800
Dividend income	55,939	—	153,684	—	—	7	220	209,850
Profit/loss on sale of Investment	364,582	(30,188)	855,070	17,815	480	230	5,627	1,213,616
Unrealised Gain/loss	1,808,804	(72,338)	6,781,343	8,046	(240)	(108)	12,429	8,537,936
Miscellaneous Income	90	90	1	—	—	—	—	181
Total Income (A)	2,608,777	289,860	7,802,337	49,939	7,513	2,937	22,020	10,783,383
Fund management charges	193,826	83,516	244,071	5,867	1,748	630	1,245	530,903
Total Expenditure (B)	193,826	83,516	244,071	5,867	1,748	630	1,245	530,903
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)	2,414,951	206,344	7,558,266	44,072	5,765	2,307	20,775	10,252,480
Balance at the beginning of the year	411,218	204,658	809,104	4,895	1,213	592	(31)	1,431,649
Balance at the end of the year	2,826,169	411,002	8,367,370	48,967	6,978	2,899	20,744	11,684,129

schedules

Fund Income & Expenditure Account for the year ended March 31, 2006

(Rs. in 000's)

Particulars	Linked Pension Funds						Total
	Balancer	Protector Income	Maximiser fund-Growth	Secure Plus - Pension	Invest Shield-Pension	Preserver	
Income from Investments							
Interest income	120,823	167,579	2,251	2,021	1,018	1,514	295,206
Dividend income	18,160	—	33,667	—	84	—	51,911
Profit/loss on sale of Investment	125,545	(16,835)	202,959	(23)	1,501	1,142	314,289
Unrealised Gain/loss	551,621	(27,431)	1,319,927	(248)	3,270	546	1,847,685
Miscellaneous Income	36	36	—	—	—	—	72
Total Income (A)	816,185	123,349	1,558,804	1,750	5,873	3,202	2,509,163
Fund management charges	57,254	38,221	49,175	426	326	377	145,779
Total Expenditure (B)	57,254	38,221	49,175	426	326	377	145,779
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)	758,931	85,128	1,509,629	1,324	5,547	2,825	2,363,384
Balance at the beginning of the year	136,245	63,718	188,928	352	(30)	437	389,650
Balance at the end of the year	895,176	148,846	1,698,557	1,676	5,517	3,262	2,753,034

(Rs. in 000's)

Particulars	Linked Group Funds								Grand Total
	Balanced	Income	Short Term Debt	Capital Guarantee Fund	Growth	Capital Guarantee Balance Fund *	Capital Guarantee Debt Fund *	Total	
Income from Investments									
Interest income	65,156	5,251	31,334	597	1,022	24	1	103,385	1,220,391
Dividend income	3,368	—	—	—	209	1	—	3,578	265,339
Profit/loss on sale of Investment	27,739	(479)	2,753	202	1,196	31	1	31,443	1,559,348
Unrealised Gain/loss	113,016	(400)	(4,844)	(137)	20,175	116	1	127,927	10,513,548
Miscellaneous Income	18	—	—	—	—	—	—	18	271
Total Income (A)	209,297	4,372	29,243	662	22,602	172	3	266,351	13,558,897
Fund management charges	25,807	1,251	5,478	142	1,059	21	1	33,759	710,441
Total Expenditure (B)	25,807	1,251	5,478	142	1,059	21	1	33,759	710,441
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)	183,490	3,121	23,765	520	21,543	151	2	232,592	12,848,456
Balance at the beginning of the year	27,351	1,200	2,860	217	940	—	—	32,568	1,853,867
Balance at the end of the year	210,841	4,321	26,625	737	22,483	151	2	265,160	14,702,323

*These schemes have been launched during the year - Hence previous year figures are Nil.

3.20 Assets held to cover Policyholders' Liability

The Policyholders' liabilities including linked fund aggregating Rs. 148,418,907 thousand as at March 31, 2007 are adequately backed by assets as at March 31, 2007 as shown below:

(Rs. in 000's)

Description	Par Life	Par Pension	Non-Par	Annuities Non-Par	Health	Linked Life Non Unit	Linked Life Unit	Linked Pension Non Unit	Linked Pension Unit	Linked Group Non Unit	Linked Group Unit	Total
Policyholders' Liabilities as per Balance Sheet [A]	9,845,752	2,946,840	2,095,473	2,204,191	95,030	403,733	97,821,184	42,410	24,211,957	22,744	8,729,593	148,418,907
Assets held to cover policyholders' liabilities												
Investments (As per Schedule-8A & 8B)	10,982,180	3,477,973	2,496,623	2,175,638	194,950	3,202,910	97,100,573	836,071	23,910,882	54,738	8,053,316	152,485,854
Fair Value Change Account	(748,302)	(271,114)	—	4,420	—	—	—	—	—	—	—	(1,014,996)
Revaluation Reserve	(158,497)	(157,822)	—	—	—	—	—	—	—	—	—	(316,319)
Net Investments	10,075,381	3,049,037	2,496,623	2,180,058	194,950	3,202,910	97,100,573	836,071	23,910,882	54,738	8,053,316	151,154,539
Current Assets and Loans (As per Note 3.17 & 3.18)	377,587	89,472	169,798	41,707	40,559	1,550,897	3,702,932	249,327	1,158,220	18,147	728,387	8,127,033
Less: Current Liabilities (As per Note 3.17 & 3.18)	(335,215)	(68,265)	(232,206)	(17,574)	(140,479)	(4,350,074)	(1,632,434)	(1,042,988)	(446,595)	(50,141)	(52,110)	(8,368,081)
TOTAL ASSETS [B]	10,117,753	3,070,244	2,434,215	2,204,191	95,030	403,733	99,171,071	42,410	24,622,507	22,744	8,729,593	150,913,491

The Policyholders' liabilities including linked fund aggregating Rs. 81,221,054 thousand as at March 31, 2006 are adequately backed by assets as at March 31, 2006 as shown below:

(Rs. in 000's)

Description	Par Life	Par Pension	Non-Par	Annuities Non-Par	Health	Linked Life Non Unit	Linked Life Unit	Linked Pension Non Unit	Linked Pension Unit	Linked Group Non Unit	Linked Group Unit	Total
Policyholders' Liabilities as per Balance Sheet [A]	6,976,019	2,307,727	1,539,822	58,269	465	270,312	53,317,873	54,277	13,120,979	17,875	3,557,436	81,221,054
Assets held to cover policyholders' liabilities												
Investments (As per Schedule-8A & 8B)	7,954,033	2,757,447	1,492,338	55,822	471	205,800	52,660,574	35,584	13,241,611	13,055	3,176,554	81,593,289
Fair Value Change Account	(919,108)	(327,588)	—	—	—	—	—	—	—	—	—	(1,246,696)
Net Investments	7,034,925	2,429,859	1,492,338	55,822	471	205,800	52,660,574	35,584	13,241,611	13,055	3,176,554	80,346,593
Current Assets and Loans (As per Note 3.17 & 3.18)	205,144	75,874	52,833	2,447	20	81,227	3,288,957	18,829	454,875	4,971	460,964	4,646,141
Less: Current Liabilities (As per Note 3.17 & 3.18)	(78,210)	(41,580)	(5,349)	—	(26)	(16,715)	(2,018,991)	(136)	(396,008)	(151)	(80,082)	(2,637,248)
TOTAL ASSETS [B]	7,161,859	2,464,153	1,539,822	58,269	465	270,312	53,930,540	54,277	13,300,478	17,875	3,557,436	82,355,486

schedules

3.21 Employee benefits

Provision for staff benefits as per revised AS 15:

- (a) Defined Contribution Plans: The amount recognised as an expense during the year is Rs. 128,275 thousand.
(b) Defined Benefit Plans:

(Rs. in 000's)	
Particulars	Amounts
Change in Defined Benefit Obligation:	
Opening obligations as at April 1, 2006	39,278
Service cost	13,615
Interest cost	2,499
Actuarial (gain) / loss	9,730
Benefits paid	(2,746)
Present value of the defined benefit obligations at March 31, 2007 (A)	62,376
Change in Plan Asset:	
Opening plan assets, at fair value as at April 1, 2006	39,822
Expected return on plan assets	2,906
Actuarial gain / (loss)	4,071
Contributions	—
Benefits paid	(2,746)
Fair value of plan assets at March 31, 2007 (B)	44,053
Cost for the year ended March 31, 2007:	
Service cost	13,071
Interest cost	2,499
Expected return on plan assets	(2,906)
Actuarial (gain) / loss	5,659
Total net cost recognised as employee remuneration	18,323
Reconciliation of Benefit Obligations & Planned Assets for the period:	
Present value of the defined benefit obligations at March 31, 2007 (A)	62,376
Fair value of plan assets at March 31, 2007 (B)	44,053
Net asset / (liability) as at March 31, 2007 recognised in Balance Sheet	(18,323)
Investment details of plan assets:	
The plan assets are invested in insurer managed funds.	
Assumptions:	
Discount rate	7.85%
Salary escalation rate	7.00%
Estimated rate of return on plan assets	7.50%

3.22 Employee Stock Option Scheme ("ESOS")

There are presently two ESOS schemes in force by name Founder (2003-2004), 2004-2005 and 2005-06, salient features of which are as stated below:

Scheme	Founder 2003-2004	2004-2005	2005-2006
Date of allotment	March 28, 2005	April 25, 2005	April 26, 2006
No. of options granted	2,665,500	3,742,400	4,633,250
Graded Vesting Period:			
1st Year	50% of options granted	25% of options granted	25% of options granted
2nd Year	25% of options granted	25% of options granted	25% of options granted
3rd Year	25% of options granted	25% of options granted	25% of options granted
4th Year	—	25% of options granted	25% of options granted
Maximum term of options granted	Later of the tenth anniversary of the date of grant of options or the fifth anniversary of the date of vesting of options		
Mode of settlement	Equity		

Exercise price of options is subject to dilution formula and it depends on the capital base of the Company as at the date of exercise of the options. Exercise price of all the options outstanding as at March 31, 2007 for Founder (2003-2004) scheme and 2004-2005 scheme and 2005-06 scheme is Rs. 30, Rs. 42 & Rs. 70 respectively.

A summary of status of Company's Employee Stock Option Scheme in terms of options granted, forfeited and exercised is given below:

Particulars	March 31, 2007	March 31, 2006
Outstanding at the beginning of the year	5,572,600	2,665,500
Add: Granted during the year	4,667,750	3,707,900
Less: Forfeited/lapsed during the year	564,850	800,800
Exercised during the year	2,395,536	—
Outstanding at the end of the year	7,279,964	5,572,600
Exercisable at the end of the period	93,164	1,143,750

The Company has computed the fair value of its options & has recognized a compensation cost of Rs. 52,363 thousands in the Previous Year. During the year the company has recognised a compensation cost of Rs. 5,584 thousand as the intrinsic value of the options. Had the company followed the fair value method for valuing its options for the year, the charge to the revenue and profit & loss account would have been higher by Rs. 60,963 thousand and Profit / (loss) after tax would have been (Rs. 6,550,035) thousand. Consequently Company's basic and diluted earnings per share would have been (Rs. 5.32) and (Rs. 5.30) respectively. The Key assumptions used to estimate fair value of options are:

Risk-free interest rate	6.87%
Expected life	5 years
Expected Volatility	28.65%
Expected dividend yield	1.50%

3.23 The amount of exchange differences (net)

Charged to the Revenue Account/Profit & Loss Account is Rs. 58 thousands (Previous Year: Rs. 50 thousand)

3.24 Earnings per equity share:

(Rs. in 000's)

Particulars	March 31, 2007	March 31, 2006
I Net profit/(loss) as per profit and loss account available for equity shareholders' for both basic and diluted earnings per equity share of Rs. 10 each	(6,489,072)	(1,878,789)
II Weighted average number of equity shares for earnings per equity share		
(a) For basic earnings per equity share	1,230,145,205	1,032,750,000
(b) For diluted earnings per equity share		
No. of equity shares for basic earnings per equity share as per (II) (a)	1,230,145,205	1,032,750,000
Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	5,573,949	2,511,498
Weighted number of equity shares for diluted earnings per equity share	1,235,719,154	1,035,261,498
III Earnings per equity share		
Basic (in Rupees)	(5.28)	(1.82)
Diluted (in Rupees)	(5.25)	(1.81)

3.25 Fund for Future Appropriations Linked

Pursuant to IRDA's notification dated March 29, 2006, the Appointed Actuary has determined an amount of Rs. 968,271 thousand (Previous year: Rs. 792,166 thousand) as release of actuarial reserves on policies which have lapsed earlier.

The Company had in the previous year appropriated Rs. 792,166 thousand from the Shareholders' account as Funds for Future Appropriation (FFA). Based on the requirements of IRDA during the year, the Company has appropriated Rs. 968,271 thousand as FFA from the Revenue Account.

In case the Company followed the policy of appropriating FFA from Profit and Loss Account, the loss for the year would have been lower by Rs. 968,271 thousand. However, neither the carrying value of FFA nor the debit balance in Profit and Loss account in the Balance Sheet is impacted by this change.

The cumulative balance of Rs. 1,760,437 thousand under FFA as at March 31, 2007 is not available for distribution to shareholders.

3.26 Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary to conform to current year presentation.

For and on behalf of the Board of Directors

AZIM MITHANI
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 24, 2007

receipts & payments account



for the year ended March 31, 2007

(Rs. in 000's)

Particulars	March 31, 2007	March 31, 2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers :		
Premium & Other receipts	91,762,467	48,632,476
Cash paid towards operating activities :		
Expenses & Withdrawals	(37,780,899)	(16,738,967)
Reinsurance premium ceded	(113,116)	(57,006)
Advances & Deposits	(156,083)	(70,555)
Loan against policies	(29,142)	8,512
Taxes Paid	(125,014)	(58,600)
Net cash from operating activities (A)	53,558,213	31,715,860
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	1,356	—
Purchase of fixed assets	(1,785,697)	(139,923)
Purchase of investments	(560,396,884)	(195,805,161)
Loan	2,996	2,466
Margin money	—	27,629
Sale of Investments	497,892,317	160,860,226
Interest & Dividend received	3,822,552	2,034,660
Net Cash from investing activities (B)	(60,463,360)	(33,020,103)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	1,273,015	2,600,000
Share Premium on capital issued	7,552,136	—
Net Cash Used In Financing Activities (C)	8,825,151	2,600,000
Net increase In cash and cash equivalents (A+B+C)	1,920,004	1,295,757
Cash and cash equivalents at beginning of the year	3,002,620	1,706,863
Cash and Cash Equivalents at End of the Year	4,922,624	3,002,620
Note:		
Cash & cash equivalents at the end of the year includes:		
- Cash (Including cheques in hand & stamps in hand)	1,851,229	1,182,657
- Bank Balances & Money at call & short notice	3,071,395	1,819,963
[Including bank balance for linked business of Rs. 98,797 (Previous Year Rs. 543,644)]	4,922,624	3,002,620

As per our report of even date attached

For WALKER, CHANDIOK & CO.
Chartered Accountants

For HARIBHAKTI & CO.
Chartered Accountants

For and on behalf of the Board of Directors

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

MANOJ DAGA
Partner
Membership No. 48523

AZIM MITHANI
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 24, 2007