

ICICI PRUDENTIAL LIFE INSURANCE COMPANY LIMITED

8TH ANNUAL REPORT AND ACCOUNTS 2007-2008

Directors

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

Auditors

Walker, Chandio & Co.
Chartered Accountants

BSR & 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 Eighth Annual Report of ICICI Prudential Life Insurance Company Limited (the Company) with the audited statement of accounts for the year ended March 31, 2008.

OPERATIONS REVIEW & OUTLOOK

The performance for fiscal 2008 is summarized below:

Particulars	(Rs. in billion)	
	Fiscal 2008	Fiscal 2007
No. of new Policies (in 000's)	2,913	1,960
Financials:		
Premium Income of which	135.61	79.13
• New business premium (including Single Premium)	80.35	51.62
• Renewal Premium	55.26	27.51
Sum Assured in force -		
– Basic Policy	1,350.73	726.92
– Total (Basic + Riders)	1,599.95	923.34
Annualized Premium Equivalent (APE)	65.19	43.81
Assets held	285.78	158.17
Expense Ratio*	14.9%	14.0%
Sales & Distribution Strength:		
Geographical Spread -		
– No. of Branches +	1,956	583
– No. of Locations +	1,669	421
No. of Advisors (in 000's)	291	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	(Rs. in billion)	
	Fiscal 2008	Fiscal 2007
Participating	0.81	0.05
Non-participating and Health	(2.13)	(0.41)
Linked	(13.93)	(6.83)
Shareholders (before Tax)	0.72	0.33
Total @	(14.53)	(6.87)

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

During the year ended March 31, 2008, the Company registered new business premium income of Rs. 80.35 billion showing an increase of 55.7% over the earlier year. The renewal premiums continue to grow and stood at Rs. 55.26 billion for the year. The new business growth was further reflected in more than 2.91 million policy issuances

during the year, leading to the Company crossing the 7 million policies mark at March 31, 2008.

The Company continues to be a leader in the private life insurance space on several parameters including weighted new business premium and assets held, and has an estimated retail market share of 12.7% (based on weighted new business premium income) for the financial year ended March 31, 2008.

Expanding the reach

The Company has expanded its reach to customers by establishing 1961 offices in 1669 locations at March 31, 2008. At March 31, 2008, the Company had over 28,900 employees and over 2,90,000 advisors and thus is in a better position to cater to the needs of customers.

Products

The Company has launched several innovative and unique products during the year. The Company has launched LifeStage Regular Premium, a unit linked insurance policy which heralded the entry of second generation insurance plans. The policy has inbuilt benefits of automatic asset allocation & quarterly rebalancing, amongst other beneficial customer propositions. This product has become increasingly popular amongst the customers and distributors. This year also saw the Company strengthening its proposition for HNI customers, with the launch of Premier Life Pension. The Company continues to focus strongly on the health sector with a portfolio of 9 products apart from life and pension categories.

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 5,800 mortality claims. The average time taken from the date of submission of the final requirement by the claimant to the date of despatch of claim payment was around 6 days.

Governance

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

A) Board of Directors

The Board comprises 12 Directors – three nominated by ICICI Bank Limited, two nominated by Prudential Plc, four 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

directors' report



Continued

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, marketing and insurance. None of the Directors is related to any other Director or employee of the Company.

B) Board Committees

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

	Board Risk Management and Audit Committee	Board Investment Committee	Board 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	Mahesh P. Modi (Chairman) H. T. Phong Chanda D. Kochhar	Kalpana Morparia (Chairperson) H. T. Phong Marti G. Subrahmanyam Shikha Sharma N. S. Kannan Puneet Nanda (Executive Vice President) Avijit Chatterjee (Appointed Actuary)	Kalpana Morparia (Chairperson) H. T. Phong Shikha Sharma
No. of times met during the year	4	4	4

C) Grievance Redressal Committee

The Grievances Redressal Committee is chaired by R. Narayanan, 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.

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, amount to over 85% 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 single premium non-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 operational risks and prepares a mitigation plan. Internal Audit carries performs risk-based audit and reports the findings to the Board Risk Management and Audit Committee.

F) Whistle Blower Policy

The Company has a Whistle Blower Policy which 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 637,800 policies were issued in rural areas, constituting over 21.9% of total policy issuances. The Company also covered more than 35,400 lives falling within the norm of 'social sector' business.

DIRECTORS

During the year under review, R. Narayanan resigned from the Board with effect from January 17, 2008. The Board places on record its appreciation for his valuable contribution during the tenure.

The Board appointed Marti G. Subrahmanyam and Rama Bijapurkar as Additional directors on July 26, 2007 and January 17, 2008 respectively till the ensuing Annual General Meeting and are proposed to be appointed as Directors retiring by rotation at the ensuing Annual General Meeting. Notice has been received from a Member proposing them as Directors as required under Section 257 of the Companies Act, 1956.

Kalpana Morparia was appointed as the Non-Executive Vice Chairperson of the board.

Kalpana Morparia, Chanda D. Kochhar and H. T. Phong 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.

INCREASE IN SHARE CAPITAL

The paid-up capital of the Company was increased by Rs. 888.1 million (at face value) contributed by the parent organizations, ICICI Bank Limited and Prudential Plc, UK and the members of the ESOP scheme taking the paid-up capital to Rs. 14.01 billion (at face value) at March 31, 2008.

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. BSR & Co., Chartered Accountants were appointed /re-appointed as joint statutory auditors of the Company at the last Annual General Meeting. They are retiring at 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

directors' report

Continued

required to be given. Details about foreign exchange earnings and outgo required under above Rules are as under:

Particulars	(Rs. in million)	
	Fiscal 2008	Fiscal 2007
Foreign Exchange Earnings & Outgo		
- Earnings	-	0.5
- Outgo	332.5	167.0

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 retain market leadership in its business operations. Finally, the Directors wish to express their gratitude to ICICI Bank Limited and Prudential Corporation Holdings Limited for their continued trust and support.

For and on behalf of the Board

K. V. KAMATH
Chairman

Mumbai, April 25, 2008

management's report



In accordance with the provisions of the Insurance Regulatory and Development Authority (IRDA) (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted for the financial year ended March 31, 2008:

1. Certificate of Registration

The Certificate of Registration under Section 3 of the Insurance Act, 1938 was granted by IRDA on November 24, 2000. The Company has obtained renewal of registration certificate from IRDA for the financial year 2008-09 as required under Section 3A of the Insurance Act, 1938.

2. Statutory Liabilities

We hereby certify that all dues payable to the statutory authorities have been duly paid except those under dispute & disclosed under contingent liabilities in the notes to accounts forming part of the financial statements.

3. Shareholding Pattern

We hereby confirm that the shareholding pattern of the Company during the year under review was in accordance with the statutory requirements. We further confirm that there was no transfer of shares during the period except transfer of two shares from two nominee shareholders to other nominees.

During the year, the Company issued additional 88,690 thousand equity shares of Rs.10 each to ICICI Bank Limited and Prudential Corporation Holdings Ltd, UK in the ratio of 74:26. Of these, 66,154 thousand equity shares have been issued at a premium of Rs.120,12,286 thousand equity shares at a premium of Rs. 340 and 10,250 thousand equity shares at a premium of Rs. 390. The total capital infusion by promoters during the year (at face value) amounted to Rs. 886,890 thousand.

The Company has an approved Employees Stock Option Scheme under which 122,629 shares have been allotted during the year under review.

The shareholding pattern of the Company at March 31, 2008 was as follows:

1. ICICI Bank Limited – 73.87%
2. Prudential Corporation Holdings Limited – 25.95%
3. Others – 0.18%

4. Investments outside India

We hereby declare that no investments, directly or indirectly have been made outside India of the funds of the holders of policies issued in India.

5. Solvency Margin

We hereby confirm that the Company has adequate assets to cover both its liabilities and required solvency margin under Section 64VA of the Insurance Act, 1938, the IRDA (Assets, Liabilities and Solvency Margin of Insurers) Regulations, 2000.

6. Valuation of Assets in the Balance Sheet

We certify that the values of all the assets have been reviewed on the date of Balance Sheet and that to the best of our belief the assets set forth in the Balance Sheet are shown in aggregate at amounts not exceeding their realisable or market value.

Market value of fixed income investments made in shareholders fund and non-linked funds, which are valued at amortised cost as per IRDA guidelines, is lower by Rs. 622,105 thousand as at March 31, 2008. As at the same date, unrealised gains on equity and mutual fund investments in shareholders fund and non-linked funds amounts to Rs. 1,785,006 thousand. The value of real estate has been subjected to revaluation during the year ended March 31, 2007 and the change in the carrying amount thereby amounting to Rs. 316,319 thousand has been taken to the Revaluation Reserve.

7. Application and Investments of Life Insurance Funds

We certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938.

8. Overall risk exposure and strategy adopted to mitigate the same

The mitigation strategy in respect of various risks is as under:

1. *Investment Risk* – The Company has a prudent investment strategy to optimize 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, amount to over 87% of the policyholders funds. As part of ALM of non-linked portfolio, the Company has hedged the single premium non-participating portfolio by duration matching, rebalanced monthly. On the participating portfolio, the Company's asset

allocation strategy, which includes investments in equities, is designed to achieve the twin objectives of managing risks arising from guarantees and optimising returns, subject to regulatory constraints. The equity portfolio is benchmarked against BSE 100. In addition, there are exposure limits to companies, groups and industries.

2. *Risk Management for Capital Guarantee products* – Capital Guarantee is provided in some of the Linked plans, both in respect of Individual products and also Group Gratuity and Superannuation products, for which the risk management framework is as follows:
 - For Individual products: the guarantee is increased at the end of each year by a declared amount based on the investment performance during the year of the underlying fund and is applicable only on death or maturity and not on surrender of the policy. The cost of providing the guarantee has been priced into the product and a reserve is held on this account while the asset portfolio is prudently set as a mix between risky and non risky assets.
 - For the Group Gratuity product: the guarantee is only applicable on withdrawal of the scheme and is only to the extent of contributions made to the fund less any withdrawals from the fund. The cost of this guarantee has also been priced into the product; the Company does not expect this guarantee to be onerous as it is applicable only after three years whilst investments are confined to short term debt securities and money market instruments.
 - For the Group Superannuation product: the guarantee is applicable when a member of the group leaves the scheme due to retirement, death or resignation and is to the extent of contributions made to the fund. The cost of guarantee is priced into the product and a reserve is held on this account whilst the asset portfolio is prudently set as a mix between risky and non-risky assets.

3. *Risk Management for Premium Guarantee Products* – Return of Premium Guarantee has been provided in some of the linked plans for individual products. The sum of premiums paid till date is guaranteed at death or maturity but not on surrender of policy. The cost of providing the guarantee has been priced into the product and a reserve is held on this account.
4. *Operational Risks* – The Risk Management and Audit Committee supervises the audit, operational risk and compliance related aspects. It assesses and rates the various operational risks including in the areas of Information Security and Availability risk and Sales related risks and prepares a mitigating plan. The Internal Audit Department carries out audits according to the Risk Based Audit Plan and reports the findings to the Risk Management and Audit Committee on quarterly basis.
5. *Reinsurance* – The Company has re-insurance agreements with Swiss Re, RGA Re, Gen Re and Munich Re. The insurance retention limits have, at a product level, been derived based on the Company's assessment of optimum level of profitability and risk sharing.
6. *Persistency* – The Company actively monitors its persistency experience, which is then fed back into new product pricing as well as management reporting.
7. *Morbidity and Mortality Risk* – Experience continues to be favorable, exhibiting the characteristics of a select portfolio. However these are early years and a better picture of development of ultimate rates will emerge over the next few years.

9. Operations Abroad

The Company has set up representative offices in the Kingdom of Bahrain & the United Arab Emirates.

10. Claims

In respect of mortality claims, the average time taken by the Company from the date of submission of the final requirement by the claimant to despatch of claim payment was as follows:

Period	Average claim settlement time (in days)
2007-08	6
2006-07	7
2005-06	7
2004-05	8
2003-04	9
2002-03	11

The ageing of claims registered & not settled as of March 31, 2008 has been detailed herein below:

Linked business: (Rs. in 000's)

Period	Number of Claims	Amount
Upto 30 days	122	18,299
Greater than 30 days upto 6 months	155	24,025
Greater than 6 months upto 1 year	15	1,372
Greater than 1 year upto 5 years	19	6,385
Greater than 5 years	-	-

Non Linked business: (Rs. in 000's)

Period	Number of Claims	Amount
Upto 30 days	128	14,854
Greater than 30 days upto 6 months	193	15,560
Greater than 6 months upto 1 year	8	1,736
Greater than 1 year upto 5 years	8	2,395
Greater than 5 years	-	-

Claims remain unpaid for greater than 6 months for want of proof of title or the cause of death, to determine the claim liability.

11. Valuation of Investments

We hereby certify that the investments in debt securities except for linked business are 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. The equity and mutual fund investments are valued at fair value as on the balance sheet date. Investments in venture funds and secured loans from policyholders' funds are valued at cost. 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.

Returns generated by major portfolios during the year are given below:

Fund	FUM (Rs. '000)	1 year (Annualized)		2 year (Annualized)		3 year (Annualized)	
		Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Maximiser	97,260,817	24.7%	24.9%	15.8%	18.1%	31.1%	33.2%
Balancer	23,749,514	16.4%	15.1%	11.4%	11.2%	15.4%	15.0%
Protector	9,297,701	9.0%	8.2%	7.3%	5.9%	5.9%	5.1%
Pension Maximiser	23,897,667	24.2%	24.9%	16.6%	18.1%	31.8%	33.2%
Pension Balancer	8,229,044	16.1%	15.1%	11.8%	11.2%	15.8%	15.0%
Pension Protector	3,922,576	9.2%	8.2%	7.4%	5.9%	6.0%	5.1%

The Company maintains a balance of sovereign and corporate bonds in its debt portfolio. Most of the corporate bonds held in the portfolio are in the highest rating category. Within corporate bonds, the Company has a well-diversified portfolio across issuers and industries. Similarly, the Company has an equity portfolio which is well-diversified and investments are primarily made in blue-chip stocks, spread across issuers and industries. In view of the foregoing, the Company has high quality of assets at all points in time.

13. Management Responsibility Statement

The Management confirms that:

- (i) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;
- (ii) the management has adopted accounting policies and applied them

The investments of linked business are valued as per the terms of the respective schemes at mark-to-market basis, as follows:

- Equity Shares: All traded equity shares are valued at closing price on the National Stock Exchange (NSE) on valuation day (in case of securities not listed on NSE, the last quoted closing price on the Bombay Stock Exchange ('BSE') is used).
- Government Securities: All traded Government of India Securities are valued as per CRISIL Gilt Valuer.
- Debt Securities: All debt securities are valued as per CRISIL Bond Valuer.
- Mutual Fund Units: Units of the Mutual Fund are valued at the NAV of the immediate previous day of the valuation day.
- Others: As per market practice and the approved valuation policy.

12. Review of Asset Quality

Investments are made in accordance with the Insurance Regulatory and Development Authority (Investments) Regulations, 2000. The portfolio mix of funds under management of the Company as on March 31, 2008 is as under:

Portfolio	% of Total Investments*
Government of India securities	8.08%
Debentures & Bonds	13.04%
Money market instruments	4.78%
Fixed deposits	2.52%
Equity	66.16%
Mutual funds & Venture funds	2.98%
Net current assets & other securities	2.45%
Total	100.00%

* Funds under management are valued considering the amortized cost & the mark-to-market (gains/losses) for non-linked funds and linked funds, respectively.

consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating loss and of the loss of the company for the year;

- (iii) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act, 1938 and the Companies Act, 1956, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) the management has prepared the financial statements on a going concern basis;
- (v) the management has ensured that an internal audit system commensurate with the size and nature of the business exists and is operating effectively.

management's report



Continued

14. Payments made to Parties in which Directors are interested

The details of such payments for the year ended March 31, 2008 are given below:

(Rs. in 000's)

Sr. No.	Name of Director	Entity in which Director is interested	Interested as	Amount paid
1.	K. V. Kamath	ICICI Bank Limited	Managing Director & CEO	3,514,703
		ICICI Lombard General Insurance Company Limited	Chairman	105,864
		ICICI Prudential Asset Management Company Limited	Chairman	125
		ICICI Securities Limited	Chairman	75,852
		Indian Institute of Management – Ahmedabad	Member – Governing Council	281
		Indian School of Business	Member – Governing Council	125
2.	Shikha Sharma	Firstsource Solutions Limited	Director	138,030
3.	Bhargav Dasgupta	Tech Process Solutions Limited	Director	97,360
4.	Kalpana Morparia	ICICI Bank Limited	Contractual Employee	3,514,703
		ICICI Lombard General Insurance Company Limited	Vice Chairperson	105,864
		ICICI Prudential Asset Management Company Limited	Vice Chairperson	125
		ICICI Securities Limited	Vice Chairperson	75,852
		CMC Limited	Independent Director	3,296
5.	Rama Bijapurkar	CRISIL Limited	Independent Director	2,863
		Entertainment Networks (India) Limited	Independent Director	27
6.	Keki B. Dadiseth	Siemens Limited	Non-Executive Director	428
		The Indian Hotels Company Limited	Non-Executive Director	5,655
		Indian School of Business	Member – Executive Board	125
7.	Chanda D. Kochhar	ICICI Bank Limited	Joint Managing Director & CFO	3,514,703
8.	Barry Stowe	ICICI Prudential Asset Management Company Limited	Director	125
9.	Marti G. Subrahmanyam	ICICI Bank Limited	Director	3,514,703

For & on behalf of the Board of Directors

AVIJIT CHATTERJEE
Appointed Actuary

K. V. KAMATH
Chairman

M. P. MODI
Director

N. S. KANNAN
Executive Director

SHIKHA SHARMA
Managing Director

H. T. PHONG
Director

Place: Mumbai
Date: April 25, 2008

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, 2008, 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 Company's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
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 centralised, no returns for the purposes 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 these liabilities as at March 31, 2008 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 Development Authority ('IRDA') ('Authority') and the Actuarial Society of India in concurrence with the Authority. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion on the financial statements of the Company;
 - (f) On the basis of written representations received from the Directors of the Company, as on March 31, 2008 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2008 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 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 prescribed by the Company (Accounting Standards) Rules 2006 and with the accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ('the Regulations') and orders/directions issued by IRDA in this behalf;
 - (c) The Balance Sheet, the Revenue Account, the Profit & Loss Account and the Receipts and Payments Accounts dealt with by this report comply with the accounting standards prescribed by the Company (Accounting Standards) Rules 2006, to the extent they are not inconsistent with the accounting principles prescribed in the Regulations and orders/directions issued by IRDA in this behalf;
 - (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 the accounting principles generally accepted in India:
 - i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;
 - 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, 2008, 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 25, 2008

For BSR & CO.
Chartered Accountants

AKEEL MASTER
Partner
Membership No. 46768
Mumbai, April 25, 2008

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, 2008, 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 2008, 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, 2008, 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 assets of the Policyholders' Funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the Policyholders' Funds.

This certificate is issued to comply with Schedule C of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, ('the Regulations') read with Regulation 3 of the 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 25, 2008

For BSR & CO.
Chartered Accountants

AKEEL MASTER
Partner
Membership No. 46768
Mumbai, April 25, 2008

revenue account



for the year ended March 31, 2008

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	3,516,968	509,135	1,900,922	1,617,470	710,298	77,990,453	39,389,371	9,975,995	135,610,612
(b) Reinsurance ceded		(2,088)	(82)	(172,302)	–	(29,194)	(32,023)	(180)	(7,088)	(242,957)
Income from Investments										
(a) Interest, Dividend & Rent - Gross		697,082	216,548	211,388	229,440	25,896	3,292,045	988,291	696,487	6,357,177
(b) Profit on sale/redemption of investments		103,642	67,059	12,127	18,022	4,077	14,668,017	3,437,114	723,265	19,033,323
(c) Loss on sale/redemption of investments		(100)	–	(2,028)	(298)	(323)	(1,945,180)	(602,698)	(67,079)	(2,617,706)
(d) Unrealised gain/(loss)		–	–	–	–	–	6,356,230	(151,790)	120,429	6,324,869
(e) Appropriation/Expropriation Adjustment Account		–	–	–	–	–	60,670	65,818	7,601	134,089
Other income:										
Contribution from the Shareholders' account		–	–	1,106,478	251,860	775,776	8,544,845	5,131,904	252,632	16,063,495
Fees and charges		1,621	–	173	–	1	28,930	531	70	31,326
Total (A)		4,317,125	792,660	3,056,758	2,116,494	1,486,531	108,963,987	48,258,361	11,702,312	180,694,228
Commission	2	213,611	10,209	136,096	405	167,948	5,519,639	2,060,773	1,002	8,109,683
Operating expenses related to Insurance business	3	964,371	129,014	1,312,197	26,818	1,255,283	17,688,319	7,603,230	220,143	29,199,375
Provision for taxation (Fringe benefit tax)		8,656	1,193	3,222	53	3,209	199,161	74,100	–	289,594
Total (B)		1,186,638	140,416	1,451,515	27,276	1,426,440	23,407,119	9,738,103	221,145	37,598,652
Benefits paid (Net)	4	368,198	170,861	370,914	249,881	26,878	13,626,379	2,855,731	2,479,817	20,148,659
Interim Bonus Paid		429	167	–	–	–	–	–	–	596
Change in valuation of liability in respect of life policies		1,999,374	325,464	1,234,329	1,839,337	33,213	69,975,459	35,286,642	9,001,350	119,695,168
Total (C)		2,368,001	496,492	1,605,243	2,089,218	60,091	83,601,838	38,142,373	11,481,167	139,844,423
Surplus/(Deficit) (D) = (A)-(B)-(C)		762,486	155,752	–	–	–	1,955,030	377,885	–	3,251,153
Appropriations										
Transfer to Shareholders' account		16,633	4,535	–	–	–	–	–	–	21,168
Balance being funds for future appropriations		745,853	151,217	–	–	–	1,955,030	377,885	–	3,229,985
Total (D)		762,486	155,752	–	–	–	1,955,030	377,885	–	3,251,153
Funds for Future Appropriation										
Opening Balance as at April 1, 2007		267,426	120,659	–	–	–	1,349,887	410,550	–	2,148,522
Add: Current year appropriations		745,853	151,217	–	–	–	1,955,030	377,885	–	3,229,985
Balance Carried forward to Balance Sheet		1,013,279	271,876	–	–	–	3,304,917	788,435	–	5,378,507
Significant Accounting Policies & Notes to Accounts	16									
Details of Total Surplus										
		Par Life	Par Pension							
(a) Interim bonuses paid		429	167							
(b) Allocation of bonus to policyholders'		149,266	40,648							
(c) Surplus shown in the Revenue Account		762,486	155,752							
Total Surplus		912,181	196,567							

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 and on behalf of the Board of Directors

For WALKER, CHANDIOK & CO.
Chartered Accountants

For BSR & CO.
Chartered Accountants

AVIJIT CHATTERJEE
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

AKEEL MASTER
Partner
Membership No. 46768

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 25, 2008

revenue account

for the year ended March 31, 2007

Continued

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	23,665	–	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	0	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		–	–							
(b) Allocation of bonus to policyholders'		41,177	24,703							
(c) Surplus shown in the Revenue Account		86,161	(33,021)							
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 and on behalf of the Board of Directors

For WALKER, CHANDIOK & CO.
Chartered Accountants

For BSR & CO.
Chartered Accountants

AVIJIT CHATTERJEE
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

AKEEL MASTER
Partner
Membership No. 46768

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 25, 2008

balance sheet

profit and loss account



as at March 31, 2008

for the year ended March 31, 2008

Form A-BS

Form A-PL

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)

Particulars	Schedule	March 31, 2008	March 31, 2007	Particulars	Schedule	March 31, 2008	March 31, 2007
SOURCES OF FUNDS				Shareholders' Account (Non-Technical Account)			
Shareholders' Funds:				Income from investments			
Share capital	5	14,011,137	13,123,015	Amounts transferred from Policyholders' account (Technical account)		21,168	346,062
Share application money		1,104	-	(a) Interest, Dividend & Rent - Gross		117,134	267,100
Employees stock option outstanding (Refer note 3.23 of Schedule 16)		19,161	19,399	(b) Profit on sale/redemption of investments		535,320	100,668
Reserve and surplus	6	23,713,076	7,593,813	(c) Loss on sale/redemption of investments		(29,892)	(35,928)
Fair Value Change Account - Net		9,819	291,038	Other income		-	-
Sub-Total		37,754,297	21,027,265	Total (A)		643,730	677,902
Borrowings	7	-	-	Expenses other than those directly related to the insurance business	3A	11,632	14,622
Policyholders' Funds:				Bad debts written-off		-	-
Fair Value Change Account - Net		1,775,187	1,014,996	Amounts transferred to Policyholders' account (Technical account)		16,063,495	7,579,972
Revaluation reserve - Investment Property		316,319	316,319	Provisions (other than taxation)			
Policy liabilities		23,545,894	17,656,173	(a) For diminution in value of investments (net)		-	-
Provision for linked liabilities		244,568,182	130,762,734	(b) Provision for doubtful debts		-	-
Sub-Total		270,205,582	149,750,222	Total (B)		16,075,127	7,594,594
Funds for Future Appropriations				(Loss) before Tax		(15,431,397)	(6,916,692)
- Linked (Refer note 3.25 of Schedule 16)		4,093,352	1,760,437	Provision for Taxation			
- Non linked		1,285,155	388,085	- Deferred tax (Refer note 3.14 of Schedule 16)		1,480,770	427,620
Total		313,338,386	172,926,009	Profit/(Loss) after Tax		(13,950,627)	(6,489,072)
APPLICATION OF FUNDS				Appropriations			
Investments				(a) Balance at the beginning of the year		(16,016,980)	(9,527,908)
- Shareholders'	8	2,110,191	1,567,176	(b) Interim dividends paid during the year		-	-
- Policyholders'	8A	34,493,049	23,421,083	(c) Proposed final dividend		-	-
Asset held to cover linked liabilities	8B	248,661,534	132,523,171	(d) Dividend distribution tax		-	-
Loans	9	37,935	40,393	(e) Transfer to reserves/ other accounts		-	-
Fixed assets	10	3,277,369	2,194,439	Profit/(Loss) carried to Balance Sheet		(29,967,607)	(16,016,980)
Deferred tax asset (Refer note 3.14 of Schedule 16)		2,170,774	690,004	Significant Accounting Policies & Notes to Accounts	16		
Current assets				Earnings per equity share (Refer note 3.24 of Schedule 16)			
- Cash and Bank balances	11	6,165,080	4,823,827	Basic earnings per equity share (Rs.)		(10.28)	(5.28)
- Advances and Other assets	12	4,546,582	2,359,279	Diluted earnings per equity share (Rs.)		(10.28)	(5.28)
Sub-Total (A)		10,711,662	7,183,106	Nominal value per equity share (Rs.)		10.00	10.00
Current liabilities	13	16,081,873	9,947,814	Schedules referred to herein form an integral part of the Shareholders' Account.			
Provisions	14	2,009,862	762,529				
Sub-Total (B)		18,091,735	10,710,343				
Net Current Assets (C) = (A - B)		(7,380,073)	(3,527,237)				
Miscellaneous Expenditure (to the extent not written-off or adjusted)	15	-	-				
Debit Balance in Profit & Loss Account (Shareholders' account)		29,967,607	16,016,980				
Total		313,338,386	172,926,009				
Significant Accounting Policies & Notes to Accounts							
Schedules referred to herein form an integral part of the Balance Sheet.							

As per our report of even date attached

For and on behalf of the Board of Directors

For WALKER, CHANDIOK & CO.
Chartered Accountants

For BSR & CO.
Chartered Accountants

AVIJIT CHATTERJEE
Appointed Actuary

K.V. KAMATH
Chairman

M.P. MODI
Director

H.T. PHONG
Director

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

AKEEL MASTER
Partner
Membership No. 46768

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 25, 2008

schedules

forming part of the financial statements

(Rs. in 000's)

SCHEDULE - 1 PREMIUM

Particulars	For the year ended March 31, 2008								
	Par Life	Par Pension	Non-Par	Annuity Non-Par	Health	Linked Life	Linked Pension	Linked Group	Total
First year premiums	471,197	2,688	510,806	–	636,551	36,247,767	28,578,189	7,272,250	73,719,448
Renewal premiums	3,045,771	506,447	261,477	–	73,747	38,699,031	9,972,879	2,703,745	55,263,097
Single premiums	–	–	1,128,639	1,617,470	–	3,043,655	838,303	–	6,628,067
Total Premium	3,516,968	509,135	1,900,922	1,617,470	710,298	77,990,453	39,389,371	9,975,995	135,610,612
Premium Income from business written : In India	3,516,968	509,135	1,900,922	1,617,470	710,298	77,990,453	39,389,371	9,975,995	135,610,612
Total Premium	3,516,968	509,135	1,900,922	1,617,470	710,298	77,990,453	39,389,371	9,975,995	135,610,612

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

SCHEDULE - 2 COMMISSION EXPENSES

Particulars	For the year ended March 31, 2008								
	Par Life	Par Pension	Non-Par	Annuity Non-Par	Health	Linked Life	Linked Pension	Linked Group	Total
Commission*									
Direct – First year premiums	101,097	197	115,795	–	165,515	4,377,773	1,924,453	661	6,685,491
– Renewal premiums	112,514	10,012	9,584	–	2,433	1,087,166	121,051	–	1,342,760
– Single premiums	–	–	10,717	405	–	54,700	15,269	341	81,432
Total	213,611	10,209	136,096	405	167,948	5,519,639	2,060,773	1,002	8,109,683
Add: Commission on re-insurance accepted	–	–	–	–	–	–	–	–	–
Less: Commission on re-insurance ceded	–	–	–	–	–	–	–	–	–
Net Commission	213,611	10,209	136,096	405	167,948	5,519,639	2,060,773	1,002	8,109,683
Break-up of the expenses (Gross) incurred to procure business									
Tied Agency	168,727	7,930	78,015	310	103,508	3,701,524	1,083,751	880	5,144,645
Corporate Agency	31,326	1,828	31,195	63	47,825	1,421,578	743,519	65	2,277,399
Brokers	1,406	16	691	4	776	50,560	33,783	–	87,236
Referral	12,152	435	26,195	28	15,839	345,977	199,720	57	600,403
Total Commission	213,611	10,209	136,096	405	167,948	5,519,639	2,060,773	1,002	8,109,683

* Commission includes referral payments

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
Referral	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

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, 2008

Particulars	Par Life	Par Pension	Non-Par	Annuity Non-Par	Health	Linked Life	Linked Pension	Linked Group	Total
Employees' remuneration & welfare benefits	240,859	26,710	198,291	13,935	605,014	6,635,188	3,028,409	134,079	10,882,485
Travel, conveyance and vehicle running expenses	23,234	2,837	20,810	727	40,850	526,697	226,857	32,922	874,934
Rents, rates & taxes	202,021	33,574	128,390	550	50,498	1,447,864	591,423	68	2,454,388
Repairs	42,019	9,107	23,725	65	9,186	245,583	95,785	2	425,472
Printing & stationery	25,027	2,923	71,177	237	28,394	282,444	96,583	11,463	518,248
Communication expenses	107,752	16,657	126,564	549	51,062	774,878	292,504	1,702	1,371,668
Legal & professional charges	10,751	1,224	8,485	440	9,685	339,321	145,001	4,194	519,101
Medical fees	1,696	17	16,298	12	32,013	69,852	6,588	50	126,526
Auditors' fees:									
(a) as auditor	255	33	69	3	74	5,465	1,993	—	7,892
(b) as advisor or in any other capacity, in respect of Taxation matters	5	1	2	—	2	118	43	—	171
Advertisement and publicity	31,148	2,629	31,373	2,472	62,805	1,134,098	525,446	465	1,790,436
Interest & Bank charges	9,377	380	62,492	435	25,427	178,608	57,417	1,607	335,743
Agents training, recruitment & incentives	89,311	11,428	79,692	3,741	55,832	1,998,117	905,844	396	3,144,361
Depreciation	29,195	4,903	18,178	88	6,094	158,429	61,324	48	278,259
Service tax on premium absorbed	1,018	169	647	3	254	7,297	2,981	0	12,369
Information technology cost	45,780	7,850	27,719	275	8,261	214,037	85,911	117	389,950
Administration support expenses	25,289	83	280,909	2,106	48,101	1,993,894	921,776	2,124	3,274,282
Others	79,634	8,489	217,376	1,180	221,731	1,676,429	557,345	30,906	2,793,090
Total	964,371	129,014	1,312,197	26,818	1,255,283	17,688,319	7,603,230	220,143	29,199,375

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	1,633	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, in respect of Taxation matters	—	—	—	—	—	—	—	—	—
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 & incentives	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	2,637	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

SCHEDULE - 3A
EXPENSES OTHER THAN THOSE DIRECTLY RELATED TO THE INSURANCE BUSINESS

Particulars	March 31, 2008	March 31, 2007
Employees remuneration & welfare benefits	681	959
Travel, conveyance & vehicle running expenses	819	66
Legal and professional fees	34	9
Sales promotion	—	—
Loss on sale/write off of Fixed Assets (Net)	—	—
Printing & stationery	38	3
Communication expenses	31	7
Interest & Bank charges	298	2,846
Depreciation	12	—
Information technology cost	26	100
Others	9,693	10,632
Total	11,632	14,622

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SCHEDULE - 4 BENEFITS PAID (NET)

For the year ended March 31, 2008

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	62,474	12,706	150,881	7,092	–	458,816	90,710	16,582	799,261
(b) Claims by maturity	3	94,816	209,220	–	–	–	–	–	304,039
(c) Annuities/Pension payment	–	–	–	242,789	–	–	–	–	242,789
(d) Other benefits									
– Surrender	69,805	62,386	69,641	–	–	13,119,401	2,763,360	2,466,470	18,551,063
– Survival	225,774	–	4,084	–	–	–	–	–	229,858
– Rider	13,511	1,062	2,885	–	–	48,162	1,661	–	67,281
– Health	–	–	1,144	–	35,504	–	–	–	36,648
Sub-Total (A)	371,567	170,970	437,855	249,881	35,504	13,626,379	2,855,731	2,483,052	20,230,939
2. Amount ceded in reinsurance									
(a) Claims by death	(3,369)	(109)	(66,941)	–	–	–	–	(3,235)	(73,654)
(b) Claims by maturity	–	–	–	–	–	–	–	–	–
(c) Annuities/Pension payment	–	–	–	–	–	–	–	–	–
(d) Other benefits									
– Surrender	–	–	–	–	–	–	–	–	–
– Survival	–	–	–	–	–	–	–	–	–
– Rider	–	–	–	–	–	–	–	–	–
– Health	–	–	–	–	(8,626)	–	–	–	(8,626)
Sub-Total (B)	(3,369)	(109)	(66,941)	–	(8,626)	–	–	(3,235)	(82,280)
Total (A) + (B)	368,198	170,861	370,914	249,881	26,878	13,626,379	2,855,731	2,479,817	20,148,659
Benefits paid to claimants: in India	371,567	170,970	437,855	249,881	35,504	13,626,379	2,855,731	2,483,052	20,230,939
Total	371,567	170,970	437,855	249,881	35,504	13,626,379	2,855,731	2,483,052	20,230,939

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)	–	–	(3,837)	–	(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

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SCHEDULE - 5 SHARE CAPITAL

Particulars	March 31, 2008	March 31, 2007
Authorised capital :		
Equity shares of Rs. 10 each Issued, Subscribed & Called up capital	15,000,000	15,000,000
Equity Shares of Rs. 10 each fully paid up	14,011,137	13,123,015
Total	14,011,137	13,123,015

Of the total share capital, 1,034,958,845 shares (Previous Year: 969,328,571) of Rs. 10/- each are held by the holding company, ICICI Bank Limited and its nominees.

SCHEDULE - 5A PATTERN OF SHAREHOLDING [As certified by the Management]

Shareholder	March 31, 2008		March 31, 2007	
	Number of Shares	% of Holding	Number of Shares	% of Holding
Promoters				
Indian (ICICI Bank Limited)	1,034,958,845	73.87	969,328,571	73.87
Foreign (Prudential Corporation Holdings Limited)	363,634,188	25.95	340,574,903	25.95
Others	2,520,690	0.18	2,398,061	0.18
Total	1,401,113,723	100.00	1,312,301,535	100.00

SCHEDULE - 6 RESERVES AND SURPLUS

Particulars	March 31, 2008	March 31, 2007
Capital reserves	-	-
Capital redemption reserve	-	-
Share premium	23,713,076	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	23,713,076	7,593,813

SCHEDULE - 7 BORROWINGS

Particulars	March 31, 2008	March 31, 2007
Debentures/Bonds	-	-
Banks	-	-
Financial Institutions	-	-
Others	-	-
Total	-	-

SCHEDULE - 8 INVESTMENTS – SHAREHOLDERS

Particulars	March 31, 2008	March 31, 2007
LONG TERM INVESTMENTS		
Government Securities*	451,471	144,930
(Market value of current year: Rs. 444,531 thousands)		
(Market value previous year: Rs. 136,413 thousands)		
Other investments:		
Equity (Historical value of current year: Rs. 27,459 thousands)	35,530	886,933
(Historical value previous year: Rs. 685,257 thousands)		
CCIL Deposit	3,991	1,393
Investments in Infrastructure/Social Sector Investments:		
Equity (Historical value of current year: Rs. 0.00)	-	36,785
(Historical value previous year: Rs. 30,886 thousands)		
Debentures/Bonds (Market value of current year: Rs. 0.00)	-	49,059
(Market value previous year: Rs. 47,586 thousands)		
Other than Approved Investments:		
Equity (Historical value of current year: Rs. 862 thousands)	2,611	247,754
(Historical value previous year: Rs. 164,291 thousands)		
Debentures/Bonds (Market value of current year: Rs. 35,750 thousands)	37,166	87,160
(Market value previous year: Rs. 47,586 thousands)		
SHORT TERM INVESTMENTS		
Government Securities		
(Market value of current year: Rs. 639,922 thousands)	639,837	1,568
(Market value previous year: Rs. 1,568 thousands)		
Other investments:		
Debentures/Bonds (Market value of current year: Rs. 0.00)	-	-
(Market value of previous year: Rs. 0.00)		
Fixed Deposits/Certificate of Deposits	100,000	-
Commercial Papers	-	5,592
Reverse Repo	79,498	887
Investments in Infrastructure/Social Sector Investments:		
Debentures/Bonds (Market value of current year: Rs. 49,955 thousands)	49,975	90,992
(Market value previous year: Rs. 89,449 thousands)		
Other than Approved Investments:		
Debentures/Bonds (Market value of current year: Rs. 49,993 thousands)	50,000	14,123
(Market value previous year: Rs. 13,366 thousands)		
Mutual Fund units at Fair value (Market value of current year: Rs. 660,112 thousands)	660,112	-
Total	2,110,191	1,567,176
In India	2,110,191	1,567,176
Total	2,110,191	1,567,176

* Includes Rs. 100,050 thousands of securities under Section 7 of Insurance Act, 1938 (Previous year: Rs. 100,500 thousands) - Refer note 3.9 of Schedule 16)

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(Rs. in 000's)

SCHEDULE - 8A INVESTMENTS - POLICYHOLDERS

Particulars	March 31, 2008								
	Par Life	Par Pension	Non-Par	Annuities Non-Par	Health	Linked Life	Linked Pension	Linked Group	Total
LONG TERM INVESTMENT									
Government Securities (Market value: Rs. 15,205,077 thousands)	6,738,570	2,258,955	1,436,766	1,655,986	130,292	2,522,498	990,810	25,118	15,758,995
Other investments:									
Equity (Historical value: Rs. 2,447,415 thousands)	2,541,775	893,610	–	455,249	–	–	–	–	3,890,634
Preference Shares (Market value: Rs.3,184 thousands)	–	2,995	–	–	–	–	–	–	2,995
Debentures/Bonds (Market value: Rs.2,074,043 thousands)	941,470	136,447	199,708	264,929	4,000	410,694	95,634	14,924	2,067,806
Property (Historical value: Rs. 185,521 thousands)	251,260	250,580	–	–	–	–	–	–	501,840
CCIL Deposit	–	–	–	–	–	5,797	1,758	1,053	8,608
Fixed Deposits/Certificate of Deposits	–	–	250,100	–	–	85,000	85,000	5,000	425,100
Investments in Infrastructure/Social Sector Investments:									
Equities (Historical value: Rs. 46,574 thousands)	68,061	34,574	–	11,855	–	–	–	–	114,490
Debentures/Bonds (Market value: Rs. 5,370,883 thousands)	1,946,208	319,294	694,798	1,366,061	144,811	630,500	302,424	24,027	5,428,123
Term Loans	–	–	2,001	–	10,007	100,066	30,020	–	142,094
Other than Approved Investments:									
Equity (Historical value Rs. 2,61,214 thousands)	525,267	–	–	–	–	–	–	–	525,267
Venture Fund (Market value: Rs. 686,418 thousands)	685,000	–	–	–	–	–	–	–	685,000
Debentures/Bonds (Market value: Rs. 691,237 thousands)	202,513	–	392,000	–	–	50,000	50,000	–	694,513
SHORT TERM INVESTMENT									
Government Securities (Market value: Rs. 1,268,879 thousands)	–	–	90,531	–	28,380	980,350	150,404	22,546	1,272,211
Other investment:									
Debentures/Bonds (Market value: Rs. 98,192 thousands)	–	–	51,672	–	–	46,819	–	–	98,491
Fixed Deposits/Certificate of Deposits	–	–	151,250	115,436	23,250	383,300	252,600	14,600	940,436
Commercial Papers	–	–	–	–	–	–	48,979	–	48,979
Reverse Repo	–	153,700	–	36,305	–	–	–	–	190,005
Investments in Infrastructure/Social Sector Investments:									
Debentures/Bonds (Market value: Rs. 563,588 thousands)	120,652	–	52,286	–	35,650	186,852	169,363	1,490	566,293
Other than Approved Investments:									
Debentures/Bonds (Market value: Rs. 49,449 thousands)	–	–	49,997	–	–	–	–	–	49,997
Mutual Fund at Fair value (Market value: Rs. 1,081,172 thousands)	111,260	–	220,432	–	2,752	505,360	216,188	25,180	1,081,172
Total	14,132,036	4,050,155	3,591,541	3,905,821	379,142	5,907,236	2,393,180	133,938	34,493,049
In India	14,132,036	4,050,155	3,591,541	3,905,821	379,142	5,907,236	2,393,180	133,938	34,493,049
Total	14,132,036	4,050,155	3,591,541	3,905,821	379,142	5,907,236	2,393,180	133,938	34,493,049

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(Rs. in 000's)

SCHEDULE - 8A INVESTMENTS – POLICYHOLDERS (Continued)

March 31, 2007

Particulars	March 31, 2007								
	Par Life	Par Pension	Non-Par	Annuities 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: Rs. 9,815,316 thousands)									
Other Investments:									
Equity	2,034,969	754,957	–	175,726	–	–	–	–	2,965,652
(Historical value: Rs. 2,139,284 thousands)									
Debentures/Bonds	500,189	111,500	224,836	179,921	4,000	213,567	22,227	1,900	1,258,140
(Market value: Rs. 1,225,360 thousands)									
CCIL Deposit	1,810	601	163	22	2	91	19	7	2,715
Fixed Deposits	–	–	387,350	–	7,250	88,300	27,600	4,600	515,100
Property	251,260	250,580	–	–	–	–	–	–	501,840
Investments in Infrastructure and Social Sector:									
Equity	67,298	48,894	–	2,508	–	–	–	–	118,700
(Historical value: Rs. 94,601 thousands)									
Debenture/Bonds	1,645,528	177,134	185,615	800,560	5,908	132,771	110,871	7,141	3,065,528
(Market value: Rs. 2,909,728 thousands)									
Other than Approved Investments:									
Equity	475,278	–	–	–	–	–	–	–	475,278
(Historical value: Rs. 310,750 thousands)									
Venture Fund	400,000	–	–	–	–	–	–	–	400,000
(Historical value: Rs. 400,000 thousands)									
Debentures/Bonds	53,682	–	49,989	–	–	–	–	–	103,671
(Market value: Rs. 90,524 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: Rs. 2,069,918 thousands)									
Other Investments:									
Debentures/ Bonds	–	–	29,591	–	–	64,079	–	–	93,670
(Market value: Rs. 91,817 thousands)									
Certificate of Deposit	–	–	–	–	–	1,273	97,426	–	98,699
Commercial Papers	–	–	6,994	–	535	140,958	24,666	10,361	183,514
Fixed Deposits	–	–	41,100	–	8,000	44,800	16,600	2,300	112,800
Reverse Repo	16,464	145,215	52,107	142,256	10	47,670	30	10	403,762
Investment in Infrastructure and Social Sector:									
Debentures/ Bonds	206,990	–	212,989	–	–	241,061	8,507	2,002	671,549
(Market value: 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

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(Rs. in 000's)

SCHEDULE - 8B ASSETS HELD TO COVER LINKED LIABILITIES

Particulars	March 31, 2008			Total
	Linked Funds	Linked Pension Funds	Linked Group Funds	
LONG-TERM INVESTMENTS				
Government Securities	3,036,070	1,046,667	841,664	4,924,401
(Historical value: Rs. 5,104,138 thousands)				
Other Investments:				
Equity	112,459,205	36,829,675	2,078,165	151,367,045
(Historical value: Rs. 133,238,997 thousands)				
Preference Shares	87,210	24,731	178	112,119
(Historical value: Rs. 105,475 thousands)				
Debentures/Bonds	5,489,652	1,644,186	2,250,851	9,384,689
(Historical value: Rs. 9,333,699 thousands)				
Long term fixed deposit	674,545	264,370	386,085	1,325,000
(Historical value: Rs. 1,325,000 thousands)				
Investments in Infrastructure and Social Sector				
Equity	3,012,443	1,593,709	28,673	4,634,825
(Historical value: Rs. 4,805,634 thousands)				
Debenture/Bonds	6,353,775	2,014,430	2,672,858	11,041,063
(Historical value: Rs. 11,046,416 thousands)				
Term Loans	175,015	40,026	143,194	358,235
(Historical value: Rs. 358,308 thousands)				
Other than Approved Investments:				
Equity	19,691,602	8,426,504	375,873	28,493,979
(Historical value: Rs. 26,945,119 thousands)				
Venture Fund	15,250	-	-	15,250
(Historical value: Rs. 15,000 thousands)				
Debentures/Bonds	974,273	363,951	348,191	1,686,415
(Historical value: Rs. 1,671,126 thousands)				
SHORT-TERM INVESTMENTS				
Government Securities	25,122	11,346	25	36,493
(Historical value: Rs. 42,621 thousands)				
Other Investments:				
Debentures/Bonds	1,560,986	514,046	787,051	2,862,083
(Historical value: Rs. 2,870,292 thousands)				
Certificate of Deposit	4,079,966	1,581,165	2,384,916	8,046,047
(Historical value: Rs. 7,970,319 thousands)				
Commercial Papers	1,116,956	291,462	801,514	2,209,932
(Historical value: Rs. 2,163,744 thousands)				
Fixed Deposits	2,623,602	717,237	1,284,159	4,624,998
(Historical value: Rs. 4,625,000 thousands)				
Reverse Repo	1,503,717	1,373,798	-	2,877,515
(Historical value: Rs. 2,877,515 thousands)				
Investment in Infrastructure and Social Sector:				
Debentures/Bonds	949,960	303,882	496,238	1,750,080
(Historical value: Rs. 1,733,474 thousands)				
Other than Approved Investments:				
Debentures/Bonds	523,934	141,053	195,805	860,792
(Historical value: Rs. 844,664 thousands)				
Mutual Fund units at Fair value	4,059,200	1,137,756	878,160	6,075,116
(Historical value: Rs. 6,075,116 thousands)				
Net Current Asset	2,524,323	1,666,888	1,784,246	5,975,457
Total	170,936,806	59,986,882	17,737,846	248,661,534
In India	170,936,806	59,986,882	17,737,846	248,661,534
Total	170,936,806	59,986,882	17,737,846	248,661,534

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(Rs. in 000's)

SCHEDULE - 8B ASSETS HELD TO COVER LINKED LIABILITIES (Continued)

Particulars	March 31, 2007			Total
	Linked Funds	Linked Pension Funds	Linked Group Funds	
LONG-TERM INVESTMENTS				
Government Securities				
(Historical value: Rs. 1,943,953 thousands)	1,259,678	443,350	209,582	1,912,610
Other Investments:				
Equity	59,313,212	13,042,496	1,262,277	73,617,985
(Historical value: Rs. 63,891,449 thousands)				
Debentures/Bonds	3,862,556	1,140,069	996,515	5,999,140
(Historical value: Rs. 6,104,783 thousands)				
Long term fixed deposit	564,429	173,874	161,697	900,000
(Historical value: Rs. 900,000 thousands)				
SGF Deposit	5,706	1,739	1,047	8,492
(Historical value: Rs. 8,492 thousands)				
Investments in Infrastructure and Social Sector				
Equity	1,602,566	235,590	13,785	1,851,941
(Historical value: Rs. 1,926,848 thousands)				
Debentures/Bonds	1,878,024	539,471	467,684	2,885,179
(Historical value: Rs. 2,966,437 thousands)				
Other than Approved Investments:				
Equity	8,983,044	2,406,154	219,068	11,608,266
(Historical value: Rs. 7,855,508 thousands)				
Debentures/Bonds	960,101	319,756	175,895	1,455,752
(Historical value: Rs. 1,482,806 thousands)				
SHORT TERM INVESTMENTS				
Government Securities				
(Historical value: Rs. 1,421 thousands)	708	-	648	1,356
Other Investments:				
Debentures/Bonds	2,730,667	706,125	303,376	3,740,168
(Historical value: Rs. 3,791,274 thousands)				
Certificate of Deposit	3,728,750	1,141,566	1,120,749	5,991,065
(Historical value: Rs. 5,892,684 thousands)				
Commercial Papers	1,195,092	317,816	440,108	1,953,016
(Historical value: Rs. 1,880,867 thousands)				
Fixed Deposits	7,116,854	2,207,216	2,113,330	11,437,400
(Historical value: Rs. 1,1437,400 thousands)				
Reverse Repo	1,222,776	310,864	71,749	1,605,389
(Historical value: Rs. 1,605,390 thousands)				
Investment in Infrastructure and Social Sector:				
Debentures/Bonds	1,378,169	466,649	380,974	2,225,792
(Historical value: Rs. 2,239,722 thousands)				
Other than Approved Investments:				
Debentures/Bonds	894,101	458,147	114,832	1,467,080
(Historical value: Rs. 1,473,328 thousands)				
Mutual Fund units at Fair value	404,140	-	-	404,140
(Historical value: Rs. 404,000 thousands)				
Net Current Asset	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 - 9 LOANS

Particulars	March 31, 2008	March 31, 2007
1. SECURITY-WISE CLASSIFICATION		
<i>Secured</i>		
(a) On mortgage of property		
(aa) In India	6,315	10,372
(bb) Outside India	-	-
(b) On Shares, Bonds, Govt Securities, etc.	-	-
(c) Loans against policy	31,620	30,021
(d) Others	-	-
<i>Unsecured</i>	-	-
Total	37,935	40,393
2. BORROWER WISE CLASSIFICATION		
(a) Central and State Governments	-	-
(b) Banks and Financial Institutions	-	-
(c) Subsidiaries	-	-
(d) Companies	6,315	10,372
(e) Loans against policies	31,620	30,021
(f) Loans to employees	-	-
Total	37,935	40,393

Particulars	March 31, 2008	March 31, 2007
3. PERFORMANCE-WISE CLASSIFICATION		
(a) Loans classified as standard		
(aa) In India	37,935	40,393
(bb) Outside India	-	-
(b) Non-standard loans less provisions	-	-
(aa) In India	-	-
(bb) Outside India	-	-
Total	37,935	40,393
4. MATURITY-WISE CLASSIFICATION		
(a) Short-Term	4,058	4,068
(b) Long-Term	33,877	36,325
Total	37,935	40,393

SCHEDULE - 10 FIXED ASSETS

Particulars	Gross Block (at cost)				Depreciation				Net Block	
	As at March 31, 2007	Additions	Deductions	As at March 31, 2008	Upto March 31, 2007	For the year	Deductions	Upto March 31, 2008	As at March 31, 2008	As at March 31, 2007
Freehold Land	903,280	-	-	903,280	-	-	-	-	903,280	903,280
Office Buildings on Freehold Land	89,000	-	-	89,000	89	1,370	-	1,459	87,541	88,911
Improvements to Leasehold Property	1,227,101	1,062,881	48,030	2,241,952	282,100	226,146	11,245	497,001	1,744,951	945,002
Furniture and Fixtures	93,744	9,823	192	103,375	81,002	8,249	191	89,060	14,315	12,742
Office Equipments	186,695	22,042	-	208,737	171,537	13,094	-	184,631	24,106	15,158
Information Technology Equipment	154,782	1,981	34,103	122,660	150,594	3,529	34,103	120,020	2,640	4,188
Software	122,328	66,180	-	188,508	90,043	21,987	-	112,030	76,478	32,285
Networks	38,221	247	-	38,468	34,043	2,192	-	36,235	2,233	4,178
Vehicles	2,479	5,990	629	7,840	554	1,705	37	2,222	5,618	1,925
Total	2,817,630	1,169,144	82,954	3,903,820	809,962	278,272	45,576	1,042,658	2,861,162	2,007,669
Capital work in progress including capital advances.									416,207	186,770
Total									3,277,369	2,194,439
<i>Previous year</i>	<i>1,261,540</i>	<i>1,609,639</i>	<i>53,548</i>	<i>2,817,631</i>	<i>665,935</i>	<i>188,041</i>	<i>44,014</i>	<i>809,962</i>		

SCHEDULE - 11 CASH AND BANK BALANCES

Particulars	March 31, 2008	March 31, 2007
Cash (including cheques, drafts and stamps)	2,986,791	1,851,229
Bank Balance		
(a) Deposit Account:		
(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
(bb) Others	-	-
(b) Current accounts	3,178,289	2,972,598
Money at call and short notice	-	-
Others	-	-
Total	6,165,080	4,823,827
CASH & BANK BALANCES		
In India	6,125,453	4,822,719
Outside India	39,627	1,108
Total	6,165,080	4,823,827

SCHEDULE - 12 ADVANCES AND OTHER ASSETS

Particulars	March 31, 2008	March 31, 2007
ADVANCES		
Prepayments	230,952	83,307
Advance tax paid and taxes deducted at source	6,905	539
Deposits	756,216	325,320
Other advances	783,574	502,285
Other receivables	19,235	208,935
Total (A)	1,796,882	1,120,386
OTHER ASSETS		
Income accrued on investments & deposits	673,457	358,642
Outstanding premiums	176,725	147,343
Deposit with Reserve Bank of India (refer to note 3.9 of Schedule 16)	-	-
Sundry Debtors (Investments)	-	83,648
Service Tax un-utilised credit	1,799,518	649,260
Application money for investments	100,000	-
Total (B)	2,749,700	1,238,893
Total (A+B)	4,546,582	2,359,279

schedules



forming part of the financial statements

Continued

(Rs. in 000's)

SCHEDULE - 13 CURRENT LIABILITIES

Particulars	March 31, 2008	March 31, 2007
Agents' balances (net)	579,617	499,918
Sundry creditors	205,132	117,687
Deposits	5,981	5,981
Expenses payable	4,972,409	2,503,375
Reinsurance premium payable	110,271	73,462
Due to holding company	562,844	590,444
TDS payable	467,758	248,421
Claims outstanding	80,468	37,348
Unallocated premium (Suspense)	1,101,915	1,739,821
Premium received in advance	1,047,158	204,898
Outstanding purchases (Investments)	212,120	5,989
Other liabilities	6,736,200	3,920,470
Total	16,081,873	9,947,814

SCHEDULE - 16

Significant accounting policies and notes forming part of the accounts for the year ended March 31, 2008

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, brokers & the direct marketing channel.

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') prescribed in the Companies (Accounting Standards) Rules, 2006, 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. Accounting policies applied have been consistent with previous year except where different treatment is required as per new pronouncements made by the regulatory bodies.

The management evaluates all recently issued or revised accounting pronouncements on an ongoing basis.

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.

SCHEDULE - 14 PROVISIONS

Particulars	March 31, 2008	March 31, 2007
For taxation - Fringe benefit tax	58,254	-
For proposed dividends	-	-
For dividend distribution tax	-	-
Provision for Service Tax un-utilised credit	1,799,518	649,260
Provision for Leave Encashment and Gratuity	152,090	113,269
Total	2,009,862	762,529

SCHEDULE - 15 MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

Particulars	March 31, 2008	March 31, 2007
Discount allowed in issue of shares/ debentures	-	-
Others	-	-
Total	-	-

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.

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 net of expenses 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 net of expenses and the book cost, 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 net of expenses & the book cost computed on weighted average basis. 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, on a straight line basis, over the lease term.

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 & surrenders 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.

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.

Bonus entitlements are recognised as investments on the 'ex- bonus date'.

Rights entitlements are recognised as investments on the 'ex-rights date'.

Any front end discount on privately placed investments is reduced from the cost of such investments.

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

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

Debt securities other than Government securities with a residual maturity over 182 days are valued on a yield to maturity basis, by using spreads over the benchmark rate to arrive at the yield for pricing the security.

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

Securities issued by Government of India are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL').

State Government securities with residual maturity over 182 days are valued at cost. However such securities with residual maturity upto 182

days are valued at historical cost subject to amortisation of premium or accretion of discount.

Money market instruments are valued at historical cost, subject to amortisation of premium or accretion of discount over the period of maturity/holding on a straight-line basis.

Listed equity shares are valued at market 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). 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.

Mutual fund units are valued at the previous day's net asset values.

Venture fund units are valued at the latest available net asset values.

Securities with call option are valued at the lower of the value as obtained by valuing the security to final maturity and valuing the security to call option. In case there are multiple call options, the lowest value obtained by valuing to the various call dates and valuing to the maturity date is taken as the value of the instrument.

Securities with put option are valued at the higher of the value as obtained by valuing the security to final maturity and valuing the security to put option. In case there are multiple put options, the highest value obtained by valuing to the various put dates and valuing to the maturity date is taken as the value of the instrument.

The securities with both put and call option on the same day would be deemed to mature on the put/call day and would be valued at the prevailing market price.

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

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. Subsequent expenditure incurred on fixed assets are expensed out except where such expenditure increases the future benefits from the existing assets. Assets costing upto Rs. 5,000 (Rupees five 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	15%
Motor Vehicles	20%

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 4 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. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

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 including escalations are recognised as an expense, on a straight line basis, over the lease term.

2.12 Staff benefits

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 Guidance issued by the Institute of Chartered Accountants of India (ICAI) on implementing AS 15, Employee Benefits (revised 2005) states that the provident funds set up by employers, which requires interest shortfall to be met by the employer, needs to be treated as defined benefit plan. Pending the issuance of the Guidance Note in this respect by the Actuarial Society of India, the Company's consulting actuary has expressed his inability to reliably measure the provident fund liability. Accordingly, the Company is unable to exhibit the related disclosures.

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" prescribed in the Companies (Accounting Standards) Rules, 2006, 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 amortisation), 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

Income tax expense comprises of current tax (i.e. amount of tax for the period determined in accordance with the income tax law), deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and fringe benefit tax (computed in accordance with the relevant provisions of the Income Tax Act, 1961).

Provision for current income tax is made based on the estimated tax liability computed after taking credit for allowances and exemptions in accordance with the Income Tax Act, 1961.

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. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation law, deferred tax assets are recognised only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/virtual certain (as the case may be) to be realised.

Provision for Fringe benefit tax (FBT) has been recognised on the basis of harmonious contextual interpretation of the provision of Income Tax Act, 1961 and in accordance with the guidance note on accounting for fringe benefits tax issued by the Institute of Chartered Accountants of India.

2.16 Service tax unutilised 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 options are accounted on intrinsic value basis & accordingly the intrinsic value of 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 makes a provision when there is a 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 of a contingent liability is made when there is a possible obligation or present obligations that may, but probably will not, require an outflow of resources or it cannot be reliably estimated. 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.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc are recorded when it is possible that a liability has been incurred and the amount can be reasonably estimated.

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 Unit Linked 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 appropriations – 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 appropriates FFA from the Revenue Account.

3. Notes to accounts

3.1 Contingent liabilities

(Rs. in 000's)

Particulars	As at March 31, 2008	As at March 31, 2007
Partly-paid up investments	-	70,177
Underwriting commitments outstanding	-	-
Claims, other than those under policies, not acknowledged as debts	2,196	1,063
Guarantees given by or on behalf of the company	-	-
Statutory demands/liabilities in dispute, not provided for	1,669	85,694*
Reinsurance obligations to the extent not provided for in accounts	-	-
Others – Policy related claims under litigation	30,379	12,576

* Company had received a Show Cause- Cum-Demand notice from Office of the Commissioner of Service Tax with respect to excess utilisation of Cenvat credit towards service tax liability, the same has however been withdrawn vide order dated January 17, 2008.

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.

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. Morbidity rates used are based on CIBT 93 table, adjusted for expected experience, or on risk rates supplied by reinsurers.

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

The greater of a liability calculated using discounted cash flows and unearned premium reserves are held for the unexpired portion of the risk for the general fund liabilities of linked business and attached riders. An unearned premium reserve is held for 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. The units held in respect of lapsed policies are divided into a revival reserve, which contributes to liabilities, and a fund for future appropriation, which contributes to regulatory capital.

3.3 Encumbrances of assets

The assets of the Company are free from all encumbrances as at March 31, 2008 (Previous year: Rs. Nil).

3.4 Assets to be deposited under local laws

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, 2008 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. 312,072 thousand (Previous year: Rs. 63,051 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, 2008 amount to Rs. 2,499 thousand (Previous year: Rs. 4,943 thousand).

3.8 Managerial remuneration

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

(Rs. in 000's)

Particulars	March 31, 2008	March 31, 2007
Salary, perquisites and bonus	55,760	29,887
Contribution to Provident Fund	1,800	1,248

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, 2008	March 31, 2007
7.40% Govt. of India Securities*	90,050	90,050
12.32% Govt. of India Securities*	10,000	10,000
Total	100,050	100,050

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

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

(Rs. in 000's)

Particulars	March 31, 2008		March 31, 2007	
	Linked business	Non linked business	Linked business	Non linked business
Purchases where deliveries are pending	7,624,260	212,120	1,945,226	5,989
Sales where receipts are pending	5,061,149	-	552,315	83,648

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, the Company's real estate investments have been revalued by an independent valuer as of March 27, 2007. The value of real estate investment based on the valuation report 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).

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3.12 Sector-wise percentage of business

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

Sector	March 31, 2008	March 31, 2007
Rural – Number of policies	637,867	434,005
– Percentage of total policies	22%	22%
Social – Number of policies	6	54
– Percentage of total policies	0.0002%	0.0028%
– Number of lives	35,491	117,709
– Percentage of group lives	3%	21%
– Gross premium (Rs. '000)	1,565	19,833
– Percentage of total premium	0.002%	0.04%
Total – Number of policies	2,913,606	1,960,034
– Number of group lives	1,067,087	551,101
– Gross premium (Rs. '000)	80,347,511	51,621,312

3.13 Risks retained and reinsured

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

Particulars	March 31, 2008	March 31, 2007
Individual business		
Risk retained	82%	91%
Risk reinsured	18%	9%
Group business		
Risk retained	30%	60%
Risk reinsured	70%	40%

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, 2008, Rs. 2,170,774 thousand represents asset on carry forward unabsorbed losses (Previous year: Rs. 690,004 thousand).

Deferred Tax Asset has been created on the basis of the profit on the existing book of contracts which is virtually certain of arising, subject to some amount of lapsation determined by the appointed actuary.

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 over the lease term on a straight line basis. 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, 2008	March 31, 2007
Not later than one year	571,149	314,888
Later than one year but not later than five years	1,580,872	693,501
Later than five years	–	–

The total operating lease rentals charged to profit and loss account in the current year is Rs. 587,168 thousand (Previous year Rs. 216,640 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 Holding Limited
Fellow Subsidiaries / Other entities	ICICI Securities Limited ICICI Venture Funds Management Company Limited ICICI Home Finance Company Limited ICICI Lombard General Insurance Company Limited ICICI Trusteeship Services Limited ICICI Securities Primary Dealership Limited ICICI Securities Inc. ICICI Securities Holding Inc. ICICI Investment Management Company Limited ICICI International Limited ICICI Bank UK PLC ICICI Bank Canada ICICI Wealth Management Company Limited ICICI Bank Eurasia Limited Liability Company ICICI Prudential Asset Management Company Limited ICICI Prudential Trust Limited ICICI Property Trust ICICI Eco-net Internet and Technology Fund ICICI Equity Fund ICICI Emerging Sectors Fund ICICI Strategic Investments Fund TCW / ICICI Investment Partners Limited Liability Company TSI Ventures (India) Private Limited ICICI Kinfra Limited ICICI West Bengal Infrastructure Development Corporation Limited Financial Information Network & Operations Limited
Key management personnel	Shikha Sharma, Managing Director N. S. Kannan, Executive Director Bhargav Dasgupta, Executive Director
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

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

Transactions for the year ended March 31, 2008:

(Rs. in 000's)

Particulars	Holding company	Fellow subsidiaries/ Other entities	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Income					
Premium income	90,449	15,302	–	468	8,350
Interest income	335,036	7,927	–	–	–
Expenses					
Establishment & other expenditure ¹	3,466,228	246,599	–	57,560	–
Provident fund, Superannuation and Gratuity contribution	–	–	–	–	264,580
Claims	25,000	3,325	–	–	–
Others					
Share capital issued during the year	656,303	–	230,593	–	–
Share Premium	11,923,697	–	4,189,407	–	–
Purchase of securities ²	6,915,954	6,001,905	–	–	–
Sale of securities ³	2,996,315	2,397,217	–	–	–
Repo transactions ⁴	400,681	6,066,191	–	–	–
Purchase of Fixed Asset	23,475	–	–	–	–

¹ Establishment & other expenditure include expenses for sharing of common services and facilities, consultancy fees, insurance commission, insurance premium, brokerage, business support and managerial remuneration. Expense also includes Rs. 37,995 thousand for brokerage paid to ICICI Securities Limited which is included in the cost of Investments.

² Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 4,444,208 thousand.

³ Includes transactions with ICICI Securities Primary Dealership Limited & ICICI Securities Limited of Rs. 1,494,140 thousand & Rs. 653,590 thousand respectively.

⁴ Transacted with ICICI Securities Primary Dealership Limited.

Balances of Related parties as at March 31, 2008:

(Rs. in 000's)

Particulars	Holding company	Fellow subsidiaries/ Other entities	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Assets					
Long term fixed Deposits & Corporate bonds/deposits ¹	3,474,398	957,905	–	–	–
Cash & Bank balances	2,653,098	–	–	–	–
Income accrued on investments	73,218	6,127	–	–	–
Other assets ²	26,196	44,853	–	–	–
Liabilities					
Share capital	10,349,588	–	3,636,342	–	–
Share premium	17,469,412	–	6,137,901	–	–
Other liabilities	564,647	20,165	–	–	–

¹ Includes investment in debentures of ICICI Home Finance Company Limited of Rs. 756,368 thousand.

² Includes advance premium of Rs. 39,347 thousand paid to ICICI Lombard General Insurance Company.

Transactions for the year ended March 31, 2007:

(Rs. in 000's)

Particulars	Holding company	Fellow subsidiaries/ Other entities	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Income					
Premium income ¹	31,024	7,890	–	800	10,374
Interest income	191,050	14,075	–	–	–
Expenses					
Establishment & other expenditure ²	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 ³	5,225,138	5,693,062	–	–	–
Sale of securities ⁴	467,429	3,284,119	–	–	–
Repo transactions ⁵	1,200,380	9,202,635	–	–	–
Purchase of Fixed Asset	945,000	–	–	–	–

¹ Includes Rs. 6,957 thousand received from ICICI Lombard General Insurance Company.

² Establishment & other expenditure include expenses for sharing of common services and facilities, consultancy fees, insurance commission, insurance premium, brokerage, business support and managerial remuneration.

³ Includes transactions with ICICI Securities Primary Dealership Limited of Rs. 5,440,797 thousand.

⁴ Includes transactions with ICICI Securities Primary Dealership Limited & ICICI Lombard General Insurance Company of Rs. 2,627,024 thousand & Rs. 657,095 thousand respectively.

⁵ Transacted with ICICI Securities Primary Dealership Limited.

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Balances of Related Parties as at March 31, 2007:

(Rs. in 000's)

Particulars	Holding company	Fellow subsidiaries/ Other entities	Companies having Substantial Interest	Key Management Personnel	Companies having Significant Influence
Assets					
Long term fixed deposits & Corporate bonds / Deposits ¹	629,963	146,675	–	–	–
Cash, Bank balances and Deposits	3,575,194	–	–	–	–
Income accrued on investments	74,143	3,337	–	–	–
Other assets ²	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	–	–	–

¹ Includes investment in debentures of ICICI Securities Limited of Rs. 146,675 thousand.

² Includes advance premium of Rs. 27,459 thousand paid to ICICI Lombard General Insurance Company.

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. 3,277,368 thousand (Previous year Rs. 2,194,439 thousand) are disclosed in shareholders segment. Depreciation expense has been allocated as disclosed in Note 2.14.

Segment wise information of current assets, loans, 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, 2008	March 31, 2007	March 31, 2008	March 31, 2007
Shareholders	10,687,330	5,376,010	8,289,301*	4,473,401*
Par Life	519,903	377,587	320,894	335,215
Par Pension	134,807	89,472	63,365	68,265
Non-Par	456,571	169,798	718,306	232,206
Annuity Non-Par	302,228	41,707	123,075	17,574
Health	75,590	40,559	326,490	140,479
Linked Life	522,885	1,550,897	5,861,634	4,350,074
Linked Pension	213,813	249,327	2,264,430	1,042,988
Linked Group	7,245	18,147	125,343	50,141
Total	12,920,372	7,913,504	18,092,838	10,710,343

* Includes amounts subsequently transferred to the respective schemes under linked business.

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

(Rs. in 000's)

Business Segments	March 31, 2008	March 31, 2007
Shareholders	(61,413)	(61,016)
Par Life	25,042	24,024
Par Pension	10,493	12,263
Non-Par	(2,585)	(2,266)
Annuity Non-Par	(2,595)	(789)
Health	(8,592)	(276)
Linked Life	(39,749)	(175)
Linked Pension	(30,014)	(1,835)
Linked Group	(1,505)	(866)
Total	(110,918)	(30,936)

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3.18 FUND BALANCE SHEET AS AT MARCH 31, 2008

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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
SOURCES OF FUNDS														
Policyholders' Funds:														
Policyholder contribution	F-1	16,395,721	7,808,124	72,538,052	1,936,635	195,618	1,092,233	869,645	920,346	27,987,684	902,581	1,492,801	5,994,628	138,134,068
Revenue Account		7,353,792	1,489,577	24,722,766	(5,489)	12,577	260,349	64,290	20,207	(415,549)	27,081	33,896	(760,759)	32,802,738
Total		23,749,513	9,297,701	97,260,818	1,931,146	208,195	1,352,582	933,935	940,553	27,572,136	929,662	1,526,697	5,233,869	170,936,806
APPLICATION OF FUNDS														
Investments	F-2	22,895,609	8,900,068	97,209,031	1,808,956	194,757	1,340,564	925,453	982,190	27,170,517	916,632	1,121,337	4,947,369	168,412,483
Current Assets	F-3	1,154,757	494,772	2,907,925	142,110	15,584	26,324	39,823	38,026	1,265,605	60,559	589,041	646,553	7,381,079
Less: Current Liabilities and Provisions	F-4	300,853	97,139	2,856,138	19,920	2,146	14,306	31,341	79,663	863,986	47,529	183,681	360,054	4,856,756
Net current assets		853,904	397,633	51,787	1,22,190	13,438	12,018	8,482	(41,637)	401,619	13,030	405,360	286,499	2,524,323
Total		23,749,513	9,297,701	97,260,818	1,931,146	208,195	1,352,582	933,935	940,553	27,572,136	929,662	1,526,697	5,233,868	170,936,806
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. in 000's)		23,749,513	9,297,701	97,260,818	1,931,146	208,195	1,352,582	933,935	940,553	27,572,136	929,662	1,526,697	5,233,868	170,936,806
(b) Number of Units outstanding (Rs. in 000's)		1,010,785	644,520	2,365,395	153,930	16,398	105,101	62,041	73,565	2,216,959	79,758	144,404	620,631	7,493,487
(c) NAV per Unit (a)/(b) (Rs.)		23.50	14.43	41.12	12.55	12.70	12.87	15.05	12.79	12.44	11.66	10.57	8.43	

(Rs. in 000's)

Particulars	Schedule	Linked Pension Funds										Total	
		Balancer	Protector Income	Maximer Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier		
SOURCES OF FUNDS													
Policyholders' Funds:													
Policyholder contribution	F-1	5,871,885	3,317,721	19,266,618	86,257	138,990	166,444	18,383,855	505,707	3,173,823	2,644,803		53,556,103
Revenue Account		2,357,158	604,854	4,631,049	10,655	18,325	25,150	(1,174,127)	15,792	66,654	(124,731)		6,430,779
Total		8,229,043	3,922,575	23,897,667	96,912	157,315	191,594	17,209,728	521,499	3,240,477	2,520,072		59,986,882
APPLICATION OF FUNDS													
Investments	F-2	7,960,173	3,693,204	23,597,285	90,828	155,583	191,344	17,522,923	493,241	2,320,118	2,295,295		58,319,994
Current Assets	F-3	424,431	269,825	1,035,064	7,085	3,379	6,937	711,251	30,566	1,198,695	335,394		4,022,627
Less: Current Liabilities and Provisions	F-4	155,561	40,454	734,682	1,001	1,647	6,687	1,024,446	2,308	278,336	110,617		2,355,739
Net current assets		268,870	229,371	300,382	6,084	1,732	250	(313,195)	28,258	920,359	224,777		1,666,888
Total		8,229,043	3,922,575	23,897,667	96,912	157,315	191,594	17,209,728	521,499	3,240,477	2,520,072		59,986,882
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. in 000's)		8,229,043	3,922,575	23,897,667	96,912	157,315	191,594	17,209,728	521,499	3,240,477	2,520,072		59,986,882
(b) Number of Units outstanding (Rs. in 000's)		407,170	284,682	700,108	7,792	12,233	12,675	1,374,063	42,610	309,212	271,136		3,421,682
(c) NAV per Unit (a)/(b) (Rs.)		20.21	13.78	34.13	12.44	12.86	15.12	12.52	12.24	10.48	9.29		

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3.18 FUND BALANCE SHEET AS AT MARCH 31, 2008 (Continued)

Form A-BS(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds											Total	Grand Total
		Balanced	Income	Short-Term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced Fund	Leave Encashment Debt Fund	Leave Encashment Short Term Debt Fund		
SOURCES OF FUNDS														
Policyholders' Funds:														
Policyholder contribution	F-1	4,651,569	1,464,988	5,498,722	1,006,176	213,037	3,701	2,512,566	11,577	249,982	20,001	25,182	15,657,501	207,347,672
Revenue Account		1,153,666	93,488	343,776	49,627	44,282	419	392,569	2,518	—	—	—	2,080,345	41,313,862
Total		5,805,235	1,558,476	5,842,498	1,055,803	257,319	4,120	2,905,135	14,095	249,982	20,001	25,182	17,737,846	248,661,534
APPLICATION OF FUNDS														
Investments	F-2	5,277,395	1,453,614	4,972,369	861,525	240,959	3,823	2,834,831	13,919	249,982	20,001	25,182	15,953,600	242,686,077
Current Assets	F-3	580,244	121,324	870,297	194,309	18,465	339	127,265	670	249,982	20,001	25,182	2,208,078	13,611,784
Less: Current Liabilities and Provisions	F-4	52,404	16,462	168	31	2,105	42	56,961	494	249,982	20,001	25,182	423,832	7,636,327
Net current assets		527,840	104,862	870,129	194,278	16,360	297	70,304	176	—	—	—	1,784,246	5,975,457
Total		5,805,235	1,558,476	5,842,498	1,055,803	257,319	4,120	2,905,135	14,095	249,982	20,001	25,182	17,737,846	248,661,534
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. in 000's)		5,805,235	1,558,476	5,842,498	1,055,803	257,319	4,120	2,905,135	14,095	249,982	20,001	25,182	17,737,846	248,661,534
(b) Number of Units outstanding (Rs. in 000's)		329,804	115,396	434,339	90,481	20,542	359	121,784	1,215	24,998	2,000	2,518	1,143,437	12,058,606
(c) NAV per Unit (a)/(b) (Rs.)		17.60	13.51	13.45	11.67	12.53	11.47	23.85	11.60	10.00	10.00	10.00		

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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
Opening balance	18,018,615	6,885,489	52,680,116	855,520	137,059	1,138,820	543,197	375,760	2,751,428	140,549	—	—	83,526,553
Add: Additions during the year*	7,136,876	3,147,359	29,904,947	1,086,825	62,149	440,080	329,823	545,429	25,666,431	792,516	1,492,903	5,994,628	76,599,966
Less: Deductions during the year*	8,759,770	2,224,724	10,047,011	5,710	3,590	486,667	3,375	843	430,175	30,484	102	—	21,992,451
Closing balance	16,395,721	7,808,124	72,538,052	1,936,635	195,618	1,092,233	869,645	920,356	27,987,684	902,581	1,492,801	5,994,628	138,134,068

(Rs. in 000's)

Particulars	Linked Pension Funds											Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier		
Opening balance	5,536,341	2,907,104	10,856,541	69,812	76,915	108,614	1,203,846	51,589	—	—	—	20,810,762
Add: Additions during the year*	2,354,005	1,317,970	9,718,863	20,298	120,435	59,625	17,260,549	493,313	3,174,298	2,644,803	—	37,164,159
Less: Deductions during the year**	2,018,461	907,353	1,308,786	3,853	58,360	1,795	80,540	39,195	475	—	—	4,418,818
Closing balance	5,871,885	3,317,721	19,266,618	86,257	138,990	166,444	18,383,855	505,707	3,173,823	2,644,803	—	53,556,103

(Rs. in 000's)

Particulars	Linked Group Funds											Total	Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced Fund	Leave Encashment Debt Fund	Leave Encashment Short Term Debt Fund		
Opening balance	3,935,925	408,953	1,944,783	359,509	202,048	2,566	1,193,325	13,889	—	—	—	8,060,998	112,398,313
Add: Additions during the year*	2,754,323	1,875,729	6,517,310	721,605	46,181	1,706	1,911,547	5,046	249,982	20,001	25,182	14,128,612	127,892,736
Less: Deductions during the year**	2,038,679	819,694	2,963,371	74,938	35,192	571	592,306	7,358	—	—	—	6,532,109	32,943,378
Closing balance	4,651,569	1,464,988	5,498,722	1,006,176	213,037	3,701	2,512,566	11,577	249,982	20,001	25,182	15,657,501	207,347,671

* Represents units creation.

** Represents units 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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
Approved Investments													
Government Bonds	1,694,824	1,023,039	–	192,094	18,681	–	51,498	42,374	–	38,682	–	–	3,061,192
Corporate Bonds	3,763,467	2,303,401	37,331	398,172	53,398	31,925	184,396	154,489	24,618	99,445	–	–	7,050,642
Infrastructure Bonds	4,040,730	2,538,884	67	456,490	47,265	5,163	162,559	110,756	13,004	103,831	–	–	7,478,749
Equity *	7,371,635	–	82,769,235	–	813	–	195,398	278,472	19,793,379	352,111	705,740	4,092,075	115,558,858
Money Market	3,402,572	2,205,749	42,256	636,140	60,675	1,202,677	197,115	231,947	1,672,036	135,052	212,563	–	9,998,782
Mutual Funds	–	–	–	–	–	–	–	–	–	–	–	–	–
Total	20,273,228	8,071,073	82,848,889	1,682,896	180,832	1,239,765	790,966	818,038	21,503,037	729,121	918,303	4,092,075	143,148,223
Other Investments													
Corporate Bonds	786,363	477,449	–	63,192	6,845	100,751	22,627	30,397	15,566	10,268	–	–	1,513,458
Infrastructure Bonds	–	–	–	–	–	–	–	–	–	–	–	–	–
Equity	1,153,650	–	11,903,392	–	–	–	66,734	87,105	5,357,518	133,137	202,476	787,590	19,691,602
Money Market	–	–	–	–	–	–	–	–	–	–	–	–	–
Mutual Funds	682,368	351,546	2,456,750	62,868	7,080	48	45,126	46,650	294,396	44,106	558	67,704	4,059,200
Total	2,622,381	828,995	14,360,142	126,060	13,925	100,799	134,487	164,152	5,667,480	187,511	203,034	855,294	25,264,260
Grand Total	22,895,609	8,900,068	97,209,031	1,808,956	194,757	1,340,564	925,453	982,190	27,170,517	916,632	1,121,337	4,947,369	168,412,483
% of Approved Investments to Total	89%	91%	85%	93%	93%	92%	85%	83%	79%	80%	82%	83%	
% of Other Investments to Total	11%	9%	15%	7%	7%	8%	15%	17%	21%	20%	18%	17%	

* Includes investments in preference shares amounting to Rs. 112,119 (thousand).

(Rs. in 000's)

Particulars	Linked Pension Funds										Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier	
Approved Investments											
Government Bonds	594,007	424,446	–	9,166	–	9,809	–	20,586	–	–	1,058,014
Corporate Bonds	1,177,736	836,969	–	23,970	13,108	36,481	28,530	41,437	–	–	2,158,231
Infrastructure Bonds	1,356,486	907,024	–	20,102	541	27,177	–	47,008	–	–	2,358,338
Equity *	2,471,442	–	19,953,061	–	–	41,287	12,422,560	181,236	1,515,121	1,863,407	38,448,114
Money Market	1,262,625	1,151,297	–	31,251	125,051	51,897	1,087,372	94,615	404,188	19,738	4,228,034
Mutual Funds	–	–	–	–	–	–	–	–	–	–	–
Total	6,862,296	3,319,736	19,953,061	84,489	138,700	166,651	13,538,462	384,882	1,919,309	1,883,145	48,250,731
Other Investments											
Corporate Bonds	269,511	207,970	–	3,123	13,499	4,032	–	6,868	–	–	505,003
Infrastructure Bonds	–	–	–	–	–	–	–	–	–	–	–
Equity	387,480	–	3,243,562	–	–	12,555	3,943,649	84,505	399,885	354,868	8,426,504
Money Market	–	–	–	–	–	–	–	–	–	–	–
Mutual Funds	440,886	165,498	400,662	3,216	3,384	8,106	40,812	16,986	924	57,282	1,137,756
Total	1,097,877	373,468	3,644,224	6,339	16,883	24,693	3,984,461	108,359	400,809	412,150	10,069,263
Grand Total	7,960,173	3,693,204	23,597,285	90,828	155,583	191,344	17,522,923	493,241	2,320,118	2,295,295	58,319,994
% of Approved Investments to Total	86%	90%	85%	93%	89%	87%	77%	78%	83%	82%	
% of Other Investments to Total	14%	10%	15%	7%	11%	13%	23%	22%	17%	18%	

* Includes investments in preference shares to Rs. 112,119 (thousand).

schedules



forming part of the financial statements

Continued

Schedule: F-2

INVESTMENTS (Continued)

(Rs. in 000's)

Particulars	Linked Group Funds											Total	Grand Total	
	Balanced	Income	Short-Term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced Fund	Leave Encashment Debt Fund	Leave Encashment Short-Term Debt Fund			
Approved Investments														
Government Bonds	504,358	179,550	—	—	19,478	287	137,461	555	—	—	—	841,689	4,960,895	
Corporate Bonds	1,084,055	274,684	1,072,272	224,052	81,304	1,153	297,092	3,292	—	—	—	3,037,904	12,246,777	
Infrastructure Bonds	1,100,313	419,515	1,140,186	233,839	41,621	1,035	373,870	1,911	—	—	—	3,312,290	13,149,377	
Equity*	787,572	—	—	—	41,549	—	1,273,383	4,512	—	—	—	2,107,016	156,113,988	
Money Market	1,297,471	495,975	2,084,099	312,009	39,595	1,043	329,639	1,676	249,982	20,001	25,182	4,856,672	19,083,488	
Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total	4,773,769	1,369,724	4,296,557	769,900	223,547	3,518	2,411,445	11,946	249,982	20,001	25,182	14,155,571	205,554,525	
Other Investments														
Corporate Bonds	177,777	42,622	271,142	21,833	4,520	119	25,707	276	—	—	—	543,996	2,562,457	
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	
Equity	126,547	—	—	—	6,736	—	241,631	959	—	—	—	375,873	28,493,979	
Money Market	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mutual Funds	199,302	41,268	404,670	69,792	6,156	186	156,048	738	—	—	—	878,160	6,075,116	
Total	503,626	83,890	675,812	91,625	17,412	305	423,386	1,973	—	—	—	1,798,029	37,131,552	
Grand Total	5,277,395	1,453,614	4,972,369	861,525	240,959	3,823	2,834,831	13,919	249,982	20,001	25,182	15,953,600	242,686,077	
% of Approved Investments to Total	90%	94%	86%	89%	93%	92%	85%	86%	100%	100%	100%			
% of Other Investments to Total	10%	6%	14%	11%	7%	8%	15%	14%	0%	0%	0%			

* Includes investments in preference shares amounting to Rs 112,119 (thousand).

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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
Accrued Interest	400,878	257,067	1,840	47,535	5,045	34,562	16,790	13,251	3,610	12,340	49	—	792,967
Cash & Bank Balance	2	7	3,529	8	10	11	8	8	11	8	11	11	3,624
Dividend Receivable	1,997	—	10,271	—	—	—	19	40	3,367	88	—	1,308	16,490
Receivable for Sale of Investments	481,304	169,174	1,711,579	59,006	6,433	—	15,961	11,267	484,172	9,440	11,771	397,158	3,357,265
Unit Collection A/c	212,947	25,089	916,479	27,846	2,791	(8,181)	6,247	12,410	715,222	37,194	574,599	234,365	2,757,008
Other Current Assets (for Investments)	84,855	42,971	7	7,620	1,184	—	1	2	—	1	—	—	136,641
Appropriation/Expropriation (Asset)	(26,826)	464	264,220	95	121	(68)	797	1,048	59,223	1,488	2,611	13,711	317,084
Total	1,154,757	494,772	2,907,925	142,110	15,584	26,324	39,823	38,026	1,265,605	60,559	589,041	646,553	7,381,079

(Rs. in 000's)

Particulars	Linked Pension Funds											Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier		
Accrued Interest	127,036	88,701	37	2,179	3,207	3,154	2,023	5,183	93	5	231,618	
Cash & Bank Balance	9	6	8	12	11	10	12	12	11	8	99	
Dividend Receivable	261	—	2,840	—	—	6	3,204	130	—	470	6,911	
Receivable for Sale of Investments	176,064	90,099	792,993	2,995	—	2,730	231,318	6,593	25,307	134,195	1,462,294	
Unit Collection A/c.	77,979	66,773	174,124	1,319	169	873	437,710	17,570	1,167,599	194,338	2,138,454	
Other Current Assets (for Investments)	33,882	24,439	1	524	—	—	—	238	—	—	59,084	
Appropriation/Expropriation (Asset)	9,200	(193)	65,061	56	(8)	164	36,984	840	5,685	6,378	124,167	
Total	424,431	269,825	1,035,064	7,085	3,379	6,937	711,251	30,566	1,198,695	335,394	4,022,627	

schedules

forming part of the financial statements

Continued

Schedule: F-3

CURRENT ASSETS (Continued)

(Rs. in 000's)

Particulars	Linked Group Funds											Total	Grand Total
	Balanced	Income	Short-Term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced	Leave Encashment Debt Fund	Leave Encashment Short-Term		
Accrued Interest	113,457	38,620	105,979	18,758	6,046	112	28,891	243	—	—	—	312,106	1,336,691
Cash & Bank Balance	10	10	8	11	13	12	8	13	—	—	—	85	3,808
Dividend Receivable	66	—	—	—	11	—	97	1	—	—	—	175	23,576
Receivable for Sale of Investments	138,495	57,878	—	—	7,506	70	37,497	144	—	—	—	241,590	5,061,149
Unit Collection Account	313,929	18,575	700,907	163,568	4,456	130	50,797	248	249,982	20,001	25,182	1,547,775	6,443,237
Other Current Assets (for Investments)	17,529	6,164	63,146	11,927	284	15	5,216	37	—	—	—	104,318	300,043
Appropriation/ Expropriation (Asset)	(3,242)	77	257	45	149	—	4,759	(16)	—	—	—	2,029	443,280
Total	580,244	121,324	870,297	194,309	18,465	339	127,265	670	249,982	20,001	25,182	2,208,078	13,611,784

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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
Payable for Purchase of Investments	299,603	96,822	2,850,708	19,857	2,139	14,278	31,311	79,633	862,519	47,485	183,630	359,762	4,847,747
Other Current Liabilities	1,250	317	5,430	63	7	28	30	30	1,467	44	51	292	9,009
Unit Payable A/c#	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	300,853	97,139	2,856,138	19,920	2,146	14,306	31,341	79,663	863,986	47,529	183,681	360,054	4,856,756

(Rs. in 000's)

Particulars	Linked Pension Funds											Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier		
Payable for Purchase of Investments	155,251	40,322	733,628	998	1,644	6,681	1,023,685	2,292	278,225	110,497	2,353,223	
Other Current Liabilities	310	132	1,054	3	3	6	761	16	111	120	2,516	
Unit Payable A/c#	—	—	—	—	—	—	—	—	—	—	—	
Total	155,561	40,454	734,682	1,001	1,647	6,687	1,024,446	2,308	278,336	110,617	2,355,739	

(Rs. in 000's)

Particulars	Linked Group Funds											Total	Grand Total
	Balanced	Income	Short Term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced Fund	Leave Encashment Balanced Fund	Leave Encashment Short Term Debt Fund		
Payable for Purchase of Investments	52,215	16,408	—	—	2,091	42	56,865	493	249,982	20,001	25,182	423,279	7,624,249
Other Current Liabilities	189	54	168	31	14	—	96	1	—	—	—	553	12,078
Unit Payable A/c#	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	52,404	16,462	168	31	2,105	42	56,961	494	249,982	20,001	25,182	423,832	7,636,327

Represents inter fund receivables or payables, if any.

schedules



forming part of the financial statements

Continued

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's)		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 (Rs. in 000's)		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's)		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

forming part of the financial statements

Continued

FUND BALANCE SHEET AS AT MARCH 31, 2007 (Continued)

Form A-BS(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	
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's)		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									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	
Opening balance	2,295,736	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								Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	
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

forming part of the financial statements

Continued

Schedule: F-2

INVESTMENTS (Continued)

(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%	11%	4%			

Schedule: F-3

CURRENT ASSETS

(Rs. in 000's)

Particulars	Linked Funds										
	Balancer	Protector	Maximiser	Cash Plus	Secure Plus	Preserver	Invest Shield Life	New Invest Shield Balanced	Flexi Balanced	Flexi Growth	Total
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									
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Balanced	Flexi Growth	Total	
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

(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

forming part of the financial statement

Continued

3.19 FUND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
Income from investments														
Interest income		1,186,961	750,830	20,954	99,883	13,310	80,181	42,641	28,576	32,357	17,607	724	970	2,274,994
Dividend income		65,414	—	546,391	—	7	—	1,529	1,804	106,930	3,208	—	7,611	732,894
Profit/loss on sale of investment		2,293,061	144,312	8,852,239	27,368	3,466	54,575	20,102	19,595	842,890	30,949	2	(103,681)	12,184,878
Profit/loss on inter fund transfer/sale of investment		146,810	21,137	200,637	589	8	21,080	6,462	8,957	109,570	4,773	—	—	520,023
Unrealised Gain/loss*		570,022	76,437	6,931,334	335	625	275	25,149	20,139	(688,682)	(447)	37,560	(616,517)	6,356,230
Appropriation/Expropriation (Income/Expenditure)		(69,858)	840	60,516	(1,556)	(155)	(5)	(318)	345	53,219	1,320	2,611	13,711	60,670
Total Income (A)		4,192,410	993,556	16,612,071	126,619	17,261	156,106	95,565	79,416	456,284	57,410	40,897	(697,906)	22,129,689
Fund management charges		244,127	40,267	981,533	15,492	2,038	11,658	9,031	7,513	301,301	11,420	443	21,330	1,646,153
Fund administration expenses		225,593	79,868	798,486	—	—	—	—	—	—	—	—	—	1,103,947
Other charges:	F-5	237,279	109,022	1,026,211	102,618	5,740	11,576	40,366	46,458	575,046	18,973	6,558	41,523	2,221,370
Total Expenditure (B)		706,999	229,157	2,806,230	118,110	7,778	23,234	49,397	53,971	876,347	30,393	7,001	62,853	4,971,470
Excess of Income over Expenditure/ (Expenditure over Income) (A-B)		3,485,411	764,399	13,805,841	8,509	9,483	132,872	46,168	25,445	(420,063)	27,017	33,896	(760,759)	17,158,219
Balance at the beginning of the year		3,868,381	725,178	10,916,925	(13,998)	3,094	127,477	18,122	(5,238)	4,514	64	—	—	15,644,519
Balance at the end of the year		7,353,792	1,489,577	24,722,766	(5,489)	12,577	260,349	64,290	20,207	(415,549)	27,081	33,896	(760,759)	32,802,738

* 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 Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier	
Income from investments												
Interest income		370,811	272,639	4,764	6,460	6,965	8,870	21,053	8,195	1,590	1,114	702,461
Dividend income		20,359	—	124,596	—	—	334	47,438	1,326	—	470	194,533
Profit/loss on sale of investment		692,665	49,382	1,724,261	1,643	3,479	4,203	198,956	15,102	7	(8,042)	2,681,656
Profit/loss on inter fund transfer/sale of investment		35,491	7,298	71,697	110	1,563	1,197	30,212	(3,154)	—	—	144,414
Unrealised Gain/loss*		122,534	26,337	952,514	211	42	5,446	(1,219,644)	(296)	70,052	(108,986)	(151,790)
Appropriation/Expropriation (Income/Expenditure)		(4,289)	(33)	23,212	(90)	(12)	(73)	34,273	767	5,685	6,378	65,818
Total Income (A)		1,237,571	355,623	2,901,044	8,334	12,037	19,987	(887,712)	21,940	77,334	(109,066)	3,637,092
Fund management expenses		73,439	12,884	251,703	976	873	1,900	113,529	2,764	951	3,129	462,148
Fund administration expenses		37,261	31,337	57,263	—	—	—	—	—	—	—	125,861
Other charges:	F-5	43,212	15,412	164,575	935	569	3,414	176,025	3,640	9,729	12,536	430,047
Total Expenditure (B)		153,912	59,633	473,541	1,911	1,442	5,314	289,554	6,404	10,680	15,665	1,018,056
Excess of Income over Expenditure/(Expenditure over Income) (A-B)		1,083,659	295,990	2,427,503	6,423	10,595	14,673	(1,177,266)	15,536	66,654	(124,731)	2,619,036
Balance at the beginning of the year		1,273,499	308,864	2,203,546	4,232	7,730	10,477	3,139	256	—	—	3,811,743
Balance at the end of the year		2,357,158	604,854	4,631,049	10,655	18,325	25,150	(1,174,127)	15,792	66,654	(124,731)	6,430,779

* Net change in mark to market value of investments.

schedules



forming part of the financial statements

Continued

3.19 FUND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008 (Continued)

Form A-RA(UL)

(Rs. in 000's)

Particulars	Schedule	Linked Group Funds											Grand Total	
		Balanced	Income	Short-term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced Fund	Leave Encashment Debt Fund	Leave Encashment Short-term Debt Fund		Total
Income from investments														
Interest income		332,577	68,905	160,741	31,869	15,880	276	63,007	833	—	—	—	674,088	3,651,543
Dividend income		6,644	—	—	—	430	—	7,044	50	—	—	—	14,168	941,595
Profit/loss on sale of investment		329,986	16,530	63,570	13,575	7,352	102	137,647	899	—	—	—	569,661	15,436,195
Profit/loss on inter fund transfer/ sale of investment		31,543	3,372	47,441	126	527	7	781	472	—	—	—	84,269	748,706
Unrealised Gain/loss*		21,533	(4,571)	8,776	782	6,905	—	86,717	287	—	—	—	120,429	6,324,869
Appropriation/Expropriation (Income/Expenditure)		5,577	56	164	26	(278)	—	2,100	(44)	—	—	—	7,601	134,089
Total Income (A)		727,860	84,292	280,692	46378	30,816	385	297,296	2,497	—	—	—	1,470,216	27,236,997
Fund management expenses		23,330	4,247	16,456	1,243	1,957	23	11,021	189	—	—	—	58,466	2,166,767
Fund administration expenses		—	—	—	—	—	—	—	—	—	—	—	—	1,229,808
Other charges:	F-5	—	—	—	—	—	—	—	—	—	—	—	—	2,651,417
Total Expenditure (B)		23,330	4,247	16,456	1,243	1,957	23	11,021	189	—	—	—	58,466	6,047,991
Excess of Income over Expenditure/(Expenditure over Income) (A-B)		704,530	80,045	264,236	45,135	28,859	362	286,275	2,308	—	—	—	1,411,750	21,189,005
Balance at the beginning of the year		449,136	13,443	79,540	4,492	15,423	57	106,294	210	—	—	—	668,595	20,124,857
Balance at the end of the year		1,153,666	93,488	343,776	49,627	44,282	419	392,569	2,518	—	—	—	2,080,345	41,313,862

* Net change in mark to market value of investments.

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 Growth	Flexi Balanced	R.I.C.H. Fund	Multiplier	
Policy Administration charge	19,266	14,085	133,627	45,104	2,665	705	18,085	30,927	158,984	3,245	2,347	3,057	432,097
Surrender charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Switching charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge	182,731	81,409	721,903	57,216	3,075	9,936	19,661	15,531	325,946	12,706	4,210	34,407	1,468,731
Rider Premium charge	35,282	13,528	170,681	298	—	935	2,620	—	90,116	3,022	1	4,059	320,542
Partial withdrawal charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charge	—	—	—	—	—	—	—	—	—	—	—	—	—
Total	237,279	109,022	1,026,211	102,618	5,740	11,576	40,366	46,458	575,046	18,973	6,558	41,523	2,221,370

schedules

forming part of the financial statements

Continued

Schedule: F - 5

OTHER EXPENSES* (Continued)

(Rs. in 000's)

Particulars	Linked Pension Funds										Total
	Balancer	Protector Income	Maximiser Fund Growth	Secure Plus Pension	Preserver	Invest Shield Pension	Flexi Growth	Flexi Balanced	Pension R.I.C.H. Fund	Pension Multiplier	
Policy Administration charge	30,964	8,511	127,138	621	403	2,356	149,954	2,952	9,370	12,035	344,303
Surrender charge	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	10,166	5,597	31,038	314	135	909	22,405	596	359	465	71,983
Rider Premium charge	2,082	1,304	6,399	-	31	149	3,666	92	-	36	13,759
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-
Total	43,212	15,412	164,575	935	569	3,414	176,025	3,640	9,729	12,536	430,047

(Rs. in 000's)

Particulars	Linked Group Funds											Total	Grand Total	
	Balanced	Income	Short Term Debt	Capital Guarantee Short Debt	Capital Guarantee Balanced Fund	Capital Guarantee Debt Fund	Growth	Capital Guarantee Growth	Leave Encashment Balanced Fund	Leave Encashment Debt Fund	Leave Encashment Short Term Debt Fund			
Policy Administration charge	-	-	-	-	-	-	-	-	-	-	-	-	-	776,401
Surrender charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Switching charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Mortality charge	-	-	-	-	-	-	-	-	-	-	-	-	-	1,540,714
Rider Premium charge	-	-	-	-	-	-	-	-	-	-	-	-	-	334,302
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-	-	-	2,651,417

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

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		771,472	508,618	20,068	33,532	7,241	60,378	18,932	6,009	173	3,266	1,429,689
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*		45,196	2,914	1,294,643	(3,016)	(291)	(2811)	14,027	8,690	136	2,430	1,361,918
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		180,123	28,094	507,087	5,722	1,255	9,027	4,532	1,562	24	533	737,959
Fund administration expenses		171,389	68,726	378,987	-	-	-	-	-	-	-	619,102
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.

schedules



forming part of the financial statements

Continued

FUND INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007 (Continued)

Form A-RA(UL)

(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		222,539	213,227	5,669	3,895	3,019	4,062	78	1,524	454,013
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*		11,719	1,618	178,454	(25)	(210)	1,695	170	790	194,211
Total Income (A)		507,197	216,419	722,564	4,287	5,330	9,498	337	5,681	1,471,313
Fund management charges		52,114	9,508	97,432	688	473	996	5	176	161,393
Fund administration expenses		36,225	33,599	40,970	—	—	—	—	—	110,794
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.

(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		
Income from investments											
Interest income		193,046	10,605	50,367	3,786	7,498	67	19,136	160	284,665	2,168,367
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*		6,733	(7)	749	(75)	6,472	(6)	32,778	65	46,709	1,602,838
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	973,212
Fund administration expenses		—	—	—	—	—	—	—	—	—	729,896
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.

schedules

forming part of the financial statements

Continued

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

(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								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		
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

schedules



forming part of the financial statements

Continued

ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2008

Policyholders' Account (Technical Account)

(Rs. in 000's)

Particulars	Sch	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)= (7)+(8)	
Premiums earned – net											
(a) Premium		10,073,891	67,916,562	77,990,453	3,769,453	35,619,918	39,389,371	47,527	9,928,468	9,975,995	127,355,819
(b) Reinsurance ceded		(32,023)	—	(32,023)	(180)	—	(180)	(7,088)	—	(7,088)	(39,291)
Income from Investments											
(a) Interest, Dividend & Rent – Gross		284,157	3,007,888	3,292,045	91,297	896,994	988,291	8,231	688,256	696,487	4,976,823
(b) Profit on sale/redemption of investments		18,977	14,649,040	14,668,017	8,423	3,428,691	3,437,114	2,257	721,008	723,265	18,828,396
(c) Loss on sale/redemption of investments		(1,041)	(1,944,139)	(1,945,180)	(76)	(602,622)	(602,698)	(1)	(67,078)	(67,079)	(2,614,957)
(d) Unrealised gain/(loss)		—	6,356,230	6,356,230	—	(151,790)	(151,790)	—	120,429	120,429	6,324,869
(e) Appropriation/Expropriation Adjustment Account		—	60,670	60,670	—	65,818	65,818	7,601	—	7,601	134,089
Other income:											
(a) Linked income	UL1	4,803,802	(4,803,802)	—	1,030,119	(1,030,119)	—	59,211	(59,211)	—	—
(b) Fees & charges		28,930	—	28,930	531	—	531	70	—	70	29,531
(c) Contribution from the Shareholders' a/c		8,544,845	—	8,544,845	5,131,904	—	5,131,904	252,632	—	252,632	13,929,381
TOTAL (A)		23,721,538	85,242,449	108,963,987	10,031,471	38,226,890	48,258,361	362,839	11,339,473	11,702,312	168,924,660
Commission		5,519,639	—	5,519,639	2,060,773	—	2,060,773	1,002	—	1,002	7,581,414
Operating expenses related to insurance business*		17,492,546	195,773	17,688,319	7,578,999	24,231	7,603,230	355,393	(135,250)	220,143	25,511,692
Provision for taxation (Fringe benefit tax)		199,161	—	199,161	74,100	—	74,100	—	—	—	273,261
TOTAL (B)		23,211,346	195,773	23,407,119	9,713,872	24,231	9,738,103	356,395	(135,250)	221,145	33,366,367
Benefits paid (Net)	UL2	345,438	13,280,941	13,626,379	17,447	2,838,283	2,855,730	13,347	2,466,470	2,479,817	18,961,926
Change in valuation of liability in respect of life policies		164,754	69,810,705	69,975,459	300,152	34,986,491	35,286,643	(6,903)	9,008,253	9,001,350	114,263,452
TOTAL (C)		510,192	83,091,646	83,601,838	317,599	37,824,774	38,142,373	6,444	11,474,723	11,481,167	133,225,378
Surplus/(Deficit) (D) = (A)-(B)-(C)		—	1,955,030	1,955,030	—	377,885	377,885	—	—	—	2,332,915
APPROPRIATIONS											
Transfer to Shareholders' a/c		—	—	—	—	—	—	—	—	—	—
Balance being funds for future appropriations		—	1,955,030	1,955,030	—	377,885	377,885	—	—	—	2,332,915
Total (D)		—	1,955,030	1,955,030	—	377,885	377,885	—	—	—	2,332,915

* For unit component, includes service tax, cost of any additional units granted to Policyholders for service lapses and freeloop payouts (over and above the initial contribution).

schedules

forming part of the financial statements

Continued

ANNEXURE TO THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Policyholders' Account (Technical Account)

(Rs. in 000's)

Particulars	Sch	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	
Premiums earned – net											
(a) Premium		7,168,884	45,570,344	52,739,228	1,570,131	11,690,179	13,260,310	24,725	5,326,375	5,351,100	71,350,638
(b) Reinsurance ceded		(32,505)	—	(32,505)	(954)	—	(954)	(3,194)	—	(3,194)	(36,653)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		35,068	2,168,545	2,118,037	7,191	593,465	577,449	2,145	273,305	275,450	2,970,936
(b) Profit on sale/redemption of investments		1,931	3,740,796	3,742,727	462	855,334	855,796	117	204,580	204,697	4,803,220
(c) Loss on sale/redemption of investments		(3,574)	(1,032,717)	(1,036,291)	(1)	(230,047)	(230,048)	—	(68,570)	(68,570)	(1,334,909)
(d) Unrealised gain/(loss)		—	1,361,918	1,447,594	—	217,419	217,419	—	73,552	73,552	1,738,565
(e) Appropriation/Expropriation		—	—	—	—	—	—	—	—	—	—
Adjustment Account		—	256,414	256,414	—	58,350	58,350	—	(5,572)	(5,572)	309,192
Other income:											
(a) Linked income	UL1	2,436,660	(2,436,660)	—	411,165	(411,165)	—	15,870	(15,870)	—	—
(b) Fees & charges		446	—	446	—	—	—	297	—	297	743
(c) Contribution from the Shareholders' a/c		4,634,831	—	4,634,831	2,025,459	—	2,025,459	167,081	—	167,081	6,827,371
Total (A)		14,241,741	49,628,740	63,870,481	4,013,453	12,750,328	16,763,781	207,041	5,787,800	5,994,841	86,629,103
Commission		4,208,325	—	4,208,325	673,079	—	673,079	185	—	185	4,881,589
Operating expenses related to insurance business *		9,638,829	123,393	9,762,222	3,318,584	8,887	3,327,471	192,371	(44,941)	147,430	13,237,123
Provision for taxation (Fringe benefit tax)		91,434	—	91,434	23,665	—	23,665	—	—	—	115,099
Total (B)		13,938,588	123,393	14,061,981	4,015,328	8,887	4,024,215	192,556	(44,941)	147,615	18,233,811
Benefits paid (Net)	UL2	169,732	4,264,815	4,434,547	9,992	1,419,410	1,429,402	9,616	660,589	670,205	6,534,154
Change in valuation of liability in respect of life policies		133,421	44,503,313	44,636,734	(11,867)	11,090,980	11,079,113	4,869	5,172,152	5,177,021	60,892,868
Total (C)		303,153	48,768,128	49,071,281	(1,875)	12,510,390	12,508,515	14,485	5,832,741	5,847,226	67,427,022
Surplus/(Deficit) (D) =(A)-(B)-(C)		—	737,219	737,219	—	231,051	231,051	—	—	—	968,270
Appropriations											
Transfer to Shareholders' a/c		—	—	—	—	—	—	—	—	—	—
Balance being funds for future appropriations		—	737,219	737,219	—	231,051	231,051	—	—	—	968,270
Total (D)		—	737,219	737,219	—	231,051	231,051	—	—	—	968,270

* For unit component, includes service tax, cost of any additional units granted to Policyholders for service lapses and freeloop payouts (over and above the initial contribution)

schedules

SCHEDULE-UL1

LINKED INCOME (RECOVERED FROM LINKED FUNDS)* FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in 000's)

Particulars	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (4) = (1)+(2)+(3)
Fund administration charges	1,103,947	125,861	—	1,229,808
Fund management charge	1,646,153	462,148	58,466	2,166,767
Policy administration charge	432,097	344,304	—	776,401
Surrender charge	13,075	18,762	745	32,582
Switching charge	5,812	1,266	—	7,078
Mortality charge	1,312,485	64,541	—	1,377,026
Rider premium charge	286,631	12,276	—	298,907
Partial withdrawal charge	—	—	—	—
Policy foreclose	3,602	961	—	4,563
Miscellaneous charge	—	—	—	—
Total (UL-1)	4,803,802	1,030,119	59,211	5,893,132

* net of service tax, if any

LINKED INCOME (RECOVERED FROM LINKED FUNDS)* FOR THE YEAR ENDED MARCH 31, 2007

(Rs. in 000's)

Particulars	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (4) = (1)+(2)+(3)
Fund administration charges	619,102	110,794	—	729,896
Fund management charge	737,959	161,393	15,870	915,222
Policy administration charge	140,824	93,405	—	234,229
Surrender charge	10,194	3,175	—	13,369
Switching charge	2,314	367	—	2,681
Mortality charge	791,528	34,844	—	826,372
Rider premium charge	134,739	7,187	—	141,926
Partial withdrawal charge	—	—	—	—
Miscellaneous charge	—	—	—	—
Total (UL-1)	2,436,660	411,165	15,870	2,863,695

schedules

forming part of the financial statements

Continued

SCHEDULE - UL2 BENEFITS PAID (NET) FOR THE YEAR ENDED MARCH 31, 2008

(Rs. in 000's)

Sr. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	
1.	Insurance claims										
(a)	Claims by death	297,276	161,540	458,816	15,786	74,923	90,709	16,582	—	16,582	566,107
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c)	Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits										
	– Surrender	—	13,119,401	13,119,401	—	2,763,360	2,763,360	—	2,466,470	2,466,470	18,349,231
	– Survival	—	—	—	—	—	—	—	—	—	—
	– Rider	48,162	—	48,162	1,661	—	1,661	—	—	—	49,823
	– Health	—	—	—	—	—	—	—	—	—	—
	Sub-Total (A)	345,438	13,280,941	13,626,379	17,447	2,838,283	2,855,730	16,582	2,466,470	2,483,052	18,965,161
2.	Amount ceded in reinsurance										
(a)	Claims by death	—	—	—	—	—	—	(3,235)	—	(3,235)	(3,235)
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c)	Annuity /Pension payment	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits										
	– Surrender	—	—	—	—	—	—	—	—	—	—
	– Survival	—	—	—	—	—	—	—	—	—	—
	– Rider	—	—	—	—	—	—	—	—	—	—
	– Health	—	—	—	—	—	—	—	—	—	—
	Sub-Total (B)	—	—	—	—	—	—	(3,235)	—	(3,235)	(3,235)
	Total (A) + (B)	345,438	13,280,941	13,626,379	17,447	2,838,283	2,855,730	13,347	2,466,470	2,479,817	18,961,926
	Benefits paid to claimants: in India	345,438	13,280,941	13,626,379	17,447	2,838,283	2,855,730	16,582	2,466,470	2,483,052	18,965,161
	Total (UL2)	345,438	13,280,941	13,626,379	17,447	2,838,283	2,855,730	13,347	2,466,470	2,479,817	18,961,926

BENEFITS PAID (NET) FOR THE YEAR ENDED MARCH 31, 2007

(Rs. in 000's)

Sr. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	
1.	Insurance claims										
(a)	Claims by death	145,647	81,405	227,052	8,891	29,806	38,697	10,937	—	10,937	276,686
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c)	Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits										
	– Surrender	11	4,183,410	4,183,421	1	1,389,604	1,389,605	—	660,589	660,589	6,233,615
	– Survival	—	—	—	—	—	—	—	—	—	—
	– Rider	27,911	—	27,911	1,100	—	1,100	—	—	—	29,011
	– Health	—	—	—	—	—	—	—	—	—	—
	Sub-Total (A)	173,569	4,264,815	4,438,384	9,992	1,419,410	1,429,402	10,937	660,589	671,526	6,539,312
2.	Amount ceded in reinsurance										
(a)	Claims by death	(3,837)	—	(3,837)	—	—	—	(1,321)	—	(1,321)	(5,158)
(b)	Claims by maturity	—	—	—	—	—	—	—	—	—	—
(c)	Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
(d)	Other benefits										
	– Surrender	—	—	—	—	—	—	—	—	—	—
	– Survival	—	—	—	—	—	—	—	—	—	—
	– Rider	—	—	—	—	—	—	—	—	—	—
	– Health	—	—	—	—	—	—	—	—	—	—
	Sub-Total (B)	(3,837)	—	(3,837)	—	—	—	(1,321)	—	(1,321)	(5,158)
	Total (A) + (B)	169,732	4,264,815	4,434,547	9,992	1,419,410	1,429,402	9,616	660,589	670,205	6,534,154
	Benefits paid to claimants: in India	173,569	4,264,815	4,438,384	9,992	1,419,410	1,429,402	10,937	660,589	671,526	6,539,312
	Total (UL2)	173,569	4,264,815	4,438,384	9,992	1,419,410	1,429,402	10,937	660,589	671,526	6,539,312

schedules



forming part of the financial statements

Continued

3.20 Assets held to cover Policyholders' Liability

The Policyholders' liabilities including linked fund aggregating Rs. 268,114,079 thousand as at March 31, 2008 are adequately backed by assets as at March 31, 2008 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)	11,845,126	3,272,304	3,329,807	4,043,527	128,243	568,487	167,631,889	342,562	59,198,447	15,841	17,737,846	268,114,079
Assets held to cover												
Policyholders' Liabilities												
Investments (As per Schedule-8A & 8B)	14,132,036	4,050,155	3,591,541	3,905,821	379,142	5,907,236	168,412,483	2,393,180	58,319,994	133,938	15,953,600	277,179,126
Fair Value Change Account	(1,314,143)	(419,596)	—	(41,447)	—	—	—	—	—	—	—	(1,775,186)
Revaluation Reserve	(158,497)	(157,821)	—	—	—	—	—	—	—	—	—	(316,318)
Net Investments	12,659,396	3,472,738	3,591,541	3,864,374	379,142	5,907,236	168,412,483	2,393,180	58,319,994	133,938	15,953,600	275,087,622
Current Assets and Loans (As per Note 3.17 & 3.18)	519,903	134,807	456,571	302,228	75,590	522,885	7,381,079	213,813	4,022,627	7,245	2,208,078	15,844,826
Less: Current Liabilities (As per Note 3.17 & 3.18)	(320,894)	(63,365)	(718,306)	(123,075)	(326,490)	(5,861,634)	(4,856,756)	(2,264,430)	(2,355,739)	(125,343)	(423,832)	(17,439,864)
Total Assets (B)	12,858,405	3,544,180	3,329,806	4,043,527	128,242	568,487	170,936,806	342,563	59,986,882	15,840	17,737,846	273,492,584

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

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. 263,554 thousand. (Previous year Rs. 128,275 thousand).

(b) Defined Benefit Plans:

(Rs. in 000's)

Particulars	Year ended	
	March 31, 2008	March 31, 2007
Change in Defined Benefit Obligation:		
Opening obligations as at April 1	62,376	39,278
Service cost	25,017	13,615
Interest cost	4,451	2,499
Actuarial (gain)/loss	24,093	9,730
Benefits paid	(5,431)	(2,746)
Present value of the defined benefit obligations at March 31 (A)	110,506	62,376
Change in Plan Asset:		
Opening plan assets, at fair value as at April 1	44,053	39,822
Expected return on plan assets	3,253	2,906
Actuarial gain/(loss)	5,984	4,071
Contributions	-	-
Benefits paid	(5,431)	(2,746)
Fair value of plan assets at March 31 (B)	47,859	44,053
Cost for the year:		
Service cost	25,017	13,071
Interest cost	4,451	2,499
Expected return on plan assets	(3,253)	(2,906)
Actuarial (gain)/loss	18,108	5,659
Total net cost recognised as employee remuneration	44,323	18,323
Reconciliation of Benefit Obligations & Planned Assets for the period:		
Present value of the defined benefit obligations at March 31 (A)	110,506	62,376
Fair value of plan assets at March 31 (B)	47,859	44,053
Net asset/(liability) as at March 31 recognised in Balance Sheet	(62,647)	(18,323)
Investment details of plan assets:		
The plan assets are invested in insurer managed funds.		
Assumptions:		
Discount rate	7.50%	7.85%
Salary escalation rate	7.00%	7.00%
Estimated rate of return on plan assets	7.50%	7.50%

3.22 Employee Stock Option Scheme ("ESOS")

There are presently five ESOS schemes in force by name Founder I, Founder II, 2004-05, 2005-06 and 2006-07, salient features of which are as stated below:

	Founder 1	2004-05	2005-06	2006-07 & Founder II
Date of allotment	March 28, 2005	April 25, 2005	April 26, 2006	April 24, 2007
No. of options granted	2,665,500	3,742,400	4,633,250	6,534,675 (2006-07) 470,000 (Founder II)
Graded Vesting Period				
1st Year	50% of options granted	25% 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	25% of options granted
3rd Year	25% of options granted	25% of options granted	25% of options granted	25% of options granted
4th Year	—	25% of options granted	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			

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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 (2003-04) scheme, 2004-2005 scheme, 2005-06 scheme, 2006-07 scheme and Founder II is Rs. 30, Rs. 42, Rs. 70, Rs. 130 & Rs. 130 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, 2008	March 31, 2007
Outstanding at the beginning of the year	7,279,964	5,572,600
Add: Granted during the year	7,004,675	4,667,750
Less: Forfeited/lapsed during the year	1,464,563	564,850
Exercised during the year	135,799	2,395,536
Outstanding at the end of the year	12,684,277	7,279,964
Exercisable at the end of the year	2,030,765	93,164

During the year the company has recognised a compensation cost of Rs. Nil (Previous year: 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. 135,282 thousand (Previous year: Rs. 60,963 thousand) and profit/(loss) after tax would have been (Rs. 14,085,910) thousand (Previous year: Rs. 6,550,035 thousand). Consequently Company's basic and diluted earnings per share would have been (Rs. 10.37) (Previous year: (Rs. 5.32)).

The weighted average price of options exercised during the year is Rs. 58.05 (Previous year: Rs. 34.19). The weighted average remaining contractual life of options outstanding at the end of the period is 7.8 years (Previous year: 7.9 years). The fair value of the options granted during the year was Rs. 130 as of the date of grant.

The Key assumptions used to estimate fair value of options are:

Risk-free interest rate	6.87%-8%
Expected life	3-5 Years
Expected Volatility	28.65%
Expected dividend yield	1.50%

3.23 The amount of exchange differences (net):

Charged to the revenue and profit & loss account is Rs. 881 thousand (Previous year: Rs. 58 thousand)

3.24 Earnings per equity share:

(Rs. in 000's)

Particulars	March 31, 2008	March 31, 2007
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	(13,950,627)	(6,489,072)
II Weighted average number of equity shares for earnings per equity share		
(a) For basic earnings per equity share	1,357,687,296	1,230,145,205
(b) For diluted earnings per equity share		
Number of equity shares for basic earnings per equity share as per (ii) (a)	1,357,687,296	1,230,145,205
Add: Weighted average outstanding employee stock options deemed to be issued for no consideration	Nil	Nil
Weighted number of equity shares for diluted earnings per equity share	1,357,687,296	1,230,145,205
III Earnings per equity share		
Basic (in Rupees)	(10.28)	(5.28)
Diluted (in Rupees)	(10.28)	(5.25)

3.25 Funds for Future Appropriations - Linked

Pursuant to IRDA's notification dated March 29, 2006, the Appointed Actuary has determined an amount of Rs. 2,332,916 thousand (Previous year: Rs. 968,271 thousand) as release of actuarial reserves on policies which have lapsed earlier.

The cumulative balance of FFA as at March 31, 2008 of Rs. 4,093,352 thousand (Previous year Rs. 1,760,437 thousand) is not available for distribution to shareholders.

3.26 Frings benefit tax

The Finance Act 2007 included Fringe Benefit Tax ("FBT") on Employees Stock Option Scheme ("ESOS"). The FBT liability crystallises on the date of exercise of stock options and it has been accordingly accounted. As per the ESOS scheme, FBT is recoverable from the employees.

3.27 The Micro, Small and Medium Enterprises Development Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006 which came into force from October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. The Company is in the process of compiling relevant information from its suppliers about their coverage under the Act.

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forming part of the financial statements

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3.28 Additional disclosures on expenses

The additional disclosures on expenses pursuant to IRDA notification dated March 28, 2008 have been detailed herein below:

(Rs. in 000's)

Particulars	March 31, 2008	March 31, 2007
Outsourcing expenses	2,672,699	1,112,044
Business development expenses	1,886,603	989,806
Market support expenses	2,282,160	1,318,052

3.29 Previous year comparatives

Previous year figures have been regrouped and reclassified wherever necessary to conform to current year presentation. The regroupings along with their reasoning are as follows:

(Rs. in 000's)

Item regroup	Regrouped from	Regrouped to	Amount	Reason for regrouping
Provision for Leave Encashment & Gratuity	Expenses payable in Schedule 13 – Current liabilities	Provision for Leave Encashment & Gratuity in Schedule 14 – Provisions	113,269	Meaningful disclosure, in sync with Schedule VI of Companies Act, 1956

For and on behalf of the Board of Directors

AVIJIT CHATTERJEE
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 25, 2008

receipts & payments account



for the year ended March 31, 2008

(Rs. in 000's)

Particulars	March 31, 2008	March 31, 2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers:		
Premium & Other receipts	155,767,196	91,762,467
Cash paid towards operating activities:		
Expenses & Withdrawals	(74,888,209)	(37,780,899)
Reinsurance premium ceded	(206,148)	(113,116)
Advances & Deposits	(531,646)	(156,083)
Loan against policies	(1,599)	(29,142)
Taxes Paid	(230,711)	(125,014)
Net cash from operating activities (A)	79,908,883	53,558,213
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of fixed assets	3,508	1,356
Purchase of fixed assets	(1,348,968)	(1,785,697)
Purchase of investments	(1,514,934,707)	(560,396,884)
Loan	4,058	2,996
Margin money	—	—
Sale of Investments	1,414,945,308	497,892,317
Interest & Dividend received	5,659,929	3,822,552
Net cash from investing activities (B)	(95,670,872)	(60,463,360)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of share capital	889,226	1,273,015
Share Premium on capital issued	16,119,025	7,552,136
Net cash used in financing activities (C)	17,008,251	8,825,151
Net increase in cash and cash equivalents (A+B+C)	1,246,262	1,920,004
Cash and cash equivalents at beginning of the year	4,922,624	3,002,620
Cash and Cash Equivalents at end of the year	6,168,887	4,922,624
Note:		
Cash & cash equivalents at the end of the year includes:		
– Cash (Including cheques in hand & stamps in hand)	2,986,791	1,851,229
– Bank Balances & Money at call & short notice	3,182,096	3,071,395
[Including bank balance for linked business of Rs. 3,807,269 (Previous Year Rs. 98,797)]	6,168,887	4,922,624

As per our report of even date attached

For and on behalf of the Board of Directors

For WALKER, CHANDIOK & CO.
Chartered Accountants

For BSR & CO.
Chartered Accountants

AVIJIT CHATTERJEE
Appointed Actuary

K. V. KAMATH
Chairman

M. P. MODI
Director

H. T. PHONG
Director

KHUSHROO B. PANTHAKY
Partner
Membership No. 42423

AKEEL MASTER
Partner
Membership No. 46768

C. L. BARADHWAJ
Company Secretary

SHIKHA SHARMA
Managing Director

N. S. KANNAN
Executive Director

Place : Mumbai
Date : April 25, 2008