

Board of Directors

Mr. Deepak S. Parekh
Chairman

Directors

Mr. K. M. Mistry
Ms. Renu Sud Karnad
Mr. A. M. Crombie
Ms. Marcia D. Campbell
Mr. Norman Keith Skeoch
Mr. G. R. Divan
Mr. Ranjan Pant
Mr. Ravi Narain
Mr. Gerald Edgar Grimstone
Alternate to Mr. A. M. Crombie

Mr. D. M. Satwalekar
Managing Director & CEO

Auditors

Haribhakti & Company
Chartered Accountants
Kalyaniwalla & Mistry
Chartered Accountants

Bankers

HDFC Bank Ltd.
Union Bank of India
Indian Bank
The Saraswat Co-operative Bank Ltd.
Federal Bank

Registered Office

Ramon House,
H. T. Parekh Marg,
169, Backbay Reclamation,
Churchgate, Mumbai 400 020.

Corporate Office

HDFC Standard Life Insurance Company Ltd.
'Trade Star', 2nd Floor, 'A' Wing,
Junction of Kondivita and M. V. Road,
Andheri-Kurla Road,
Andheri (East), Mumbai - 400 059.
Tel. No. : 022-6751 6666
Fax : 022-2822 2414
Email : response@hdfcinsurance.com
Website : www.hdfcinsurance.com

Directors' Report

TO THE MEMBERS,

The directors have pleasure in presenting the Seventh Annual Report with the audited accounts of the company for the year ended March 31, 2007.

OPERATIONAL HIGHLIGHTS

| Particulars of Policyholders Fund | (Rs. in lacs) | |
|-----------------------------------|--|---------------------------------------|
| | Financial Year ended March 31, 2007 | Previous year ended March 31, 2006 |
| New Business Premium written | | |
| — Individual business | | |
| a. Regular Premium | 79,286.97 | 53,314.20 |
| b. Single Premium | 6,298.26 | 7,856.40 |
| — Group business | | |
| a. Regular Premium | 4,426.22 | 3,035.29 |
| b. Single Premium | 12,674.09 | 8978.34 |
| — Pensions | | |
| a. Regular Premium | 45,518.67 | 24,551.27 |
| b. Single Premium | 14,219.36 | 4,883.10 |
| Total | 1,62,423.57 | 1,02,618.60 |
| Risk claims | 108,025 | 80,154 |

New Business

The first year premium income increased by over 58% from Rs. 1,026.18 crores in the previous year to Rs.1,624.23 crores in the current year. The cumulative Sum Assured in respect of policies issued increased from Rs.47,730.40 crores as at 31st March, 2006 to Rs.67,192.97 crores as at 31st March, 2007.

During the year, the company introduced a revised version of the Group as well as Individual Unit Linked Plans to conform to the new guidelines issued by the IRDA. The company now has a portfolio of 21 retail and 6 group products, along with five optional rider benefits catering to the savings, investment, protection and retirement needs of the customer. Most retail products are offered on both, the conventional and unit linked platforms.

The endeavour of the sales force is to help customers assess their financial and insurance

needs and then offer them an appropriately customised solution through the combination of one or more riders together with the basic plan. As the age profile of our customers is relatively young, the company has made a conscious effort to offer them long term policies, with adequate life cover. We believe that in most cases a regular premium paying policy would be in the interest of the policyholder- 80% of the policies written this year are regular premium policies.

The company has significantly leveraged the 'barbell' shaped demographic profile of the population and is one of the biggest providers of i) retirement solutions for the individual market segment, and ii) solutions for planning children's financial futures.

The market for 'company retirement plans' is yet evolving and is currently very price sensitive. The company is a key player in the group business market.

During the year, the company issued over 5,23,000 policies and has covered more than 8,77,000 lives.

Distribution

Offices

In its drive to deepen and widen the penetration in the market, the company opened an additional 107 offices during the year, taking the total to 276 across 28 regions. In addition the company also adopted the Hub and Spoke model and opened 162 spokes during the year. Through the network of these offices the company's Financial Consultants, Corporate Agents and Brokers are able to service customers in almost 700 cities and towns across the country.

Financial Consultants

The Company's distribution strategy continues to lay strong emphasis on the development of the agency channel. The number of licensed Financial Consultants appointed by the company increased from over 33,000 in the previous year to over 74,000 in the current year, with a large part of the increase happening in the latter part of the year. This positions us well to take advantage of a larger trained sales force in the coming year. The company provides extensive and thorough training, to not only comply with the regulatory requirements, but also to equip the financial consultants to appropriately assess the customer's insurance needs. The 'needs based analysis' approach adopted by our sales force has resulted in a significant increase in the average premium, even beyond the limits of tax benefits available

Corporate Agents

Simultaneously the company took advantage of the interest in distributing insurance products that was evinced by banks and other corporate agents. This channel has yielded good results and accounts for over 43% of all first year premia collected during the year.

Rural & Social Sector Obligations

Under the IRDA (Obligations of Insurers to Rural Social Sectors) Regulations, 2000, an

insurer is required to meet the prescribed obligations pertaining to rural and social sectors.

The company has focused its attention in a few rural areas and has seen gratifying results. As against a regulatory requirement of writing 18% of all policies in rural areas, the company has issued over 1,21,000 policies accounting for more than 23% of all policies issued during the year. Two of our financial consultants operating exclusively in rural areas have also qualified for the internationally recognized Million Dollar Round Table (MDRT) club. In addition, during the current financial year, the company has covered 27,284 lives under the social sector category, as against the requirement of 25,000 lives.

Servicing the customer

During the year, the company has established additional touch points for rendering effective and efficient customer service. The customer can now visit our offices, call the Service Helpline, send an email, access our service through the web portal or through the Financial Consultants. Premium payments can be made easily using options like the direct debit facility (through the Electronic Clearing System) as also through net banking that has been enabled

Bonus

The company declared the sixth consecutive bonus on all with profits policies as follows:

| Product | Premium frequency | Reversionary Bonus | Interim Bonus | Terminal Bonus |
|--|-------------------|--------------------|---------------|----------------|
| <ul style="list-style-type: none"> • HDFC Endowment Assurance Plans, • HDFC Children's Plans, • HDFC Money Back Plans, • HDFC Personal Pension Plans | Regular | 2.25% | 2.25% | Not applicable |
| <ul style="list-style-type: none"> • Savings Assurance Plan • HDFC Assurance Plan | Regular | 3.25% | 3.25% | |
| <ul style="list-style-type: none"> • Single Premium Whole of Life Policies | Single | 5% | 5% | |
| <ul style="list-style-type: none"> • Personal Pension Plan | Single | 5% | 5% | 15% |

Solvency

The company has been continuously monitoring its solvency margins and has ensured that at all times, in keeping with the

on the company website.

Through effective use of digital security systems, the company now issues policy documents with secure digital signatures. Corporate clients can also access information and pass on instructions for services through a secured email facility thus doing away with paper based instructions. The year also witnessed the launch of 'My Account', a web based facility, which provides for various policy servicing options such as switch, premium redirection to be executed by clients, without recourse to visiting a branch.

Investments

Investments of insurance companies are regulated under the IRDA (Investment) Regulations, 2000 as amended from time to time. The company has complied with all the requirements under the said Regulations. The total assets under management as on March 31, 2007 is Rs. 4,976 crores as against Rs.2,554 crores in the previous year. Under the unit linked products, the company offers a choice of 6 funds ranging from growth to liquid funds.

requirements of IRDA (Assets, Liabilities, and Solvency Margin of Insurers) Regulations, 2000, the margin is maintained at least at 1.50 times the statutory required level.

Capital

During the year, the company raised the paid-up equity share capital from Rs. 620 crores to over Rs. 801 crores. Further the company also enhanced its authorised capital from Rs. 620 crores to Rs. 1,500 crores. The shares subscribed to by Standard Life Assurance Company are yet to be allotted and are awaiting approval from IRDA since Standard Life Assurance Company had demutualised during the year.

Infrastructure

During the year, the Company has invested in additional infrastructure capacity and human capital, in terms of offices, technology, staff, financial consultants, in order to be well positioned to increase the growth momentum in the year ahead. The company stepped up the recruitment programme in the latter part of the year in preparation for the next year. Many of the newly recruited sales employees will become fully productive over the coming year.

Human Resource

The company had 8,457 employees as of March 31, 2007 as compared to 3,043 employees as of March 31, 2006. Under the provisions of Section 217 (2A) of the Companies Act, 1956 and the rules framed thereunder, the names and other particulars of employees are set out in the annexe to this Report.

Technology

The company has been investing in technology to ensure efficient processing of business and to be in a position to offer value added services to customers. By networking its branches across the country and setting up a second processing center in Chennai, the company has taken effective steps towards ensuring Business Continuity.

Its investment in workflow and imaging technology through best of breed solutions have helped it manage increasing volumes without affecting service standards. As a result, the company, in the last year, has been awarded

the "Intelligent Enterprise" Award by the Express Computer Magazine – Part of the Indian Express Group.

The company has also used the internet effectively to service both policyholders and its agency force.

Training

Employee training is an integral part of our business strategy. The company continues to invest heavily into the development of its manpower resources. This is an ongoing activity with investments being made to reap benefits in the years to come.

During the year, a large scale training campaign was carried out covering the employees – both sales and operations, financial consultants and alternate channel partners and their associates on the compliance necessitated by the Guidelines on Anti Money Laundering mandated by the IRDA.

Risk Management Policy

The company has a Risk Management policy. This involved risk identification, impact evaluation and mitigant identification exercise. A review mechanism has also been put in place to track the movement of various risks, both at the unit level and at the Corporate level.

Regular updates in this regard will be placed before the Audit Committee of Directors and the Board of Directors.

Particulars Regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Expenditure

Since the company does not carry out any manufacturing activity and has no dealings in foreign exchange, the particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 are not applicable.

Dividend

As the company has not earned profits, the directors do not recommend any dividend.

Directors

During the year, Mr. G E Grimstone was appointed as an alternate director to Mr. A M Crombie, however since Mr. Crombie personally attended a meeting, Mr. Grimstone demitted office during the year.

Mr. Deepak S Parekh, Mr. A M Crombie and Mr. Ravi Narain are the directors liable to retire by rotation at the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment.

Mr. G N Bajpai ceased to be director of the company. The directors wish to place on record their appreciation for the services rendered to the company by Mr. Bajpai.

Auditors

Messrs Haribhakti & Company, Chartered Accountants and Messrs Kalyaniwalla & Mistry, Chartered Accountants - joint statutory auditors of the company retire at the forthcoming annual general meeting and are eligible for appointment.

Deposits

The company has not accepted any fixed deposits during the year under review.

Appreciation

The directors take this opportunity to thank all employees of the company for their hard work, dedication and commitment. The directors also take this opportunity to thank Housing Development Finance Corporation Limited and Standard Life Assurance Company, United Kingdom for their invaluable support. The directors also thank all the channel partners and the Policyholders for their continued support and trust reposed in the company. The directors also thank the Insurance Regulatory and Development Authority for its support, advice and direction provided from time to time.

Committee of the Board

Audit Committee

The members of the audit committee are all non-executive directors. The terms of reference of the audit committee include ensuring the implementation of audit procedures and

techniques, reviewing the financial reporting systems, internal control systems and control procedures and ensuring compliance with regulatory guidelines.

The committee met four times during the year under review. The committee reviewed the annual financial statements for the period ended March 31, 2007 and recommended approval of the same to the Board.

Further, the committee reviewed reports of internal auditors and statutory auditors with respect to all areas of operations and the comments and action taken reports of the management. The internal auditors have attended all the meetings held by the committee and the statutory auditors have attended the meetings as and when required by the committee.

Directors' Responsibility Statement

In accordance with the requirements of Section 217(2AA) of the Companies Act, 1956, the Board of Directors wish to state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures (if any);
- (ii) such accounting policies have been selected and applied consistently and judgements and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as on March 31, 2007 and of the loss of the company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting

records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- (iv) the annual accounts have been prepared on a going concern basis.

On behalf of the Board of Directors

Mumbai
April 26, 2007

DEEPAK S. PAREKH
Chairman

Auditors' Report

TO THE MEMBERS OF HDFC STANDARD LIFE INSURANCE COMPANY LIMITED

1. We have audited the attached Balance Sheet of HDFC STANDARD LIFE INSURANCE COMPANY LIMITED ("the Company") as at March 31, 2007, the related Revenue Account, Profit & Loss Account and Receipts and Payments account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements 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 our audit and have found them to be satisfactory;

(b) In our opinion and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;

(c) As the Company's financial accounting system is centralized, accounting returns are not required to be submitted by branches and other offices of the company for the purposes of our audit;

(d) The Balance Sheet, Revenue Account, Profit and Loss Account and 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 Appointed Actuary has duly certified as at March 31, 2007 the actuarial valuation of liabilities for policies in force 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') and the Actuarial Society of India in concurrence with the Authority. We have relied upon the appointed actuary's certificate in this regard for forming our opinion on the financial statement of the company.

(f) On the basis of the written representations received from the Directors of the Company, as on March 31, 2007 and taken on record by the Board of Directors, none of the directors of the Company is disqualified as on March 31, 2007 from being appointed as a Director under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

4. In our opinion and according to the information and explanations given to us, we further report that:

(a) Investments have been valued in accordance with the provisions of the Insurance Act, 1938, the Insurance Regulatory Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulation, 2002, ('the Regulations') and orders / directions issued by IRDA in this behalf ;

(b) The accounting policies selected by the Company are appropriate and are in compliance with the applicable Accounting Standards referred to under sub-section (3C) of Section 211 of the Companies Act, 1956 and with the accounting principles prescribed in the Regulations and orders / directions issued by IRDA in this behalf;

(c) The Balance Sheet, Revenue Account, Profit and Loss Account and Receipts and Payments Account together with the notes thereon, are prepared in accordance with the requirements of, 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 accounting principles generally accepted in India as applicable to insurance companies;

i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2007;

ii. in case of the Revenue Account of the net deficit (before shareholders' contribution from non-technical account) for the year ended March 31, 2007;

iii. in the case of the Profit & Loss Account, of the loss for the year ended March 31, 2007; and

iv. in the case of the Receipts and Payments Account, of the receipts and payments for the year ended March 31, 2007.

5. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us and to the best of our knowledge and belief, we certify that:

(a) We have reviewed the management report attached to the financial statements for the year ended March 31, 2007, and have found no apparent mistake or material inconsistencies with the financial statements; and

(b) Based on management representations and compliance certificates noted by the Risk Management and Audit Committee, nothing has come to our attention which causes us to believe that the company has not complied with the terms and conditions of registration stipulated by the IRDA.

For Haribhakti & Co.
Chartered Accountants

Manoj Daga
Partner

Membership No. 48523

For Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Membership No. 32083

MUMBAI
April 26, 2007

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 HDFC Standard Life Insurance Company Limited ('the Company') for the year ended March 31, 2007 we certify that:

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2007, by actual inspection or on the basis of certificates/confirmations received from the depository participant appointed by the Company, as the case may be. As at March

31, 2007, the Company had no 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 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 such Regulations and may not be suitable for any other purpose.

For Haribhakti & Co.
Chartered Accountants

Manoj Daga
Partner

Membership No. 48523

For Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner

Membership No. 32083

MUMBAI
April 26, 2007

Balance Sheet as at March 31, 2007

| | Schedule | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------|----------------------------|-----------------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS: | | | |
| Share Capital | 5 | 8,007,148 | 6,192,718 |
| Share application money received pending allotment of shares | | 287,391 | — |
| Reserve and Surplus* | 6 | 65,902 | 65,902 |
| Credit / (Debit) Fair Value Change Account | | — | 73,105 |
| Sub-Total | | 8,360,441 | 6,331,725 |
| BORROWINGS | | | |
| POLICYHOLDERS' FUNDS: | | | |
| Credit / (Debit) Fair Value Change Account | | 91,247 | 209,569 |
| Policy Liabilities | | 17,391,531 | 11,487,996 |
| Insurance Reserves | | — | — |
| Linked liabilities | | 25,934,264 | 9,732,781 |
| Add: Fair value change | | 2,582,499 | 2,203,309 |
| Total Linked Liabilities | | 28,516,763 | 11,936,090 |
| Sub-Total | | 45,999,541 | 23,633,655 |
| Funds for Future Appropriations | | — | — |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | | 59,485 | 25,516 |
| Surplus Allocated to Shareholders | | — | — |
| TOTAL | | 54,419,467 | 29,990,896 |
| * Refer Note no. 14 in the notes to Accounts. | | | |
| APPLICATION OF FUNDS | | | |
| INVESTMENTS | | | |
| Shareholders' | 8 | 1,529,743 | 1,380,910 |
| Policyholders' | 8A | 17,782,866 | 11,695,010 |
| Assets held to cover Linked Liabilities | 8B | 28,516,763 | 11,936,090 |
| LOANS | 9 | 12,638 | 29,356 |
| FIXED ASSETS | 10 | 736,054 | 601,345 |
| CURRENT ASSETS | | | |
| Cash and bank balances | 11 | 3,363,556 | 2,879,622 |
| Advances and Other Assets | 12 | 1,961,980 | 990,106 |
| Sub-Total (A) | | 5,325,536 | 3,869,728 |
| CURRENT LIABILITIES | | | |
| PROVISION | 13 | 3,874,652 | 2,658,567 |
| | 14 | 30,845 | 28,729 |
| Sub-Total (B) | | 3,905,497 | 2,687,296 |
| NET CURRENT ASSETS (C) = (A - B) | | 1,420,039 | 1,182,432 |
| MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | 15 | — | — |
| DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (Shareholders' account) | | 4,421,364 | 3,165,753 |
| TOTAL | | 54,419,467 | 29,990,896 |

Notes to Accounts
Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For Haribhakti & Co.
Chartered Accountants

Manoj Daga
Partner
Membership No: 48523

Mumbai
Dated: April 26th, 2007

Contingent Liabilities
Particulars

| | | | |
|---|--|----------------|----------------|
| 1. Partly paid-up investments | | — | — |
| 2. Claims, other than against policies, not acknowledged as debts by the company | | — | — |
| 3. Underwriting commitments outstanding (in respect of share and securities) | | — | — |
| 4. Guarantees given by or on behalf of the Company | | — | — |
| 5. Statutory demands/ liabilities in dispute, not provided for (Refer Note nos 20. & 21 in Notes to Accounts) | | 309,494 | 119,829 |
| 6. Reinsurance obligations to the extent not provided for in the accounts | | — | — |
| 7. Others | | — | — |
| Total | | 309,494 | 119,829 |

For Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No: 32083

Deepak S. Parekh
Chairman

D. M. Satwalekar
Managing Director & CEO

Directors
K.M. Mistry
G.E. Grimstone
G.R. Divan
Ranjan Pant
Norman K. Skeoch
Marcia D. Campbell
Renu Sud Karnad

Profit & Loss Account for the year ended March 31, 2007

Shareholders' Account (Non-technical Account)

| Particulars | Schedule | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------|----------------------------|-----------------------------|
| Amounts transferred from the Policyholders Account (Technical Account) | | — | — |
| Income from Investments | | | |
| (a) Interest, Dividends & Rent - Gross | | 126,836 | 138,496 |
| (b) Profit on sale / redemption of investments | | 114,192 | 7,989 |
| (c) (Loss on sale / redemption of investments) | | (12,470) | (6,933) |
| (d) Transfer / gain on revaluation / change in fair value | | (23,909) | (6,594) |
| (e) Amortisation (charge)/credit | | (2,375) | (8,926) |
| Sub Total | | <u>202,274</u> | <u>124,032</u> |
| Other Income | | <u>764</u> | <u>3,650</u> |
| TOTAL (A) | | <u>203,038</u> | <u>127,682</u> |
| Expenses other than those directly related to the insurance business | 3A | 8,252 | 18,251 |
| Bad debts written off | | — | — |
| Provisions (other than taxation) | | | |
| (a) For diminution in the value of Investments (net) | | — | — |
| (b) Provision for doubtful debts | | — | — |
| (c) Others | | — | — |
| Contribution to the Policyholders Fund | | <u>1,450,397</u> | <u>1,397,003</u> |
| TOTAL (B) | | <u>1,458,649</u> | <u>1,415,254</u> |
| Profit / (Loss) before tax | | (1,255,611) | (1,287,572) |
| Provision for Taxation | | — | — |
| Profit / (Loss) after tax | | (1,255,611) | (1,287,572) |
| APPROPRIATIONS | | | |
| (a) Balance at the beginning of the Period | | (3,165,753) | (1,878,181) |
| (b) Interim dividends paid during the Period | | — | — |
| (c) Proposed final dividend | | — | — |
| (d) Dividend distribution tax | | — | — |
| (e) Transfer to reserves /other accounts | | — | — |
| Profit / (Loss) carried forward to the Balance Sheet | | <u>(4,421,364)</u> | <u>(3,165,753)</u> |
| Earning per share - Basic | | (1.83) | (2.92) |
| Earning per share - Diluted | | (1.81) | (2.92) |
| Notes to Accounts | 16 | | |

Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date.

For Haribhakti & Co.
Chartered Accountants

For Kalyaniwalla & Mistry
Chartered Accountants

Deepak S. Parekh
Chairman

Directors
K.M. Mistry
G.E. Grimstone
G.R. Divan
Ranjan Pant
Norman K. Skeoch
Marcia D. Campbell
Renu Sud Karnad

Manoj Daga
Partner
Membership No: 48523

Viraf R. Mehta
Partner
Membership No: 32083

D. M. Satwalekar
Managing Director & CEO

Mumbai
Dated: April 26th, 2007

Revenue Account for the year ended March 31, 2007

| Policyholders' Account (Technical Account) Particulars | Schedule | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------|----------------------------|-----------------------------|
| Premiums earned (Net) | | | |
| (a) Premium | 1 | 28,558,656 | 15,699,126 |
| (b) Reinsurance ceded | | (332,408) | (229,625) |
| (c) Reinsurance accepted | | — | — |
| Sub Total | | <u>28,226,248</u> | <u>15,469,501</u> |
| Income from Investments | | | |
| (a) Interest, Dividends & Rent - Gross | | 1,589,497 | 689,655 |
| (b) Profit on sale / redemption of investments | | 1,043,415 | 944,930 |
| (c) (Loss on sale / redemption of investments) | | (411,914) | (14,974) |
| (d) Transfer / gain on revaluation / change in fair value* | | 101,405 | 2,158,993 |
| (e) Amortisation Charge | | (65,762) | (60,160) |
| Sub Total | | <u>2,256,641</u> | <u>3,718,444</u> |
| Other Income | | | |
| (a) Contribution from the Shareholders' Account | | 1,450,397 | 1,397,003 |
| (b) Other Income | | 232,997 | 232,709 |
| Sub Total | | <u>1,683,394</u> | <u>1,629,712</u> |
| TOTAL (A) | | <u>32,166,283</u> | <u>20,817,657</u> |
| Commission | 2 | 2,099,268 | 1,203,252 |
| Operating Expenses related to Insurance Business | 3 | 5,767,403 | 3,984,948 |
| Provisions for doubtful debts | | — | — |
| Bad debts written off | | — | — |
| Provisions for tax | | — | — |
| Fringe Benefit Tax | | 35,784 | 26,791 |
| Provisions (other than taxation) | | — | — |
| (a) For diminution in the value of investments (Net) | | — | — |
| (b) Others (to be specified) | | — | — |
| TOTAL (B) | | <u>7,902,455</u> | <u>5,214,991</u> |

Revenue Account for the year ended March 31, 2007 (Continued)

| Policyholders' Account (Technical Account) Particulars | Schedule | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------|----------------------------|-----------------------------|
| Benefits Paid (Net) | 4 | 1,745,350 | 448,337 |
| Interim Bonuses Paid | | 300 | 417 |
| Change in valuation of liability against life policies in force | | | |
| (a) Gross ** | | 22,625,262 | 15,247,633 |
| (b) Amount ceded in Reinsurance | | (141,054) | (119,237) |
| (c) Amount accepted in Reinsurance | | — | — |
| TOTAL (C) | | <u>24,229,858</u> | <u>15,577,150</u> |
| SURPLUS / (DEFICIT) Before Bonus Allocation | | | |
| (D) = (A) - (B) - (C) | | <u>33,970</u> | <u>25,516</u> |
| APPROPRIATIONS | | | |
| Surplus Allocated to Shareholders | | — | — |
| Transfer to Shareholders' Account | | — | — |
| Transfer to Other Reserves | | — | — |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | | 33,970 | 25,516 |
| Balance being Funds For Future Appropriations | | — | — |
| TOTAL (D) | | <u>33,970</u> | <u>25,516</u> |

Notes:

* Represents the deemed realised gain as per norms specified by the authority

** Represents changes in the mathematical reserves after allocation of bonus

As required by Sec 40-B(4) of the Insurance Act, 1938, we certify that all the expenses of Management in respect of life insurance business in India by the company have been fully debited to the Policy holders Revenue account as expenses.

The total surplus as mentioned below :

| | | |
|---|---------|---------|
| (a) Interim Bonuses Paid : | 300 | 417 |
| (b) Allocation of Bonus to policyholders: | 866,768 | 762,213 |
| (c) Surplus shown in the Revenue Account: | 33,970 | 25,516 |
| (d) Total Surplus :[(a)+(b)+(c)] | 901,038 | 788,146 |

Notes to Accounts 16

Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date.

For Haribhakti & Co.
Chartered Accountants

For Kalyaniwalla & Mistry
Chartered Accountants

Deepak S. Parekh
Chairman

Directors
K.M. Mistry
G.E. Grimstone
G.R. Divan
Ranjan Pant
Norman K. Skeoch
Marcia D. Campbell
Renu Sud Karnad

Manoj Daga
Partner
Membership No: 48523

Viraf R. Mehta
Partner
Membership No: 32083

D. M. Satwalekar
Managing Director & CEO

Mumbai
Dated: April 26th, 2007

Receipts and Payments Account for the year ended March 31, 2007

| CASH FLOW FROM OPERATING ACTIVITIES | Schedule | Current Year (Rs '000) | Previous Year (Rs '000) |
|--|----------|---------------------------|----------------------------|
| Amounts received from Policyholders | | 28,492,873 | 15,642,471 |
| Amounts paid to Policyholders | | (1,708,312) | (435,195) |
| Amounts received / (paid) to Reinsurers | | (217,789) | (265,037) |
| Amounts paid to Distribution Partners | | (2,064,017) | (1,172,248) |
| Cash Payments to Employees and Suppliers | | (6,467,443) | (2,742,762) |
| Deposit with Reserve Bank of India | | (4) | (73,570) |
| Investment Income | | 1,541,366 | 673,038 |
| Other Income | | 384,782 | 417,966 |
| Net Cash from Operating Activities | | 19,961,456 | 12,044,663 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Purchase of Fixed Assets | | (372,874) | (496,658) |
| Sale of Fixed Assets | | — | 996 |
| Proceeds from Sale or Maturity of Investments | | 65,891,941 | 22,244,811 |
| Purchase of Investments | | (87,096,589) | (34,647,719) |
| Net Cash Flow from Investing Activities | | (21,577,522) | (12,898,570) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Issue of Shares during the year | | 1,812,609 | 3,000,000 |
| Share application money received pending allotment | | 287,391 | — |
| Net Cash Flow from Financing Activities | | 2,100,000 | 3,000,000 |
| Net Increase in Cash and Cash Equivalents | | 483,934 | 2,146,093 |
| Cash and Cash Equivalents as at the beginning of the year | | 2,879,622 | 733,529 |
| CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR | | 3,363,556 | 2,879,622 |

Notes to Accounts 16

Schedules referred to above and the notes to accounts form an integral part of the Balance Sheet

As per our report of even date

For Haribhakti & Co.
Chartered Accountants

Manoj Daga
Partner
Membership No:48523

MUMBAI, April 26th, 2007

For Kalyaniwalla & Mistry
Chartered Accountants

Viraf R. Mehta
Partner
Membership No:32083

Deepak S. Parekh
Chairman

D. M. Satwalekar
Managing Director & CEO

Directors
K. M. Mistry
G. E. Grimstone
G. R. Divan
Ranjan Pant
Norman K. Skeoch
Marcia D. Campbell
Renu Sud Karnad

Schedules

Annexed to and forming part of the Accounts

Schedule 1

PREMIUM

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|------------------------|----------------------------|-----------------------------|
| 1. First year Premiums | 13,164,385 | 8,254,735 |
| 2. Renewal Premiums | 12,070,128 | 5,272,607 |
| 3. Single Premiums | 3,324,143 | 2,171,784 |
| Total Premium | <u>28,558,656</u> | <u>15,699,126</u> |

Schedule 2

COMMISSION EXPENSES

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| Commission Paid | | |
| Direct - First year premiums | 1,740,024 | 1,007,528 |
| - Renewal premiums | 345,918 | 178,867 |
| - Single premiums | 13,326 | 16,857 |
| Add: Commission on Reinsurance accepted | — | — |
| Less: Commission on Reinsurance ceded | — | — |
| Net Commission | <u>2,099,268</u> | <u>1,203,252</u> |
| Break up of the expenses (Gross) incurred to procure business : | | |
| Agents | 970,774 | 689,408 |
| Brokers | 16,371 | 6,206 |
| Corporate Agency | 1,111,327 | 506,785 |
| Referral | 796 | 853 |
| Others | — | — |
| Total | <u>2,099,268</u> | <u>1,203,252</u> |

Schedule 3

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| 1. Employees' remuneration & welfare benefits | 1,905,428 | 1,117,923 |
| 2. Travel, conveyance and vehicle running expenses | 160,255 | 105,088 |
| 3. Training expenses (Employees and Financial Consultants) | 430,282 | 218,630 |
| 4. Rent, rates & taxes | 234,800 | 168,525 |
| 5. Repairs | 37,807 | 25,005 |
| 6. Printing & stationery | 121,130 | 95,130 |
| 7. Communication expenses | 193,752 | 143,743 |
| 8. Legal & professional charges | 290,842 | 150,038 |
| 9. Medical fees | 39,587 | 32,634 |
| 10. Auditors fees, expenses etc. | | |
| (a) as auditor | 1,027 | 1,046 |
| (b) as advisor or in any other capacity in respect of | | |
| (i) Taxation matters | — | — |
| (ii) Insurance matters | — | — |
| (iii) Management services | — | — |
| (c) in any other capacity | 75 | 75 |
| 11. Advertisement and publicity | 924,383 | 866,042 |
| 12. Interest & Bank Charges | 11,391 | 4,962 |
| Carried forward | <u>4,350,759</u> | <u>2,928,841</u> |

Schedule 3 (Continued)

OPERATING EXPENSES RELATING TO INSURANCE BUSINESS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| Brought forward | 4,350,759 | 2,928,841 |
| 13. Others | | |
| (a) Computer Expenses | 150,031 | 100,531 |
| (b) General Office & Other Expenses | 176,976 | 121,084 |
| (c) Stamp Duty | 36,062 | 23,760 |
| (d) Operating Leases | 5,197 | 1,725 |
| (e) Custodial Charges | 2,962 | 3,459 |
| (f) Brokerage | 46,876 | 27,865 |
| (g) Business Development Expenses | 605,279 | 475,084 |
| (h) Depreciation | | |
| Depreciation of assets owned by Policyholders | — | — |
| Reimbursement of Depreciation for use of shareholders assets | 238,104 | 189,501 |
| 14. Service Tax | 155,157 | 113,098 |
| Total | <u>5,767,403</u> | <u>3,984,948</u> |

Schedule 3A

SHAREHOLDER EXPENSES

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| 1. Employees' remuneration & welfare benefits | — | — |
| 2. Travel, conveyance and vehicle running expenses | — | — |
| 3. Training expenses | — | — |
| 4. Rent, rates & taxes | — | 180 |
| 5. Repairs | — | — |
| 6. Printing & stationery | — | — |
| 7. Communication expenses | — | — |
| 8. Legal & professional charges | 1,436 | 7,656 |
| 9. Medical fees | — | — |
| 10. Auditors fees, expenses etc. | | |
| (a) as auditor | — | — |
| (b) as advisor or in any other capacity in respect of | | |
| (i) Taxation matters | — | — |
| (ii) Insurance matters | — | — |
| (iii) Management services | — | — |
| (c) in any other capacity | — | — |
| 11. Advertisement and publicity | — | — |
| 12. Interest & Bank Charges | 4 | 2 |
| 13. Others | | |
| (a) Custodial Charges | 33 | 812 |
| (b) General Insurance | 1,200 | 702 |
| (c) Directors Fees | 880 | 1,030 |
| (d) Stamp Duty | 1,813 | 5,705 |
| (e) Brokerage | 883 | 161 |
| (f) Preliminary Expenses amortised | 1,820 | 1,820 |
| (g) Wealth tax | 122 | 125 |
| (h) Loss on Sale of Fixed Assets | 61 | 58 |
| 14. Depreciation | | |
| (a) Depreciation on Assets owned by Shareholders | 238,104 | 189,501 |
| (b) Reimbursement by Policyholders for use of Shareholders Assets | (238,104) | (189,501) |
| Total | <u>8,252</u> | <u>18,251</u> |

Schedule 4

BENEFITS PAID [NET]

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|-------------------------------------|----------------------------|-----------------------------|
| 1. Insurance Claims | | |
| (a) Claims by Death | 183,803 | 145,236 |
| (b) Claims by Maturity | — | — |
| (c) Money back payment | 122,414 | 4,934 |
| (d) Annuities / Pensions in payment | 8,610 | 9,019 |
| (e) Vesting of Pension policy | 8,820 | — |
| (f) Surrenders | 881,684 | 239,305 |
| (g) Critical Illness | 1,520 | 942 |
| (h) Permanent & Partial Disability | 649 | — |
| (i) Withdrawals | 615,797 | 112,102 |
| (j) Others | — | 2,823 |
| Sub Total (A) | <u>1,823,297</u> | <u>514,361</u> |
| 2. (Amount ceded in reinsurance) | | |
| (a) Claims by Death | (76,015) | (65,096) |
| (b) Claims by Maturity | — | — |
| (c) Annuities / Pensions in payment | — | — |
| (d) Surrenders | — | — |
| (e) Critical Illness | (1,348) | (928) |
| (f) Permanent & Partial Disability | (584) | — |
| Sub Total (B) | <u>(77,947)</u> | <u>(66,024)</u> |
| 3. Amount accepted in reinsurance | | |
| (a) Claims by Death | — | — |
| (b) Claims by Maturity | — | — |
| (c) Annuities / Pensions in payment | — | — |
| (d) Surrenders | — | — |
| (e) Critical Illness | — | — |
| Sub Total (C) | <u>—</u> | <u>—</u> |
| Total (A+B+C) | <u><u>1,745,350</u></u> | <u><u>448,337</u></u> |

Notes:(a) Claims include specific claims settlement costs, wherever applicable.

(b) Legal, other fees and expenses also form part of the claims cost, wherever applicable.

Schedule 5

SHARE CAPITAL

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| 1. Authorised Capital | | |
| Equity shares of Rs. 10 each | 15,000,000 | 15,000,000 |
| 2. Issued Capital | | |
| Equity shares of Rs. 10 each | 8,300,000 | 6,200,000 |
| 3. Subscribed Capital | | |
| Equity shares of Rs. 10 each | 8,012,609 | 6,200,000 |
| 4. Called-up Capital | | |
| Equity shares of Rs. 10 each | | |
| Add: Shares forfeited (Amount originally paid up) | | |
| Less: Par Value of Equity Shares bought back | | |
| Less: Preliminary Expenses | (5,461) | (7,282) |
| Expenses including commission or brokerage on underwriting or subscription of shares | | |
| Total | <u>8,007,148</u> | <u>6,192,718</u> |

Share Capital amounting to Rs. 6,562,123 thousand (Previous Year : Rs. 4,886,543 thousand) is held by HDFC Ltd., the holding company.

Schedule 5A

PATTERN OF SHAREHOLDING

(As certified by the Management)

| Shareholder | Current Year | | Previous Year | |
|----------------------------|--------------------|----------------|--------------------|----------------|
| | Number of Shares | % of Holding | Number of Shares | % of Holding |
| Promoters | | | | |
| • Indian / Holding Company | 656,212,304 | 81.90% | 488,654,325 | 78.81% |
| • Foreign | 126,784,606 | 15.82% | 113,081,675 | 18.24% |
| Others - Domestic | 18,264,000 | 2.28% | 18,264,000 | 2.95% |
| Total | <u>801,260,910</u> | <u>100.00%</u> | <u>620,000,000</u> | <u>100.00%</u> |

Schedule 6

RESERVES AND SURPLUS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| 1. Capital Reserves | — | — |
| 2. Capital Redemption Reserve | — | — |
| 3. Share Premium | — | — |
| 4. Revaluation Reserve * | 65,902 | 65,902 |
| 5. General Reserves | — | — |
| Less: Debit balance in Profit and Loss Account, if any | — | — |
| Less: Amount utilized for Buy-back | — | — |
| 6. Catastrophe Reserve | — | — |
| 7. Other Reserves | — | — |
| 8. Balance of profit in Profit and Loss Account | — | — |
| Total | <u>65,902</u> | <u>65,902</u> |

* Refer Note No. 14 in the Notes to Accounts.

Schedule 7

BORROWINGS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---------------------------|----------------------------|-----------------------------|
| 1. Debentures / Bonds | — | — |
| 2. Banks | — | — |
| 3. Financial Institutions | — | — |
| 4. Others | — | — |
| Total | — | — |

Schedule 8

INVESTMENTS - SHAREHOLDERS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| LONG TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 80,810 | 360,161 |
| 2. Other Approved Securities | — | — |
| 3. Other Investments | | |
| (a) Shares | | |
| (aa) Equity | 117,275 | 156,975 |
| (bb) Preference | — | — |
| (b) Mutual Funds | — | — |
| (c) Derivative Instruments | — | — |
| (d) Debentures / Bonds | — | — |
| (e) Other Securities | — | — |
| (f) Subsidiaries | — | — |
| (g) Investment Properties - Real Estate * | 270,550 | 270,550 |
| 4. Investments in infrastructure and Social Sector | 195,626 | 256,784 |
| 5. Other than Approved securities | — | — |
| Sub Total (A) | 664,261 | 1,044,470 |
| SHORT TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 580,347 | 186,440 |
| 2. Other Approved Securities | — | — |
| 3. Other Investments | | |
| (a) Shares | | |
| (aa) Equity | — | — |
| (bb) Preference | — | — |
| (b) Mutual Funds | — | — |
| (c) Derivative Instruments | — | — |
| (d) Debentures / Bonds | 99,707 | 150,000 |
| (e) Other Securities | | |
| Commercial Paper | — | — |
| Certificate of Deposit | 47,921 | — |
| Repo Investments | 87,996 | — |
| (f) Subsidiaries | — | — |
| (g) Investment Properties - Real Estate | — | — |
| 4. Investments in infrastructure and Social Sector | 49,511 | — |
| 5. Other than Approved investments | — | — |
| Sub Total (B) | 865,482 | 336,440 |
| Total (A+B) | 1,529,743 | 1,380,910 |

* Refer Note no 14 in the Notes to Accounts.

The Market value of Investments, other than listed equity securities, is Rs. 1,168,736 thousand (Previous Year : Rs. 984,477 thousand)

Schedule 8A

INVESTMENTS - POLICYHOLDERS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| LONG TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 6,870,997 | 4,038,419 |
| 2. Other Approved Securities | — | — |
| 3. Other Investments | | |
| (a) Shares | | |
| (aa) Equity | 2,875,251 | 2,525,305 |
| (bb) Preference | — | — |
| (b) Mutual Funds | — | — |
| (c) Derivative Instruments | — | — |
| (d) Debentures / Bonds | 1,421,621 | 9,299 |
| (e) Other Securities | | |
| Deep Discount Bonds | 2,616 | — |
| (f) Subsidiaries | — | — |
| (g) Investment Properties - Real Estate | — | — |
| 4. Investment in Infrastructure and Social Sector | 2,080,176 | 1,551,726 |
| 5. Other than Approved Investments | 370,589 | — |
| Sub Total (A) | <u>13,621,250</u> | <u>8,124,749</u> |
| SHORT TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 1,883,948 | 2,497,498 |
| 2. Other Approved Securities | — | — |
| 3. Other Investments | | |
| (a) Shares | | |
| (aa) Equity | — | — |
| (bb) Preference | — | — |
| (b) Mutual Funds | 249,296 | 366,828 |
| (c) Derivative Instruments | — | — |
| (d) Debentures / Bonds | 179,214 | — |
| (e) Other Securities | | |
| Commercial Paper | 323,739 | 47,169 |
| Certificate of Deposit | 540,366 | 383,424 |
| Deep Discount Bonds | — | — |
| Repo Investments | 637,099 | — |
| (f) Subsidiaries | — | — |
| (g) Investment Properties - Real Estate | — | — |
| 4. Investment in Infrastructure and Social Sector | 347,954 | 275,342 |
| 5. Other than Approved Investments | — | — |
| Sub Total (B) | <u>4,161,616</u> | <u>3,570,261</u> |
| Total (A+B) | <u>17,782,866</u> | <u>11,695,010</u> |

The market value of Investments, other than listed equity securities, is Rs. 13,638,740 thousand (Previous Year : Rs. 8,883,613 thousand)

Schedule 8B

ASSETS HELD TO COVER LINKED LIABILITIES

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| LONG TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 1,546,319 | 792,194 |
| 2. Other Approved Securities | — | — |
| 3. Other Investments | | |
| (a) Shares | | |
| (aa) Equity | 18,161,633 | 7,831,888 |
| (bb) Preference | — | — |
| (b) Mutual Funds | — | — |
| (c) Derivative Instruments | — | — |
| (d) Debentures / Bonds | 1,814,591 | — |
| (e) Other Securities (to be specified) | | |
| Deep Discount Bonds | 82,184 | — |
| Pass through Certificates | — | — |
| (f) Subsidiaries | — | — |
| (g) Investment Properties - Real Estate | — | — |
| 4. Investment in Infrastructure and Social Sector | 405,729 | 81,276 |
| 5. Other than Approved Investments | 1,842,220 | — |
| Sub Total (A) | <u>23,852,676</u> | <u>8,705,358</u> |
| SHORT TERM INVESTMENTS | | |
| 1. Government securities and Government guaranteed bonds including Treasury Bills | 1,136,789 | 2,718,899 |
| 2. Other Approved Securities | — | — |
| 3. Other Investments | | |
| (a) Shares | | |
| (aa) Equity | — | — |
| (bb) Preference | — | — |
| (b) Mutual Funds | 794,755 | — |
| (c) Derivative Instruments | — | — |
| (d) Debentures / Bonds | 437,597 | — |
| (e) Other Securities | | |
| Fixed Deposit | 1,260,979 | — |
| Commercial Paper | 294,509 | 189,142 |
| Certificate of Deposit | 71,884 | 281,094 |
| Deep Discount Bonds | — | — |
| Repo Investments | 144,885 | — |
| (f) Subsidiaries | — | — |
| (g) Investment Properties - Real Estate | — | — |
| 4. Investment in Infrastructure and Social Sector | 495,763 | — |
| 5. Other than Approved Investments | — | — |
| Sub Total (B) | <u>4,637,161</u> | <u>3,189,135</u> |
| OTHER ASSETS | | |
| 1. Current Account | 40,839 | 4,972 |
| 2. Interest Accrued and Dividend Receivable | 291,170 | 88,055 |
| 3. Management Fees Payable | (623) | (50,231) |
| 4. Safe custody charges payable | (2,112) | (1,185) |
| 5. Other Liabilities | (302,348) | (14) |
| Sub Total (C) | <u>26,926</u> | <u>41,597</u> |
| Total (A+B+C) | <u><u>28,516,763</u></u> | <u><u>11,936,090</u></u> |

Schedule 9

LOANS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| 1. SECURITY - WISE CLASSIFICATIONS | | |
| <i>Secured</i> | | |
| (a) On mortgage of property | | |
| (aa) In India | 2,314 | 4,017 |
| (bb) Outside India | — | — |
| (b) On Shares, Bonds, Government Securities, etc. | — | — |
| (c) Loans against policies | 8,426 | 24,894 |
| (d) Others (Vehicles) | 229 | — |
| <i>Unsecured</i> | 1,669 | 445 |
| Total | 12,638 | 29,356 |
| 2. BORROWER - WISE CLASSIFICATION | | |
| (a) Central and State Governments | — | — |
| (b) Banks and Financial Institutions | — | — |
| (c) Subsidiaries | — | — |
| (d) Companies | — | — |
| (e) Loans against policies | 8,426 | 24,894 |
| (f) Loans to employees | 4,212 | 4,462 |
| Total | 12,638 | 29,356 |
| 3. PERFORMANCE - WISE CLASSIFICATION | | |
| (a) Loans classified as standard | | |
| (aa) In India | 12,638 | 29,356 |
| (bb) Outside India | — | — |
| (b) Non-standard loans less provisions | | |
| (aa) In India | — | — |
| (bb) Outside India | — | — |
| Total | 12,638 | 29,356 |
| 4. MATURITY - WISE CLASSIFICATION | | |
| (a) Short-Term | 193 | 22,151 |
| (b) Long-Term | 12,445 | 7,205 |
| Total | 12,638 | 29,356 |

The amounts receivable within 12 months from the Balance Sheet date are Rs. 1,656 thousand (Previous Year : Rs. 22,536 thousand)

Schedule 10
FIXED ASSETS

(Rs in '000)

| | Cost / Gross Block | | | | Depreciation | | | | Net Block | |
|--|--------------------|-----------|-----------------|-------------------|-------------------|-------------------|---------------------------|-------------------|-------------------|-------------------|
| | As at 01/04/06 | Additions | Deduc- tions | As at 31/03/07 | As at 01/04/06 | For the period | On Sales / Adjustments | As at 31/03/07 | As at 31/03/07 | As at 31/03/06 |
| Intangible Assets (Computer Software) | 119,841 | 5,667 | — | 125,508 | 73,832 | 25,335 | — | 99,167 | 26,341 | 46,009 |
| Buildings | 15,179 | — | — | 15,179 | 1,284 | 247 | — | 1,531 | 13,648 | 13,895 |
| Furniture & Fittings | 304,640 | 115,917 | — | 420,557 | 111,926 | 55,862 | — | 167,788 | 252,769 | 192,714 |
| Information Technology Equipment | 430,445 | 154,933 | (81) | 585,297 | 255,483 | 120,275 | (20) | 375,738 | 209,559 | 174,962 |
| Office Equipment | 238,232 | 94,105 | — | 332,337 | 70,761 | 36,385 | — | 107,146 | 225,191 | 167,471 |
| Total | 1,108,337 | 370,622 | (81) | 1,478,878 | 513,286 | 238,104 | (20) | 751,370 | 727,508 | 595,051 |
| Capital Work in progress | 6,294 | 161,514 | (159,262) | 8,546 | — | — | — | — | 8,546 | 6,294 |
| Grand Total | 1,114,631 | 532,136 | (159,343) | 1,487,424 | 513,286 | 238,104 | (20) | 751,370 | 736,054 | 601,345 |

Schedule 11
CASH AND BANK BALANCES

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| 1. Cash (including cheques on hand*, drafts and stamps) | 765,833 | 514,618 |
| 2. Bank Balances | | |
| (a) Deposit Accounts | | |
| (aa) Short-term (due within 12 months of Balance Sheet) | — | — |
| (bb) Others | — | — |
| (b) Current Accounts | 1,182,280 | 1,753,404 |
| (c) Others | — | — |
| 3. Money at Call and Short Notice | | |
| (a) With Banks | 1,415,443 | 611,600 |
| (b) With other Institutions | — | — |
| 4. Others | — | — |
| Total | 3,363,556 | 2,879,622 |
| Balances with non-scheduled banks included in 2 and 3 above | — | — |

CASH & BANK BALANCES

| | | |
|------------------|-----------|-----------|
| 1. In India | 3,363,556 | 2,879,622 |
| 2. Outside India | — | — |
| Total | 3,363,556 | 2,879,622 |

* Cheques on hand amount to Rs. 764,775 Thousand (Previous Year : Rs. 480,283 Thousand)

Schedule 12

ADVANCES AND OTHER ASSETS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| ADVANCES | | |
| 1. Reserve deposits with ceding companies | — | — |
| 2. Application money for investments | — | — |
| 3. Prepayments | 91,504 | 30,108 |
| 4. Advances to Directors/officers | — | — |
| 5. Advance tax paid and taxes deducted at source (Net of provision for taxation) | 5,952 | 114 |
| 6. Others | | |
| (a) Advances for fixed assets | 6,758 | 3,169 |
| (b) Security Deposits | 290,658 | 146,239 |
| (c) Advances to employees | 411 | 10 |
| (d) Investment sold awaiting settlement | — | — |
| (e) Other Advances | 31,022 | 10,063 |
| (f) Equity application-pending allotment | — | — |
| Total (A) | <u>426,305</u> | <u>189,703</u> |
| Other Assets | | |
| 1. Income accrued on investments | 414,464 | 239,497 |
| 2. Outstanding Premiums | 761,825 | 404,259 |
| 3. Agents' Balances | 21,386 | 512 |
| 4. Foreign Agencies' Balances | — | — |
| 5. Due from other entities carrying on insurance business (including reinsurers) | 44,966 | 16,906 |
| 6. Due from subsidiaries / holding company | 12 | — |
| 7. Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938] | 100,004 | 100,000 |
| 8. Others | | |
| (a) Sundry Debtors | 1,463 | 1,629 |
| (b) Due from Investing Company | 18,304 | 23,000 |
| (c) Service Tax Unutilised Credits | 173,251 | 14,600 |
| Total (B) | <u>1,535,675</u> | <u>800,403</u> |
| Total (A + B) | <u><u>1,961,980</u></u> | <u><u>990,106</u></u> |

Schedule 13

CURRENT LIABILITIES

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| 1. Agents' Balances | 162,083 | 105,958 |
| 2. Balances due to other insurance companies (including Reinsurers) | 197,545 | 54,866 |
| 3. Deposits held on reinsurance ceded | — | — |
| 4. Premiums received in advance | 451,850 | 83,447 |
| 5. Unallocated Premiums (Suspense) | 432,471 | 509,091 |
| 6. Sundry creditors | 1,324,021 | 900,441 |
| Carried forward | <u>2,567,970</u> | <u>1,653,803</u> |

Schedule 13 (Continued)

CURRENT LIABILITIES

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| Brought forward | 2,567,970 | 1,653,803 |
| 7. Due to subsidiaries / holding company | — | — |
| 8. Claims Outstanding | 55,562 | 18,223 |
| 9. Annuities due | — | — |
| 10. Due to Officers / Directors | — | — |
| 11. Others | | |
| (a) Tax deducted to be remitted | 168,121 | 58,874 |
| (b) Service Tax Liability | — | 41 |
| (c) Security Deposits | 21,441 | 21,441 |
| (d) Investments purchased - to be settled | 1,061,558 | 906,185 |
| Total | <u>3,874,652</u> | <u>2,658,567</u> |

Schedule 14

PROVISIONS

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| 1. Wealth Tax | 125 | 127 |
| 2. Gratuity | 5,660 | 4,794 |
| 3. Superannuation | — | — |
| 4. Leave Encashment | 24,328 | 21,494 |
| 5. Fringe Benefit Tax (Net of advance tax) | 715 | 2,314 |
| 6. Standard Loans | 17 | — |
| Total | <u>30,845</u> | <u>28,729</u> |

Schedule 15

MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|---|----------------------------|-----------------------------|
| 1. Discount allowed in issue of shares / debentures | — | — |
| 2. Others | — | — |
| Total | <u>—</u> | <u>—</u> |

Schedule 16

Financial Statement Disclosures

A. Notes forming part of Accounts:

1. Contingent Liabilities

| Particulars | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| Partly paid-up investments | — | — |
| Claims, other than against policies, not acknowledged as debts by the Company | — | — |
| Underwriting commitments outstanding | — | — |
| Guarantees given by or on behalf of the Company | — | — |
| Statutory demands and liabilities in dispute, not provided for (See Note nos. 20 & 21) | 309,494 | 119,829 |
| Reinsurance obligations | — | — |
| Others | — | — |
| | <u>—</u> | <u>—</u> |

2. Taxation

The Income-tax Act, 1961 prescribes that profits and gains of life insurance companies will be the surplus or deficit disclosed by the actuarial valuation made in accordance with the Insurance Act, 1938. The Government of India had set up a committee to suggest revisions in the provisions for taxation of life insurance companies. The Company understands that the committee has submitted its report and it is possible that the existing rules may be modified in the future.

According to Accounting Standard 22 on "Accounting for Taxes on Income" carry forward of losses under tax laws should be recognised as deferred tax assets only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available against which deferred tax asset can be realised.

As life insurance has a long gestation period, deferred tax asset relating to carry forward losses has not been recognised.

3. Actuarial Assumptions

Actuarial liabilities are calculated in accordance with accepted actuarial practice, requirements of Insurance Act, 1938, regulations notified by IRDA, and guidance notes issued by the Actuarial Society of India with the concurrence of the IRDA.

The gross premium method was used to value the non-linked liabilities in respect of the Individual policies in force at 31st March 2007. The liabilities were determined based on assumptions as to the future experience of the policies. The principal assumptions related to interest, expenses, mortality and in the case of participating policies, bonuses. The assumptions made were based on prudent estimates of the future experience, and hence include margins for adverse deviations. The interest rates used for the valuation vary according to the type and term of the product, and were in the range from 4.00 to 5.50 per cent (previous year 4.00 to 5.50 per cent). The mortality rates used for assurance benefits were based on the published Life Insurance Corporation of India (1994-1996) Mortality Table. In the case of annuity benefits, it was deemed prudent to use zero mortality rates because of the small number of lives involved.

The Unit Reserves in respect of linked business have been determined on the basis of net asset values of the units allocated to the policyholders as at 31st March 2007. The liability in respect of premiums for which units were yet to be allocated as at 31st March 2007 is included in the non-linked liabilities.

4. Encumbrances

There were no encumbrances on the assets of the Company as at the balance sheet date.

5. Commitments made and outstanding for Loans, Fixed Assets and Investments

The estimated amount of commitments made on account of fixed assets and not provided for (net of advances) is Rs.146,395 thousand as at 31st March 2007 (Previous Year : Rs. 16,086 thousand). There were no other commitments made or outstanding as at the balance sheet date.

6. Premium Income

All business is written in India.

7. Re-insurance arrangements

As at 31st March 2007, the Company had signed re-insurance treaties with Swiss Re-Insurance Company, Munich Re Insurance Company and RGA Americas Re Insurance Company Ltd. in respect of the Company's individual and group assurance business. The company has in principle re-insurance agreements with Swiss Re Insurance Company, Munich Re Insurance Company and RGA Americas Re Insurance Company Ltd.

Schedule 16

Financial Statement Disclosures (Continued)

8. Bonus Commission

The Company pays bonus commission at rates depending on the performance of consultants. The Bonus Commission has been provided in the revenue accounts on the basis of the performance achieved as on balance sheet date, plus an estimate of the additional bonus commission that would become payable on policies written in the financial period under consideration.

9. Claims

At 31st March 2007, there were 71 numbers of claims amounting to Rs.2,318 thousand (Previous Year : 14 number of claims totalling to Rs.393 thousand) settled and remaining unpaid for a period of more than six months. These claims are unpaid and kept pending as the duly executed discharge vouchers and pre receipts have not been received from the claimants. All claims are to be paid to claimants in India.

10. Value of contracts outstanding

The value of contracts outstanding as at 31st March 2007 in relation to the purchase of investments (where deliveries are pending) is Rs. 1,313,268 thousand (As at 31st March 2006: Rs. 906,185 thousand).

11. Operating Expenses

The operating expenses relating to insurance business are allocated to the Participating, Non-participating, Annuity, Pension and Unit Linked business funds in proportion to one of the following

- Number of policies,
- Effective premium income,
- Sums assured,
- Mean fund size,
- Expenses already allocated.

For each type of expense the most suitable method of allocation is chosen taking into account the nature of the expense and its relevance to the business fund.

12. Managerial Remuneration

| Particulars | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| Salary | 12,569 | 13,355 |
| Company's contribution to Provident, Gratuity and Superannuation Funds | 1,870 | 2,145 |
| Perquisites | 11 | 22 |

13. Historical Cost of Investments

The historical cost of those investments whose reported value is based on fair value are:

| Particulars | Reported Value (Rs. '000) | Historical Cost (Rs. '000) |
|----------------------------|------------------------------|-------------------------------|
| A) Equities: | | |
| Shareholders' Investments | 117,275 | 129,421 |
| Participating Fund | 1,189,606 | 1,139,937 |
| Pension Fund | 470,074 | 428,495 |
| B) Unit Linked Investments | 20,899,376 | 18,014,466 |

14. Basis of Revaluation of Investment Property

The premises owned by the company (Gross value Rs. 220,831 thousand; book value Rs. 204,648 thousand) used as an office in the past has been reclassified during the year 2005-2006 as investment properties – real estate. The property has been valued by an expert and the excess over book value amounting to Rs. 65,902 thousand has been accounted as Revaluation Reserve.

15. Contributions from Shareholders' Fund to Policyholders' Funds

The sums contributed from the shareholders' fund to the non-participating policyholders' funds are required to maintain an adequate level of solvency in each of the policyholders' funds.

Schedule 16

Financial Statement Disclosures (Continued)

No contributions have been received from the shareholders' fund to the participating and pension funds.

Contributions from the Shareholders' Fund to the non-linked Policyholders' Funds have been made at the lower of market price and the net amortised cost in the case of debt securities and at the lower of cost or market value in all other cases, so as to comply with circulars issued by the Insurance Regulatory and Development Authority.

16. Allocation of Depreciation on Fixed Assets

Fixed assets are owned by shareholders and therefore depreciation expense is charged to Shareholders' Funds. Depreciation expense has been charged to Shareholders' Funds and allocated to Policyholders' Fund, based on the use of assets, so as to comply with the circular issued by the Insurance Regulatory and Development Authority. Had the depreciation not been allocated to Policyholders' Fund, the contribution from Shareholders' Fund to Policyholders' Fund would have been lower by Rs. 224,811 thousands. (Previous Year : Rs. 160,415 thousands).

17. Leases

In accordance with the Accounting Standard on 'Leases' (AS 19), issued by the Institute of Chartered Accountants of India, the following disclosures are made in respect of Operating Leases:

- a) The Company has taken motor vehicles on operating lease for a period of up to 4 years. In respect of these operating leases, the lease payments debited to the revenue account are Rs. 4,424 thousand (Previous year : Rs. 1,725 thousand). The minimum future lease payments payable for specified duration in respect of such lease amount to the following:

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| Not later than 1 year | 3,521 | 2,270 |
| Later than 1 year but not later than 5 years | 5,081 | 5,255 |

- b) The Company has taken properties under operating lease. In respect of these operating leases, the lease payments debited to rent in the revenue account are Rs. 216,805 thousand (Previous year : Rs. 156,662 thousand). The minimum future lease payments payable for specified duration in respect of such leases amount to the following:

| | Current Year (Rs. '000) | Previous Year (Rs. '000) |
|--|----------------------------|-----------------------------|
| Not later than 1 year | 217,312 | 133,376 |
| Later than 1 year but not later than 5 years | 294,850 | 368,832 |
| Later than 5 years | 42,901 | 108,637 |

18. Unit Linked Funds

The company has presented the financial statements of the unit linked funds in Annexure I and Annexure II.

19. Related Party Disclosures

Related parties and nature of relationship

| Name of Related Party | Nature of Relationship |
|---|-------------------------|
| HDFC Limited | Holding Company |
| Standard Life Assurance Company | Investing Party |
| HDFC Asset Management Company Limited | Fellow Subsidiary |
| HDFC Developers Limited | Fellow Subsidiary |
| HDFC Holdings Limited | Fellow Subsidiary |
| HDFC Trustee Company Limited | Fellow Subsidiary |
| HDFC Realty Limited | Fellow Subsidiary |
| HDFC Investments Limited | Fellow Subsidiary |
| HDFC Chubb General Insurance Company Ltd. | Fellow Subsidiary |
| GRUH Finance Ltd. | Fellow Subsidiary |
| Home Loan Services India (P) Ltd. | Fellow Subsidiary |
| HDFC Venture Capital Ltd. | Fellow Subsidiary |
| HDFC Ventures Trustee Company Ltd. | Fellow Subsidiary |
| HDFC Property Ventures Ltd. | Fellow Subsidiary |
| D M Satwalekar | Managing Director & CEO |

Schedule 16

Financial Statement Disclosures (Continued)

The following are the transactions between the Company and related parties:

| Name of Related Party | Description | Current Year (Rs '000) | | Previous Year (Rs '000) | |
|---|---|--|--|--|--|
| | | Total Value of transactions during the year (Receipts)/Payment | Receivable/ (Payable) at March 31 2007 | Total Value of transactions during the year (Receipts)/Payment | Receivable/ (Payable) at March 31 2006 |
| HDFC Ltd. | Training Center Fees | 344 | — | — | — |
| | Rent for premises | 2,634 | — | 3,358 | — |
| | Agent examination Fees | — | — | (1) | — |
| | Reimbursements | 484 | 12 | 338 | — |
| | Capital | (1,702,729) | — | (2,556,119) | — |
| | Commission | 25,292 | (4,331) | 15,647 | (1,807) |
| Standard Life Assurance Company (SLAC) | Rent reimbursements | — | — | (4,368) | — |
| | Capital | (397,271) | — | (443,881) | — |
| | Other reimbursements | 4,696 | 18,304 | (3,950) | 23,000 |
| HDFC Asset Management Company Ltd. (HDFC AMC) | Group Term Insurance | (804) | (128) | (662) | (9) |
| | Interest on Insurance Deposit | 1 | — | — | — |
| | Investment advisory and admin. Services | 18,000 | (4,500) | 23,803 | (5,617) |
| GRUH Finance Ltd. | Fees for services | 796 | — | 583 | — |
| HDFC Chubb General Insurance Co. Ltd. | Re-imb for the use of office premises | (320) | — | (500) | 129 |
| | Insurance premium for fixed assets | 2,824 | — | 1,600 | — |
| | Insurance claim received | (564) | — | — | — |
| | Insurance Deposit | — | — | 30 | 30 |
| Home Loan Services India (P) Ltd. | Insurance Commission | 2,808 | (1,407) | — | — |
| D M Satwalekar | Managerial Remuneration | 14,450 | — | 15,522 | — |

20. Service Tax Show cause cum Demand Notice

The company has received a show cause cum demand notice dated 19th April 2006 from the Office of the Commissioner, Service Tax, Mumbai amounting to Rs. 119,829 thousand on the grounds of excess utilization of service tax credit for the period September 2004 to September 2005. Company has filed an appeal to the Commissioner of Service Tax against the demand.

Company has received a similar show cause cum demand notice on 21-04-2007 from the Office of the Commissioner, Service Tax, Mumbai amounting to Rs. 189,665 thousand on the grounds of excess utilization of service tax credit for the period October 2005 to September 2006.

A similar demand is made on other companies within the insurance industry and the company is confident of defending the show cause cum demand notice. As the company has been advised by an expert opinion that the case is well supported in law the company does not expect the demand to crystallise into a liability.

21. Income Tax Assessment

The company has received a notice on 30th March 2006 for assessment year 2003-04 disallowing a portion of depreciation. This is on the grounds that the total depreciation has been charged to shareholders instead of apportioning the same between shareholders and policyholders.

Schedule 16

Financial Statement Disclosures (Continued)

During the year ended March 31, 2007, the tax authorities completed the assessment of assessment years 2004-05 and 2001-02. The tax authorities have disallowed certain expenses while assessing the loss.

The company has filed appeal against the orders received by it. Even if these expenses are disallowed, there would be no liability as the company has adequate carry forward losses. As the case is well supported in law the company does not expect the demand to crystallise into a liability.

22. Earning Per Equity Share:

| | 31-03-2007 (Rs.'000) | 31-03-2006 (Rs.'000) |
|---|-------------------------|-------------------------|
| Net Profit/(Loss) as per Profit & Loss Account | (1,255,611) | (1,287,572) |
| Weighted average number of equity shares for Basic Earnings Per Share | 687,450,109 | 440,287,672 |
| Basic Earnings Per Share (in Rs.) | (1.83) | (2.92) |
| Weighted average number of equity shares for Diluted Earnings Per Share | 693,229,422 | 440,287,672 |
| Diluted Earnings Per Share (in Rs.) | (1.81) | (2.92) |
| Nominal value of shares | 10 | 10 |

23. Previous Year's Figures

Figures for the previous year have been re-grouped wherever necessary to conform to current year's classification.

B. Accounting Policies

1. Basis of preparation

The financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles prescribed by the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, ('the IRDA Financial Statements Regulations'), provisions of the Insurance Regulatory and Development Authority Act, 1999 and the Insurance Act, 1938 and the accounting standards prescribed by the Institute of Chartered Accountants of India ('ICAI') and the Companies Act, 1956, to the extent applicable and in the manner so required.

The preparation of the financial statements in conformity with generally accepted accounting principles ('GAAP') requires that the Company's management make estimates and assumptions that affect the reported amounts of income and expenses for the year, reported balances of assets and liabilities and disclosures relating to contingent assets and liabilities as of 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 of the date of the financial statements.

2. Revenue Recognition

Premium income is recognised when due from policyholders.

Interest Income on investments and loans are recognised on accrual basis. Dividend is recognised when the right to receive dividend is established.

3. Acquisition Costs

Acquisition costs are expensed in the period in which they are incurred.

4. Claims

Claims costs consist of the policy benefit amounts and claims settlement costs, where applicable. Claims costs are recognised in the revenue account when accepted. Reinsurance recoverables are accounted for in the same period as the related claim.

Schedule 16

Financial Statement Disclosures (Continued)

5. Investments

Investments maturing within 12 months from the balance sheet date and investments made with the specific intention to dispose off within twelve months from the balance sheet date are classified as "short term" investments. Investments other than short term are classified as "long term" investments. Brokerage expenses incurred in relation to purchase of investments are expensed in the period in which they are incurred.

Real Estate-Investment Property

Investment property represents land or building other than for use in services or for administrative purposes. The investment in the real estate is valued at historical cost, subject to revaluation at least once in three years. The change in the carrying amount of the investment property is taken to Revaluation Reserve.

Debt securities

a) Non linked business and shareholders' investments

Debt securities are categorised by asset class and are accounted as "held to maturity". Debt securities are stated at the lower of amortised cost and market value. Losses arising on this valuation are recognised in the revenue account. Discount or premium on debt securities is amortised over the remaining maturity period from the date of purchase of such securities.

b) Linked business

All debt securities, including government securities under linked businesses are valued at market price. Unrealised gains and losses arising on this valuation are recognised in the revenue account.

Equity shares

a) Non linked business and shareholders' investments

Equity shares are categorised as an asset class and each asset is valued at fair value being the lower of the last quoted closing prices on the National Stock Exchange (NSE) and the Mumbai Stock Exchange (BSE). Any unrealised gains and losses arising due to changes in the fair value are recognised in equity under the head 'Fair Value Change Account' in the balance sheet.

b) Linked business

Listed equity shares are valued and stated at fair value, being the last quoted closing prices on National Stock Exchange at the Balance Sheet date. Unrealised gains and losses arising on this valuation are recognised in the revenue account.

Mutual Funds

a) Non linked business and shareholders' investments

Mutual Fund units are valued at lower of cost and net asset value on valuation date and unrealised loss is recognised in the revenue account and profit and loss account as applicable.

b) Linked business

Mutual Fund units are valued at Net Asset Value on valuation date and unrealised gain/loss is recognised in revenue account.

6. Policyholder Liability

The policyholder liabilities are determined by the Company's Appointed Actuary following his annual investigation of the Company's insurance policies.

7. Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Cost includes installation and other costs to bring the asset to its present location and working condition for its intended use. Depreciation on fixed assets is provided for the full year in respect of assets acquired during the year. No depreciation is provided in the year of sale.

Schedule 16

Financial Statement Disclosures (Continued)

Depreciation is charged on the straight-line method for buildings, information technology equipment and intangible assets (software). All other assets are depreciated using the reducing balance method. All assets except information technology equipment and intangible assets are depreciated at rates prescribed in Schedule XIV of the Companies Act, 1956. Depreciation on information technology equipment and intangible assets (software) is calculated at the rate of 25 per cent per annum.

8. Loans

Loans are valued at historical cost, net of capital repayments.

9. Preliminary Expenses

Preliminary expenses (incurred prior to 1st April 2003) are amortised equally over a period of ten years.

10. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rate of exchange prevailing on the date of the transaction. Monetary assets and liabilities are translated at the year-end closing rates. Exchange gains and losses arising on such translations are recognised either in the revenue or profit and loss account, as the case may be.

11. Segmental Reporting

As per Accounting Standard 17 on 'Segment Reporting' issued by the ICAI, the Company is required to report segment results separately. Accordingly, the Company has prepared the revenue account and balance sheet for the eight primary business segments namely Participating, Non-Participating, Pension, Annuity businesses, Unit Linked Life (Individual and Group), and Unit Linked Pension (Individual and Group). Since the business operation of the Company is in India, this is considered as one geographical segment.

The following bases have been used for allocation of revenue, expenses, assets and liabilities to the business segments:

Revenues and expenses, assets and liabilities, which are directly attributable and identifiable to business segments, are allocated on actual basis.

Other expenses, current assets and current liabilities which are not directly identifiable though attributable and other indirect expenses, are allocated on one of the following bases, as considered appropriate by the management:

- a) number of policies
- b) effective premium income
- c) sum assured
- d) mean fund size
- e) expenses already allocated.

The accounting policies used in segment reporting are the same as those used in the preparation of the financial statements.

12. Retirement Benefits

The Company has various schemes of retirement benefits; these are Provident Fund, Superannuation Fund, Gratuity Fund and Leave Encashment. The Provident Fund is recognised by the Income-tax authorities. Applications for recognition of the Gratuity and Superannuation Funds have been made. Gratuity Fund and Superannuation Fund and the schemes thereunder are administered by various trustees. The Company's contribution to Provident Fund and provisions for Superannuation as per the scheme, Gratuity and Leave Encashment are charged to the Revenue Account each year. Provision for Gratuity and Leave Encashment are made on the basis of actuarial valuation.

13. Provisions and Contingent Liabilities

Provisions are recognised in the accounts in respect of present probable obligations, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, but their existence is confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Schedule 16

Financial Statement Disclosures (Continued)

C. Additional Disclosures

1. Investments made under statutory requirements

As at 31st March 2007, the Company had assets amounting to Rs.100,004 thousand deposited with the Reserve Bank of India in order to comply with the level of deposit required by Section 7 of the Insurance Act, 1938. The assets are made up of Central Government Securities.

2. Performing and non-performing assets

The Company did not hold any non-performing assets during the period.

3. Deposits made under local laws

The Company has no deposits made under local laws.

4. Business sector-wise

Social Sector

| | Current Year 2006-2007 | Previous Year 2005-2006 |
|-----------------|---------------------------|----------------------------|
| No. of lives | 27,714 | 42,354 |
| No. of policies | 3,451 | 18,904 |
| % of policies | 0.66% | 4.75% |
| Total Policies | 523,147 | 397,969 |

Rural Sector

| | Current Year 2006-2007 | Previous Year 2005-2006 |
|-----------------|---------------------------|----------------------------|
| No. of policies | 124,337 | 82,251 |
| % of policies | 23.77% | 20.67% |
| Total Policies | 523,147 | 397,969 |

5. Allocation of investments and investment income

The underlying investments held on behalf of the shareholders and the policyholders are included in Schedules 8, 8A and 8B. The investment income arising from these investments has been taken to the profit and loss account and revenue account respectively.

6. Funds for future appropriations

The balance on this account represents funds, the allocation of which, either to participating policyholders or to shareholders, has not been determined at the balance sheet date. Transfers to and from the fund reflect the excess or deficiency of income over expenses and appropriations in each accounting period arising in the Company's policyholder fund.

7. Percentage of risks retained and risk reinsured

| | As at 31st March 2007 | | As at 31st March 2006 | |
|---------------------|-------------------------------|-----|-------------------------------|-----|
| | Sum at risk (Rs. millions) | | Sum at risk (Rs. millions) | |
| Individual business | | | | |
| Risk retained | 180,096 | 55% | 109,813 | 53% |
| Risk reinsured | 149,203 | 45% | 98,545 | 47% |
| Group business | | | | |
| Risk retained | 13,952 | 43% | 16,232 | 30% |
| Risk reinsured | 18,495 | 57% | 37,183 | 70% |

Schedule 16

Financial Statement Disclosures (Continued)

8. Summary of Financial Statements

| | | (Rs. '000) | | | | |
|---------------------------|--|-------------|-------------|-------------|-------------|-------------|
| Sr No. | Particulars | 2006-2007 | 2005 - 2006 | 2004 - 2005 | 2003 - 2004 | 2002 - 2003 |
| POLICYHOLDER'S A/C | | | | | | |
| 1 | Gross premium income | 28,558,656 | 15,699,126 | 6,866,346 | 2,977,559 | 1,488,271 |
| 2 | Net premium income | 28,226,248 | 15,469,501 | 6,729,283 | 2,898,126 | 1,440,522 |
| 3 | Income from investments (Net) | 2,256,641 | 3,718,444 | 256,236 | 263,939 | 52,251 |
| 4 | Other income | 232,997 | 232,709 | 49,334 | 11,897 | 1,897 |
| 4a | Contribution from Shareholder to Policyholder Account | 1,450,397 | 1,397,003 | 954,744 | 286,428 | 535,542 |
| 5 | Total income | 32,166,283 | 20,817,657 | 7,989,596 | 3,460,390 | 2,030,212 |
| 6 | Commissions | 2,099,268 | 1,203,252 | 730,928 | 386,506 | 197,676 |
| 7 | Brokerage | — | — | — | — | — |
| 8 | Operating Expenses related to insurance business | 5,803,187 | 4,011,739 | 2,307,514 | 982,266 | 700,558 |
| 9 | Total Expenses | 7,902,455 | 5,214,991 | 3,038,442 | 1,368,772 | 898,234 |
| 10 | Payment to policy holders | 1,745,650 | 448,754 | 157,416 | 27,164 | 5,553 |
| 11 | Increase in actuarial liability | 22,484,208 | 15,128,397 | 4,793,739 | 2,064,454 | 1,158,525 |
| 12 | Surplus/Deficit from operations | 33,970 | 25,515 | — | — | (32,100) |
| SHAREHOLDERS A/C | | | | | | |
| 13 | Total income under Shareholders' Account (includes Contribution to Policyholders Fund) | (1,247,359) | (1,269,321) | (886,857) | (133,066) | (416,154) |
| 14 | Profit / (loss) before tax | (1,255,611) | (1,287,572) | (897,347) | (234,350) | (482,027) |
| 15 | Provisions for tax | — | — | — | — | — |
| 16 | Profit / (loss) after tax | (1,255,611) | (1,287,572) | (897,347) | (234,350) | (482,027) |
| 17 | Profit / (loss) carried to Balance Sheet | (1,255,611) | (1,287,572) | (897,347) | (234,350) | (482,027) |
| MISCELLANEOUS | | | | | | |
| 18 | (A) Policyholders' account: | | | | | |
| | Total funds | 45,999,541 | 23,633,655 | 8,470,669 | 3,536,328 | 1,439,986 |
| | Total investments | 46,299,629 | 23,631,100 | 8,006,208 | 3,565,004 | 1,310,374 |
| | Yield on investments (%) | 8.69% | 13.67% | 3.49% | 11.30% | 5.80% |
| | (B) Shareholders' account: | | | | | |
| | Total funds | 3,939,077 | 3,165,972 | 1,316,269 | 1,566,107 | 1,412,937 |
| | Total investments | 1,529,743 | 1,380,910 | 984,253 | 639,526 | 880,002 |
| | Yield on investments (%) | 7.04% | 10.60% | 7.53% | 16.90% | 11.50% |
| 19 | Yield on total investments | 8.69% | 13.24% | 4.19% | 12.90% | 8.90% |
| 20 | Paid up equity capital | 8,012,609 | 6,200,000 | 3,200,000 | 2,555,000 | 2,180,000 |
| 21 | Net worth | 3,939,077 | 3,165,972 | 1,316,269 | 1,566,107 | 1,412,937 |
| 22 | Total Assets | 49,983,103 | 26,825,143 | 9,786,939 | 5,102,434 | 2,852,923 |
| 23 | Earnings per share (basic) (Rs.)* | (1.83) | (2.92) | (3.38) | (1.00) | (2.76) |
| 24 | Earnings per share (diluted) (Rs.)* | (1.81) | (2.92) | (3.38) | (1.00) | (2.76) |
| 25 | Book value per share (Rs) | 4.92 | 5.11 | 4.11 | 6.13 | 6.48 |

* In determining earnings per share, the company considers the net profit after tax. The number of shares used in computing basic and diluted earnings per share is the weighted average number of shares outstanding during the period.

Schedule 16

Financial Statement Disclosures (Continued)

9. Financial Ratios

| | (Rs. '000) | |
|---|------------|------------|
| 1) New Business Premium Income Growth (segment wise) | | |
| Particulars | % 2006-07 | % 2005-06 |
| Life -Individual Business | 136.75% | 202.89% |
| Life -Group Business | 157.26% | 308.71% |
| Pension | 203.81% | 295.52% |
| Annuities | 307.47% | 18.93% |
| 2) Net Retention ratio (Net Premium divided by Gross premium) | | |
| Particulars | 2006-07 | 2005-06 |
| Net Premium | 28,226,248 | 15,469,501 |
| Gross Premium | 28,558,656 | 15,699,126 |
| Ratio | 98.84% | 98.54% |
| 3) Ratio of expenses of management (Expenses of management divided by Total gross direct premium) | | |
| Particulars | 2006-07 | 2005-06 |
| Management Expenses | 7,866,671 | 5,188,200 |
| Total Gross Premium | 28,558,656 | 15,699,126 |
| Ratio | 27.54% | 33.05% |
| 4) Commission Ratio (Gross commission paid to Gross premium) | | |
| Particulars | 2006-07 | 2005-06 |
| Gross commission | 2,099,268 | 1,203,252 |
| Gross Premium | 28,558,656 | 15,699,126 |
| Ratio | 7.35% | 7.66% |
| 5) Ratio of policyholders' liabilities to shareholders' funds | | |
| Particulars | 2006-07 | 2005-06 |
| Policyholders liability | 45,908,294 | 23,424,086 |
| Shareholders funds | 3,939,077 | 3,165,972 |
| Ratio | 1165.46% | 739.87% |
| 6) Growth rate of Shareholders' funds | | |
| Particulars | 2006-07 | 2005-06 |
| Shareholders funds | 3,939,077 | 3,165,972 |
| Growth Rate | 24.42% | 140.53% |
| 7) Ratio of deficit to Policyholders liability | | |
| Particulars | 2006-07 | 2005-06 |
| Surplus / (Deficit) | 33,970 | 25,516 |
| Policyholders liability | 45,908,294 | 23,424,086 |
| Ratio | 0.07% | 0.11% |
| 8) Change in net worth | | |
| Particulars | 2006-07 | 2005-06 |
| Net Worth | 3,939,077 | 3,165,972 |
| Change (Rs.'000) | 773,105 | 1,849,703 |
| 9) Profit after tax / Total Income | | |
| The Company does not have any profit after tax and therefore this ratio cannot be calculated | | |

Schedule 16

Financial Statement Disclosures (Continued)

10) (Total Real Estate + Loans) / Cash & invested assets

| Particulars | 2006-07 | 2005-06 |
|-----------------------------------|------------|------------|
| Loans | 12,638 | 29,356 |
| Investment Properties-Real Estate | 270,550 | 270,550 |
| Cash & Invested Assets | 48,595,205 | 25,526,628 |
| Ratio | 0.58% | 1.17% |

11) Total Investments / (Capital + Surplus)

| Particulars | 2006-07 | 2005-06 |
|--------------------|-------------|-------------|
| Total Investments | 47,829,372 | 25,012,010 |
| Capital | 8,007,148 | 6,192,718 |
| Surplus /(Deficit) | (4,387,394) | (3,140,237) |
| Ratio | 13.21% | 8.19% |

12) Total affiliated investments / (Capital + Surplus)

The Company does not have any affiliated investments and therefore this ratio cannot be calculated

10. Loan Assets Restructured during the year are as follows:

| Sr. No. | Particulars | Current Year (Rs. 000s) | Previous Year (Rs. 000s) |
|---------|--|----------------------------|-----------------------------|
| 1. | Total amount of Loan Assets subject to restructuring | Nil | Nil |
| 2. | Total amount of Standard Assets subject to restructuring | Nil | Nil |
| 3. | Total amount of Sub-Standard Assets subject to restructuring | Nil | Nil |
| 4. | Total amount of Doubtful Assets subject to restructuring | Nil | Nil |

11. Impairment of Assets

The carrying amounts of assets are reviewed at the Balance Sheet date if there is any indicator of impairment based on the internal/external factors. An impairment loss is recognized wherever carrying amount of an asset exceeds its recoverable amounts. There are no impaired assets as on the balance sheet date.

12. Statement containing names, descriptions, occupations of and directorships held by the persons in charge of management of the business under Section 11(2) of the Insurance Act, 1938

Name: Mr. D M Satwalekar
Description: Managing Director & CEO
Occupation: Service

Directorships held as on March 31, 2007:

1. HDFC Standard Life Insurance Company Ltd.
2. Asian Paints (India) Ltd.
3. Housing Development Finance Corporation Ltd.
4. Infosys Technologies Ltd.
5. Nicholas Piramal India Ltd.
6. Franklin Templeton Asset Management India Pvt Ltd.
7. The Arvind Mills Ltd.
8. Entertainment Network (India) Limited

SEGMENTAL REPORTS

BALANCE SHEET AS AT 31st March 2007

| Particulars | (Rs in '000) | | | | | | | Total Funds | |
|---|--------------------|------------------------|--------------|--------------|-------------|------------|--------------------------|-------------|-------------------|
| | Participating Fund | Non Participating Fund | Annuity Fund | Pension Fund | Linked Fund | Unit Fund | Total Policyholders Fund | | Shareholders Fund |
| SOURCES OF FUNDS | | | | | | | | | |
| SHAREHOLDERS' FUNDS: | | | | | | | | | |
| SHARE CAPITAL | — | — | — | — | — | — | — | 8,007,148 | 8,007,148 |
| SHARE APPLICATION MONEY RECEIVED | — | — | — | — | — | — | — | 287,391 | 287,391 |
| PENDING ALLOTMENT OF SHARES | — | — | — | — | — | — | — | 65,902 | 65,902 |
| RESERVE AND SURPLUS | — | — | — | — | — | — | — | — | — |
| CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT | — | — | — | — | — | — | — | — | — |
| Sub-Total | — | — | — | — | — | — | — | 8,360,441 | 8,360,441 |
| BORROWINGS | — | — | — | — | — | — | — | — | — |
| POLICYHOLDERS' FUNDS: | | | | | | | | | |
| CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT | 49,669 | — | — | 41,578 | — | — | 91,247 | — | 91,247 |
| POLICY LIABILITIES | 10,130,288 | 1,925,277 | 90,451 | 3,544,447 | 1,701,068 | — | 17,391,531 | — | 17,391,531 |
| INSURANCE RESERVES | — | — | — | — | — | — | — | — | — |
| Linked liabilities | — | — | — | — | 25,934,264 | — | 25,934,264 | — | 25,934,264 |
| Add: Fair value change | — | — | — | — | 2,582,499 | — | 2,582,499 | — | 2,582,499 |
| TOTAL LINKED LIABILITIES | — | — | — | — | 28,516,763 | — | 28,516,763 | — | 28,516,763 |
| Sub-Total | 10,179,957 | 1,925,277 | 90,451 | 3,586,025 | 30,217,831 | — | 45,999,541 | — | 45,999,541 |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | — | — | — | — | 59,485 | — | 59,485 | — | 59,485 |
| Funds for future appropriations | — | — | — | — | — | — | — | — | — |
| Surplus Allocated to Shareholders | — | — | — | — | — | — | — | — | — |
| TOTAL | 10,179,957 | 1,925,277 | 90,451 | 3,586,025 | 30,277,316 | 46,059,026 | 8,360,441 | — | 54,419,467 |
| APPLICATION OF FUNDS | | | | | | | | | |
| INVESTMENTS | | | | | | | | | |
| Shareholders' | — | — | — | — | — | — | — | 1,529,743 | 1,529,743 |
| Policyholders' | 9,860,991 | 1,587,000 | 116,909 | 3,294,999 | 2,922,967 | 17,782,866 | — | — | 17,782,866 |
| ASSET HELD TO COVER LINKED LIABILITIES | — | — | — | — | 28,516,763 | — | — | — | 28,516,763 |
| LOANS | 8,425 | — | — | — | 8,425 | — | — | — | 12,638 |
| FIXED ASSETS | — | — | — | — | — | — | — | 736,054 | 736,054 |
| CURRENT ASSETS | | | | | | | | | |
| Cash and bank balances | 315,837 | 77,745 | 5,213 | 419,881 | 2,285,220 | 3,103,896 | 259,660 | — | 3,363,556 |
| Advances and other assets | 448,787 | 78,077 | 3,420 | 113,350 | 1,251,226 | 1,894,860 | 67,120 | — | 1,961,980 |
| Inter fund assets | 296,741 | 796,587 | 66,932 | 182,250 | — | 1,342,510 | 1,874,474 | — | 3,216,984 |
| Sub-total (A) | 1,061,365 | 952,409 | 75,565 | 715,481 | 3,536,446 | 6,341,266 | 2,201,254 | — | 8,542,520 |
| CURRENT LIABILITIES | | | | | | | | | |
| Current liabilities and provisions | 731,658 | 614,132 | 102,023 | 424,455 | 2,003,076 | 3,875,344 | 30,153 | — | 3,905,497 |
| Inter fund liabilities | 19,166 | — | — | — | 2,695,784 | 2,714,950 | 502,034 | — | 3,216,984 |
| Sub-Total (B) | 750,824 | 614,132 | 102,023 | 424,455 | 4,698,860 | 6,590,294 | 532,187 | — | 7,122,481 |
| NET CURRENT ASSETS (C) = (A - B) | 310,541 | 338,277 | 102,023 | 291,026 | (1,162,414) | (249,028) | 1,669,067 | — | 1,420,039 |
| MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | — | — | — | — | — | — | — | — | — |
| DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (Shareholders' account) | — | — | — | — | — | — | — | — | — |
| TOTAL | 10,179,957 | 1,925,277 | 90,451 | 3,586,025 | 30,277,316 | 46,059,026 | 8,360,441 | — | 54,419,467 |

Unit linked Balance Sheet as at 31st March 2007

| Particulars | (Rs in '000) | | | | | Total Unit Linked |
|---|----------------------------------|-------------------------------------|-----------------------------|--------------------------------|-------------|-------------------|
| | Unit linked Individual Life Fund | Unit linked Individual Pension Fund | Unit linked Group Life Fund | Unit linked Group Pension Fund | | |
| SOURCES OF FUNDS | | | | | | |
| SHAREHOLDERS' FUNDS: | | | | | | |
| SHARE CAPITAL | — | — | — | — | — | — |
| SHARE APPLICATION MONEY RECEIVED PENDING ALLOTMENT OF SHARES | — | — | — | — | — | — |
| RESERVE AND SURPLUS | — | — | — | — | — | — |
| CREDIT / [DEBIT] FAIR VALUE CHANGE ACCOUNT | — | — | — | — | — | — |
| Sub-Total | — | — | — | — | — | — |
| BORROWINGS | | | | | | |
| POLICYHOLDERS' FUNDS: | | | | | | |
| CREDIT/[DEBIT] FAIR VALUE CHANGE ACCOUNT | — | — | — | — | — | — |
| POLICY LIABILITIES | 897,410 | 403,292 | 336,042 | 64,324 | 1,701,068 | |
| INSURANCE RESERVES | — | — | — | — | — | |
| Linked liabilities | 12,821,941 | 8,543,197 | 3,214,220 | 1,354,906 | 25,934,264 | |
| Add: Fair value change | 1,611,029 | 786,978 | 149,411 | 35,081 | 2,582,499 | |
| TOTAL LINKED LIABILITIES | 14,432,971 | 9,330,175 | 3,363,631 | 1,389,986 | 28,516,763 | |
| Sub-Total | 15,330,381 | 9,733,467 | 3,699,673 | 1,454,310 | 30,217,831 | |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | 44,114 | 15,371 | — | — | 59,485 | |
| Funds for future appropriations | — | — | — | — | — | |
| Surplus Allocated to Shareholders | — | — | — | — | — | |
| TOTAL | 15,374,495 | 9,748,838 | 3,699,673 | 1,454,310 | 30,277,316 | |
| APPLICATION OF FUNDS | | | | | | |
| INVESTMENTS | | | | | | |
| Shareholders' | — | — | — | — | — | — |
| Policyholders' | 1,418,806 | 728,113 | 776,048 | — | 2,922,967 | |
| ASSET HELD TO COVER LINKED LIABILITIES | 14,432,971 | 9,330,175 | 3,363,631 | 1,389,986 | 28,516,763 | |
| LOANS | — | — | — | — | — | |
| FIXED ASSETS | — | — | — | — | — | |
| CURRENT ASSETS | | | | | | |
| Cash and bank balances | 1,062,770 | 703,873 | 435,762 | 82,815 | 2,285,220 | |
| Advances and other assets | 505,650 | 453,477 | 137,223 | 154,876 | 1,251,226 | |
| Inter fund assets | — | — | — | — | — | |
| Sub-total (A) | 1,568,420 | 1,157,350 | 572,985 | 237,691 | 3,536,446 | |
| CURRENT LIABILITIES | | | | | | |
| Current liabilities and provisions | 1,361,290 | 339,843 | 218,370 | 83,573 | 2,003,076 | |
| Inter fund liabilities | 684,412 | 1,126,957 | 794,621 | 89,794 | 2,695,784 | |
| Sub-Total (B) | 2,045,702 | 1,466,800 | 1,012,991 | 173,367 | 4,698,860 | |
| NET CURRENT ASSETS (C) = (A - B) | (477,282) | (309,450) | (440,006) | 64,324 | (1,162,414) | |
| MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted) | — | — | — | — | — | |
| DEBIT BALANCE IN PROFIT AND LOSS ACCOUNT (Shareholders' account) | — | — | — | — | — | |
| TOTAL | 15,374,495 | 9,748,838 | 3,699,673 | 1,454,310 | 30,277,316 | |

SEGMENTAL REPORTS

BALANCE SHEET AS AT 31st March 2006

| PARTICULARS | (Rs. '000) | | | | | | | |
|---|--------------------|------------------------|--------------|--------------|------------------|-------------------------|------------------|-------------|
| | Participating Fund | Non Participating Fund | Annuity Fund | Pension Fund | Unit Linked Fund | Total Policyholder Fund | Shareholder Fund | Total Funds |
| SOURCES OF FUNDS | | | | | | | | |
| SHAREHOLDERS' FUNDS: | | | | | | | | |
| SHARE CAPITAL | — | — | — | — | — | — | 6,192,718 | 6,192,718 |
| RESERVES AND SURPLUS | — | — | — | — | — | — | 65,902 | 65,902 |
| CREDIT / [DEBIT] FAIR VALUE CHANGE ACCOUNT | — | — | — | — | — | — | 73,105 | 73,105 |
| Sub-Total | — | — | — | — | — | — | 6,331,725 | 6,331,725 |
| BORROWINGS | | | | | | | | |
| POLICYHOLDERS' FUNDS: | | | | | | | | |
| Credit / [Debit] Fair Value Change Account | 145,313 | — | — | 64,256 | — | 209,569 | — | 209,569 |
| Policy Liabilities | 6,734,557 | 952,127 | 74,353 | 2,641,095 | 1,085,864 | 11,487,996 | — | 11,487,996 |
| Insurance Reserves | — | — | — | — | — | — | — | — |
| Linked Liabilities | — | — | — | — | 9,732,781 | 9,732,781 | — | 9,732,781 |
| Add: Fair value change | — | — | — | — | 2,203,309 | 2,203,309 | — | 2,203,309 |
| TOTAL LINKED LIABILITIES | — | — | — | — | 11,936,090 | 11,936,090 | — | 11,936,090 |
| Sub-Total | 6,879,870 | 952,127 | 74,353 | 2,705,351 | 13,021,954 | 23,633,655 | — | 23,633,655 |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | — | — | — | — | 25,516 | 25,516 | — | 25,516 |
| Funds for future appropriations - Others | — | — | — | — | — | — | — | — |
| Surplus Allocated to Shareholders | — | — | — | — | — | — | — | — |
| TOTAL | 6,879,870 | 952,127 | 74,353 | 2,705,351 | 13,047,470 | 23,659,171 | 6,331,725 | 29,990,896 |
| APPLICATION OF FUNDS | | | | | | | | |
| INVESTMENTS | | | | | | | | |
| Shareholders' | — | — | — | — | — | — | 1,380,910 | 1,380,910 |
| Policyholders' | 6,302,151 | 872,162 | 85,734 | 2,543,443 | 1,891,520 | 11,695,010 | — | 11,695,010 |
| ASSET HELD TO COVER LINKED LIABILITIES | — | — | — | — | 11,936,090 | 11,936,090 | — | 11,936,090 |
| LOANS | 8,397 | — | — | — | — | 8,397 | 20,959 | 29,356 |
| FIXED ASSETS | — | — | — | — | — | — | 601,345 | 601,345 |
| CURRENT ASSETS | | | | | | | | |
| Cash and bank balances | 308,573 | 89,416 | 72 | 94,913 | 2,211,142 | 2,704,116 | 175,506 | 2,879,622 |
| Advances and other assets | 328,253 | 43,365 | 2,239 | 79,054 | 479,888 | 932,800 | 57,306 | 990,106 |
| Inter fund assets | 1,077,921 | 31,189 | 34,596 | 43,699 | — | 1,187,405 | 976,932 | 2,164,337 |
| Sub-total (A) | 1,714,748 | 163,970 | 36,907 | 217,666 | 2,691,030 | 4,824,321 | 1,209,744 | 6,034,065 |
| CURRENT LIABILITIES | | | | | | | | |
| Current Liabilities and Provisions | 1,124,154 | 84,005 | 48,287 | 55,758 | 1,349,427 | 2,661,631 | 25,665 | 2,687,296 |
| Inter fund liabilities | 21,272 | — | — | — | 2,121,743 | 2,143,015 | 21,322 | 2,164,337 |
| Sub-Total (B) | 1,145,426 | 84,005 | 48,287 | 55,758 | 3,471,170 | 4,804,646 | 46,987 | 4,851,633 |
| NET CURRENT ASSETS (C) = (A - B) | 569,322 | 79,965 | (11,380) | 161,908 | (780,140) | 19,675 | 1,162,757 | 1,182,432 |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | — | — | — | — | — | — | — | — |
| Debit Balance in Profit and Loss Account (Shareholders' account) | — | — | — | — | — | — | 3,165,753 | 3,165,753 |
| TOTAL | 6,879,870 | 952,127 | 74,353 | 2,705,351 | 13,047,470 | 23,659,171 | 6,331,725 | 29,990,896 |

Unit linked Balance Sheet as at 31st March 2006

(Rs. '000)

| Particulars | Unit Linked Life Fund | Unit Linked Pension Fund | Total Funds |
|---|-----------------------|--------------------------|-------------------|
| SOURCES OF FUNDS | | | |
| SHAREHOLDERS' FUNDS: | | | |
| Share Capital | — | — | — |
| Reserves and Surplus | — | — | — |
| Credit / [Debit] Fair Value Change Account | — | — | — |
| Sub-Total | — | — | — |
| BORROWINGS | | | |
| POLICYHOLDERS' FUNDS: | | | |
| Credit / [Debit] Fair Value Change Account | — | — | — |
| Policy Liabilities | 809,527 | 276,337 | 1,085,864 |
| Insurance Reserves | — | — | — |
| Linked Liabilities | 6,416,807 | 3,315,974 | 9,732,781 |
| Add: Fair value change | 1,496,068 | 707,241 | 2,203,309 |
| TOTAL LINKED LIABILITIES | 7,912,875 | 4,023,215 | 11,936,090 |
| Sub-Total | 8,722,402 | 4,299,552 | 13,021,954 |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | 19,671 | 5,845 | 25,516 |
| Funds for future appropriations - Others | — | — | — |
| Surplus Allocated to Shareholders | — | — | — |
| TOTAL | 8,742,073 | 4,305,397 | 13,047,470 |
| APPLICATION OF FUNDS | | | |
| INVESTMENTS | | | |
| Shareholders' | — | — | — |
| Policyholders' | 1,567,471 | 324,049 | 1,891,520 |
| ASSET HELD TO COVER LINKED LIABILITIES | 7,912,875 | 4,023,215 | 11,936,090 |
| LOANS | — | — | — |
| FIXED ASSETS | — | — | — |
| CURRENT ASSETS | | | |
| Cash and bank balances | 1,594,570 | 616,572 | 2,211,142 |
| Advances and Other Assets | 341,838 | 138,050 | 479,888 |
| Inter fund assets | — | — | — |
| Sub-total (A) | 1,936,408 | 754,622 | 2,691,030 |
| CURRENT LIABILITIES | | | |
| Current Liabilities and Provisions | 1,033,788 | 315,639 | 1,349,427 |
| Inter fund liabilities | 1,640,893 | 480,850 | 2,121,743 |
| Sub-Total (B) | 2,674,681 | 796,489 | 3,471,170 |
| NET CURRENT ASSETS (C) = (A - B) | (738,273) | (41,867) | (780,140) |
| Miscellaneous Expenditure (to the extent not written off or adjusted) | — | — | — |
| Debit Balance in Profit and Loss Account (Shareholders' account) | — | — | — |
| TOTAL | 8,742,073 | 4,305,397 | 13,047,470 |

SEGMENTAL REPORTS

REVENUE ACCOUNT FOR THE YEAR ENDED 31st March 2007

| Policyholders' Account (Technical Account) (Rs in '000) | | | | | | |
|--|--------------------|------------------------|--------------|--------------|------------------|-------------------------|
| Particulars | Participating Fund | Non Participating Fund | Annuity Fund | Pension Fund | Unit Linked Fund | Total Policyholder Fund |
| Premiums earned - net | | | | | | |
| (a) Premium | 3,729,680 | 691,511 | 14,440 | 847,625 | 23,275,400 | 28,558,656 |
| (b) Reinsurance ceded | (33,810) | (120,303) | — | — | (178,295) | (332,408) |
| (c) Reinsurance accepted | — | — | — | — | — | — |
| Sub Total | 3,695,870 | 571,208 | 14,440 | 847,625 | 23,097,105 | 28,226,248 |
| Income from Investments | | | | | | |
| (a) Interest, Dividends & Rent - Gross | 546,104 | 94,317 | 9,152 | 195,168 | 744,756 | 1,589,497 |
| (b) Profit on sale / redemption of investments | 227,402 | 4,151 | — | 56,989 | 754,873 | 1,043,415 |
| (c) (Loss on sale / redemption of investments) | (24,542) | (783) | (1) | (7,990) | (378,598) | (411,914) |
| (d) Transfer / gain on revaluation / change in fair value | (163,537) | (27,758) | (2,598) | (52,566) | 347,864 | 101,405 |
| (e) Amortisation charge | (41,345) | (1,233) | (2,377) | (20,807) | — | (65,762) |
| Sub Total | 544,082 | 68,694 | 4,176 | 170,794 | 1,468,895 | 2,256,641 |
| Other Income - Transfer from Shareholders' Account | — | 509,528 | 7,108 | — | 933,761 | 1,450,397 |
| Other Income | 38,881 | 79,425 | 8 | 3,190 | 111,493 | 232,997 |
| Sub Total | 38,881 | 588,953 | 7,116 | 3,190 | 1,045,254 | 1,683,394 |
| TOTAL (A) | 4,278,833 | 1,228,855 | 25,732 | 1,021,609 | 25,611,254 | 32,166,283 |
| Commission | 298,270 | 24,365 | 168 | 18,403 | 1,758,062 | 2,099,268 |
| Operating Expenses related to Insurance Business | 291,485 | 200,918 | 852 | 30,508 | 5,243,640 | 5,767,403 |
| Provisions for doubtful debts | — | — | — | — | — | — |
| Bad debts written off | — | — | — | — | — | — |
| Fringe Benefit Tax | 1,809 | 1,246 | 5 | 189 | 32,535 | 35,785 |
| Provisions (other than taxation) | | | | | | |
| (a) For diminution in the value of investments (Net) | — | — | — | — | — | — |
| (b) Others (to be specified) | — | — | — | — | — | — |
| TOTAL (B) | 591,564 | 226,529 | 1,025 | 49,100 | 7,034,237 | 7,902,455 |
| Benefits Paid (Net) | 291,243 | 29,176 | 8,610 | 69,152 | 1,347,169 | 1,745,350 |
| Interim Bonuses Paid | 296 | — | — | 4 | — | 300 |
| Change in valuation of liability against life policies in force | | | | | | |
| (a) Gross | 3,700,752 | 846,720 | 16,097 | 903,353 | 17,158,340 | 22,625,262 |
| (b) Amount ceded in Reinsurance | (305,022) | 126,430 | — | — | 37,538 | (141,054) |
| (c) Amount accepted in Reinsurance | — | — | — | — | — | — |
| TOTAL (C) | 3,687,269 | 1,002,326 | 24,707 | 972,509 | 18,543,047 | 24,229,858 |
| SURPLUS / (DEFICIT) (D) = (A)-(B)-(C) | — | — | — | — | 33,970 | 33,970 |
| APPROPRIATIONS | | | | | | |
| Surplus Allocated to Shareholders | — | — | — | — | — | — |
| Transfer to Shareholders' Account | — | — | — | — | — | — |
| Transfer to Other Reserves | — | — | — | — | — | — |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | — | — | — | — | 33,970 | 33,970 |
| Balance being Funds For Future Appropriations | — | — | — | — | — | — |
| TOTAL (D) | — | — | — | — | 33,970 | 33,970 |

Unit Linked Revenue Account for the year ended 31st March 2007

| Policyholders' Account (Technical Account) | | | | | (Rs in '000) |
|---|----------------------------------|-------------------------------------|-----------------------------|--------------------------------|-------------------------|
| Particulars | Unit Linked Individual Life Fund | Unit Linked Individual Pension Fund | Unit Linked Group Life Fund | Unit Linked Group Pension Fund | Total Policyholder Fund |
| Premiums earned - net | | | | | |
| (a) Premium | 12,614,588 | 7,517,848 | 2,024,948 | 1,118,016 | 23,275,400 |
| (b) Reinsurance ceded | (178,295) | — | — | — | (178,295) |
| (c) Reinsurance accepted | — | — | — | — | — |
| Sub Total | 12,436,293 | 7,517,848 | 2,024,948 | 1,118,016 | 23,097,105 |
| Income from Investments | | | | | |
| (a) Interest, Dividends & Rent — Gross | 330,369 | 207,029 | 153,836 | 53,522 | 744,756 |
| (b) Profit on sale / redemption of investments | 451,688 | 240,107 | 50,058 | 13,020 | 754,873 |
| (c) (Loss on sale / redemption of investments) | (207,796) | (129,618) | (36,903) | (4,281) | (378,598) |
| (d) Transfer / gain on revaluation / change in fair value | 246,423 | 137,004 | (9,724) | (25,839) | 347,864 |
| (e) Amortisation charge | — | — | — | — | — |
| Sub Total | 820,684 | 454,522 | 157,267 | 36,422 | 1,468,895 |
| Other Income - Transfer from Shareholders' Account | 313,474 | 279,014 | 269,672 | 71,601 | 933,761 |
| Other Income | 91,317 | 20,157 | 16 | 3 | 111,493 |
| Sub Total | 404,791 | 299,171 | 269,688 | 71,604 | 1,045,254 |
| TOTAL (A) | 13,661,768 | 8,271,541 | 2,451,903 | 1,226,042 | 25,611,254 |
| Commission | 1,454,947 | 302,772 | 277 | 66 | 1,758,062 |
| Operating Expenses related to Insurance Business | 3,274,152 | 1,843,044 | 75,241 | 51,203 | 5,243,640 |
| Provisions for doubtful debts | — | — | — | — | — |
| Bad debts written off | — | — | — | — | — |
| Fringe Benefit Tax | 20,315 | 11,435 | 467 | 318 | 32,535 |
| Provisions (other than taxation) | — | — | — | — | — |
| (a) For diminution in the value of investments (Net) | — | — | — | — | — |
| (b) Others (to be specified) | — | — | — | — | — |
| TOTAL (B) | 4,749,414 | 2,157,251 | 75,985 | 51,587 | 7,034,237 |
| Benefits Paid (Net) | 576,881 | 379,519 | 379,297 | 11,472 | 1,347,169 |
| Interim Bonuses Paid | — | — | — | — | — |
| Change in valuation of liability against life policies in force | | | | | |
| (a) Gross | 8,273,491 | 5,725,245 | 1,996,621 | 1,162,983 | 17,158,340 |
| (b) Amount ceded in Reinsurance | 37,538 | — | — | — | 37,538 |
| (c) Amount accepted in Reinsurance | — | — | — | — | — |
| TOTAL (C) | 8,887,910 | 6,104,764 | 2,375,918 | 1,174,455 | 18,543,047 |
| SURPLUS / (DEFICIT) (D) = (A)-(B)-(C) | 24,444 | 9,526 | — | — | 33,970 |
| APPROPRIATIONS | | | | | |
| Surplus Allocated to Shareholders | — | — | — | — | — |
| Transfer to Shareholders' Account | — | — | — | — | — |
| Transfer to Other Reserves | — | — | — | — | — |
| Funds for future appropriation - | | | | | |
| Provision for lapsed policies unlikely to be revived | 24,444 | 9,526 | — | — | 33,970 |
| Balance being Funds For Future Appropriations | — | — | — | — | — |
| TOTAL (D) | 24,444 | 9,526 | — | — | 33,970 |

REVENUE ACCOUNT FOR THE YEAR ENDED 31st March 2006

Policyholders' Account (Technical Account)

(Rs. '000)

| Particulars | Participating Fund | Non Participating Fund | Annuity Fund | Pension Fund | Unit Linked Funds | Total Policyholder Funds |
|---|--------------------|------------------------|--------------|--------------|-------------------|--------------------------|
| Premiums earned - net | | | | | | |
| (a) Premium | 3,580,067 | 788,720 | 6,334 | 850,528 | 10,473,477 | 15,699,126 |
| (b) Reinsurance ceded | (35,887) | (113,097) | — | — | (80,641) | (229,625) |
| (c) Reinsurance accepted | — | — | — | — | — | — |
| Sub Total | 3,544,180 | 675,623 | 6,334 | 850,528 | 10,392,836 | 15,469,501 |
| Income from Investments | | | | | | |
| (a) Interest, Dividends & Rent - Gross | 300,348 | 39,182 | 7,114 | 117,381 | 225,630 | 689,655 |
| (b) Profit on sale/redemption of investments | 535,470 | 952 | — | 234,231 | 174,277 | 944,930 |
| (c) (Loss on sale/redemption of investments) | (2,612) | — | — | (959) | (11,403) | (14,974) |
| (d) Transfer/gain on revaluation/change in fair value | (100,748) | (9,271) | (1,671) | (28,437) | 2,299,120 | 2,158,993 |
| (e) Amortisation charge | (33,345) | (2,697) | (2,369) | (21,749) | — | (60,160) |
| Sub Total | 699,113 | 28,166 | 3,074 | 300,467 | 2,687,624 | 3,718,444 |
| Other Income - Transfer from Shareholders' Account | — | 23,802 | 14 | — | 1,373,187 | 1,397,003 |
| Other Income | 45,998 | 66,351 | — | 3,294 | 117,066 | 232,709 |
| Sub Total | 45,998 | 90,153 | 14 | 3,294 | 1,490,253 | 1,629,712 |
| TOTAL (A) | 4,289,291 | 793,942 | 9,422 | 1,154,289 | 14,570,713 | 20,817,657 |
| Commission | 513,658 | 33,942 | 100 | 19,536 | 636,016 | 1,203,252 |
| Operating Expenses related to Insurance Business | 567,437 | 229,490 | 388 | 44,195 | 3,143,438 | 3,984,948 |
| Provisions for doubtful debts | — | — | — | — | — | — |
| Bad debts written off | — | — | — | — | — | — |
| Fringe Benefit Tax | 3,812 | 1,543 | 3 | 297 | 21,136 | 26,791 |
| Provisions (other than taxation) | — | — | — | — | — | — |
| (a) For diminution in the value of investments (Net) | — | — | — | — | — | — |
| (b) Others (to be specified) | — | — | — | — | — | — |
| TOTAL (B) | 1,084,907 | 264,975 | 491 | 64,028 | 3,800,590 | 5,214,991 |
| Benefits Paid (Net) | 95,140 | 32,080 | 9,019 | 13,907 | 298,191 | 448,337 |
| Interim Bonuses Paid | 395 | — | — | 22 | — | 417 |
| Change in valuation of liability against life policies in force | | | | | | |
| (a) Gross | 3,121,961 | 597,905 | (88) | 1,076,332 | 10,451,523 | 15,247,633 |
| (b) Amount ceded in Reinsurance | (13,112) | (101,018) | — | — | (5,107) | (119,237) |
| (c) Amount accepted in Reinsurance | — | — | — | — | — | — |
| TOTAL (C) | 3,204,384 | 528,967 | 8,931 | 1,090,261 | 10,744,607 | 15,577,150 |
| SURPLUS / (DEFICIT) (D) = (A)-(B)-(C) | — | — | — | — | 25,516 | 25,516 |
| APPROPRIATIONS | | | | | | |
| Surplus Allocated to Shareholders | — | — | — | — | — | — |
| Transfer to Shareholders' Account | — | — | — | — | — | — |
| Transfer to Other Reserves | — | — | — | — | — | — |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | — | — | — | — | 25,516 | 25,516 |
| Balance being Funds For Future Appropriations | — | — | — | — | — | — |
| TOTAL (D) | — | — | — | — | 25,516 | 25,516 |

Unit Linked Revenue Account for the year ended 31st March 2006

| Policyholders' Account (Technical Account) | | | (Rs. '000) |
|---|-----------------------|--------------------------|--------------------------|
| Particulars | Unit Linked Life Fund | Unit Linked Pension Fund | Total Policyholder Funds |
| Premiums earned - net | | | |
| (a) Premium | 7,069,439 | 3,404,038 | 10,473,477 |
| (b) Reinsurance ceded | (80,641) | — | (80,641) |
| (c) Reinsurance accepted | — | — | — |
| Sub Total | 6,988,798 | 3,404,038 | 10,392,836 |
| Income from Investments | | | |
| (a) Interest, Dividends & Rent - Gross | 156,004 | 69,626 | 225,630 |
| (b) Profit on sale / redemption of investments | 120,022 | 54,255 | 174,277 |
| (c) (Loss on sale / redemption of investments) | (7,664) | (3,739) | (11,403) |
| (d) Transfer / gain on revaluation / change in fair value | 1,579,471 | 719,649 | 2,299,120 |
| (e) Amortisation charge | — | — | — |
| Sub Total | 1,847,833 | 839,791 | 2,687,624 |
| Other Income - Transfer from Shareholders' Account | 754,240 | 618,947 | 1,373,187 |
| Other Income | 88,961 | 28,105 | 117,066 |
| Sub Total | 843,201 | 647,052 | 1,490,253 |
| TOTAL (A) | 9,679,832 | 4,890,881 | 14,570,713 |
| Commission | 484,651 | 151,365 | 636,016 |
| Operating Expenses related to Insurance Business | 2,002,962 | 1,140,476 | 3,143,438 |
| Provisions for doubtful debts | — | — | — |
| Bad debts written off | — | — | — |
| Fringe Benefit Tax | 13,468 | 7,668 | 21,136 |
| Provisions (other than taxation) | — | — | — |
| (a) For diminution in the value of investments (Net) | — | — | — |
| (b) Others (to be specified) | — | — | — |
| TOTAL (B) | 2,501,081 | 1,299,509 | 3,800,590 |
| Benefits Paid (Net) | 222,782 | 75,409 | 298,191 |
| Interim Bonuses Paid | — | — | — |
| Change in valuation of liability against life policies in force | | | |
| (a) Gross | 6,941,405 | 3,510,118 | 10,451,523 |
| (b) Amount ceded in Reinsurance | (5,107) | — | (5,107) |
| (c) Amount accepted in Reinsurance | — | — | — |
| TOTAL (C) | 7,159,080 | 3,585,527 | 10,744,607 |
| SURPLUS / (DEFICIT) (D) = (A)-(B)-(C) | 19,671 | 5,845 | 25,516 |
| APPROPRIATIONS | | | |
| Surplus Allocated to Shareholders | — | — | — |
| Transfer to Shareholders' Account | — | — | — |
| Transfer to Other Reserves | — | — | — |
| Funds for future appropriation - Provision for lapsed policies unlikely to be revived | 19,671 | 5,845 | 25,516 |
| Balance being Funds For Future Appropriations | — | — | — |
| TOTAL (D) | 19,671 | 5,845 | 25,516 |

| Particulars | Individual Life | | | | | Individual Pension | | | | | | |
|---|-----------------|----------------|-------------------|------------------|----------------|--------------------|----------------|-------------------|-------------------|------------------|----------------|---------------|
| | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Equity Managed | Growth | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Equity Managed | Growth |
| Income | | | | | | | | | | | | |
| Dividends | — | — | 2,036,147 | 15,538,876 | 12,581,242 | 82,795,938 | — | — | 1,056,099 | 13,175,598 | 8,838,359 | 47,400,214 |
| Interest | 9,259,004 | 18,155,375 | 18,986,298 | 42,961,061 | 11,598,252 | 944,737 | 2,223,479 | 8,422,619 | 15,368,671 | 43,956,606 | 9,409,461 | 767,302 |
| Discount Income | 9,487,816 | 8,484,333 | 12,153,886 | 28,923,470 | 5,318,555 | — | 1,302,010 | 3,375,619 | 3,867,472 | 18,305,797 | 3,567,731 | — |
| Less: Expenses | | | | | | | | | | | | |
| Management fees | 2,002,914 | 2,928,643 | 4,595,686 | 16,099,565 | 8,536,127 | 43,801,661 | 365,964 | 1,283,696 | 2,556,177 | 13,418,061 | 6,217,258 | 25,204,507 |
| Safe custody charges | 3,418 | 6,875 | 20,328 | 103,963 | 50,416 | 413,971 | 804 | 2,278 | 10,278 | 87,076 | 31,032 | 222,216 |
| Brokerage | 554 | 5,357 | 205,223 | 1,301,650 | 686,250 | 4,835,434 | 303 | 3,704 | 180,237 | 872,521 | 422,604 | 2,751,885 |
| CCIL charges | 361 | 4,335 | 3,682 | 10,807 | 11,966 | 19,273 | 72 | 2,853 | 1,906 | 8,455 | 3,527 | 10,787 |
| Net investment income | 16,739,573 | 23,694,498 | 28,351,412 | 69,907,421 | 20,213,290 | 34,670,335 | 3,158,346 | 10,505,706 | 17,543,645 | 61,051,887 | 15,141,130 | 19,978,122 |
| Net realised gain/(loss) on investments | 462,301 | 125,527 | 8,367,674 | 53,585,878 | (8,245,414) | 181,804,859 | (64,330) | (1,599,365) | 3,435,779 | 50,360,139 | (1,151,535) | 63,573,511 |
| Unrealised gain/(loss) on investments | 13,590 | (7,271,684) | (958,030) | 5,089,341 | 103,365,228 | 97,377,755 | 22,227 | (3,139,041) | (3,557,565) | (9,274,640) | 45,788,832 | 81,389,183 |
| Net gain/(loss) on investments | 475,890 | (7,146,156) | 7,409,644 | 58,675,219 | 95,119,813 | 279,182,614 | (42,103) | (4,738,406) | (121,786) | 41,085,499 | 44,637,297 | 144,962,694 |
| Increase/(Decrease) in assets from Operations | 17,215,464 | 16,548,342 | 35,761,056 | 128,582,640 | 115,333,104 | 313,852,949 | 3,116,243 | 5,767,300 | 17,421,859 | 102,137,386 | 59,778,428 | 164,940,816 |
| | | | | | | | | | | | | |
| Particulars | Group Life | | | | | Group Pension | | | | | GRAND TOTAL | |
| | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Growth | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Growth | | |
| Income | | | | | | | | | | | | |
| Dividends | — | 2,033 | 4,326,836 | 3,560,312 | 8,958 | — | — | 1,413,029 | 1,013,796 | 105,564 | 193,853,000 | 193,853,000 |
| Interest | 8,289,231 | 22,935,393 | 42,119,377 | 10,563,547 | 152 | 3,098,629 | 5,585,090 | 19,906,514 | 3,199,030 | 1,562 | 297,751,388 | 297,751,388 |
| Discount Income | 7,346,678 | 10,041,528 | 18,987,067 | 4,973,291 | 35 | 1,876,764 | 1,301,947 | 5,280,678 | 1,263,983 | — | 145,858,660 | 145,858,660 |
| Less: Expenses | | | | | | | | | | | | |
| Management fees | 997,361 | 4,248,709 | 8,176,844 | 3,252,021 | 3,563 | 510,155 | 725,754 | 3,334,410 | 963,063 | 56,485 | 149,278,623 | 149,278,623 |
| Safe custody charges | 716 | 7,270 | 33,552 | 20,139 | 17 | 623 | (2,121) | 12,424 | 5,215 | 599 | 1,031,090 | 1,031,090 |
| Brokerage | 1,102 | 6,979 | 280,388 | 231,389 | 547 | 405 | 2,503 | 101,303 | 75,540 | 5,829 | 11,971,707 | 11,971,707 |
| CCIL charges | 313 | 5,167 | 5,914 | 1,954 | 2 | 38 | 4,031 | 3,110 | 656 | 23 | 99,234 | 99,234 |
| Net investment income | 14,636,417 | 28,710,829 | 56,936,582 | 15,591,647 | 5,017 | 4,464,171 | 6,156,870 | 23,148,972 | 4,432,334 | 44,189 | 475,082,394 | 475,082,394 |
| Net realised gain / (loss) on investments | (28,132) | 227,261 | 13,132,907 | 13,516,474 | 22,715 | (450,576) | (1,012,357) | 5,385,809 | 4,452,778 | 140,040 | 386,041,943 | 386,041,943 |
| Unrealised gain/(loss) on investments | 71,593 | (8,378,270) | 161,028 | 2,481,869 | 361,177 | 405,642 | (2,287,030) | (15,801,858) | (6,292,048) | 190,296 | 279,757,595 | 279,757,595 |
| Net gain/(loss) on investments | 43,461 | (8,151,009) | 13,293,935 | 15,998,343 | 383,893 | (44,934) | (3,299,387) | (10,416,049) | (1,839,270) | 330,336 | 665,799,538 | 665,799,538 |
| Increase/(Decrease) in assets from Operations | 14,679,878 | 20,559,820 | 70,230,517 | 31,589,990 | 388,909 | 4,419,237 | 2,857,483 | 12,732,923 | 2,593,064 | 374,525 | 1,140,881,932 | 1,140,881,932 |

Statement of changes in Net Assets for the year ended March 31, 2007

Annexure-1
(Amt. in Rs.)

| Particulars | Individual Life | | | | | Individual Pension | | | | | | |
|---|-----------------|----------------|-------------------|------------------|----------------|--------------------|-------------|----------------|-------------------|------------------|----------------|---------------|
| | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Equity Managed | Growth | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Equity Managed | Growth |
| Net Assets at the beginning of the year | 146,487,286 | 316,793,982 | 417,276,515 | 1,556,791,150 | 295,116,221 | 3,595,323,120 | 28,785,298 | 102,531,418 | 256,439,189 | 1,312,601,838 | 207,957,023 | 1,845,816,520 |
| Add: Increase/(Decrease) from Operations | 17,215,464 | 16,548,342 | 35,761,056 | 128,582,640 | 115,333,104 | 313,852,949 | 3,116,243 | 5,767,300 | 17,421,859 | 102,137,386 | 59,778,428 | 164,940,816 |
| Value of units allocated to Policyholders | 701,448,456 | 731,247,389 | 693,571,092 | 1,743,524,864 | 2,355,974,566 | 6,824,604,341 | 122,231,881 | 366,954,143 | 333,835,716 | 1,176,425,020 | 1,370,934,599 | 3,928,910,658 |
| Less: Value of units deallocated from Policyholders | 622,563,324 | 596,036,615 | 470,150,098 | 799,712,096 | 833,000,813 | 2,251,018,960 | 97,930,376 | 254,047,077 | 219,349,380 | 419,902,403 | 250,158,466 | 835,022,839 |
| Net Assets at the end of the year | 242,587,881 | 468,553,098 | 676,458,564 | 2,629,186,558 | 1,933,423,078 | 8,482,761,451 | 56,203,046 | 221,205,784 | 388,347,385 | 2,171,261,841 | 1,388,511,583 | 5,104,645,154 |

| Particulars | Group Life | | | | | Group Pension | | | | | TOTAL |
|---|-------------|----------------|-------------------|------------------|------------|---------------|----------------|-------------------|------------------|-----------|----------------|
| | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Growth | Liquid | Secure Managed | Defensive Managed | Balanced Managed | Growth | |
| Net Assets at the beginning of the year | 299,216,969 | 322,576,734 | 703,184,695 | 260,066,551 | 41,582 | 50,013,732 | 4,692,569 | 167,584,584 | 40,683,414 | 6,109,321 | 11,936,089,708 |
| Add: Increase/(Decrease) from Operations | 14,679,878 | 20,559,820 | 70,230,517 | 31,589,990 | 388,909 | 4,419,237 | 2,857,483 | 12,732,923 | 2,593,064 | 374,525 | 1,140,881,932 |
| Value of units allocated to Policyholders | 370,609,601 | 553,943,074 | 1,644,580,196 | 626,678,855 | 16,644,592 | 110,929,440 | 729,937,627 | 1,572,889,165 | 239,624,991 | 2,405,813 | 25,536,240,456 |
| Less: Value of units deallocated from Policyholders | 431,534,759 | 288,911,677 | 608,703,011 | 242,209,602 | 1,680 | 34,029,879 | 610,194,606 | 908,176,571 | 4,687,886 | 773,065 | 10,096,449,559 |
| Net Assets at the end of the year | 252,971,689 | 608,167,950 | 1,809,292,397 | 676,125,794 | 17,073,404 | 131,332,530 | 127,293,073 | 845,030,101 | 278,213,583 | 8,116,594 | 28,516,762,537 |

**Net Assets at the beginning of the year figure has been regrouped, wherever required

Annexure to Revenue Account - Break up of Unit Linked Business (UL)
 Revenue Account for the year ended 31st March 2007
 Policyholders' Account (Technical Account)

Annexure - 2
 (Rs. in '000)

| Particulars | Linked Individual Life | | | | Linked Individual Pension | | | | Linked Group Life | | | | Linked Group Pension | | | | Total Unit Linked |
|--|------------------------|-----------|-----------------|-----------|---------------------------|-----------------|----------|-----------|-------------------|---------|-------------------|--------------------|----------------------|--|-------|--|----------------------|
| | Unit | | Non-Unit | | Unit | | Non-Unit | | Unit | | Non-Unit | | Unit | | Total | | |
| | (1) | (2) | (3)= (1)+(2) | (4) | (5) | (6)= (4)+(5) | (7) | (8) | (9)= (7)+(8) | (10) | (11)= (9)+(10) | (12)= (11)+(12) | | | | | |
| Premiums earned - net | | | | | | | | | | | | | | | | | |
| (a) Premium | 3,872,148 | 8,742,440 | 12,614,588 | 1,762,957 | 5,754,891 | 7,517,848 | 3,561 | 2,021,387 | 2,024,948 | 8,370 | 1,109,646 | 1,118,016 | 23,275,400 | | | | |
| (b) Reinsurance ceded | (178,295) | — | (178,295) | — | — | — | — | — | — | — | — | — | (178,295) | | | | |
| Income from Investments | | | | | | | | | | | | | | | | | |
| (a) Interest, Dividend & Rent - Gross | 51,144 | 279,225 | 330,369 | 25,992 | 181,037 | 207,029 | 20,682 | 133,154 | 153,836 | 9,475 | 44,047 | 53,522 | 744,756 | | | | |
| (b) Profit on sale/redemption of investments | 127,903 | 323,785 | 451,688 | 61,632 | 178,475 | 240,107 | 14,916 | 35,142 | 50,058 | 883 | 12,137 | 13,020 | 754,873 | | | | |
| (c) Loss on sale/redemption of investments | (120,112) | (87,684) | (207,796) | (65,697) | (63,921) | (129,618) | (28,632) | (8,271) | (36,903) | (660) | (3,621) | (4,281) | (378,598) | | | | |
| (d) Unrealised gain/(loss) | 48,807 | 197,616 | 246,423 | 25,775 | 111,229 | 137,004 | (4,421) | (5,303) | (9,724) | (2,054) | (23,785) | (25,839) | 347,864 | | | | |
| Other income: | | | | | | | | | | | | | | | | | |
| (a) Linked Income | 602,293 | (602,293) | — | 69,233 | (69,233) | — | 16,832 | (16,832) | — | 5,831 | (5,831) | — | — | | | | |
| (b) Miscellaneous Income | 91,317 | — | 91,317 | 20,157 | — | 20,157 | 16 | — | 16 | 3 | — | 3 | 111,493 | | | | |
| (c) Contribution from the Shareholders' a/c | 313,474 | — | 313,474 | 279,014 | — | 279,014 | 269,672 | — | 269,672 | 71,601 | — | 71,601 | 933,761 | | | | |
| TOTAL (A) | 4,808,679 | 8,853,089 | 13,661,768 | 2,179,063 | 6,092,478 | 8,271,541 | 292,626 | 2,159,277 | 2,451,903 | 93,449 | 1,132,593 | 1,226,042 | 25,611,254 | | | | |
| Commission | 1,454,947 | — | 1,454,947 | 302,772 | — | 302,772 | 277 | — | 277 | 66 | — | 66 | 1,758,062 | | | | |
| Operating Expenses related to Insurance Business | 3,286,783 | 7,684 | 3,294,467 | 1,849,866 | 4,613 | 1,854,479 | 75,113 | 595 | 75,708 | 51,311 | 210 | 51,521 | 5,276,175 | | | | |
| Provision for Taxation | — | — | — | — | — | — | — | — | — | — | — | — | — | | | | |
| TOTAL (B) | 4,741,730 | 7,684 | 4,749,414 | 2,152,638 | 4,613 | 2,157,251 | 75,390 | 595 | 75,985 | 51,377 | 210 | 51,587 | 7,034,237 | | | | |
| Benefits Paid (Net) | (163,342) | 740,223 | 576,881 | (132,304) | 511,823 | 379,519 | (840) | 380,137 | 379,297 | (7) | 11,479 | 11,472 | 1,347,169 | | | | |
| Interim Bonus Paid | — | — | — | — | — | — | — | — | — | — | — | — | — | | | | |
| Change in Valuation Liability | 205,847 | 8,105,182 | 8,311,029 | 149,203 | 5,576,042 | 5,725,245 | 218,076 | 1,778,545 | 1,996,621 | 42,079 | 1,120,904 | 1,162,983 | 17,195,878 | | | | |
| TOTAL (C) | 42,505 | 8,845,405 | 8,887,910 | 16,899 | 6,087,865 | 6,104,764 | 217,236 | 2,158,682 | 2,375,918 | 42,072 | 1,132,383 | 1,174,455 | 18,543,047 | | | | |
| SURPLUS/ (DEFICIT) (D) = (A)-(B)-(C) | 24,444 | — | 24,444 | 9,526 | — | 9,526 | — | — | — | — | — | — | 33,970 | | | | |
| APPROPRIATIONS | | | | | | | | | | | | | | | | | |
| Transfer to Shareholders' a/c | — | — | — | — | — | — | — | — | — | — | — | — | — | | | | |
| Funds available for future appropriations | — | — | — | — | — | — | — | — | — | — | — | — | — | | | | |
| TOTAL (D) | — | — | — | — | — | — | — | — | — | — | — | — | — | | | | |

Schedules to Annexure to Revenue Account (UL) forming part of Financial Statements
 Schedule-UL1 for the year ended 31st March 2007

Annexure -2

Linked Income (recovered from linked funds)*

| Particulars | (Rs. in '000) | | | | |
|--|------------------------|---------------------------|-------------------|----------------------|----------------------|
| | Linked Individual Life | Linked Individual Pension | Linked Group Life | Linked Group Pension | Total Unit Linked |
| | (1) | (2) | (3) | (4) | (5)= (1)+(2)+(3)+(4) |
| Fund Administration charges | — | — | — | — | — |
| Fund Management charge | (77,965) | (49,045) | (16,679) | (5,590) | (149,279) |
| Policy Administration charge | (47,148) | (20,188) | — | (122) | (67,458) |
| Set up charges | — | — | — | — | — |
| Annual charges | — | — | (151) | — | (151) |
| Surrender charge | — | — | (2) | — | (2) |
| Switching charge | — | — | — | — | — |
| Mortality charge | (426,479) | — | — | — | (426,479) |
| Rider Premium charge | — | — | — | — | — |
| Partial withdrawal charge | — | — | — | — | — |
| Paid up charges | — | — | — | (97) | (97) |
| Miscellaneous charge (Adhoc statement and Simplified instructions) | — | — | — | (22) | (22) |
| Service tax | (49,707) | — | — | — | (49,707) |
| Education cess | (994) | — | — | — | (994) |
| | — | — | — | — | — |
| TOTAL (UL-1) | (602,293) | (69,233) | (16,832) | (5,831) | (694,189) |

* (net of service tax, if any)

| Particulars | (Rs. in '000) | | | | | | | | | | | |
|--------------------------------------|------------------------|-----------------|---------------------------|-----------|-------------------|----------------|----------|----------------------|--------------|-------------------|----------------------|----------|
| | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | | Linked Group Pension | | Total Unit Linked | | |
| | Non-Unit | Unit | Linked Life | Non-Unit | Unit | Linked Pension | Non-Unit | Unit | Linked Group | Unit | Linked Group | |
| (1) | (2) | (3)= (1)+(2) | (4) | (5) | (6)= (4)+(5) | (7) | (8) | (9)= (7)+(8) | (8) | (9)= (7)+(8) | (10)=(3)+ (6)+(9) | |
| 1 Insurance Claims | | | | | | | | | | | | |
| (a) Claims by Death | 45,102 | 2,203 | 47,306 | 53 | 10,879 | 10,932 | 43 | — | — | — | — | 58,280 |
| (b) Claims by Maturity | — | — | — | — | — | — | — | — | — | — | — | — |
| (c) Annuities / Pension payment | — | — | — | — | — | — | — | — | 175 | 175 | 175 | 175 |
| (d) Other benefits | — | — | — | — | — | — | — | — | — | — | — | — |
| - Surrender | (178,953) | 505,114 | 326,161 | (132,357) | 500,944 | 368,587 | — | (7) | 10,666 | 10,659 | 705,408 | |
| - Survival | — | — | — | — | — | — | — | — | — | — | — | — |
| - Withdrawal | 3,000 | 232,905 | 235,905 | — | — | — | (883) | 380,137 | 638 | 638 | 615,797 | |
| Sub Total (A) | (130,851) | 740,223 | 609,372 | (132,304) | 511,823 | 379,519 | (840) | 380,137 | 11,479 | 11,472 | 1,379,660 | |
| 2 Amount Ceded in reinsurance | | | | | | | | | | | | |
| (a) Claims by Death | (32,491) | — | (32,491) | — | — | — | — | — | — | — | — | (32,491) |
| (b) Claims by Maturity | — | — | — | — | — | — | — | — | — | — | — | — |
| (c) Annuities / Pension payment | — | — | — | — | — | — | — | — | — | — | — | — |
| (d) Other benefits | — | — | — | — | — | — | — | — | — | — | — | — |
| - Surrender | — | — | — | — | — | — | — | — | — | — | — | — |
| - Survival | — | — | — | — | — | — | — | — | — | — | — | — |
| Sub Total (B) | (32,491) | — | (32,491) | — | — | — | — | — | — | — | — | (32,491) |
| TOTAL (A) + (B) | (163,342) | 740,223 | 576,881 | (132,304) | 511,823 | 379,519 | (840) | 380,137 | 11,479 | 11,472 | 1,347,169 | |
| Benefits paid to claimants: | | | | | | | | | | | | |
| In India | (163,342) | 740,223 | 576,881 | (132,304) | 511,823 | 379,519 | (840) | 380,137 | 11,479 | 11,472 | 1,347,169 | |
| Outside India | — | — | — | — | — | — | — | — | — | — | — | — |
| TOTAL (UL2) | (163,342) | 740,223 | 576,881 | (132,304) | 511,823 | 379,519 | (840) | 380,137 | 11,479 | 11,472 | 1,347,169 | |

Annexure - 2
(Rs. in '000)

Annexure to Revenue Account - Breakup of Unit Linked Business (UL)
Revenue Account for the year ended 31st March 2006
Policyholders' Account (Technical Account)

| Particulars | Linked Individual Life | | | Linked Individual Pension | | | Linked Group Life | | | Linked Group Pension | | | Total Unit Linked |
|--|------------------------|------------------|------------------|---------------------------|------------------|------------------|-------------------|------------------|------------------|----------------------|----------------|----------------|-------------------|
| | Non-Unit | Unit | Total | Non-Unit | Unit | Total | Non-Unit | Unit | Total | Non-Unit | Unit | Total | |
| Premiums earned - net | | | | | | | | | | | | | |
| (a) Premium | 1,610,391 | 4,187,781 | 5,798,172 | 736,804 | 2,496,915 | 3,233,719 | (11,014) | 1,282,282 | 1,271,267 | (30,312) | 200,631 | 170,320 | 10,473,477 |
| (b) Reinsurance ceded | (80,641) | — | (80,641) | — | — | — | — | — | — | — | — | — | (80,641) |
| Income from Investments | | | | | | | | | | | | | |
| (a) Interest, Dividend & Rent - Gross | 21,952 | 89,026 | 110,978 | 8,685 | 52,408 | 61,093 | 8,732 | 36,294 | 45,026 | 1,425 | 7,108 | 8,533 | 225,630 |
| (b) Profit on sale/redemption of investments | 34,205 | 70,962 | 105,167 | 19,317 | 32,631 | 51,948 | 9,542 | 5,312 | 14,855 | 958 | 1,349 | 2,307 | 174,277 |
| (c) Loss on sale/redemption of investments | (3,288) | (3,409) | (6,697) | (1,963) | (1,466) | (3,429) | (575) | (392) | (968) | (167) | (143) | (310) | (11,403) |
| (d) Unrealised gain/(loss) | 136,773 | 1,344,289 | 1,481,062 | 28,994 | 677,507 | 706,501 | 17,499 | 80,910 | 98,409 | (5,394) | 18,543 | 13,149 | 2,299,120 |
| Other income: | | | | | | | | | | | | | |
| (a) Linked income | 218,573 | (218,573) | — | 21,400 | (21,400) | — | 5,178 | (5,178) | — | 796 | (796) | — | — |
| (b) Miscellaneous income | 88,852 | — | 88,852 | 28,104 | — | 28,104 | 109 | — | 109 | — | — | — | 117,066 |
| (c) Contribution from the Shareholders' a/c | 653,742 | — | 653,742 | 608,519 | — | 608,519 | 100,498 | — | 100,498 | 10,428 | — | 10,428 | 1,373,187 |
| TOTAL (A) | 2,680,558 | 5,470,076 | 8,150,634 | 1,449,859 | 3,236,596 | 4,686,455 | 129,970 | 1,399,228 | 1,529,197 | (22,266) | 226,693 | 204,426 | 14,570,713 |
| Commission | 484,195 | — | 484,195 | 151,031 | — | 151,031 | 456 | — | 456 | 334 | — | 334 | 636,016 |
| Operating Expenses related to Insurance Business | 1,893,754 | 9,028 | 1,902,782 | 1,132,607 | 5,714 | 1,138,320 | 113,290 | 358 | 113,648 | 9,694 | 130 | 9,824 | 3,164,574 |
| Provision for Taxation | — | — | — | — | — | — | — | — | — | — | — | — | — |
| TOTAL (B) | 2,377,949 | 9,028 | 2,386,977 | 1,283,638 | 5,714 | 1,289,351 | 113,746 | 358 | 114,104 | 10,028 | 130 | 10,158 | 3,800,590 |
| Benefits Paid (Net) | (1,029) | 160,102 | 159,073 | (1,203) | 75,463 | 74,260 | 854 | 62,855 | 63,710 | 4 | 1,145 | 1,149 | 298,191 |
| Interim Bonus Paid | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Change in Valuation Liability | 283,968 | 5,300,946 | 5,584,914 | 161,579 | 3,155,419 | 3,316,999 | 15,370 | 1,336,014 | 1,351,384 | (32,299) | 225,418 | 193,119 | 10,446,416 |
| TOTAL (C) | 282,939 | 5,461,048 | 5,743,987 | 160,377 | 3,230,882 | 3,391,259 | 16,224 | 1,398,870 | 1,415,094 | (32,295) | 226,563 | 194,268 | 10,744,607 |
| SURPLUS/ (DEFICIT) (D) = (A)-(B)-(C) | 19,671 | — | 19,671 | 5,845 | — | 5,845 | — | — | — | — | — | — | 25,516 |
| APPROPRIATIONS | | | | | | | | | | | | | |
| Transfer to Shareholders' a/c | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Funds available for future appropriations | — | — | — | — | — | — | — | — | — | — | — | — | — |
| TOTAL (D) | — | — | — | — | — | — | — | — | — | — | — | — | — |

Schedule-UL1 for the year ended 31st March 2006

Annexure - 2

Linked Income (recovered from linked funds)*

(Rs. in '000)

| Particulars | Linked | Linked | Linked | Linked Group | Total Unit Linked |
|--|------------------|--------------------|----------------|--------------|-----------------------|
| | Individual Life | Individual Pension | Group Life | Pension | |
| | (1) | (2) | (3) | (4) | (5) = (1)+(2)+(3)+(4) |
| Fund Administration charges | — | — | — | — | — |
| Fund Management charge | (23,513) | (12,312) | (4,881) | (788) | (41,494) |
| Policy Administration charge & Mortality charge | (15,460) | (9,088) | — | 11 | (24,536) |
| Set up charges | — | — | (130) | — | (130) |
| Annual charges | — | — | (167) | — | (167) |
| Surrender charge | — | — | — | — | — |
| Switching charge | — | — | — | — | — |
| Mortality charge | (164,367) | — | — | — | (164,367) |
| Rider Premium charge | — | — | — | — | — |
| Partial withdrawal charge | — | — | — | — | — |
| Paid up charges | — | — | — | (19) | (19) |
| Miscellaneous charge | — | — | — | — | — |
| Service Tax | (14,935) | — | — | — | (14,935) |
| Education Tax | (299) | — | — | — | (299) |
| | — | — | — | — | — |
| TOTAL (UL-1) | (218,573) | (21,400) | (5,178) | (796) | (245,947) |

* (net of service tax, if any)

Annexure - 2

Schedule-UL2 for the year ended 31st March 2006
BENEFITS PAID [NET]

| Particulars | (Rs. in '000) | | | | | | | | | | | | | |
|--------------------------------------|------------------------|----------------|---------------------|---------------------------|---------------|------------------------|-------------------|---------------|----------------------|----------------------|--------------|--------------------------|------------------|-----------------|
| | Linked Individual Life | | | Linked Individual Pension | | | Linked Group Life | | | Linked Group Pension | | Total Unit Linked | | |
| | Non Unit | Unit | Linked Life (1)+(2) | Non-Unit | Unit | Linked Pension (4)+(5) | Non-Unit | Unit | Linked Group (7)+(8) | Non-Unit | Unit | Linked Group (9)=(7)+(8) | (10)=(3)+(7)+(8) | (6)+(9) |
| 1 Insurance Claims | | | | | | | | | | | | | | |
| (a) Claims by Death | 20,733 | 3,391 | 24,124 | 31 | 2,298 | 2,329 | 10 | 61 | 10 | 61 | 61 | 61 | 61 | 26,524 |
| (b) Claims by Maturity | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (c) Annuities / Pension payment | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (d) Other benefits | | | | | | | | | | | | | | |
| - Surrender | (3,487) | 108,301 | 104,814 | (1,235) | 73,165 | 71,930 | — | (57) | — | 1,145 | 1,088 | 1,088 | 1,088 | 177,832 |
| - Survival | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| - Withdrawal | (8) | 48,410 | 48,402 | — | — | — | 844 | 62,855 | 63,700 | — | — | — | — | 112,102 |
| Sub Total (A) | 17,238 | 160,102 | 177,340 | (1,203) | 75,463 | 74,260 | 854 | 62,855 | 63,710 | 4 | 1,145 | 1,149 | 1,149 | 316,458 |
| 2 Amount Ceded in reinsurance | | | | | | | | | | | | | | |
| (a) Claims by Death | (18,267) | — | (18,267) | — | — | — | — | — | — | — | — | — | — | (18,267) |
| (b) Claims by Maturity | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (c) Annuities / Pension payment | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| (d) Other benefits | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| - Surrender | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| - Survival | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Sub Total (B) | (18,267) | — | (18,267) | — | — | — | — | — | — | — | — | — | — | (18,267) |
| TOTAL (A) + (B) | (1,029) | 160,102 | 159,073 | (1,203) | 75,463 | 74,260 | 854 | 62,855 | 63,710 | 4 | 1,145 | 1,149 | 1,149 | 298,191 |
| Benefits paid to claimants: | | | | | | | | | | | | | | |
| In India | (1,029) | 160,102 | 159,073 | (1,203) | 75,463 | 74,260 | 854 | 62,855 | 63,710 | 4 | 1,145 | 1,149 | 1,149 | 298,191 |
| Outside India | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| TOTAL (UL2) | (1,029) | 160,102 | 159,073 | (1,203) | 75,463 | 74,260 | 854 | 62,855 | 63,710 | 4 | 1,145 | 1,149 | 1,149 | 298,191 |

| Particulars | Schedule | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|--|----------|------------------------|------------------|---------------------------|------------------|-------------------|------------------|----------------------|----------------|-------------------|-------------------|
| | | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Sources of Funds | | | | | | | | | | | |
| Policyholders' Funds: | | | | | | | | | | | |
| Policyholder contribution | F-1 | 12,818,995 | 5,011,837 | 8,226,638 | 2,992,657 | 3,107,035 | 1,466,083 | 1,340,560 | 242,402 | 25,493,228 | 9,712,979 |
| Revenue Account | | 1,613,976 | 1,315,951 | 1,103,537 | 761,474 | 256,596 | 119,004 | 49,426 | 26,682 | 3,023,535 | 2,223,111 |
| Total | | 14,432,971 | 6,327,788 | 9,330,175 | 3,754,131 | 3,363,631 | 1,585,087 | 1,389,986 | 269,084 | 28,516,763 | 11,936,090 |
| Application of Funds | | | | | | | | | | | |
| Investments | F-2 | 14,434,232 | 6,319,838 | 9,409,750 | 3,741,247 | 3,287,511 | 1,568,795 | 1,358,344 | 264,613 | 28,489,836 | 11,894,492 |
| Current Assets | F-3 | 131,377 | 33,801 | 85,796 | 27,814 | 82,196 | 25,455 | 32,641 | 5,956 | 332,010 | 93,027 |
| Less: Current Liabilities and Provisions | F-4 | 132,638 | 25,851 | 165,371 | 14,930 | 6,076 | 9,163 | 998 | 1,486 | 305,084 | 51,430 |
| Net current assets | | (1,261) | 7,951 | (79,576) | 12,884 | 76,120 | 16,292 | 31,642 | 4,470 | 26,926 | 41,597 |
| Total | | 14,432,971 | 6,327,788 | 9,330,175 | 3,754,131 | 3,363,631 | 1,585,087 | 1,389,986 | 269,084 | 28,516,763 | 11,936,090 |

Annexure - 2

Net Asset Value (NAV) per Unit as at 31st March, 2007

| Funds | Current Year | | Previous Year | | NAV per unit |
|-------------------------------------|---|---------------------------------|---|---------------------------------|--------------|
| | Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (a) | Number of Units outstanding (b) | Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (a) | Number of Units outstanding (b) | |
| A) | | | | | |
| Linked Individual Life | | | | | |
| Liquid | 242,587,881 | 10257630,38415 | 146,487,286 | 6,629,735,71537 | 22,0955 |
| Secured Managed | 468,553,098 | 21329944,42835 | 316,793,982 | 15,132,731,19784 | 20,9344 |
| Defensive Managed | 676,458,564 | 24273889,54454 | 27,8677 | 15,924,042,76033 | 26,2042 |
| Balanced Managed | 2,629,186,558 | 75634790,44116 | 34,7616 | 47,760,718,85960 | 32,5956 |
| Equity Managed | 1,933,423,078 | 44478819,60503 | 43,4684 | 7,528,463,49333 | 39,2001 |
| Growth | 8,482,761,451 | 16370070,64086 | 51,8187 | 74,345,674,08916 | 48,3595 |
| Net asset as per Balance Sheet | 14,432,970,630 | | 6,327,788,274 | | |
| B) | | | | | |
| Linked Individual Pension | | | | | |
| Liquid | 56,203,046 | 2,378,644,81957 | 28,785,298 | 1,302,737,90661 | 22,0960 |
| Secured Managed | 221,205,784 | 10,277,708,50592 | 102,531,418 | 4,957,300,14997 | 20,6829 |
| Defensive Managed | 388,347,385 | 15,234,878,00238 | 25,4907 | 10,638,217,46510 | 24,1055 |
| Balanced Managed | 2,171,261,841 | 67,261,800,60258 | 32,2808 | 43,292,334,12059 | 30,3195 |
| Equity Managed | 1,388,511,583 | 34,223,601,69857 | 40,5718 | 5,432,353,52297 | 38,2812 |
| Growth | 5,104,645,154 | 102,363,322,40424 | 49,8679 | 39,119,966,72785 | 47,1835 |
| Net asset as per Balance Sheet | 9,330,174,792 | | 3,754,131,285 | | |
| C) | | | | | |
| Linked Group Life | | | | | |
| Liquid | 75,626,447 | 3197802,51756 | 14,150,174 | 640,409,95137 | 22,0955 |
| Secured Managed | 480,029,620 | 21852390,20697 | 226,301,150 | 10,810,036,36619 | 20,9344 |
| Defensive Managed | 1,176,390,981 | 42213353,85875 | 27,8677 | 7,718,496,90726 | 26,2042 |
| Balanced Managed | 388,448,035 | 11174629,51329 | 34,7616 | 3,043,587,13710 | 32,5956 |
| Growth | 17,032,071 | 328685,78108 | 51,8187 | | |
| Gratuity and Leave encashment funds | | | | | |
| Liquid | 177,345,242 | 7367714,80040 | 24,0706 | 12,631,804,45620 | 22,5674 |
| Secured Managed | 128,138,330 | 5634193,86040 | 22,7430 | 4,422,559,78380 | 21,7692 |
| Defensive Managed | 632,901,416 | 19855279,70500 | 31,8757 | 16,565,657,71300 | 30,2389 |
| Balanced Managed | 287,677,759 | 6567128,20100 | 43,8057 | 3,960,276,60700 | 40,6181 |
| Growth | 41,334 | 546,73900 | 75,6006 | 568,88200 | 73,0946 |
| Net asset as per Balance Sheet | 3,363,631,234 | | 1,585,086,531 | | |
| D) | | | | | |
| Linked Group Pension | | | | | |
| Group Defined Contribution | | | | | |
| Liquid | 8,912,658 | 377,204,61206 | 3,153,980 | 142,739,87393 | 22,0960 |
| Secured Managed | 11,197,982 | 520,282,95038 | 4,692,569 | 226,881,39218 | 20,6829 |
| Defensive Managed | 31,178,971 | 1,223,151,82615 | 19,204,543 | 796,688,30979 | 24,1055 |
| Balanced Managed | 42,997,853 | 1,331,996,42992 | 32,2808 | 627,382,95310 | 30,3195 |
| Growth | 8,116,594 | 162,761,86533 | 49,8679 | 129,480,05262 | 47,1835 |
| Group Unit Linked Pension | | | | | |
| Liquid | 70,779,755 | 2,995,565,38239 | 23,6282 | | |
| Secured Managed | 116,095,091 | 5,394,033,91518 | 21,5229 | | |
| Defensive Managed | 631,939,477 | 24,791,002,10578 | 25,4907 | 2,184,355,44661 | 24,1055 |
| Balanced Managed | 215,462,675 | 6,674,647,52720 | 32,2808 | 165,407,08633 | 30,3195 |
| Group Defined Benefit Pension | | | | | |
| Liquid | 51,640,116 | 2,306,215,84912 | 22,3917 | | |
| Secured Managed | 181,911,654 | 7,083,268,58032 | 25,6819 | 2,230,859,54431 | 21,0052 |
| Defensive Managed | 19,753,055 | 683,204,13361 | 28,9124 | 3,935,667,16858 | 24,3225 |
| Balanced Managed | | | | 600,900,30162 | 27,7025 |
| Net asset as per Balance Sheet | 1,389,985,881 | | 269,083,618 | | |

| Particulars | Schedule | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|--|----------|------------------------|---------------|---------------------------|---------------|-------------------|---------------|----------------------|---------------|-------------------|---------------|
| | | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Income from investments | | | | | | | | | | | |
| Interest income (includes discount income) | | 166,196 | 59,035 | 110,567 | 38,302 | 125,237 | 34,239 | 41,508 | 6,585 | 443,507 | 138,160 |
| Dividend income | | 112,952 | 29,991 | 70,470 | 14,106 | 7,898 | 2,055 | 2,532 | 523 | 193,853 | 46,676 |
| Profit/loss on sale of investment | | 236,101 | 67,553 | 114,554 | 31,166 | 26,871 | 4,920 | 8,516 | 1,206 | 386,042 | 104,845 |
| Miscellaneous Income | | 76 | — | — | — | 20 | — | 7 | — | 103 | — |
| Unrealised Gain/loss* | | 197,616 | 1,344,289 | 111,229 | 677,507 | (5,303) | 80,910 | (23,785) | 18,543 | 279,758 | 2,121,249 |
| Total (A) | | 712,942 | 1,500,868 | 406,820 | 761,081 | 154,723 | 122,124 | 28,777 | 26,857 | 1,303,263 | 2,410,930 |
| Fund management charges | | 77,965 | 23,513 | 49,046 | 12,312 | 16,678 | 4,881 | 5,590 | 788 | 149,279 | 41,494 |
| Fund administration expenses | | — | — | — | — | — | — | — | — | — | — |
| Other expenses | F-5 | 532,012 | 204,088 | 24,799 | 14,801 | 749 | 655 | 451 | 138 | 558,013 | 219,682 |
| Total (B) | | 609,977 | 227,601 | 73,845 | 27,114 | 17,428 | 5,536 | 6,041 | 925 | 707,291 | 261,176 |
| Net income for the year (A-B) | | 102,965 | 1,273,267 | 332,975 | 733,967 | 137,295 | 116,588 | 22,736 | 25,931 | 595,971 | 2,149,753 |
| Add: Fund revenue account at the beginning of the year | | 1,511,011 | 42,684 | 770,562 | 27,507 | 119,301 | 2,416 | 26,690 | 750 | 2,427,563 | 73,357 |
| Fund revenue account at the end of the year | | 1,613,976 | 1,315,951 | 1,103,537 | 761,474 | 256,596 | 119,004 | 49,426 | 26,682 | 3,023,535 | 2,223,111 |

* Net change in mark to market value of investments

Schedules to Fund Account
 Schedule: F-1
 Policyholders' Contribution

Annexure - 2

(Rs. in '000)

| Particulars | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|-----------------------------------|------------------------|---------------|---------------------------|---------------|-------------------|---------------|----------------------|---------------|-------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Opening balance | 4,816,777 | 994,158 | 2,983,569 | 571,205 | 1,465,786 | 246,657 | 242,394 | 42,915 | 9,508,526 | 1,844,935 |
| Add: Additions during the year* | 13,050,371 | 5,490,778 | 7,299,292 | 2,724,484 | 3,212,456 | 1,694,560 | 2,655,787 | 244,032 | 26,217,906 | 10,153,855 |
| Less: Deductions during the year* | (5,048,153) | (1,463,099) | (2,056,224) | (303,032) | (1,571,207) | (475,134) | (1,557,621) | (44,546) | (10,233,205) | (2,285,811) |
| Closing balance | 12,818,995 | 5,011,837 | 8,226,638 | 2,992,657 | 3,107,035 | 1,466,083 | 1,340,560 | 242,402 | 25,493,228 | 9,712,979 |

* Additions represents units creation and deductions represent unit cancellations

Schedule: F-2
 Investments

(Rs. in '000)

| Particulars | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|------------------------------------|------------------------|---------------|---------------------------|---------------|-------------------|---------------|----------------------|---------------|-------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Approved Investments | 856,304 | 1,391,444 | 612,192 | 839,152 | 861,491 | 1,120,186 | 353,121 | 160,311 | 2,683,108 | 3,511,093 |
| Government Bonds (G-Sec + T-Bill) | 693,260 | — | 599,881 | — | 640,223 | — | 271,007 | — | 2,204,371 | — |
| Corporate Bonds | 359,141 | 15,550 | 143,920 | 34,050 | 305,011 | 9,287 | 93,420 | 22,388 | 901,492 | 81,276 |
| Infrastructure Bonds | 10,413,802 | 4,707,641 | 6,664,678 | 2,724,010 | 751,748 | 328,942 | 331,406 | 71,295 | 18,161,633 | 7,831,888 |
| Equity | 130,944 | 89,823 | 46,684 | 57,158 | 63,197 | 40,420 | 53,684 | 1,740 | 294,509 | 189,142 |
| Commercial Papers | 14,807 | 115,380 | 22,784 | 86,877 | 7,037 | 69,959 | 27,256 | 8,878 | 71,884 | 281,094 |
| Certificate of Deposit | — | — | — | — | — | — | — | — | — | — |
| Money Market | — | — | — | — | — | — | — | — | — | — |
| Mutual Funds | 478,525 | — | 315,005 | — | 725 | — | 501 | — | 794,755 | — |
| Deep Discount Bonds | 45,093 | — | 11,852 | — | 23,828 | — | 1,411 | — | 82,184 | — |
| Repo investments | 21,751 | — | 79,553 | — | 31,253 | — | 12,329 | — | 144,885 | — |
| Fixed Deposits | 402,319 | — | 293,626 | — | 414,521 | — | 150,513 | — | 1,260,979 | — |
| Total | 13,415,946 | 6,319,838 | 8,790,175 | 3,741,247 | 3,099,032 | 1,568,795 | 1,294,647 | 264,613 | 26,599,800 | 11,894,492 |
| Other Investments | — | — | — | — | — | — | — | — | — | — |
| Corporate Bonds | — | — | — | — | — | — | — | — | — | — |
| Infrastructure Bonds | — | — | — | — | — | — | — | — | — | — |
| Equity | 745,451 | — | 511,571 | — | 46,699 | — | 24,051 | — | 1,327,773 | — |
| Money Market | — | — | — | — | — | — | — | — | — | — |
| Mutual Funds | — | — | — | — | — | — | — | — | — | — |
| Pass through Certificates | 247,550 | — | 101,500 | — | 132,693 | — | 32,704 | — | 514,448 | — |
| Sub-ordinate Debt | 25,284 | — | 6,504 | — | 9,086 | — | 6,942 | — | 47,816 | — |
| Total | 1,018,286 | — | 619,575 | — | 188,479 | — | 63,697 | — | 1,890,036 | — |
| GRAND TOTAL | 14,434,232 | 6,319,838 | 9,409,750 | 3,741,247 | 3,287,511 | 1,568,795 | 1,358,344 | 264,613 | 28,489,836 | 11,894,492 |
| % of Approved Investments to Total | 92.95% | 100.00% | 93.42% | 100.00% | 94.27% | 100.00% | 95.31% | 100.00% | 93.37% | 100.00% |
| % of Other Investments to Total | 7.05% | 0.00% | 6.58% | 0.00% | 5.73% | 0.00% | 4.69% | 0.00% | 6.63% | 0.00% |

Schedule: F-3
Current Assets

Annexure - 2
(Rs. in '000)

| Particulars | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|--|------------------------|---------------|---------------------------|---------------|-------------------|---------------|----------------------|---------------|-------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Accrued Interest | 90,797 | 28,959 | 59,555 | 23,031 | 85,682 | 25,010 | 30,919 | 5,847.52 | 266,953 | 82,847.21 |
| (Includes discount inc Receivable) | 26,463 | 1,934 | 17,531 | 2,756 | (4,487) | 221 | 1,331 | 60.90 | 40,839 | 4,972 |
| Cash & Bank Balance | 14,117 | 2,908 | 8,710 | 2,027 | 1,001 | 225 | 390 | 47.84 | 24,218 | 5,208 |
| Dividend Receivable | — | — | — | — | — | — | — | — | — | — |
| Receivable for Sale of Investments | — | — | — | — | — | — | — | — | — | — |
| Unit Collection A/c# | — | — | — | — | — | — | — | — | — | — |
| Other Current Assets (for Investments) | — | — | — | — | — | — | — | — | — | — |
| Total | 131,377 | 33,801 | 85,796 | 27,814 | 82,196 | 25,455 | 32,641 | 5,956 | 332,010 | 93,027 |

Schedule: F-4
Current Liabilities

| Particulars | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|-------------------------------------|------------------------|---------------|---------------------------|---------------|-------------------|---------------|----------------------|---------------|-------------------|---------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Payable for Purchase of Investments | 131,080 | — | 113,986 | — | 5,825 | — | 819 | — | 251,709 | — |
| Other Current Liabilities | 1,559 | 25,851 | 51,386 | 14,930 | 251 | 9,163 | 179 | 1,486 | 53,375 | 51,430 |
| Unit Payable a/c# | — | — | — | — | — | — | — | — | — | — |
| Total | 132,638 | 25,851 | 165,371 | 14,930 | 6,076 | 9,163 | 998 | 1,486 | 305,084 | 51,430 |

Schedule: F-5
Other Expenses

| Particulars | Linked Individual Life | | Linked Individual Pension | | Linked Group Life | | Linked Group Pension | | Total Unit Linked | |
|---|------------------------|----------------|---------------------------|---------------|-------------------|---------------|----------------------|---------------|-------------------|----------------|
| | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year | Current Year | Previous Year |
| Policy Administration | 47,148 | 15,460 | 20,187 | 9,088 | — | — | 122 | (11) | 47,271 | 24,536 |
| Surrender charge | — | — | — | — | 2,500 | — | — | — | 2,500 | — |
| Switching charge | — | — | — | — | — | — | — | — | — | — |
| Mortality charge | 426,479 | 164,367 | — | — | — | — | — | — | 446,666 | 164,367 |
| Rider Premium charge | — | — | — | — | — | — | — | — | — | — |
| Partial withdrawal charge | — | — | — | — | — | — | — | — | — | — |
| Miscellaneous charge | — | — | — | — | — | — | 21,800 | — | 21,800 | — |
| Set up charge | — | — | — | — | — | 129,999 | — | — | 129,999 | — |
| Annual charge | — | — | — | — | 151,495 | 166,962 | — | — | 151,495 | 166,962 |
| Paid up charges | — | — | — | — | — | — | 97,127 | 19,351 | 97,127 | 19,351 |
| Service tax | 49,707 | 14,935 | — | — | — | — | — | — | 49,707 | 14,935 |
| Education cess | 994 | 299 | — | — | — | — | — | — | 994 | 299 |
| Brokerage Expenses for purchase and sale of investments | 7,034 | 8,371 | 4,231 | 5,389 | 520 | 315 | 210 | 119 | 11,996 | 14,195 |
| Safe custody charges for purchase and sale of investments | 599 | 657 | 354 | 324 | 62 | 43 | — | 11 | 1,014 | 1,035 |
| CCIL charges | 50 | — | 28 | — | 13 | — | — | — | 91 | — |
| Total | 532,012 | 204,088 | 24,799 | 14,801 | 749 | 655 | 451 | 138 | 558,013 | 219,682 |

Represents inter fund receivables or payables, if any

Annexure 2

DISCLOSURES FOR ULIP BUSINESS

1 Performance of the Fund (Absolute Growth %)

| Fund Name | Year of Inception | Year | | | Since Inception |
|---|-------------------|---------|---------------|---------------|-----------------|
| | | 2006-07 | 2005-06 (X-1) | 2004-05 (X-2) | |
| Individual Life and Group Life (on or after 29.03.2006) | | | | | |
| Liquid Fund | 2003-04 | 7.03% | 12.18% | 16.81% | 18.25% |
| Secure Managed Fund | 2003-04 | 4.93% | 10.02% | 8.00% | 9.83% |
| Defensive Managed Fund | 2003-04 | 6.35% | 29.45% | 35.55% | 39.34% |
| Balanced Managed Fund | 2003-04 | 6.65% | 49.88% | 67.97% | 73.81% |
| Equity Managed Fund | 2005-06 | 10.89% | NA | NA | 24.20% |
| Growth Fund | 2003-04 | 7.15% | 100.08% | 153.70% | 159.09% |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) | | | | | |
| Liquid Fund | 2003-04 | 6.93% | 12.12% | 16.70% | 18.14% |
| Secure Managed Fund | 2003-04 | 4.06% | 8.83% | 5.79% | 7.61% |
| Defensive Managed Fund | 2003-04 | 5.75% | 26.76% | 29.00% | 27.45% |
| Balanced Managed Fund | 2003-04 | 6.47% | 50.73% | 69.12% | 61.40% |
| Equity Managed Fund | 2005-06 | 5.98% | NA | NA | 19.33% |
| Growth Fund | 2003-04 | 5.69% | 94.73% | 141.16% | 149.34% |
| Group Life (Upto 28.03.2006) | | | | | |
| Liquid Fund | 2003-04 | 6.66% | 11.88% | 16.60% | 20.35% |
| Secure Managed Fund | 2003-04 | 4.47% | 9.33% | 6.14% | 13.72% |
| Defensive Managed Fund | 2003-04 | 5.41% | 28.62% | 35.25% | 59.38% |
| Balanced Managed Fund | 2003-04 | 7.85% | 56.02% | 70.28% | 119.03% |
| Growth Fund | 2003-04 | 3.43% | 89.48% | 71.15% | 278.00% |
| Group DB Pension (Upto 28.03.2006) | | | | | |
| Liquid Fund | 2004-05 | 6.60% | 11.73% | NA | 11.96% |
| Secure Managed Fund | 2004-05 | 6.93% | 12.20% | NA | 12.38% |
| Defensive Managed Fund | 2004-05 | 5.59% | 29.70% | NA | 28.41% |
| Balanced Managed Fund | 2004-05 | 4.37% | 47.65% | NA | 44.56% |
| Growth Fund | 2004-05 | 2.94% | 75.06% | NA | 73.43% |

Annexure - 2

2 Investment Management

- Activities Outsourced
 - a) Advisory services from HDFC Asset Management Company Limited
 - b) Custodial services from HDFC Bank Ltd. - Custody and Depository Services
- Fees paid for various activities charged to the policyholders Account and shareholders account (Please refer Statement of Operations - Annexure 1)
 - a) Policyholders Unit Fund - Transaction charges on sale and purchase of unit investments
 - b) Non-Unit Fund - Transaction charges on sale and purchase of non-unit investments, HDFC AMC Advisory fees (because this is a Non-Participating Fund, the advisory fees only impact the Shareholders and not the Policyholders)
 - c) Shareholders Fund - Transaction charges on sale and purchase of investments, HDFC AMC Advisory fees
- Basis of payment of fees
 - a) Apportionment of advisory fees is based on assets under management
 - b) Transaction charge is based on actuals

3 Related party transactions - Details to be furnished Fund- wise

- Brokerage , custodial fee or any other payments and receipts made to/from related parties (as defined in AS 18 issued by ICAI)

(Amount in Rs.)

| FUND NAME | Advisory Fees paid to HDFC Asset Management Company Ltd. | |
|---|---|-------------------|
| | 2006-07 | 2005-06 |
| Individual Life and Group Life (on or after 29.03.2006) | 7,044,826 | 6,673,802 |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) | 4,266,890 | 3,296,140 |
| Group Life (Upto 28.03.2006) | 879,520 | 1,566,824 |
| Group DB Pension (Upto 28.03.2006) | 203,682 | 273,609 |
| TOTAL | 12,394,918 | 11,810,374 |

4 Company-wise details of investments held in the promoter Group along with its percentage to funds under management. This information is required to be given fund-wise and also for total funds under ULIPs.

(Amount in Rs.)

| Fund Name | Security Name | Name of the Company | Units | MARKET VALUE AS ON 31/03/2007 | AUM AS ON 31/03/2007 | 2006-07 | 2005-06 |
|---|--|------------------------------------|---------------|-------------------------------------|-------------------------|-----------------------------------|-----------------------------------|
| | | | | | | % of Asset under Management | % of Asset under Management |
| Individual Life and Group Life (on or After 29.03.2006) - Growth Fund | HDFC Cash Management Savings Plus-Growth | HDFC Asset Management Company Ltd. | 6,156,611.89 | 100,000,000 | 8,944,786,375 | 1.12% | NIL |
| Individual Life and Group Life (on or After 29.03.2006) - Growth Fund | HDFC Liquid Fund - Premium Growth | HDFC Asset Management Company Ltd. | 10,026,357.47 | 150,063,490 | 8,944,786,375 | 1.68% | NIL |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) - Growth Fund | HDFC Cash Management Savings Plus-Growth | HDFC Asset Management Company Ltd. | 6,156,611.89 | 100,000,000 | 5,273,657,162 | 1.90% | NIL |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) - Growth Fund | HDFC Liquid Fund - Premium Growth | HDFC Asset Management Company Ltd. | 3,343,250.36 | 50,038,094 | 5,273,657,162 | 0.95% | NIL |
| Total Funds Under ULIP | | | | 400,101,583 | 30,003,608,346 | 1.33% | NIL |

Annexure - 2

- 5 Industry-wise disclosure on investments (with exposure of 10% and above) segregated at scrip level. Investments in industries where exposure is below 10%, should be grouped under the head "others". Such disclosures are required to be made in

i) Amount in Rs. '000 and ii) Percentage of respective Funds

Please refer Annexure 2A

- 6 Unclaimed redemptions of units : NIL
- 7 NAV : Highest, Lowest and closing at the end of the year

| Fund Name | 2006-07 | | 2005-06 | | NAV as on 30/03/2007* |
|---|---------|---------|---------|---------|-----------------------|
| | Highest | Lowest | Highest | Lowest | |
| Individual Life and Group Life (on or after 29.03.2006) | | | | | |
| Liquid Fund | 23.6380 | 22.1054 | 22.0955 | 21.0850 | 23.6380 |
| Secure Managed Fund | 21.9621 | 20.9437 | 20.9344 | 19.9687 | 21.9621 |
| Defensive Managed Fund | 28.5962 | 24.6767 | 26.2042 | 21.4115 | 27.8631 |
| Balanced Managed Fund | 36.5644 | 28.8084 | 32.5956 | 22.9133 | 34.7578 |
| Equity Managed Fund | 46.7948 | 31.8282 | 39.2001 | 34.6687 | 43.4675 |
| Growth Fund | 57.6766 | 36.1268 | 48.3595 | 25.3427 | 51.8198 |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) | | | | | |
| Liquid Fund | 23.6225 | 22.1058 | 22.0960 | 21.0761 | 23.6225 |
| Secure Managed Fund | 21.5655 | 20.6862 | 20.6927 | 19.7807 | 21.5180 |
| Defensive Managed Fund | 26.1064 | 22.9153 | 24.1054 | 19.9329 | 25.4863 |
| Balanced Managed Fund | 34.1243 | 26.7280 | 30.3195 | 21.1218 | 32.2773 |
| Equity Managed Fund | 44.1221 | 30.5396 | 38.2812 | 33.6177 | 40.5697 |
| Growth Fund | 55.5210 | 35.3712 | 47.1835 | 24.9792 | 49.8690 |
| Group Life (Upto 28.03.2006) | | | | | |
| Liquid Fund | 24.0654 | 22.5776 | 22.5674 | 21.1162 | 24.0654 |
| Secure Managed Fund | 23.1730 | 21.6965 | 22.5563 | 20.7817 | 22.7377 |
| Defensive Managed Fund | 32.8618 | 28.5493 | 30.2389 | 24.6724 | 31.8704 |
| Balanced Managed Fund | 46.4555 | 36.0628 | 40.6181 | 27.7735 | 43.8009 |
| Growth Fund | 84.9968 | 41.2875 | 73.0947 | 38.9840 | 75.6015 |
| Group DB Pension (Upto 28.03.2006) | | | | | |
| Liquid Fund | 22.3863 | 21.0154 | 21.0052 | 20.0430 | 22.3863 |
| Secure Managed Fund | 22.4703 | 21.0287 | 21.8195 | 20.0350 | 22.4703 |
| Defensive Managed Fund | 26.4405 | 23.0351 | 24.3225 | 19.7372 | 25.6775 |
| Balanced Managed Fund | 30.7530 | 24.1976 | 27.7025 | 19.3560 | 28.9089 |
| Growth Fund | 39.2457 | 22.0512 | 33.6969 | 19.4023 | 34.6870 |

* Last declared NAV for the funds, since 31 March 2007 was a holiday

Annexure - 2

8 Expenses charged to Fund (%)

- Annualized expenses ratio to average daily assets of the Fund

| Fund Name | 2006 - 07 | 2005-06 |
|---|-----------|----------|
| Individual Life and Group Life (on or after 29.03.2006) | | |
| Liquid Fund | 0.0015% | 0.0033% |
| Secure Managed Fund | 0.0046% | 0.0040% |
| Defensive Managed Fund | 0.0415% | 0.0836% |
| Balanced Managed Fund | 0.0716% | 0.1771% |
| Equity Managed Fund | 0.0700% | 0.4844%* |
| Growth Fund | 0.0970% | 0.4750%* |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) | | |
| Liquid Fund | 0.0021% | 0.0029% |
| Secure Managed Fund | 0.0050% | 0.0038% |
| Defensive Managed Fund | 0.0452% | 0.0703% |
| Balanced Managed Fund | 0.0584% | 0.1569% |
| Equity Managed Fund | 0.0589% | 0.4569%* |
| Growth Fund | 0.0954% | 0.7641%* |
| Group Life (Upto 28.03.2006) | | |
| Liquid Fund | 0.0009% | 0.0018% |
| Secure Managed Fund | 0.0017% | 0.0029% |
| Defensive Managed Fund | 0.0204% | 0.0747% |
| Balanced Managed Fund | 0.0450% | 0.1561% |
| Growth Fund | 0.0801% | 0.2535% |
| Group DB Pension (Upto 28.03.2006) | | |
| Liquid Fund | 0.0016% | 0.0044% |
| Secure Managed Fund | 0.0047% | 0.0070% |
| Defensive Managed Fund | 0.0345% | 0.1188% |
| Balanced Managed Fund | 0.0642% | 0.1683% |
| Growth Fund | 0.0721% | 0.1251% |

* For Individual Life and Group Life (on or after 29.03.2006) Growth and Equity Managed Funds and Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) Growth and Equity Managed Funds. The inflow of investments into these funds during 2005-06 were very large compared to the initial size of the fund.

Annexure - 2

9 Ratio of gross income (including unrealized gains) to average daily net assets

| Fund Name | 2006 - 07 | 2005-06 |
|---|-----------|---------|
| Individual Life and Group Life (on or after 29.03.2006) | | |
| Liquid Fund | 7.73% | 5.46% |
| Secure Managed Fund | 5.37% | 5.54% |
| Defensive Managed Fund | 7.27% | 22.35% |
| Balanced Managed Fund | 7.02% | 39.19% |
| Equity Managed Fund | 12.22% | 2.87%* |
| Growth Fund | 7.26% | 74.15% |
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) | | |
| Liquid Fund | 7.80% | 5.51% |
| Secure Managed Fund | 4.41% | 5.24% |
| Defensive Managed Fund | 4.91% | 19.94% |
| Balanced Managed Fund | 7.01% | 39.05% |
| Equity Managed Fund | 8.79% | 2.95%* |
| Growth Fund | 6.77% | 78.45% |
| Group Life (Upto 28.03.2006) | | |
| Liquid Fund | 7.10% | 5.49% |
| Secure Managed Fund | 2.50% | 5.28% |
| Defensive Managed Fund | 6.12% | 22.98% |
| Balanced Managed Fund | 8.88% | 42.82% |
| Growth Fund | 4.21% | 65.06% |
| Group DB Pension (Upto 28.03.2006) | | |
| Liquid Fund | 7.16% | 5.46% |
| Secure Managed Fund | 7.49% | 5.78% |
| Defensive Managed Fund | 5.03% | 23.43% |
| Balanced Managed Fund | 3.28% | 40.05% |
| Growth Fund | 3.74% | 56.96% |

* For the Individual Life and Group Life (on or after 29.03.2006) - Equity Managed Fund and the Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) - Equity Managed Fund the date of inception is 16 Jan 2006 and therefore, these funds were operational for only 74 days during the financial year 2005-06.

Annexure - 2

10 Provision for doubtful debts on assets of the respective Fund : NIL

11 Fund- wise disclosure of appreciation and/ or depreciation in value of investments segregated class-wise

| (Amount in Rs.) | | | |
|--|----------------------------|---|---|
| Funds Name | Asset | Appreciation/ Depreciation in value of investments 31/03/2007 | Appreciation/ Depreciation in value of investments 31/03/2006 |
| Individual Life and Group Life (on or after 29.03.2006) Liquid Fund | Non Convertible Debentures | 118 | (118) |
| | Gilt | 82,165 | (82,165) |
| | Total | 82,283 | (82,283) |
| Secure Managed Fund | Non Convertible Debentures | (11,449,921) | (3,935) |
| | Gilt | (4,031,094) | (1,109,040) |
| | Pass Through Certificate | 267,202 | — |
| | Total | (15,213,814) | (1,112,975) |
| Defensive Managed Fund | Equity | 12,853,909 | 56,095,480 |
| | Non Convertible Debentures | (12,074,589) | 3,952 |
| | Deep Discount Bond | 460,194 | — |
| | Gilt | (3,067,836) | (1,972,274) |
| | Pass Through Certificate | 405,676 | — |
| | Total | (1,422,646) | 54,127,158 |
| Balanced Managed Fund | Equity | 16,300,328 | 305,250,485 |
| | Non Convertible Debentures | (12,077,184) | (2,639) |
| | Deep Discount Bond | 613,592 | — |
| | Gilt | (6,403,410) | (4,021,186) |
| | Pass Through Certificate | 364,370 | — |
| | Total | (1,202,305) | 301,226,660 |
| Equity Managed Fund | Equity | 126,472,625 | 22,384,842 |
| | Non Convertible Debentures | (2,554,881) | — |
| | Mutual Fund Units | 32,135 | — |
| | Gilt | (2,019,591) | (177,686) |
| | Pass Through Certificate | (2,437) | — |
| | Total | 121,927,851 | 22,207,156 |
| Growth Fund | Equity | 133,128,535 | 1,103,442,214 |
| | Mutual Fund Units | 70,503 | — |
| | Total | 133,199,038 | 1,103,442,214 |

Annexure - 2

(Amount in Rs.)

| Funds Name | Asset | Appreciation/ Depreciation in value of investments 31/03/2007 | Appreciation/ Depreciation in value of investments 31/03/2006 |
|--|----------------------------|---|---|
| Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006) Liquid Fund | Non Convertible Debentures | 4,332 | (4,332) |
| | Gilt | 82,165 | (82,165) |
| | Total | 86,498 | (86,498) |
| Secure Managed Fund | Non Convertible Debentures | (4,806,456) | 4,677 |
| | Gilt | (1,823,094) | (740,247) |
| | Pass Through Certificate | (4,873) | — |
| | Total | (6,634,424) | (735,570) |
| Defensive Managed Fund | Equity | (3,646,999) | 27,768,972 |
| | Non Convertible Debentures | (5,353,427) | 6,966 |
| | Gilt | (9,659,582) | (3,868,247) |
| | Pass Through Certificate | 79,690 | — |
| | Total | (18,580,318) | 23,907,691 |
| Balanced Managed Fund | Equity | 9,264,888 | 247,148,514 |
| | Non Convertible Debentures | (10,398,092) | 795 |
| | Deep Discount Bond | 204,531 | — |
| | Gilt | (8,964,032) | (5,625,152) |
| | Pass Through Certificate | 222,944 | — |
| | Total | (9,669,761) | 241,524,157 |
| Equity Managed Fund | Equity | 52,184,822 | 14,052,078 |
| | Non Convertible Debentures | (2,785,358) | — |
| | Gilt | (1,055,461) | (85,897) |
| | Pass Through Certificate | (2,437) | — |
| | Total | 48,341,566 | 13,966,181 |
| Growth Fund | Equity | 101,029,726 | 427,115,764 |
| | Mutual Fund Units | 56,251 | — |
| | Total | 101,085,977 | 427,115,764 |

Annexure - 2

(Amount in Rs.)

| Funds Name | Asset | Appreciation/ Depreciation in value of investments 31/03/2007 | Appreciation/ Depreciation in value of investments 31/03/2006 |
|---|---|---|---|
| Group Life (Upto 28.03.2006) Liquid Fund | Gilt Total | 91,882 91,882 | (87,829) (87,829) |
| Secure Managed Fund | Non Convertible Debentures Gilt Pass Through Certificate Total | (1,027,414) (973,549) (2,437) (2,003,399) | 10,215 (1,324,218) — (1,314,004) |
| Defensive Managed Fund | Equity Non Convertible Debentures Gilt Pass Through Certificate Total | 3,484,069 (5,289,842) (2,671,383) 204,056 (4,273,100) | 58,335,763 9,918 (2,389,599) — 55,956,082 |
| Balanced Managed Fund | Equity Non Convertible Debentures Gilt Total | 6,617,323 (772,009) (2,188,409) 3,656,905 | 39,932,729 5,726 (471,101) 39,467,354 |
| Growth Fund | Equity Total | (346,903) (346,903) | 3,603,705 3,603,705 |

Annexure - 2

(Amount in Rs.)

| Funds Name | Asset | Appreciation/ Depreciation in value of investments 31/03/2007 | Appreciation/ Depreciation in value of investments 31/03/2006 |
|--|----------------------------|---|---|
| Group DB Pension (Upto 28.03.2006) Liquid Fund | Gilt | 655,554 | (655,554) |
| | Total | 655,554 | (655,554) |
| Secure Managed Fund | Non Convertible Debentures | (150,048) | — |
| | Gilt | 13,427 | (34,058) |
| | Pass Through Certificate | (2,437) | — |
| | Total | (139,057) | (34,058) |
| Defensive Managed Fund | Equity | 538,550 | 8,874,049 |
| | Non Convertible Debentures | (2,425,223) | (12,660) |
| | Gilt | (152,232) | (154,018) |
| | Total | (2,038,905) | 8,707,372 |
| Balanced Managed Fund | Equity | (584,285) | 5,123,243 |
| | Non Convertible Debentures | (483,865) | (89) |
| | Gilt | (38,609) | (94,056) |
| | Total | (1,106,759) | 5,029,098 |
| Growth Fund | Equity | (2,142) | 33,119 |
| | Total | (2,142) | 33,119 |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
CONSOLIDATED

MORE THAN 10%

2006 - 2007

| Industry Name | Scrip Name | Market Value (Rs. '000) | % To AUM |
|----------------------------|---|-------------------------|----------|
| Finance - Bank | 10.00% HDFC Bank FD Mat 27.04.2007 | 2,341 | 0.01% |
| | 11.05% State Bank of Patiala 04.09.2007 | 61,478 | 0.20% |
| | 11.08% ICICI Bank FD Mat. 10.03.08 | 54,505 | 0.18% |
| | 11.10% ICICI Bank FD Mat. 07.03.08 | 75,978 | 0.25% |
| | 11.30% UTI Bank FD Mat 13.09.2007 | 100,000 | 0.33% |
| | 11.40% Punjab National Bank FD Mat 21.03.2008 | 171,666 | 0.57% |
| | 11.50% Canara Bank FD Mat 20/06/08 | 169,389 | 0.56% |
| | 11.50% Punjab National Bank FD Mat 16.06.2008 | 149,968 | 0.50% |
| | 8.00% Kotak Mahindra Bank Mat. 30/06/07 | 30,000 | 0.10% |
| | 8.20% Kotak Mahindra Bank FD Mat 20/07/07 | 45,166 | 0.15% |
| | 8.25% Federal Bank FD Mat 06/07/07 | 70,000 | 0.23% |
| | 8.30% Kotak Mah FD Mat. 08/08/07 | 31,416 | 0.10% |
| | 8.50% Saraswat Co-Operative Bank Mat 16/08/07 | 96,133 | 0.32% |
| | 8.80% ICICI Bank Mat. 02/04/07 | 200,000 | 0.66% |
| | 8.80% Yes Bank Mat. 14/06/2007 | 20,000 | 0.07% |
| | 9.65% State Bank of Bikaner & Jaipur Mat 14.05.2007 | 44,000 | 0.15% |
| | Canara Bank FD Mat 12 JUNE 2008 | 100,000 | 0.33% |
| | ICICI Bank FD Mat. 30/07/07 | 19,995 | 0.07% |
| | Indian Bank | 16,741 | 0.06% |
| | Punjab National Bank | 561,364 | 1.86% |
| State Bank of India | 1,025,129 | 3.39% | |
| Yes Bank CD Mat 14/03/2008 | 86,136 | 0.29% | |
| Sub Total (A) | | 3,131,403 | 10.36% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
CONSOLIDATED

OTHERS (LESS THAN 10%)

2006 - 2007

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------|
| Agro Chemicals | 476,157 | 1.58% |
| Air-Conditioning & Refrigeration | 386,496 | 1.28% |
| Automobiles - Ancillaries | 1,177,444 | 3.90% |
| Automobiles - Commercial Vehicle | 525,866 | 1.74% |
| Automobiles - Others | 203,568 | 0.67% |
| Automobiles-4 Wheeler Passenger Vehicles | 729,540 | 2.41% |
| Capital Goods - Engineering | 1,428,955 | 4.73% |
| Capital Goods - Others | 1,483,492 | 4.91% |
| Central Government Loans | 2,900,056 | 9.60% |
| Construction - Cement | 192,375 | 0.64% |
| Construction - Others | 683,377 | 2.26% |
| Consumer - Fast Moving | 1,493,286 | 4.94% |
| Consumer - Food & Beverages | 526,289 | 1.74% |
| Diversified - Mega | 1,955,571 | 6.47% |
| Diversified - Others | 479,307 | 1.59% |
| Electronics | 624,119 | 2.07% |
| Finance - FI | 1,199,974 | 3.97% |
| Finance - Housing Finance | 46,340 | 0.15% |
| Finance - NBFC | 2,334,362 | 7.72% |
| Healthcare - Bulk Drugs | 1,028,348 | 3.40% |
| Info Tech - Software | 2,778,177 | 9.19% |
| Media - Others | 216,931 | 0.72% |
| Metals - Others | 676,550 | 2.24% |
| Mutual Funds | 834,051 | 2.76% |
| Oil & Gas - Production | 598,946 | 1.98% |
| Paints and Varnishing | 324,489 | 1.07% |
| Petrochemicals - Refining & Marketing | 603,325 | 2.00% |
| Pharmaceuticals & Drugs | 418,440 | 1.38% |
| Shipping | 63,353 | 0.21% |
| Telecom - Service Providers | 26,700 | 0.09% |
| Transportation - Roadway | 445,646 | 1.47% |
| Tyers | 30,835 | 0.10% |
| Utilities - Power | 462 | 0.00% |
| Net Current Assets | 196,160 | 0.65% |
| Sub Total (B) | 27,088,986 | 89.64% |
| TOTAL MARKET VALUE (A+B) | 30,220,389 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Life and Group Life (on or after 29.03.2006)

MORE THAN 10% : - NIL

OTHERS (LESS THAN 10%)

2006 - 2007

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------------|
| Agro Chemicals | 314,863 | 1.80% |
| Air-Conditioning & Refrigeration | 233,338 | 1.33% |
| Automobiles - Ancillaries | 702,746 | 4.02% |
| Automobiles - Commercial Vehicle | 282,162 | 1.61% |
| Automobiles - Others | 125,857 | 0.72% |
| Automobiles-4 Wheeler Passenger Vehicles | 457,113 | 2.61% |
| Capital Goods - Engineering | 830,880 | 4.75% |
| Capital Goods - Others | 886,356 | 5.07% |
| Central Government Loans | 1,493,606 | 8.54% |
| Construction - Cement | 133,104 | 0.76% |
| Construction - Others | 437,110 | 2.50% |
| Consumer - Fast Moving | 898,128 | 5.13% |
| Consumer - Food & Beverages | 285,604 | 1.63% |
| Diversified - Mega | 1,163,901 | 6.65% |
| Diversified - Others | 291,102 | 1.66% |
| Electronics | 402,586 | 2.30% |
| Finance - Bank | 1,564,835 | 8.94% |
| Finance - FI | 665,974 | 3.81% |
| Finance - Housing Finance | 46,340 | 0.26% |
| Finance - NBFC | 1,250,009 | 7.15% |
| Healthcare - Bulk Drugs | 605,071 | 3.46% |
| Info Tech - Software | 1,735,800 | 9.92% |
| Media - Others | 120,117 | 0.69% |
| Metals - Others | 425,182 | 2.43% |
| Mutual Funds | 508,616 | 2.91% |
| Oil & Gas - Production | 388,497 | 2.22% |
| Paints and Varnishing | 209,460 | 1.20% |
| Petrochemicals - Refining & Marketing | 339,917 | 1.94% |
| Pharmaceuticals & Drugs | 273,313 | 1.56% |
| Shipping | 24,365 | 0.14% |
| Telecom - Service Providers | 16,282 | 0.09% |
| Transportation - Roadway | 262,020 | 1.50% |
| Tyers | 27,499 | 0.16% |
| Utilities - Power | 148 | 0.00% |
| Net Current Assets | 92,252 | 0.53% |
| TOTAL MARKET VALUE | 17,494,152 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006)

MORE THAN 10%

2006 - 2007

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|----------------------------|---|------------------------|----------|
| Finance - Bank | 11.05% State Bank of Patiala 04/09/2007 | 33,153 | 0.31% |
| | 11.08% ICICI Bank FD Mat. 10/03/2008 | 37,777 | 0.35% |
| | 11.10% ICICI Bank FD Mat. 07/03/2008 | 13,403 | 0.12% |
| | 11.30% UTI Bank FD Mat 13/09/2007 | 19,972 | 0.18% |
| | 11.40% Punjab National Bank FD Mat 21/03/2008 | 80,625 | 0.74% |
| | 11.50% Canara Bank FD Mat 20/06/2008 | 90,859 | 0.84% |
| | 11.50% Punjab National Bank FD Mat 16/06/2008 | 44,972 | 0.41% |
| | 8.00% Kotak Mahindra Bank Mat. 30/06/2007 | 2,217 | 0.02% |
| | 8.20% Kotak Mahindra Bank FD Mat 20/07/2007 | 18,450 | 0.17% |
| | 8.30% Kotak Mahindra Bank FD Mat. 08/08/2007 | 1,354 | 0.01% |
| | 8.50% Saraswat Co-Operative Bank Mat 16/08/2007 | 19,581 | 0.18% |
| | 8.80% ICICI Bank Mat. 02/04/2007 | 37,801 | 0.35% |
| | Canara Bank FD Mat 12/06/2008 | 20,628 | 0.19% |
| | Indian Bank | 6,374 | 0.06% |
| | Punjab National Bank | 242,217 | 2.23% |
| | State Bank of India | 404,902 | 3.73% |
| Yes Bank CD Mat 14/03/2008 | 52,985 | 0.49% | |
| Sub Total (A) | | 1,127,269 | 10.38% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006)
OTHERS (LESS THAN 10%)

2006 - 2007

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------|
| Agro Chemicals | 154,938 | 1.43% |
| Air-Conditioning & Refrigeration | 137,287 | 1.26% |
| Automobiles - Ancillaries | 436,429 | 4.02% |
| Automobiles - Commercial Vehicle | 238,035 | 2.19% |
| Automobiles - Others | 77,695 | 0.72% |
| Automobiles-4 Wheeler Passenger Vehicles | 264,863 | 2.44% |
| Capital Goods - Engineering | 554,515 | 5.10% |
| Capital Goods - Others | 571,853 | 5.26% |
| Central Government Loans | 978,802 | 9.01% |
| Construction - Cement | 49,178 | 0.45% |
| Construction - Others | 188,320 | 1.73% |
| Consumer - Fast Moving | 557,650 | 5.13% |
| Consumer - Food & Beverages | 229,551 | 2.11% |
| Diversified - Mega | 735,293 | 6.77% |
| Diversified - Others | 185,311 | 1.71% |
| Electronics | 203,100 | 1.87% |
| Finance - FI | 364,245 | 3.35% |
| Finance - NBFC | 811,892 | 7.47% |
| Healthcare - Bulk Drugs | 416,171 | 3.83% |
| Info Tech - Software | 984,215 | 9.06% |
| Media - Others | 96,814 | 0.89% |
| Metals - Others | 226,340 | 2.08% |
| Mutual Funds | 325,434 | 3.00% |
| Oil & Gas - Production | 196,809 | 1.81% |
| Paints and Varnishing | 104,848 | 0.97% |
| Petrochemicals - Refining & Marketing | 259,717 | 2.39% |
| Pharmaceuticals & Drugs | 130,402 | 1.20% |
| Shipping | 37,833 | 0.35% |
| Telecom - Service Providers | 10,418 | 0.10% |
| Transportation - Roadway | 170,559 | 1.57% |
| Tyers | 3,336 | 0.03% |
| Utilities - Power | 148 | 0.00% |
| Net Current Assets | 35,543 | 0.33% |
| Sub Total (B) | 9,737,547 | 89.62% |
| TOTAL MARKET VALUE (A+B) | 10,864,816 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group Life (Upto 28.03.2006)

MORE THAN 10%

2006 - 2007

| Industry Name | Scrip Name | Market Value (Rs. '000) | % To AUM |
|--------------------------|--|-------------------------|----------|
| Central Government Loans | 10.71% GOI 19/04/2016 | 12,318 | 0.85% |
| | 11.03% GOI 18/07/2012 | 1,122 | 0.08% |
| | 11.30% GOI 28/07/2010 | 3,826 | 0.26% |
| | 11.50% GOI 24/11/2011 | 264 | 0.02% |
| | 182 Days T-Bill Mat 20 /04/2007 | 8,612 | 0.60% |
| | 364 Days T-Bill Mat Dt 21/12/2007 | 40,689 | 2.81% |
| | 364 Days T-Bill Mat Dt 31/08/2007 | 20 | 0.00% |
| | 364 Days T-Bill Mat 20/ 07/2007 | 12,032 | 0.83% |
| | 364 Days T-Bill GOI Mat 26/10/2007 | 36,971 | 2.55% |
| | 364 Days T-Bill Mat. 14/09/07 | 3,694 | 0.26% |
| | 7.39% GOI 10/09/2013 (Floater) | 19,347 | 1.34% |
| | 7.40% GOI 03/05/2012 | 88,764 | 6.13% |
| | 7.44% Oil Bonds Mat 23/03/2012 | 66,184 | 4.57% |
| | 7.55% GOI Mat 14/05/2010 | 18,336 | 1.27% |
| | 9.39% GOI Mat 02/07/2011 | 45,593 | 3.15% |
| | Total | 357,773 | 24.72% |
| Finance - Bank | 11.05% State Bank of Patiala 04/09/2007 | 12,779 | 0.88% |
| | 11.10% ICICI Bank FD Mat. 07/03/2008 | 8,014 | 0.55% |
| | 11.40% Punjab National Bank FD Mat 21/03/2008 | 25,068 | 1.73% |
| | 11.50% Canara Bank FD Mat 20/06/2008 | 24,963 | 1.72% |
| | 8.00% Kotak Mahindra Bank Mat. 30/06/2007 | 22,400 | 1.55% |
| | 8.20% Kotak Mah Bank FD Mat 20/07/2007 | 2,040 | 0.14% |
| | 8.25% Federal Bank FD Mat 06/07/2007 | 37,240 | 2.57% |
| | 8.50% Saraswat Co-Operative Bank Mat 16/08/07 | 29,931 | 2.07% |
| | 8.80% ICICI Bank Mat. 02/04/2007 | 57,363 | 3.96% |
| | 8.80% Yes Bank Mat. 14/06/2007 | 20,000 | 1.38% |
| | 9.65% State Bank of Bikaner & Jaipur Mat 14/05/2007 | 40,562 | 2.80% |
| | Canara Bank FD Mat 12 / 06/ 2008 | 7,743 | 0.53% |
| | Punjab National Bank | 911 | 0.06% |
| | State Bank of India | 25,385 | 1.75% |
| | Yes Bank Cd Mat 14/03/2008 | 4,875 | 0.34% |
| | Total | 319,276 | 22.06% |
| Finance - NBFC | 10.75% DSP Merill Lynch NCD Mat 07/05/2007 | 6,000 | 0.41% |
| | 12.00% Cholamandalam Subordinate Debt Mat 05/06/2012 | 6,000 | 0.41% |
| | 8.23% Citicorp Maruti Finance Limited | 52,474 | 3.63% |
| | 8.35% Sundaram Finance Limited | 51,947 | 3.59% |
| | 8.40% Mahindra Finance Limited 05/06/2008 | 15,842 | 1.09% |

Annexure 2A

MORE THAN 10%

2006 - 2007

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|----------------|---|------------------------|----------|
| Finance - NBFC | 8.47% DSP Merrill Lynch NCD Mat. 28/09/2008 | 9,758 | 0.67% |
| | 8.50% DSP Merrill Lynch NCD Mat 02/05/2008 | 8,836 | 0.61% |
| | 8.60% Citi Corporation India NCD Mat 24/07/2008 | 6,867 | 0.47% |
| | 8.60% Mahindra Finance Limited 18/05/2009 | 4,433 | 0.31% |
| | 8.60% Sundaram Finance NCD 30/06/2009 | 11,620 | 0.80% |
| | 8.65% Kotak Mahindra Prime Limited | 5,381 | 0.37% |
| | 8.70% Citi Finance NCD Mat 16/07/2008 | 11,781 | 0.81% |
| | 8.25% Citi Finance Limited NCD 02/06/2009 | 6,843 | 0.47% |
| | 8.60% Citi Finance Limited NCD Mat 02/06/2009 | 8,724 | 0.60% |
| | Total | 206,507 | 14.27% |
| Sub Total (A) | | 883,555 | 61.05% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group Life (Upto 28.03.2006)

OTHERS (LESS THAN 10%)

2006 - 2007

| Industry Name | Market Value (Rs. '000) | % To AUM |
|--|-------------------------|----------|
| Agro Chemicals | 1,935 | 0.13% |
| Air-Conditioning & Refrigeration | 14,249 | 0.98% |
| Automobiles - Ancillaries | 29,636 | 2.05% |
| Automobiles - Commercial Vehicle | 4,910 | 0.34% |
| Automobiles-4 Wheeler Passenger Vehicles | 5,055 | 0.35% |
| Capital Goods - Engineering | 36,682 | 2.53% |
| Capital Goods - Others | 19,704 | 1.36% |
| Construction - Cement | 8,302 | 0.57% |
| Construction - Others | 46,794 | 3.23% |
| Consumer - Fast Moving | 31,708 | 2.19% |
| Consumer - Food & Beverages | 7,886 | 0.54% |
| Diversified - Mega | 31,764 | 2.19% |
| Diversified - Others | 385 | 0.03% |
| Electronics | 16,099 | 1.11% |
| Finance - FI | 134,513 | 9.29% |
| Healthcare - Bulk Drugs | 5,306 | 0.37% |
| Info Tech - Software | 49,726 | 3.44% |
| Metals - Others | 23,490 | 1.62% |
| Oil & Gas - Production | 12,964 | 0.90% |
| Paints and Varnishing | 8,164 | 0.56% |
| Petrochemicals - Refining & Marketing | 2,126 | 0.15% |
| Pharmaceuticals & Drugs | 12,465 | 0.86% |
| Shipping | 1,086 | 0.08% |
| Transportation - Roadway | 11,086 | 0.77% |
| Utilities - Power | 166 | 0.01% |
| Net Current Assets | 47,593 | 3.29% |
| Sub Total (B) | 563,795 | 38.95% |
| TOTAL MARKET VALUE (A+B) | 1,447,350 | 100.00% |

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group DB Pension (Upto 28.03.2006)

MORE THAN 10%

2006 - 2007

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|--------------------------|---|------------------------|----------|
| Central Government Loans | 10.71% GOI 19/04/2016 | 21 | 0.01% |
| | 11.03% GOI 18/07/2012 | 11 | 0.00% |
| | 11.40% GOI Mat 31/08/2008 | 731 | 0.18% |
| | 364 Days T-Bill Mat 09/11/2007 | 1,593 | 0.38% |
| | 364 Days T-Bill Mat 21/12/2007 | 4,212 | 1.02% |
| | 364 Days T-Bill GOI MD 26/10/2007 | 8,954 | 2.16% |
| | 364 Days T-Bill Mat. 14/09/07 | 3,789 | 0.92% |
| | 7.40% GOI 03/05/2012 | 4,350 | 1.05% |
| | 7.44% Oil Bonds Mat 23/03/2012 | 21,741 | 5.25% |
| | 7.55% GOI Mat 14/05/2010 | 1,973 | 0.48% |
| | 91 Days T- Bill Mat 19/05/2007 | 22,500 | 5.43% |
| | Total | 69,874 | 16.87% |
| Finance - Bank | 11.05% State Bank of Patiala 04/09/2007 | 3,570 | 0.86% |
| | 11.10% ICICI Bank FD Mat. 07/03/2008 | 7,947 | 1.92% |
| | 11.30% UTI Bank FD Mat 13/09/2007 | 7,961 | 1.92% |
| | 11.40% Punjab National Bank FD Mat 21/03/2008 | 13,841 | 3.34% |
| | 11.50% Canara Bank FD Mat 20/06/2008 | 13,873 | 3.35% |
| | 11.50% Punjab National Bank FD Mat 16/06/2008 | 5,000 | 1.21% |
| | 8.20% Kotak Mahindra Bank FD Mat 20/07/2007 | 8,147 | 1.97% |
| | 8.50% Saraswat Co-operative Bank Mat 16/08/2007 | 11,841 | 2.86% |
| | 8.80% ICICI Bank Mat. 02/04/2007 | 29,798 | 7.20% |
| | 9.65% State Bank of Bikaner and Jaipur Mat 14/05/2007 | 126 | 0.03% |
| | Canara Bank FD Mat 12/06/ 2008 | 939 | 0.23% |
| | Punjab National Bank | 2,147 | 0.52% |
| | State Bank of India | 4,882 | 1.18% |
| | Yes Bank CD Mat 14/03/2008 | 9,953 | 2.40% |
| Total | 120,023 | 28.99% | |
| Finance - NBFC | 8.23% Citicorp Maruti Finance Limited. | 3,870 | 0.93% |
| | 8.35% Sundaram Finance Limited. | 3,831 | 0.93% |
| | 8.40% Mahindra Finance Limited 05/06/2008 | 8,036 | 1.94% |
| | 8.47% DSP Merrill Lynch NCD Mat. 28/09/2008 | 25,370 | 6.13% |
| | 8.50% DSP Merrill Lynch NCD Mat 02/05/2008 | 10,800 | 2.61% |
| | 8.60% Citi Corporation India NCD Mat 24/07/2008 | 5,886 | 1.42% |
| | 8.60% Mahindra Finance Limited 18/05/09 | 7,672 | 1.85% |
| | 8.65% Kotak Mahindra Prime Limited | 488 | 0.12% |
| Total | 65,954 | 15.93% | |
| Sub Total (A) | | 255,851 | 61.79% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group DB Pension (Upto 28.03.2006)

| OTHERS (LESS THAN 10%) | | 2006 - 2007 |
|--|-------------------------|-------------|
| Industry Name | Market Value (Rs. '000) | % To AUM |
| Air-Conditioning & Refrigeration | 1,623 | 0.39% |
| Automobiles - Ancillaries | 8,632 | 2.08% |
| Automobiles - Commercial Vehicle | 759 | 0.18% |
| Automobiles - Others | 16 | 0.00% |
| Automobiles-4 Wheeler Passenger Vehicles | 2,509 | 0.61% |
| Capital Goods - Engineering | 6,878 | 1.66% |
| Capital Goods - Others | 5,580 | 1.35% |
| Construction - Cement | 1,792 | 0.43% |
| Construction - Others | 11,152 | 2.69% |
| Consumer - Fast Moving | 5,799 | 1.40% |
| Consumer - Food & Beverages | 3,248 | 0.78% |
| Diversified - Mega | 24,614 | 5.94% |
| Diversified - Others | 2,508 | 0.61% |
| Electronics | 2,334 | 0.56% |
| Finance - FI | 35,243 | 8.51% |
| Healthcare - Bulk Drugs | 1,800 | 0.43% |
| Info Tech - Software | 8,436 | 2.04% |
| Metals - Others | 1,538 | 0.37% |
| Agro Chemicals | 4,421 | 1.07% |
| Oil & Gas - Production | 675 | 0.16% |
| Paints and Varnishing | 2,017 | 0.49% |
| Petrochemicals - Refining & Marketing | 1,565 | 0.38% |
| Pharmaceuticals & Drugs | 2,260 | 0.55% |
| Shipping | 68 | 0.02% |
| Transportation - Roadway | 1,981 | 0.48% |
| Net Current Assets | 20,772 | 5.02% |
| Sub Total (B) | 158,220 | 38.21% |
| TOTAL MARKET VALUE (A+B) | 414,071 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
CONSOLIDATED

MORE THAN 10%

2005 - 2006

| Industry Name | Scrip Name | Market Value (Rs. '000) | % To AUM |
|-----------------------------|---------------------------------|-------------------------|----------|
| Central Government Loans | 10.71% GOI 19/04/2016 | 51,107 | 0.39% |
| | 11.03% GOI 18/07/2012 | 33,627 | 0.25% |
| | 11.30% GOI 28/07/2010 | 36,305 | 0.27% |
| | 11.40% GOI Mat 31/08/2008 | 36,375 | 0.27% |
| | 11.50% GOI 24/11/2011 | 833 | 0.01% |
| | 11.68% GOI 10/04/2006 | 11,590 | 0.09% |
| | 11.75% GOI Mat 16/04/06 | 111,025 | 0.84% |
| | 182 Days T-Bill Mat 02/06/06 | 48,845 | 0.37% |
| | 182 Days T-Bill Mat 16/06/06 | 266,306 | 2.01% |
| | 182 Days T-Bill Mat 30/06/06 | 310,330 | 2.34% |
| | 182 Days T-Bill Mat 05/05/2006 | 140,335 | 1.06% |
| | 182 Days T-Bill Mat 19/05/06 | 79,372 | 0.60% |
| | 182 Days T-Bill Mat 21/04/06 | 291,049 | 2.20% |
| | 364 Days T-Bill Mat 26/05/06 | 63,637 | 0.48% |
| | 364 Days T- Bill Mat 04/08/06 | 184,836 | 1.40% |
| | 364 Days T-Bill Mat 29/09/06 | 95,794 | 0.72% |
| | 364 Days T-Bill Mat. 24/11/06 | 3,478 | 0.03% |
| | 364 Days T- Bill Mat 07/07/06 | 297,637 | 2.25% |
| | 364 Days T- Bill Mat 09/06/2006 | 141,604 | 1.07% |
| | 364 Days T- Bill Mat 14/04/2006 | 149,366 | 1.13% |
| | 364 Days T- Bill Mat 15/09/2006 | 4,227 | 0.03% |
| | 364 Days T- Bill Mat 18/08/06 | 23,125 | 0.17% |
| | 364 Days T- Bill Mat 21/07/06 | 228,358 | 1.72% |
| | 364 Days T- Bill Mat 230606 | 366,886 | 2.77% |
| | 364 Days T-Bill Mat. 24/11/06 | 37,737 | 0.28% |
| | 7.39% GOI 10/09/2013 (Floater) | 45,697 | 0.35% |
| | 7.40% GOI Mat 03/05/2012 | 24,184 | 0.18% |
| | 7.55% GOI Mat 14/05/10 | 331,090 | 2.50% |
| | 9.39% GOI Mat 02/07/2011 | 338,662 | 2.56% |
| | 91 Days T-Bill Mat 16/06/06 | 206,775 | 1.56% |
| 91 Days T-Bill Mat 26/05/06 | 46,630 | 0.35% | |
| Sub Total (A) | | 4,006,821 | 30.26% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
CONSOLIDATED

OTHERS (LESS THAN 10%)

2005 - 2006

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------|
| Air-Conditioning And Refrigeration | 222,584 | 1.68% |
| Automobiles - 2 And 3 Wheelers | 171,860 | 1.30% |
| Automobiles - Ancillaries | 416,309 | 3.14% |
| Automobiles - Commercial Vehicle | 7,184 | 0.05% |
| Automobiles-4 Wheeler Passenger Vehicles | 315,783 | 2.38% |
| Capital Goods - Engineering | 921,658 | 6.96% |
| Capital Goods - Others | 292,682 | 2.21% |
| Cement | 463,700 | 3.50% |
| Consumer - Fast Moving | 984,309 | 7.43% |
| Consumer - Food And Beverages | 212,920 | 1.61% |
| Diversified - Mega | 533,793 | 4.03% |
| Electronics | 261,737 | 1.98% |
| Finance - Bank | 759,704 | 5.74% |
| Finance - FI | 95,055 | 0.72% |
| Finance - NBFC | 113,762 | 0.86% |
| Glass | 150,580 | 1.14% |
| Healthcare - Pharmaceuticals And Drugs | 333,025 | 2.51% |
| Info Tech - Software | 855,938 | 6.46% |
| Metals | 666,363 | 5.03% |
| Oil And Gas - Production And Exploration | 379,481 | 2.87% |
| Paints And Varnishing | 219,012 | 1.65% |
| Petrochemicals - Refining And Marketing | 198,604 | 1.50% |
| Synthetic Fabrics | 338,003 | 2.55% |
| Transportation | 274,417 | 2.07% |
| Utilities - Power | 547 | 0.00% |
| Net Current Asset | 47,936 | 0.36% |
| Sub Total (B) | 9,236,948 | 69.74% |
| TOTAL MARKET VALUE | 13,243,769 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Life and Group Life (on or after 29.03.2006)

MORE THAN 10%

2005 - 2006

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|------------------------------|------------------------------------|------------------------|----------|
| Central Government Loans | 10.71% GOI Mat 19/04/2016 | 7,087 | 0.09% |
| | 11.03% GOI Mat 18/07/2012 | 9,567 | 0.12% |
| | 11.30% GOI Mat 28/07/2010 | 845 | 0.01% |
| | 11.40% GOI Mat 31/08/2008 | 3,710 | 0.05% |
| | 11.50% GOI Mat 24/11/2011 | 278 | 0.00% |
| | 11.68% GOI Mat 10/04/06 | 5,651 | 0.07% |
| | 11.75% GOI Mat 16/04/06 | 40,431 | 0.52% |
| | 182 Days T- Bill Mat 02/06/06 | 20,440 | 0.26% |
| | 182 Days T- Bill Mat 05/05/2006 | 42,486 | 0.55% |
| | 182 Days T- Bill Mat 19/05/06 | 52,845 | 0.68% |
| | 182 Days T- Bill Mat 21/04/06 | 139,471 | 1.80% |
| | 182 Days T- Bill Mat 30/06/06 | 187,012 | 2.41% |
| | 182 Days T- Bill Mat 16/06/06 | 117,545 | 1.51% |
| | 364 Days T- Bill Mat 04/08/06 | 94,908 | 1.22% |
| | 364 Days T- Bill Mat 26/05/06 | 35,825 | 0.46% |
| | 364 Days T- Bill Mat 07/07/06 | 168,414 | 2.17% |
| | 364 Days T- Bill Mat 09/06/2006 | 62,660 | 0.81% |
| | 364 Days T- Bill Mat 14/04/2006 | 73,085 | 0.94% |
| | 364 Days T- Bill Mat 15/09/2006 | 4,188 | 0.05% |
| | 364 Days T- Bill Mat 18/08/06 | 17,500 | 0.23% |
| | 364 Days T- Bill Mat 21/07/06 | 121,997 | 1.57% |
| | 364 Days T- Bill Mat 23/06/06 | 324,123 | 4.18% |
| | 364 Days T- Bill Mat 29/09/06 | 30,330 | 0.39% |
| | 364 Days T-Bill Mat. 24/11/06 | 23,811 | 0.31% |
| | 7.39% GOI Mat 10/09/2013 (Floater) | 21,193 | 0.27% |
| | 7.40% GOI Mat 03/05/2012 | 12,953 | 0.17% |
| | 7.55% GOI Mat 14/05/10 | 131,388 | 1.69% |
| | 9.39% GOI Mat 02/07/2011 | 143,386 | 1.85% |
| 91 Days T -Bill Mat 16/06/06 | 91,429 | 1.18% | |
| 91 Days T -Bill Mat 26/05/06 | 35,635 | 0.46% | |
| Sub Total (A) | | 2,020,193 | 26.03% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Life and Group Life (on or after 29.03.2006)

OTHERS (LESS THAN 10%)

2005 - 2006

| Industry Name | Market Value (Rs. '000) | % To AUM |
|--|-------------------------|----------|
| Air-Conditioning And Refrigeration | 140,222 | 1.81% |
| Automobiles - 2 And 3 Wheelers | 110,870 | 1.43% |
| Automobiles - Ancillaries | 270,311 | 3.48% |
| Automobiles - Commercial Vehicle | 7,184 | 0.09% |
| Automobiles-4 Wheeler Passenger Vehicles | 232,984 | 3.00% |
| Capital Goods - Engineering | 580,043 | 7.47% |
| Capital Goods - Others | 185,675 | 2.39% |
| Cement | 275,759 | 3.55% |
| Consumer - Fast Moving | 567,980 | 7.32% |
| Consumer - Food And Beverages | 132,512 | 1.71% |
| Diversified - Mega | 328,637 | 4.23% |
| Electronics | 164,887 | 2.12% |
| Finance - Bank | 420,553 | 5.42% |
| Finance - FI | 55,161 | 0.71% |
| Finance - NBFC | 67,773 | 0.87% |
| Glass | 93,965 | 1.21% |
| Healthcare - Pharmaceuticals And Drugs | 204,732 | 2.64% |
| Info Tech - Software | 561,091 | 7.23% |
| Metals | 433,181 | 5.58% |
| Oil And Gas - Production And Exploration | 259,327 | 3.34% |
| Paints And Varnishing | 141,365 | 1.82% |
| Petrochemicals - Refining And Marketing | 101,275 | 1.30% |
| Synthetic Fabrics | 228,883 | 2.95% |
| Transportation | 162,038 | 2.09% |
| Utilities - Power | 175 | 0.00% |
| Net Current Asset | 15,664 | 0.20% |
| Sub Total (B) | 5,742,248 | 73.97% |
| TOTAL MARKET VALUE (A+B) | 7,762,441 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006)

MORE THAN 10%

2005 - 2006

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|------------------------------|------------------------------------|------------------------|----------|
| Central Government Loans | 10.71% GOI Mat 19/04/2016 | 31,088 | 0.77% |
| | 11.03% GOI Mat 18/07/2012 | 22,870 | 0.56% |
| | 11.30% GOI Mat 28/07/2010 | 31,415 | 0.77% |
| | 11.40% GOI Mat 31/08/2008 | 31,897 | 0.79% |
| | 11.50% GOI Mat 24/11/2011 | 278 | 0.01% |
| | 11.68% GOI Mat 10/04/2006 | 2,058 | 0.05% |
| | 11.68% GOI Mat 10/04/06 | 1,179 | 0.03% |
| | 11.75% GOI Mat 16/04/06 | 10,103 | 0.25% |
| | 182 Days T- Bill Mat 02/06/06 | 28,391 | 0.70% |
| | 182 Days T- Bill Mat 05/05/2006 | 5,054 | 0.12% |
| | 182 Days T- Bill Mat 19/05/06 | 11,086 | 0.27% |
| | 182 Days T- Bill Mat 21/04/06 | 60,378 | 1.49% |
| | 182 Days T-Bill Mat 30/06/06 | 67,268 | 1.66% |
| | 182 Days T -Bill Mat 16/06/06 | 27,612 | 0.68% |
| | 364 Days T- Bill Mat 04/08/06 | 55,012 | 1.35% |
| | 364 Days T- Bill Mat 26/05/06 | 18,897 | 0.47% |
| | 364 Days T- Bill Mat 07/07/06 | 43,835 | 1.08% |
| | 364 Days T- Bill Mat 09/06/2006 | 253 | 0.01% |
| | 364 Days T- Bill Mat 14/04/2006 | 47,373 | 1.17% |
| | 364 Days T- Bill Mat 15/09/2006 | 18 | 0.00% |
| | 364 Days T- Bill Mat 18/08/06 | 5,625 | 0.14% |
| | 364 Days T- Bill Mat 21/07/06 | 81,918 | 2.02% |
| | 364 Days T- Bill Mat 23/06/06 | 25,669 | 0.63% |
| | 364 Days T-Bill Mat 29/09/06 | 28,773 | 0.71% |
| | 364 Days T-Bill Mat. 24/11/06 | 3,478 | 0.09% |
| | 7.39% GOI Mat 10/09/2013 (Floater) | 5,186 | 0.13% |
| | 7.40% GOI Mat 03/05/2012 | 5,181 | 0.13% |
| | 7.55% GOI Mat 14/05/10 | 145,273 | 3.58% |
| | 9.39% GOI Mat 02/07/2011 | 147,963 | 3.64% |
| | 91 Days T- Bill Mat 16/06/06 | 20,469 | 0.50% |
| 91 Days T- Bill Mat 26/05/06 | 10,195 | 0.25% | |
| Sub Total (A) | | 975,797 | 24.03% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Individual Pension, Group Pension and Group DB Pension (on or after 29.03.2006)

OTHERS (LESS THAN 10%)

2005 - 2006

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------------|
| Air-Conditioning and Refrigeration | 74,237 | 1.83% |
| Automobiles - 2 And 3 Wheelers | 52,510 | 1.29% |
| Automobiles - Ancillaries | 133,383 | 3.28% |
| Automobiles-4 Wheeler Passenger Vehicles | 81,581 | 2.01% |
| Capital Goods - Engineering | 303,616 | 7.48% |
| Capital Goods - Others | 95,998 | 2.36% |
| Cement | 167,041 | 4.11% |
| Consumer - Fast Moving | 387,550 | 9.54% |
| Consumer - Food And Beverages | 72,528 | 1.79% |
| Diversified - Mega | 189,743 | 4.67% |
| Electronics | 80,621 | 1.98% |
| Finance - Bank | 267,218 | 6.58% |
| Finance - FI | 38,525 | 0.95% |
| Finance - NBFC | 23,237 | 0.57% |
| Glass | 55,820 | 1.37% |
| Healthcare - Pharmaceuticals And Drugs | 119,712 | 2.95% |
| Info Tech - Software | 269,577 | 6.64% |
| Metals | 199,679 | 4.92% |
| Oil And Gas - Production And Exploration | 106,841 | 2.63% |
| Paints And Varnishing | 69,986 | 1.72% |
| Petrochemicals - Refining And Marketing | 72,674 | 1.79% |
| Synthetic Fabrics | 104,804 | 2.58% |
| Transportation | 102,826 | 2.53% |
| Utilities - Power | 175 | 0.00% |
| Net Current Asset | 15,858 | 0.38% |
| Sub Total (B) | 3,085,739 | 75.97% |
| TOTAL MARKET VALUE (A+B) | 4,061,536 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group Life (Upto 28.03.2006)

MORE THAN 10%

2005 - 2006

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|-------------------------------|------------------------------------|------------------------|----------|
| Central Government Loans | 10.71% GOI Mat 19/04/2016 | 12,910 | 1.07% |
| | 11.03% GOI Mat 18/07/2012 | 1,178 | 0.10% |
| | 11.30% GOI Mat 28/07/2010 | 4,045 | 0.33% |
| | 11.50% GOI Mat 24/11/2011 | 278 | 0.02% |
| | 11.68% GOI Mat 10/04/06 | 2,701 | 0.22% |
| | 11.75% GOI Mat 16/04/06 | 37,787 | 3.13% |
| | 182 Days T- Bill Mat 02/06/06 | 12 | 0.00% |
| | 182 Days T- Bill Mat 05/05/2006 | 92,795 | 7.69% |
| | 182 Days T- Bill Mat 19/05/06 | 10,440 | 0.86% |
| | 182 Days T- Bill Mat 21/04/06 | 90,482 | 7.49% |
| | 182 Days T- Bill Mat 30/06/06 | 52,045 | 4.31% |
| | 182 Days T- Bill Mat 16/06/06 | 112,493 | 9.32% |
| | 364 Days T- Bill Mat 04/08/06 | 33,440 | 2.77% |
| | 364 Days T- Bill Mat 26/05/06 | 8,915 | 0.74% |
| | 364 Days T- Bill Mat 07/07/06 | 84,489 | 7.00% |
| | 364 Days T- Bill Mat 09/06/2006 | 32,070 | 2.66% |
| | 364 Days T- Bill Mat 14/04/2006 | 28,578 | 2.37% |
| | 364 Days T- Bill Mat 15/09/2006 | 21 | 0.00% |
| | 364 Days T- Bill Mat 21/07/06 | 24,443 | 2.02% |
| | 364 Days T- Bill Mat 23/06/06 | 55 | 0.00% |
| | 364 Days T-Bill Mat 29/09/06 | 12,690 | 1.05% |
| | 364 Days T-Bill Mat. 24/11/06 | 13,926 | 1.15% |
| | 7.39% GOI Mat 10/09/2013 (Floater) | 19,318 | 1.60% |
| | 7.40% GOI Mat 03/05/2012 | 6,041 | 0.50% |
| | 7.55% GOI Mat 14/05/10 | 46,404 | 3.84% |
| | 9.39% GOI Mat 02/07/2011 | 47,313 | 3.92% |
| | 91 Days T- Bill Mat 16/06/06 | 88,098 | 7.30% |
| 91 Days T - Bill Mat 26/05/06 | 500 | 0.04% | |
| Sub Total (A) | | 863,465 | 71.51% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group Life (Upto 28.03.2006)

OTHERS (LESS THAN 10%)

2005 - 2006

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------|
| Air-Conditioning And Refrigeration | 7,279 | 0.60% |
| Automobiles - 2 And 3 Wheelers | 7,763 | 0.64% |
| Automobiles - Ancillaries | 10,341 | 0.86% |
| Automobiles-4 Wheeler Passenger Vehicles | 700 | 0.06% |
| Capital Goods - Engineering | 32,741 | 2.71% |
| Capital Goods - Others | 9,620 | 0.80% |
| Cement | 17,795 | 1.47% |
| Consumer - Fast Moving | 24,826 | 2.06% |
| Consumer - Food And Beverages | 6,872 | 0.57% |
| Diversified - Mega | 12,854 | 1.06% |
| Electronics | 14,174 | 1.17% |
| Finance - Bank | 65,379 | 5.41% |
| Finance - FI | 391 | 0.03% |
| Finance - NBFC | 22,752 | 1.88% |
| Glass | 156 | 0.01% |
| Healthcare - Pharmaceuticals And Drugs | 7,637 | 0.63% |
| Info Tech - Software | 21,494 | 1.78% |
| Metals | 30,883 | 2.56% |
| Oil And Gas - Production And Exploration | 10,774 | 0.89% |
| Paints And Varnishing | 6,647 | 0.55% |
| Petrochemicals - Refining And Marketing | 8,761 | 0.73% |
| Synthetic Fabrics | 3,420 | 0.28% |
| Transportation | 8,226 | 0.68% |
| Utilities - Power | 197 | 0.02% |
| Net Current Asset | 12,331 | 1.02% |
| Sub Total (B) | 344,012 | 28.49% |
| TOTAL MARKET VALUE | 1,207,477 | 100.00% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group DB Pension (Upto 28.03.2006)

MORE THAN 10%

2005 - 2006

| Industry Name | Scrip Name | Market Value (Rs.'000) | % To AUM |
|--------------------------|--------------------------------|------------------------|----------|
| Central Government Loans | 10.71% GOI Mat 19/04/2016 | 22 | 0.01% |
| | 11.03% GOI Mat 18/07/2012 | 11 | 0.01% |
| | 11.40% GOI Mat 31/08/2008 | 768 | 0.36% |
| | 11.68% GOI Mat 10/04/06 | 2 | 0.00% |
| | 11.75% GOI Mat 16/04/06 | 22,704 | 10.69% |
| | 182 Days T- Bill Mat 02/06/06 | 2 | 0.00% |
| | 182 Days T- Bill Mat 19/05/06 | 5,000 | 2.35% |
| | 182 Days T-Bill Mat 21/04/06 | 718 | 0.34% |
| | 182 Days T-Bill Mat 30/06/06 | 4,005 | 1.89% |
| | 182 Days T- Bill Mat 16/06/06 | 8,656 | 4.08% |
| | 364 Day T-Bill Mat 04/08/06 | 1,477 | 0.70% |
| | 364 Days T-Bill Mat 07/07/06 | 900 | 0.42% |
| | 364 Days T-Bill Mat 09/06/2006 | 46,621 | 21.96% |
| | 364 Days T-Bill Mat 14/04/2006 | 329 | 0.16% |
| | 364 Days T-Bill Mat 23/06/06 | 17,039 | 8.03% |
| | 364 Days T- Bill Mat 29/09/06 | 24,000 | 11.30% |
| | 7.40% GOI Mat 03/05/2012 | 9 | 0.00% |
| | 7.55% GOI Mat 14/05/10 | 8,024 | 3.78% |
| | 91 Days T-Bill Mat 16/06/06 | 6,779 | 3.19% |
| | 91 Days T-Bill Mat 26/05/06 | 300 | 0.14% |
| Sub Total (A) | | 147,366 | 69.41% |

Annexure 2A

INDUSTRY - WISE DISCLOSURE OF INVESTMENT
Group DB Pension (Upto 28.03.2006)

OTHERS (LESS THAN 10%)

2005 - 2006

| Industry Name | Market Value (Rs.'000) | % To AUM |
|--|------------------------|----------|
| Air-Conditioning And Refrigeration | 846 | 0.40% |
| Automobiles - 2 And 3 Wheelers | 717 | 0.34% |
| Automobiles - Ancillaries | 2,275 | 1.07% |
| Automobiles-4 Wheeler Passenger Vehicles | 518 | 0.24% |
| Capital Goods - Engineering | 5,258 | 2.48% |
| Capital Goods - Others | 1,389 | 0.65% |
| Cement | 3,105 | 1.46% |
| Consumer - Fast Moving | 3,953 | 1.86% |
| Consumer - Food And Beverages | 1,008 | 0.47% |
| Diversified - Mega | 2,559 | 1.21% |
| Electronics | 2,055 | 0.97% |
| Finance - Bank | 6,554 | 3.09% |
| Finance - FI | 979 | 0.46% |
| Glass | 639 | 0.30% |
| Healthcare - Pharmaceuticals And Drugs | 944 | 0.44% |
| Info Tech - Software | 3,777 | 1.78% |
| Metals | 2,621 | 1.23% |
| Oil And Gas - Production And Exploration | 2,539 | 1.20% |
| Paints And Varnishing | 1,014 | 0.48% |
| Petrochemicals - Refining And Marketing | 15,895 | 7.49% |
| Synthetic Fabrics | 897 | 0.42% |
| Transportation | 1,327 | 0.62% |
| Net Current Asset | 4,083 | 1.92% |
| Sub Total (B) | 64,950 | 30.59% |
| TOTAL MARKET VALUE | 212,316 | 100.00% |

