

## Directors' Report

Your Directors take pleasure in presenting their Seventh Report on the business and operations of your Company together with the Audited Financial Statements for the year ended 31st March, 2007.

### 1. FINANCIAL RESULTS

Your Company continues to demonstrate a consistent, value-based growth in a fast growing industry. The Total Received Premium income for the year grew to Rs. 971.51 crores as against Rs. 621.85 crores in the corresponding period last year (2006). Of this, the first year premium income including single premium was Rs. 614.93 crores (2005 – Rs. 396.06 crores).

The Policyholders' Account shows a surplus of Rs. 52.12 crores for the year ended 31st March, 2007 (2006 – Surplus 1.18 crores). The Shareholders' Account shows a deficit of Rs. 110.47 crores (2006 – Rs. 44.42 crores). During the year, the deficit in the Policyholders' Account in respect of past year amounting to Rs. 40.05 crores was funded by transfers from Shareholders' Account.

Your Directors have declared an addition to the Policyholders' Accumulation Account for the year ended 31st March, 2007 to give a return of 7% (2006 – 7.00%) to participating policyholders. The amount set aside for this purpose is Rs. 9.25 crores (2006 – Rs. 5.43 crores). During the year, the Shareholders have transferred Rs. 117.99 crores including Rs. 40.05 crores for funding the deficit of past period (2006 – Rs. 49.98 crores) to fund the deficit in the Non-Par Policyholders' Account. This transfer from the Shareholders' Account to the Policyholders' Account during the current year was to basically finance the expenses over-runs. The company has transferred Rs. 1.43 crores from the Policyholders' Account to Shareholders' Account.

### 2. DIVIDEND

Since your Company is in the initial stages of its business and there is an overall deficit for the year under review, the Directors do not recommend any dividend for the year.

### 3. CAPITAL

During the year under review, the Authorised Share Capital of your Company has increased from Rs. 260 crores to Rs. 350 crores. While the Paid-up Share Capital of your Company has increased from Rs. 244.58 crores to Rs. 330.35 crores. This reiterates the shareholders' commitment towards investment in facilitating sustainable growth of your Company.

### 4. LICENCE

The Insurance Regulatory and Development Authority has renewed your Company's licence to carry on the business of life insurance and annuity for the year 2007-08.

### 5. BUSINESS AND DISTRIBUTION CHANNELS

During the year, your Company has written 165,203 policies (2006 – 96,750 policies) of adjusted first year premium (single premium weighted at 1/10th) of Rs. 572 crores (2006 – Rs. 367 crores), representing a sum assured (excluding riders) of Rs. 20,163 crores (2006 – Rs. 8,631 crores).

#### a. Tied Agency

Your Company believes that insurance is a long-term relationship it is building with a client, his family, his business and his employees. With this in mind, we continue to invest heavily in maintaining a well-recruited, professionally-trained, and well-monitored life advisor force that is capable of providing the appropriate advice and recommend customised solutions to consumers. During the year, in line with its aggressive growth strategy, your Company doubled the life advisor force from 12,523 (2006) to 24,484 (31st March, 2007).

Your Company continued to maintain stringent standards for the life advisors we partner with, requiring a depth of expertise and highly ethical behaviour. To meet this objective, your Company invested heavily on training. Till 31st March, 2007, your Company has 70 trainers in its 32 Insurance Regulatory and Development Authority (IRDA) certified training centres. Your Company also continues to leverage from a vast network of IRDA certified private training institutes, spread across the country.

Your Company is proud to mention that 1 life advisor qualified for "Top of the Table" Honours; 14 life advisors qualified for "Court of the Table" Honours and 142 life advisors qualified for the prestigious "Million Dollar Round Table." Your company is also proud to mention that 138 Life Advisors have completed the rigorous 51 Club Rounds, a benchmark performance measure set by Old Mutual in South Africa that rewards consistent performance. Further, the Kontakt and Konclave programme aimed at rewarding and recognising top-performers is now the most coveted life advisors' conventions.

#### b. Alternate Channels

Your Company has concentrated on building up the Alternate Channels of distribution aimed at bringing new efficiencies into the distribution framework through Bancassurance, Corporate Agents, Brokers and Referral Arrangements. It is expected that the alternate distribution channels will generate a larger and substantially cost effective business. Further, your Company continued to leverage its strong relationships with Kotak Mahindra Bank Limited, which played a pivotal part of the Alternate business. With the rapid expansion of Kotak Mahindra Bank, your Company derived benefits of extended distribution

for its products. Kotak Securities and other companies of Kotak group are also expected to contribute significantly to the growth.

As on 31st March, 2007, your Company had 230 corporate agents and 130 empanelled brokers. In addition, the Company also had referral bancassurance tie-ups with 29 co-operative banks during the year under review.

#### c. Group Insurance

Group Business has performed exceedingly well in the year. Insurance to groups in the form of term insurance, Credit Insurance, Gratuity Schemes and Superannuation Schemes is sold through your Company's own employee force. Your Company managed to leverage the relationship within the Kotak Group which helped in generating significant business in this segment. At the end of the year under review, 245 policies were on the books. Your Company generated a premium income of Rs. 68.57 crores (2006-Rs. 15.78 crores) from its group insurance business.

#### 6. BRANCH NETWORK

To fuel its continuing growth, your Company expanded its distribution footprint and has grown both location and branch network by adding 29 new branches during the year under consideration.

From 45 branches in 31 cities (March 2006), your Company now has a footprint of 74 branches in 49 important cities catering primarily to the middle class and affluent population. During the expansion, the Company focussed aggressively on second tier cities offering favourable business potential and the opportunity to reach out to rural areas.

#### 7. BRAND

During the year, your Company introduced its new Brand Promise together with the new brand campaign *Zindagi Se Ek Kadam Aagey*.

This was born out of the realisation that as we continue to increase our penetration and presence in the markets, there is a need to further strengthen our communication platform with universal appeal and widen the reach across consumer need segments.

Your Company continues to have a high brand recall among consumers. AC Nielsen – ORG MARG's September 2006 survey in top 8 towns placed your Company amongst the top 6 life insurance companies in the industry. Going forward, your company wants to further cement its position by consolidating its brand building initiatives in the current year.

#### 8. PRODUCTS

During the year, your Company relentlessly pursued the 'customer need' approach in line with its philosophy that the ever changing needs of today's customers require continuous innovation and development of newer products.

During the year, your Company bolstered its product portfolio by introducing Headstart Child Plans which comes with an innovative feature – the Dynamic Floor Fund (DFF), offering embedded investment advice in one single fund. The fund strives for long term capital growth while providing capital protection in cases of volatile market behaviour. The product has two variants, Headstart Future Protect and Headstart Assure Wealth.

During the year, the Company also launched 'Sukhi Jeevan' – a reversionary bonus insurance-cum-investment endowment plan, aimed at providing simple, hassle-free and affordable insurance to semi-urban and rural customers, especially those who have had none or very little access to organised financial services.

#### 9. RURAL AND SOCIAL SECTORS

As per the Insurance Regulatory and Development Authority (Obligations of Insurers to Rural and Social Sectors) Regulations, 2002, 18% of the total policies written in the financial year 2006-07 came from the rural sector. The obligation to the social sector was 25,000 lives for the financial year under review.

During the year 30,677 policies (Previous year – 17,106) were written in the rural sector representing 18.57% (Previous year – 17.70%) of the total policies and 71,299 lives (Previous year – 32,939 lives) were covered in the social sector.

#### 10. INDUSTRY SCENARIO

Insurance industry continues to grow at a phenomenal pace. High economic growth and changing demographics will ensure industry's continuing growth path in near future. It is expected that the private sector will steadily improve their performance in the marketplace in the current fiscal.

#### 11. HUMAN RESOURCES

Your Company believes that employees offer the cutting edge to a progressive organisation. The endeavour has always been to create the right environment that would nurture talent and assure superior performance of our personnel. With a view to automate operational activities, speed up delivery, make access to the human capital information easy and reduce the requirement of paperwork, the first phase of Oracle's Human Resources Management System (HRMS) has been implemented.

With the objective of building a positive, productive work place, your Company also commissioned the Gallup Survey during the year. The survey was aimed at assessing the engagement levels amongst employees and provide intervention areas for improvement at two levels – at the workgroup level and at the organisational level. Gallup administered the survey across the entire employee base through the web route.

#### 12. INFORMATION TECHNOLOGY

Your Company is investing heavily on IT for making front-end and customer services more effective and efficient. The focus has been to

use technology to support the distribution on efficiency, management information and customer service. A new inbound call centre with 10 seats has been set up, which should help us improve our access and response time to the ever increasing customers.

To further beef up the effectiveness of delivering service to the customers, your company is considering implementation of Customer Relationship Management (CRM) software. The above initiatives would help the Company to have a synergistic approach along-with other group companies to better respond to the market challenges and tap opportunities.

### 13. COMPLIANCE AND INTERNAL CONTROL

The Compliance function counsels other functions within the Company on the dynamic regulatory framework associated with a new and growing industry. Your Company's accent on total compliance is instilled through independent audits across locations.

Internal Auditors periodically report to the Audit Committee their findings on the adherence to processes and general compliance.

The Company has an Anti-Money Laundering (AML) policy in place and is setting up system and procedures for effectively implementing the AML programme.

### 14. INVESTMENTS

Your Company manages its investments within the overall framework laid out by the Investment Committee. The Company has implemented systems to help analysis of investment portfolio, which acts as an enabler to the front-end Investment team in asset allocation and stock selection. Further, the Company has well staffed Investment team which constantly monitors investment performance and analysis.

### 15. CORPORATE GOVERNANCE

Your Company has consciously endeavoured to follow the policy of transparency, accountability and always held the interest of all its stakeholders to be of paramount importance. Your Company is committed towards corporate governance and complies with most provisions of the Listing Agreement of the Stock Exchanges with regard to corporate governance, although the same are not applicable.

### 16. BOARD OF DIRECTORS AND COMMITTEES

Your Company has ten Directors on its Board and one Alternate Director. Nine of such Directors are Non-Executive Directors out of which four are Independent Directors. The Chairman of the Board holds a non-executive position.

Mr. M. G. Diwan, Mr. Shivaji Dam and Mr. Dipak Gupta are liable to retire by rotation at the ensuing Annual General Meeting of the Company. Mr. M. G. Diwan, who is retiring at the ensuing Annual General Meeting, has not sought re-appointment. The Board wishes to place on record, the contribution of Mr. M. G. Diwan in the growth of the Company. Mr. Shivaji Dam and Mr. Dipak Gupta, who are retiring by rotation are eligible for re-appointment. The members of the Board

of Directors, along-with their positions in respective Committees of the Board are:

Member of the Board of Directors		Audit Committee	Investment Committee	Banking Committee	Remuneration Committee
Uday Kotak	Chairman	—	—	—	Chairman
Hasan Askari	Vice-Chairman	Chairman	Member	—	Member
Gaurang Shah	Managing Director	Invitee	Member	Member	Member
Shivaji Dam	Director	—	Member	Chairman	—
James H. Sutcliffe	Director	—	—	—	—
A. Venkatasubramanian	Alternate Director to James H. Sutcliffe	Invitee	Member	—	—
Dipak Gupta	Director	Member	Chairman	—	—
Pallavi Shroff	Independent Director	—	—	—	—
S. S. Thakur	Independent Director	Member	—	—	—
Vineet Nayyar	Independent Director	—	—	—	—
M. G. Diwan	Independent Director	Member	—	—	—

During the year under review, meetings of the Board of Directors and the Committees of the Board were held on the following dates:

Board Meeting	Audit Committee Meeting	Investment Committee Meeting
May 05, 2006	May 4, 2006	May 04, 2006
May 25, 2006	August 10, 2006	August 10, 2006
August 11, 2006	November 03, 2006	November 03, 2006
September 23, 2006	February 27, 2007	February 27, 2007
November 03, 2006		
January 30, 2007		
February 27, 2007		
March 30, 2007		

### 17. AUDITORS

M/s. BSR & Co., Chartered Accountants and M/s. M. P. Chitale & Co., Chartered Accountants, the Joint Auditors of your Company, hold office until the conclusion of the ensuing Annual General Meeting of the Company.

### 18. MANAGEMENT REPORT

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Management Report forms a part of the financial statements.

### 19. STATUTORY INFORMATION

During the period under review, your Company has not accepted any deposits from the public.

The information required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is enclosed herewith.

During the year ended 31st March, 2007, expenditure in foreign exchange amounted to Rs. 1.14 crores. Other particulars prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are not applicable, since your Company is not a manufacturing company.

## 20. DIRECTORS' RESPONSIBILITY STATEMENT

Based on representations from the Management, your Directors state, in pursuance of Section 217(2AA) of the Companies Act, 1956, that:

- a. Your Company has, in the preparation of the annual accounts for the year ended 31st March, 2007, followed the applicable accounting standards along-with proper explanations relating to material departures, if any;
- b. The Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of your Company as at 31st March, 2007, of the surplus in the Revenue Account and the loss in the Profit and Loss Account of your Company for the financial year ended 31st March, 2007;
- c. The Directors have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate

accounting records in accordance with the provisions of the Act, for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and

- d. The Directors have prepared the annual accounts on a going concern basis.

## 21. ACKNOWLEDGEMENTS

The Directors thank the Insurance Regulatory and Development Authority for its continuous support. The Directors are grateful for the continued faith that the policyholders have reposed. The Directors acknowledge the support extended by their shareholders and express their appreciation of the fine performance of the employees that made this year a notable one.

For and on behalf of the Board of Directors

Uday Kotak  
Chairman

Mumbai  
4th May, 2007

## Management Report for the year ended March 31, 2007

In accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the Board of Directors presents its Management Report for the year ended March 31, 2007.

- 1. Validity of Registration:** Your Directors confirm that the registration granted to the Company by the Insurance Regulatory and Development Authority is valid on this date.
- 2. Statutory Dues:** Your Directors certify that all the dues payable to the statutory authorities have been duly paid.
- 3. Shareholding pattern:** Your Directors confirm that the shareholding pattern is in accordance with the statutory and regulatory requirements. During the year, Kotak Mahindra Prime Limited transferred 17,230,988 fully paid-up Equity Shares of Rs. 10 each and renounced 4,748,733 fully paid-up Equity Shares of Rs. 10 each to Kotak Mahindra Capital Company Ltd.
- 4. Investment of policyholders' funds:** During the year, your Company has not directly or indirectly invested outside India the funds of the holders of policies issued in India.
- 5. Solvency margins:** Your Directors confirm that the solvency margins as required by regulations prescribed by Insurance Regulatory and Development Authority of India have been maintained.
- 6. Values of assets:** Your Directors certify that the values of all the assets have been reviewed on the date of the Balance Sheet and that the assets set forth in the Balance Sheet are shown in the aggregate at amounts not exceeding their realisable or market value under the several headings – "Loans", "Investments", "Agents balances", "Outstanding Premiums", "Interest, Dividends and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amounts due from other persons or bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable" "Advances and other assets", "Cash" and the several items specified under "Other Accounts."
- 7. Application of life insurance funds:** Your Directors certify that no part of the life insurance fund has been directly or indirectly applied in contravention of the provisions of the Insurance Act, 1938 (4 of 1938) relating to the application and investment of the life insurance funds.
- 8. Risk exposure:** Your Company recognises the risks associated with the life insurance business and plans to manage it by adopting prudent policies commensurate with the needs of the life insurance business. The key risks affecting the operations of the Company are underwriting risks and investment risks.

The underwriting risk is managed by the Company's underwriting function and further by establishing reinsurance treaties with various reinsurance companies. All risks above the pre-determined retention limits are reinsured.

The investment risk is managed by creating a portfolio of different asset classes and of varied maturities so as to spread the risk across a wide category of investee companies. Your Company has constituted an Investment Committee, which acts as the policy making body for the investment operations. The Investment Committee lays down various internal policies and norms governing the functioning of the Investment Department. The Investment Committee periodically discusses the investment strategy, portfolio structures, performance of the portfolio and other issues relating to the investment portfolio.

- 9. Operations in other countries:** Your Directors confirm that during the year ended March 31, 2007, your Company had no operations in other countries.
- 10. Ageing of claims:** The Company does not have claims that have been undisputed and are not provided in the books of account as at March 31, 2007. A significant number of the claims are settled within twenty one days from the date of receipt of all relevant papers and clarifications, over the last five years. Where clarifications/documents are pending, follow up activities are undertaken.
- 11. Valuation of investments:** Your Company considers its debt securities as 'held to maturity' and measures them at historical cost subject to amortisation. Debt securities purchased at a discount are carried at a value after accruing the implied yield thereon. As at March 31, 2007, in respect of equity shares, the difference between the purchase price and the market value is shown under the 'Fair Value Change Account.' The market value of quoted securities is taken at the closing value of the respective securities on the Balance Sheet date. All the shares in the Company's portfolio are quoted. In respect of the unit-linked business, all securities are valued on a 'Mark to Market' basis.
- 12. Review of asset quality and performance of investment:** Your Company has investments in debt securities issued by the Government of India, public financial institutions, select multinational banks and public sector undertakings with a AAA rating/guaranteed by the Government. Shares of blue chip companies quoted on Indian Stock Exchanges are also a part of your Company's investment portfolio.

**13. Responsibility Statement: Your Directors state that:**

- (a) In the preparation of financial statements, the applicable accounting standards, principles and policies have been followed;
- (b) The accounting policies have been adopted and applied consistently and the judgements and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the year and of the surplus under Revenue Account and of the loss in the Profit and Loss Account for the year ended March 31, 2007;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938)/ Companies Act, 1956 (1 of 1956), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The financial statements are prepared on a going concern basis;
- (e) An internal audit system commensurate with the size and nature of the business exists and is operating effectively.

**14. Schedule of payments made to individuals, firms, companies and organizations in which the Directors are interested:**

Your Company has made the following payments to individuals, firms, companies and organizations in which the Directors are interested:

Company in which the Director/s is/are interested	Name of Director/s	Interested as	Expenses paid in the financial year 2006-07 (Rs. '000)
Kotak Mahindra Bank Ltd.	Uday Kotak, Shivaji Dam, Dipak Gupta	Director	156,171
Kotak Securities Ltd.	Uday Kotak	Director	23,818
Kotak Mahindra Asset Management Company Ltd.	Uday Kotak	Director	21,394
Aero Agencies Ltd.	Uday Kotak	Relative of a Director	8,132
The Great Eastern Shipping Co.	Vineet Nayyar	Director	5,000
Old Mutual Life Assurance Co. (South Africa) Ltd.	James Harry Sutcliffe	Director	2,196
Akshay D. Pandit	M. G. Diwan	Partner	1,228
Kotak Mahindra Prime Ltd.	Uday Kotak, Shivaji Dam, Dipak Gupta	Director	857
Central Depository Services (I) Ltd.	SS Thakur	Director	35
Amarchand & Mangaldas	Pallavi Shroff	Partner	20
Kamat Hotels (I) Ltd.	SS Thakur	Director	10

**For Kotak Mahindra Old Mutual Life Insurance Limited**

Uday Kotak                      Gaurang Shah  
Chairman                        Managing Director  
Mumbai  
4th May, 2007

## Auditors' Report

### To the Members of Kotak Mahindra Old Mutual Life Insurance Limited

We have audited the attached Balance Sheet of Kotak Mahindra Old Mutual Life Insurance Limited ('the Company') as at 31st March, 2007, the related Revenue Account, the Profit and Loss Account and the Receipts and Payments Account of the Company for the year ended on that date, annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 mis-statement. 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.

The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in compliance with the accounting standards referred to in Section 211(3C) of the Companies Act, 1956 to the extent they are not inconsistent with the accounting policies prescribed by the Insurance Regulatory and Development Authority ('IRDA') ('Authority').

#### 1. 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 satisfactory;
- b. As the Company's accounting system is centralised, no returns for the purposes of our audit are required from the branches of the Company;
- c. The Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;
- d. The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary ('the Appointed Actuary'). The actuarial valuation of these liabilities as at 31st March, 2007 has been duly certified by the Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the 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 statements of the Company;

- e. On the basis of written representations received from the Directors and taken on record by the Board of Directors of the Company, none of the Directors is disqualified as at 31st March, 2007 from being appointed as a Director under Clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- f. In our opinion, and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
- g. In our opinion, and to the best of our information and according to the explanations given to us, the investments have been valued in accordance with the provisions of the Insurance Act, 1938, and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('the Regulations') and orders/directions issued by IRDA in this behalf;
- h. In our opinion, and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with applicable Accounting Standards referred to under sub-section (3C) of Section 211 of the Companies Act, 1956 and with accounting principles as prescribed in the Regulations and orders / directions issued by IRDA in this behalf;
- i. In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, the Revenue Account, the Profit and Loss Account and the Receipts and Payments Account together with the notes thereon and attached thereto are prepared in accordance with the provisions of the Regulations, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
  - i. of the state of affairs of the Company in so far as it relates to the Balance Sheet as at 31st March, 2007;
  - ii. of the surplus in so far as it relates to the Revenue Account for the year ended 31st March, 2007;
  - iii. of the loss in so far as it relates to the Profit and Loss Account for the year ended 31st March, 2007;
  - iv. of the Receipts and Payments Account in so far as it relates to the Receipts and the Payments for the year ended 31st March, 2007.

2. Further, we certify to the best of our knowledge and belief that:

- On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have reviewed the Management Report attached to the financial statements for the year ended 31st March, 2007 and have found no apparent mistake or material inconsistencies with the financial statements; and
- 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 based upon management representations and compliance certificates noted by the audit committee, nothing

has come to our attention which causes us to believe that the Company has not complied with the terms and conditions of registration stipulated by IRDA.

**For BSR & Co.**  
Chartered Accountants

**Akeel Master**  
Partner  
Membership No: 046768  
Mumbai  
4th May, 2007

**For MP Chitale & Co.**  
Chartered Accountants

**Ashutosh Pednekar**  
Partner  
Membership No: 041037  
Mumbai  
4th May, 2007

## Auditors' Certificate

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

- We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at 31 March, 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 31st March, 2007, the Company had no reversions and life interests;
- The Company is not the trustee of any trust; and
- No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938 relating to the application and investments of the policyholders funds.

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

For BSR & Co.  
Chartered Accountants

Akeel Master  
Partner  
Membership No: 046768  
Mumbai  
4th May, 2007

For MP Chitale & Co.  
Chartered Accountants

Ashutosh Pednekar  
Partner  
Membership No: 041037  
Mumbai  
4th May, 2007

Registration No: 107; Date of Registration: January 10, 2001

**Form A-RA**

**Revenue Account for the year ended March 31, 2007**

Policyholders' Account (Technical Account)

(Amounts in thousands of Indian Rupees)

Particulars	Schedule	Year ended March 31, 2007	Year ended March 31, 2006
Premiums earned; net			
(a) Premium	1	9,715,141	6,218,519
(b) Re-insurance ceded		(201,769)	(111,533)
(c) Re-insurance accepted		—	—
Income from investments			
(a) Interest, Dividends and Rent- Net of amortisation (Refer Schedule 16 – Note 15(D) )		615,842	351,360
(b) Profit on sale/redemption of investments		1,033,587	200,027
(c) (Loss on sale/redemption of investments)		(277,949)	(44,633)
(d) Transfer/Gain on revaluation/change in fair value		(177,602)	741,465
Other Income			
(a) Contribution from Shareholders' Account (Refer Schedule 16 – Note 11)		1,179,924	499,792
(b) Miscellaneous income		6,683	1,446
(c) Profit on sale of fixed assets (Net)		291	927
<b>Total (A)</b>		<b>11,894,148</b>	<b>7,857,370</b>
Commission	2	802,032	591,182
Operating Expenses related to Insurance Business	3	2,403,053	1,340,790
Provision for doubtful debts		—	—
Bad debts written off		—	—
Provision for tax (Fringe Benefit Tax)		18,850	10,725
Provisions (other than taxation)		—	—
(a) For diminution in the value of investments (Net)		—	—
(b) Others		—	—
<b>Total (B)</b>		<b>3,223,935</b>	<b>1,942,697</b>
Benefits paid (net)	4	1,731,712	419,665
Interim Bonuses paid		—	—
Change in valuation of liability in respect of life policies,			
(a) Gross		1,208,134	1,246,757
(b) Amount ceded in reinsurance		—	—
(c) Amount accepted in reinsurance		—	—
Provision for Linked Liabilities		5,080,268	4,221,738
<b>Total (C)</b>		<b>8,020,114</b>	<b>5,888,160</b>
<b>Surplus/(Deficit) (D) = (A) - (B) - (C)</b>		<b>650,098</b>	<b>26,513</b>
Appropriations			
Transfer to Shareholders' Account		14,323	—
Transfer to Other Reserve		—	—
Balance being Funds for Future Appropriations		114,584	14,662
<b>SURPLUS/(DEFICIT) AFTER APPROPRIATION</b>		<b>521,191</b>	<b>11,851</b>
<b>SURPLUS/(DEFICIT) BROUGHT FORWARD</b>		<b>(484,844)</b>	<b>(496,695)</b>
<b>SURPLUS/(DEFICIT) CARRIED FORWARD TO BALANCE SHEET</b>		<b>36,347</b>	<b>(484,844)</b>
(a) Interim Bonuses Paid		—	—
(b) Allocation of Bonus to Policyholders		95,117	54,328
(c) Surplus/(Deficit) shown in the Revenue Account		521,191	11,851
(d) <b>Total Surplus: [(a) + (b) + (c)]</b>		<b>616,308</b>	<b>66,179</b>

The Schedules and accompanying notes are an integral part of this Revenue Account.

As required by Section 40-B (4) of the Insurance Act, 1938, we certify that all expenses of Management in respect of life insurance business transacted in India by the Insurer have been fully recognised in this Revenue Account.

As per our report of even date attached

For M. P. Chitale & Co.  
Chartered Accountants

For BSR & Co.  
Chartered Accountants

Ashutosh Pednekar  
Partner  
Membership No: 041037

Akeel Master  
Partner  
Membership No: 046768

Mumbai  
4th May, 2007

For and on behalf of the Board of Directors

Uday Kotak  
Chairman

Hasan Askari  
Vice-Chairman

Dipak Gupta  
Director

G. Murlidhar  
Chief Operating Officer  
& Company Secretary

Gaurang Shah  
Managing Director

A. Venkatasubramanian  
Appointed Actuary

Mumbai  
4th May, 2007



Registration No: 107; Date of Registration: January 10, 2001

## Form A-PL

### Profit and Account for the year ended March 31, 2007

Shareholders' Account (Non-Technical Account)

(Amounts in thousands of Indian Rupees)

Particulars	Schedule	Year ended March 31, 2007	Year ended March 31, 2006
Amounts transferred from Policyholders' Account (Technical Account)		14,323	—
Income from Investments			
(a) Interest, Dividends and Rent — Net of amortisation (Refer Schedule 16 — Note 15(D))		96,373	65,644
(b) Profit on sale/redemption of investments		16,027	2,484
(c) (Loss on sale/redemption of investments)		(40,773)	(3,874)
Other Income (including fund management fees)		—	—
<b>Total (A)</b>		<b>85,950</b>	<b>64,254</b>
Expenses other than those directly related to the insurance business		2,382	413
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 (Refer Schedule 16 — Note 11)		1,179,924	499,792
<b>Total (B)</b>		<b>1,182,306</b>	<b>500,205</b>
Profit/ (Loss) before tax		(1,096,357)	(435,951)
Provision for taxation			
— Current Year		—	—
— Earlier Year (Refer Schedule 16 - Note 16)		8,322	8,270
Profit/(Loss) after tax		(1,104,679)	(444,221)
Appropriations			
(a) Balance at the beginning of the year		(1,554,127)	(1,109,906)
Add: Effect of first time adoption of Revised AS-15 — Employee Benefits	16.26	(9,271)	(1,563,398)
(b) Interim dividends paid during the year		—	—
(c) Proposed final dividend		—	—
(d) Tax on dividend distributed		—	—
(e) Transfer to reserves/other accounts		—	—
Profit/(Loss) carried to the Balance Sheet		(2,668,077)	(1,554,127)
Earnings Per Share (Basic and Diluted) (in Rs.)		(3.97)	(1.94)
(Refer Schedule 16 — Note 22)			

The Schedules and accompanying notes are an integral part of this Profit and Loss Account

As per our report of even date attached

For M. P. Chitale & Co.  
Chartered Accountants

For BSR & Co.  
Chartered Accountants

Ashutosh Pednekar  
Partner  
Membership No: 041037

Akeel Master  
Partner  
Membership No: 046768

Mumbai  
4th May, 2007

For and on behalf of the Board of Directors

Uday Kotak  
Chairman

Hasan Askari  
Vice-Chairman

Dipak Gupta  
Director

G. Murlidhar  
Chief Operating Officer  
& Company Secretary

Gaurang Shah  
Managing Director

A. Venkatasubramanian  
Appointed Actuary

Mumbai  
4th May, 2007

Registration No: 107; Date of Registration: January 10, 2001

**Form A-BS**

**Balance Sheet as at March 31, 2007**

(Amounts in thousands of Indian Rupees)

Particulars	Schedule	As at March 31, 2007	As at March 31, 2006
<b>Sources of Funds</b>			
Shareholders' Funds:			
Share Capital	5	3,303,466	2,443,701
Reserves and Surplus	6	520,363	520,363
Credit/[Debit] Fair Value Change Account		—	—
<b>Sub-Total</b>		<b>3,823,829</b>	<b>2,964,064</b>
Borrowings	7	—	—
Policyholders' Funds:			
Credit/[Debit] Fair Value Change Account		521	150,463
Policy Liabilities			
– Participating		3,097,235	2,122,799
– Non-participating		501,753	404,444
– Annuities Participating		251,545	194,565
– Annuities Unit-Linked Non-Participating		236	255
– Unit-Linked Non-Participating		172,419	92,992
(Refer Schedule 16 – Note 4)			
Insurance Reserves			
– Participating		—	—
– Non-Participating		—	(96,870)
– Annuities Participating		36,347	11,851
– Annuities, Unit-Linked Non-Participating		—	747
– Unit-Linked Non-Participating		—	(400,572)
Linked Liabilities		12,025,832	6,767,957
Fair Value Change		619,615	797,222
Total Provision for Linked Liabilities		12,645,447	7,565,179
<b>Sub-Total</b>		<b>16,705,503</b>	<b>10,045,853</b>
Funds for Future Appropriation:-Linked Liabilities		129,246	14,662
Others		1,009	1,009
<b>Total</b>		<b>20,659,587</b>	<b>13,025,588</b>
<b>Application of Funds</b>			
Investments			
– Shareholders'	8	853,836	656,985
– Policyholders'	8A	4,026,888	2,975,227
Assets Held to Cover Linked Liabilities	8B	12,774,710	7,579,841
Loans	9	23,168	7,245
Fixed Assets	10	242,790	183,626
Current Assets			
Cash and Bank Balances	11	1,248,644	570,984
Advances and Other Assets	12	444,163	343,225
<b>Sub-Total (A)</b>		<b>1,692,807</b>	<b>914,209</b>
Current Liabilities	13	1,551,719	818,943
Provisions	14	70,969	26,729
<b>Sub-Total (B)</b>		<b>1,622,688</b>	<b>845,672</b>
<b>Net Current Assets (C) = (A – B)</b>		<b>70,119</b>	<b>68,537</b>
Miscellaneous Expenditure (To the extent not written off or adjusted)	15	—	—
Debit Balance in Profit and Loss Account (Shareholders' Account)		2,668,077	1,554,127
<b>Total</b>		<b>20,659,587</b>	<b>13,025,588</b>

The Schedules and accompanying notes are an integral part of this Balance Sheet.

(0.46)

As per our report of even date attached

For and on behalf of the Board of Directors

For M. P. Chitale & Co.  
Chartered Accountants

For BSR & Co.  
Chartered Accountants

Uday Kotak  
Chairman

Hasan Askari  
Vice-Chairman

Dipak Gupta  
Director

Ashutosh Pednekar  
Partner  
Membership No: 041037

Akeel Master  
Partner  
Membership No: 046768

G. Murlidhar  
Chief Operating Officer  
& Company Secretary

Gaurang Shah  
Managing Director

A. Venkatasubramanian  
Appointed Actuary

Mumbai  
4 May, 2007

Mumbai  
4 May, 2007



Registration No: 107; Date of Registration: January 10, 2001

## Schedules forming part of the Financial Statements

### Schedule 1— Premium

(Amounts in thousands of Indian Rupees)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
First year Premium	5,530,456	3,426,992
Renewal Premium	3,565,750	2,257,911
Single Premium	618,935	533,616
<b>Total Premium</b>	<b>9,715,141</b>	<b>6,218,519</b>

Notes:

- (a) All the premium income relates to business in India
- (b) Refer Schedule 16 - Note 2(a)

### Schedule 2— Commission

(Amounts in thousands of Indian Rupees)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Commission paid		
Direct- First year Premium	703,992	520,945
Renewal Premium	97,844	69,888
Single Premium	5,057	8,562
<b>Sub-total</b>	<b>806,893</b>	<b>599,395</b>
Add: Commission on Re-insurance accepted	—	—
Less: Commission on Re-insurance ceded	(4,861)	(8,213)
<b>Net Commission</b>	<b>802,032</b>	<b>591,182</b>

Note : Refer Schedule 16 - Note 2(b)

### Breakup of Gross Commission

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Agents	431,621	355,396
Brokers	60,063	8,454
Corporate Agents	311,473	234,131
Referral	3,736	1,414
<b>Total</b>	<b>806,893</b>	<b>599,395</b>

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

#### Schedule 3— Operating Expenses Related to Insurance Business

(Amounts in thousands of Indian Rupees)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Employees' remuneration and welfare benefits [Refer Schedule 16 – Notes 2(h) and 6]	1,055,939	582,354
Travel, conveyance and vehicle running expenses	101,656	61,207
Training expenses	43,606	26,490
Rent, Rates and Taxes	101,836	73,244
Repairs	35,861	18,865
Printing and Stationery	38,154	24,535
Communication expenses	79,936	45,148
Legal and Professional charges	65,260	23,855
Medical fees	17,804	12,537
Auditors' fees, expenses etc.		
(a) as auditor	1,950	1,650
(b) as adviser or in any other capacity, in respect of		
— Taxation matters	—	—
— Insurance Matters	—	—
— Management services; and	—	—
(c) in any other capacity (including out of pocket expenses)	233	35
Advertisement and publicity	468,417	200,287
Interest and Bank charges	9,623	5,038
Depreciation	102,661	100,484
Information Technology expenses	51,526	33,254
Electricity charges	30,404	21,847
Recruitment expenses	39,633	22,906
Brokerage	5,238	734
Stamp Duty	28,933	11,884
Membership and Subscription Fees	523	1,066
Preliminary and Share issue Expenses	8,132	7,749
Service Tax on Premium	16,651	19,436
Service Tax Expense	88,240	41,829
Other expenses	10,837	4,356
<b>Total</b>	<b>2,403,053</b>	<b>1,340,790</b>

Note: Refer Schedule 16 — Note 2(c)

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

#### Schedule 4— Benefits Paid (Net)

(Amounts in thousands of Indian Rupees)

Particulars	Year ended March 31, 2007	Year ended March 31, 2006
Insurance Claims		
(a) Claims by Death	159,216	55,955
(b) Claims by Maturity	—	—
(c) Annuities/Pension payment	—	—
(d) Others (Refer note (c) below)	1,623,240	376,618
(Amount ceded in reinsurance)		
(a) Claims by Death	(50,744)	(12,908)
(b) Claims by Maturity	—	—
(c) Annuities/Pension payment	—	—
(d) Others (Refer note (c) below)	—	—
Amount accepted in reinsurance		
(a) Claims by Death	—	—
(b) Claims by Maturity	—	—
(c) Annuities/Pension payment	—	—
(d) Others	—	—
<b>Total</b>	<b>1,731,712</b>	<b>419,665</b>

Notes:

- (a) The Company does not have any claims, which are settled and unpaid for more than six months.
- (b) All the claims are paid in India.
- (c) Includes surrender payments
- (d) Refer Schedule 16 – Note 2(e).

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

#### Schedule 5 — Share Capital

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
<b>Authorized Capital</b>		
350,000,000 (2006 – 260,000,000) Equity Shares of Rs. 10 each	3,500,000	2,600,000
<b>Issued Capital</b>		
330,346,620 (2006 – 244,583,546) Equity Shares of Rs. 10 each	3,303,466	2,445,835
<b>Subscribed Capital</b>		
330,346,620 (2006 – 244,583,546) Equity Shares of Rs. 10 each	3,303,466	2,445,835
<b>Called-up Capital</b>		
330,346,620 (2006 – 244,583,546) Equity Shares of Rs. 10 each	3,303,466	2,445,835
Less: Calls unpaid	—	—
Add: Shares forfeited (Amount originally paid up)	—	—
Less: Par Value of Equity Shares bought back	—	—
Less: Preliminary Expenses	—	(1,427)
Less: Expenses on issue of shares	—	(707)
<b>Total</b>	<b>3,303,466</b>	<b>2,443,701</b>

Notes:

- Of the above, 168,476,784 (2006 – 124,737,610) Equity Shares of Rs. 10 each fully paid-up are held by Kotak Mahindra Bank Limited, the holding company and its nominees, 54,000,000 (2006 – 56,254,216) and 21,979,721 (2006 – Nil) fully paid-up Equity Shares of Rs. 10 each are held by Kotak Mahindra Prime Limited and Kotak Mahindra Capital Company Limited respectively, which are subsidiaries of Kotak Mahindra Bank Limited.
- During the year, the Company has issued 85,763,074 (2006 – 32,822,903) Equity Shares of Rs 10 each fully paid-up at par, by way of rights to its existing shareholders.
- During the year, Kotak Mahindra Prime Limited transferred 17,230,988 fully paid-up Equity Shares of Rs. 10 each and renounced 4,748,733 fully paid-up Equity Shares of Rs. 10 each to Kotak Mahindra Capital Company Ltd.

#### Schedule 5A — Pattern of Shareholding

(As certified by the Management)

Particulars	As at March 31, 2007		As at March 31, 2006	
	Number of Shares	% Holding	Number of Shares	% Holding
<b>Shareholders</b>				
<b>Promoter Group</b>				
— Indian	244,456,505	74%	180,991,826	74%
— Foreign	85,890,115	26%	63,591,720	26%
<b>Others</b>	—	—	—	—
<b>Total</b>	<b>330,346,620</b>	<b>100%</b>	<b>244,583,546</b>	<b>100%</b>

#### Schedule 6 — Reserves and Surplus

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
Capital Reserve	—	—
Capital Redemption Reserve	—	—
Securities Premium	520,363	520,363
Revaluation Reserve	—	—
General Reserves	—	—
Less: Debit balance in Profit and Loss Account	—	—
Less: Amount utilized for Buy-back	—	—
Catastrophe Reserve	—	—
Other Reserve	—	—
Balance of profit in Profit and Loss Account	—	—
<b>Total</b>	<b>520,363</b>	<b>520,363</b>

Registration No: 107; Date of Registration: January 10, 2001

## Schedules forming part of the Financial Statements

### Schedule 7 — Borrowings

(Amounts in thousands of Indian Rupees)

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

### Schedule 8 — Investments—Shareholders'

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	469,588	66,312
Other Approved Securities	—	—
Other Investments		
(a) Shares	—	—
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	716	58
(e) Other Securities (includes Fixed Deposits)	20,295	—
(f) Subsidiaries	—	—
Investment Properties – Real Estate	—	—
Investments in infrastructure and social sector (Refer Note (d) below)	134,568	22,075
Other than Approved Investments	—	—
<b>Total</b>	<b>625,167</b>	<b>88,445</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	98,236	298,421
Other Approved Securities	—	—
Other Investments		
(a) Shares	—	—
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	6,349	102,077
(e) Other Securities (includes Fixed Deposits)	53,700	88,922
(f) Subsidiaries	—	—
(g) Investment Properties – Real Estate	—	—
Investments in Infrastructure and Social Sector [Refer Note (d) below]	70,384	79,120
Other than Approved Investments	—	—
<b>Total</b>	<b>228,669</b>	<b>568,540</b>
<b>Grand Total</b>	<b>853,836</b>	<b>656,985</b>

Notes:

- All the above investments are quoted as at March 31, 2007, except fixed deposits under "Other securities".
- The aggregate market value of quoted investments as at March 31, 2007 is Rs. 777,474 (2006 – Rs. 571,078).  
The aggregate Book value of unquoted investments as at March 31, 2007 is Rs. 73,518 (2006 – Rs. 84,706).
- Aggregate historical cost of equity shares as at March 31, 2007 is Rs. Nil (2006 – Rs. Nil).
- The Company has not made any investments in the Social Sector, as securities of acceptable grade were not available.
- Refer Schedule 16 – Notes 2(d).

Registration No: 107; Date of Registration: January 10, 2001

## Schedules forming part of the Financial Statements

### Schedule 8A — Investments – Policyholders'

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	2,158,047	1,388,597
Other Approved Securities	—	—
Other Investments		
(a) Shares	—	—
(aa) Equity	851,596	606,085
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	62,238	47,603
(e) Other Securities (includes Fixed Deposits)	57,700	—
(f) Subsidiaries	—	—
(g) Investment Properties – Real Estate	—	—
Investments in Infrastructure and Social Sector	508,568	352,598
Other than Approved Investments	89,741	—
<b>Total</b>	<b>3,727,890</b>	<b>2,394,883</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	69,813	198,330
Other Approved Securities	—	—
Other Investments		
(a) Shares	—	—
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	73,814	9,966
(e) Other Securities (includes Fixed Deposits)	75,911	195,360
(f) Subsidiaries	—	—
(g) Investment Properties – Real Estate	—	—
Investments in Infrastructure and Social Sector	79,460	176,688
Other than Approved Investments	—	—
<b>Total</b>	<b>298,998</b>	<b>580,344</b>
<b>Grand Total</b>	<b>4,026,888</b>	<b>2,975,227</b>

#### Notes:

- All the above investments except fixed deposits under "Other securities" are quoted as at March 31, 2007.
- The aggregate market value of total quoted investments as at March 31, 2007 is Rs. 3,785,050 (2006 – Rs. 2,776,835). The aggregate book value of unquoted investments as at March 31, 2007 is Rs. 133,611 (2006 – Rs. 158,457). The aggregate market value for quoted investments without equity shares as at March 31, 2007 is Rs. 2,843,713 (2006 – 2,170,750).
- Aggregate historical cost of equity shares as at March 31, 2007 is Rs. 940,816 (2006-455,621).
- The Company has not made any investments in the Social Sector, as securities of acceptable grade were not available.
- Refer Schedule 16 – Notes 2(d).

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

#### Schedule 8B — Investments – Unit Linked

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
<b>LONG TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	740,578	1,272,466
Other Approved Securities	—	—
Other Investments		
(a) Shares	—	—
(aa) Equity	5,667,506	3,219,563
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/ Bonds	1,384,840	578,243
(e) Other Securities (includes Fixed Deposits)	222,104	—
(f) Subsidiaries	—	—
(g) Investment Properties – Real Estate	—	—
Investments in Infrastructure and Social Sector	353,211	433,378
Other than Approved Investments	758,023	—
<b>Total</b>	<b>9,126,262</b>	<b>5,503,650</b>
<b>SHORT TERM INVESTMENTS</b>		
Government securities and Government guaranteed bonds including Treasury Bills	—	172,302
Other Approved Securities	—	—
Other Investments		
(a) Shares	—	—
(aa) Equity	—	—
(bb) Preference	—	—
(b) Mutual Funds	—	—
(c) Derivative Instruments	—	—
(d) Debentures/Bonds	1,985,238	588,438
(e) Other Securities (includes Fixed Deposits)	1,856,544	1,148,034
(f) Subsidiaries	—	—
(g) Investment Properties – Real Estate	—	—
Investments in Infrastructure and Social Sector	—	193,645
Other than Approved Investments	—	—
Net Current Assets (Refer Schedule 16 – Note 23)	(193,334)	(26,228)
<b>Total</b>	<b>3,648,448</b>	<b>2,076,191</b>
<b>Grand Total</b>	<b>12,774,710</b>	<b>7,579,841</b>

Notes:

- (a) All the above investments except fixed deposits under "Other securities" and "Net Current Assets" are quoted as at March 31, 2007.
- (b) Aggregate historical cost of quoted investments as at March 31, 2007 is Rs. 10,451,948 (2006 – Rs. 6,204,307). The aggregate historical cost of unquoted investments as at March 31, 2007 is Rs. 1,703,147 (2006 – Rs. 578,311).
- (c) The Company has not made any investments in the Social Sector, as securities of acceptable grade were not available.
- (d) Refer Schedule 16 – Notes 2(d).

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements**

**Schedule 9 — Loans**

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
<b>SECURITY-WISE CLASSIFICATION</b>		
Secured		
(a) On mortgage of property		
(aa) In India	—	—
(bb) Outside India	—	—
(b) On Shares, Bonds, Govt. Securities etc.	—	—
(c) Loans against policies	12,446	4,425
(d) Others	—	—
Unsecured	10,722	2,820
<b>Total</b>	<b>23,168</b>	<b>7,245</b>

**BORROWER-WISE CLASSIFICATION**

(a) Central and State Governments	—	—
(b) Banks and Financial Institutions	—	—
(c) Subsidiaries	—	—
(d) Companies	—	—
(e) Loans against policies	12,446	4,425
(f) Others – Employees	10,722	2,820
<b>Total</b>	<b>23,168</b>	<b>7,245</b>

**PERFORMANCE-WISE CLASSIFICATION**

(a) Loans classified as standard		
(aa) In India	23,168	7,245
(bb) Outside India	—	—
(b) Non-standard loans less provisions		
(aa) In India	—	—
(bb) Outside India	—	—
<b>Total</b>	<b>23,168</b>	<b>7,245</b>

**MATURITY-WISE CLASSIFICATION**

(a) Short term	—	—
(b) Long Term	23,168	7,245
<b>Total</b>	<b>23,168</b>	<b>7,245</b>

Note:- Refer Schedule 16 - Note 2(f)

Registration No: 107; Date of Registration: January 10, 2001

## Schedules forming part of the Financial Statements

### Schedule 10 — Fixed Assets

(Amounts in thousands of Indian Rupees)

Particulars	Cost/Gross Block				Depreciation			Net Block		
	As on April 1, 2006	Addition	On Sale/ Adjustment	As on March 31, 2007	As on April 1, 2006	For the year	On Sale/ Adjustment	As on March 31, 2007	As on March 31, 2007	As on March 31, 2006
Goodwill	—	—	—	—	—	—	—	—	—	—
Intangibles – Software *	180,053	23,811	—	203,864	111,592	42,836	—	154,428	49,436	68,461
Land-Freehold	—	—	—	—	—	—	—	—	—	—
Leasehold property	—	—	—	—	—	—	—	—	—	—
Buildings	—	—	—	—	—	—	—	—	—	—
Furniture and fittings **	142,570	40,921	—	183,491	77,863	26,566	—	104,429	79,062	64,707
Information technology equipment	117,720	54,042	—	171,762	96,434	20,361	—	116,795	54,967	21,286
Vehicles	17,424	7,619	4,399	20,644	6,348	3,779	2,880	7,247	13,397	11,076
Office equipment	47,517	10,544	—	58,061	31,044	9,119	—	40,163	17,898	16,473
<b>Total</b>	505,284	136,937	4,399	637,822	323,281	102,661	2,880	423,062	214,760	182,003
Capital Work-in-progress									28,030	1,623
<b>Grand Total</b>									242,790	183,626
Previous Year	454,895	54,886	4,497	505,284	226,210	100,484	3,413	323,281	183,626	—

\* Includes licenses

\*\* Includes leasehold improvements

Note:

Refer Schedule 16 – Notes 2(g) and 2(j)

### Schedule 11 — Cash and Bank Balances

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
Cash (including cheques on hand, drafts and stamps)	382,494	291,412
Bank Balances		
(a) Deposit Accounts		
(aa) Short-term (due within 12 months of the date of Balance Sheet)	—	—
(bb) Others	—	—
(b) Current accounts	866,150	279,572
(c) Others	—	—
Money at Call and Short Notice		
(a) With Banks	—	—
(b) With other Institutions	—	—
<b>Total</b>	1,248,644	570,984
Balance with non-scheduled banks included above	—	—
Cash and Bank balance		
In India	1,248,644	570,984
Outside India	—	—
<b>Total</b>	1,248,644	570,984

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

#### Schedule 12 — Advances and Other Assets

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
<b>ADVANCES</b>		
Reserve deposits with ceding companies	—	—
Application money for investments	—	—
Prepayments	94,365	65,060
Advance to Directors/Officers	—	—
Advance tax paid and taxes deducted at source	16,474	11,625
Advances to suppliers	11,780	5,552
Advances to employees	5,464	3,914
<b>Total (A)</b>	<b>128,083</b>	<b>86,151</b>
<b>OTHER ASSETS</b>		
Income accrued on investments	104,248	86,591
Outstanding Premiums	76,999	66,525
Agents Balances	—	—
Foreign Agencies Balances	—	—
Due from other entities carrying on insurance business (including reinsurers)	—	—
Due from subsidiaries/holding company	—	—
Deposits pursuant to Section 7 of Insurance Act, 1938 [Refer Schedule 16 – Note 15(B)]	—	—
Security and other deposits	129,748	75,800
Service Tax Unutilised Credit	5,000	3,500
Other Receivables	85	24,658
<b>Total (B)</b>	<b>316,080</b>	<b>257,074</b>
<b>Total (A + B)</b>	<b>444,163</b>	<b>343,225</b>

#### Schedule 13 — Current Liabilities

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
Agents' balances	122,219	90,067
Balance due to other insurance companies (Net)	281,572	138,318
Deposits held on re-insurance ceded	—	—
Premium received in advance	—	—
Unallocated premium (including proposals pending underwriting)	390,235	226,544
Sundry creditors	268,857	64,410
Due to holding company	5,450	4,511
Claims outstanding	61,052	38,570
Annuities due	—	—
Accrued expenses	354,008	202,603
Taxes deducted at source, payable	42,378	36,348
Statutory dues payable	25,948	17,572
<b>Total</b>	<b>1,551,719</b>	<b>818,943</b>

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### Schedules forming part of the Financial Statements

#### Schedule 14 — Provisions

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
For taxation	21,742	8,270
For proposed dividend	—	—
For dividend distribution tax	—	—
Provision for gratuity	23,563	11,604
Provision for leave encashment	25,664	6,855
Others	—	—
<b>Total</b>	<b>70,969</b>	<b>26,729</b>

#### Schedule 15 — Miscellaneous Expenditure

(To the extent not written off or adjusted)

(Amounts in thousands of Indian Rupees)

Particulars	As at March 31, 2007	As at March 31, 2006
Discount Allowed in issue of shares/debentures	—	—
Others	—	—
<b>Total</b>	<b>—</b>	<b>—</b>

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## Schedules forming part of the Financial Statements (Contd.)

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

### Schedule 16 : Notes to the financial statements

#### 1. Background

Kotak Mahindra Old Mutual Life Insurance Limited ('The Company') was incorporated on August 31, 2000 as a Company under the Companies Act, 1956 to undertake and carry on the business of life insurance and annuity. The Company obtained a license from the Insurance Regulatory and Development Authority ('IRDA') dated January 10, 2001 for carrying on the business of life insurance and annuity. The license has been renewed regularly and is in force as at March 31, 2007.

#### 2. Summary of Significant Accounting Policies

The financial statements are prepared and presented under the historical cost convention, on accrual basis of accounting, to comply in all material aspects with the applicable accounting standards issued by the Institute of Chartered Accountants of India to the extent applicable, the Companies Act, 1956 of India to the extent applicable, and in accordance with the provisions of the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the regulations framed there under to the extent applicable and the practices prevailing within the insurance industry in India.

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

The significant accounting policies adopted by the Company are as follows:

##### (a) Revenue recognition on Insurance policies:

Premium is recognised as income when due from policyholders except on unit linked policies, where the premium is recognised when associated units are allotted.

In accordance with the terms of insurance policies, uncollected premium on lapsed policies is not recognised as income until revived.

Top Up/Lump sum contributions are accounted as a part of single premium.

Income from linked policies, which include asset management fees and other charges, if any, are recovered from the linked fund in accordance with the terms and conditions of the policies.

Premium payable on re-insurance ceded is accounted at the time of recognition of the premium income in accordance with the treaty arrangements with the re-insurers.

Reinsurance premium and reinsurance commission is recognised over the period of risk.

##### (b) Acquisition Costs

Acquisition costs such as commission and medical fees are costs that vary with and are primarily related to the acquisition of new and renewal insurance contracts. Such costs are recognised in the year in which they are incurred.

##### (c) Operating Expenses relating to Insurance Business

Operating expenses relating to insurance business are assigned to participating, non-participating, annuities and linked business segments as follows:

Expenses directly identifiable to the business segments are allocated on an actual basis.

Other expenses, which are not directly identifiable, are apportioned to the business segments on the basis of either (a) total number of policies issued during the year, or (b) annualized first year premium income, or (c) sum assured during the year, or (d) first year commission, or (e) total number of policies, or (f) renewal commission, as considered appropriate by the Management.

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## Schedules forming part of the Financial Statements (Contd.)

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

### (d) Investments and Investment Income

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment Regulations), 2000 and IRDA (Investment) (Amendment) Regulations, 2004.

Investments are recorded at cost on the date of purchase which includes brokerage, transfer charges, transaction taxes as applicable, etc. but excludes preacquisition interest, if any.

Interest income is recognized on accrual basis. Dividend income is recognized when the right to receive is established. Accretion of discount and amortisation of premium relating to debt securities is recognised over the holding/maturity period on a straight line basis.

Investments maturing within twelve months from the Balance Sheet date and investments made with the specific intention to dispose them off within twelve months from the Balance Sheet date are classified as 'Short Term Investments.' Investments other than Short Term Investments are classified as 'Long Term Investments.'

In case of impairment in the value of investment as at the Balance Sheet date which is other than temporary, the amount of loss is recognised as an expense in the Revenue/Profit and Loss Account.

Gain/Loss on transfer/sale of securities is the difference between the transfer/sale price and the net amortized cost/book value which is computed on a Weighted average basis as on the date of transfer/sale. Sale Consideration for the purpose of realized gain/loss is net of brokerage and taxes, if any, and excludes interest accrued.

#### Debt Securities

Shareholders' and non-linked policyholders' investments

All debt securities are considered as 'held to maturity' for the purpose of valuation and are accordingly recorded at historical cost (excluding interest paid, if any). Debt securities including government securities are stated at net amortized cost. The premium/discount, if any, on purchase of debt securities is amortized/accrued over the period to maturity on a straight-line basis.

#### Unit-Linked Business

All Government securities, except treasury bills, for linked business are valued at prices obtained from Credit Rating Information Service of India Ltd. (CRISIL). Debt Securities other than Government Securities are valued on the basis of CRISIL Bond valuer. Floating rate instruments are valued at cost. The discount on purchase of treasury bills, certificate of deposit, commercial papers, deep discount bonds and zero coupon bonds are amortized over the period to maturity on a straight line basis.

#### Equity Shares

Shareholders' and non-linked policyholders' investments

Listed equity shares as at Balance Sheet date are stated at fair value being the lower of last quoted closing price on Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange Limited ("NSE"). Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment. Unrealised gains/losses arising due to changes in the fair value of listed equity shares are taken to "Fair Value Change Account" and carried forward to Balance Sheet. The profit or loss on actual sale of listed equity includes the accumulated changes in the fair value previously recognised under "Fair Value Change Account".

#### Unit-Linked Business

Listed equity shares are valued at fair value, being the last quoted closing price on the NSE (In case of securities not listed on NSE, the last quoted closing price on the BSE is used) Equity shares awaiting listing are stated at historical cost subject to provision for diminution, if any, in the value of such investment determined separately for each individual investment. Unrealised gains and losses are recognized in the respective scheme's revenue account.

The Company does not own any investment property and hence there is no disclosure on the basis of revaluation of investment property.

#### Transfer of investments

Transfer of debt securities from shareholders' to policyholders' fund is transacted at the lower of net amortised cost or market value. Transfer of securities between unit linked funds is done at market value.

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## Schedules forming part of the Financial Statements (Contd.)

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

### Allocation of investments and income

The funds of the shareholders and the policyholders are kept separate and records are maintained accordingly. Investments made out of the shareholders' funds are tracked from their inception and the income thereon is also tracked separately. Since the actual funds, investments and income thereon are tracked and reported separately, the allocation of investments and income is not required.

### (e) Benefits Paid

Benefits paid comprise of policy benefit amount, surrenders and specific claims settlement costs where applicable. Surrender and claims by death are accounted when intimated. Survival benefits are accounted when due. Maturity claims are accounted on the date of maturity. Amounts recoverable from reinsurers are accounted for in the same period as the related claim.

### (f) Loans

Loans are stated at historical cost, subject to provision for impairment. Interest on loan, if any is accrued when due. There were no restructuring of loan assets during the year and in the earlier years.

### (g) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. The Company capitalises all costs relating to acquisition and installation of fixed assets.

Depreciation on fixed assets is provided under the straight-line method based on the economic useful lives of assets as estimated by the Management. Depreciation is charged on assets from the month the asset is capitalized and up to previous month in case of disposal. Significant software purchases/improvements are capitalized and depreciated over their economic useful lives.

Assets costing up to Rs. 5,000 are written off in the year of acquisition.

The Management estimates the economic useful lives of the various fixed assets as follows:

Information technology equipment (including software)	3 years
Furniture and fittings (including leasehold improvements)	6 years
Vehicles	4 years
Office equipment	5 years

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

### (h) Employee Retirement Benefits

- Provident fund is a defined contribution scheme and the contributions as required by the statute to Government Provident Fund are charged to profit and loss account when due.
- Gratuity liability is defined benefit obligation and is wholly unfunded. The Company accounts for liability for future gratuity benefits based on actuarial valuation.
- Superannuation fund is a defined contribution scheme. The Company contributes a sum equivalent to 15% (previous year 0.15%), subject to a maximum of Rs. 1 lakh, of eligible employees' salary to a Superannuation Fund administered by the trustees.
- The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employee is recognized during the period when the employee renders the service. These benefits include performance incentives and compensated absences on paid annual leave.

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### Schedules forming part of the Financial Statements (Contd.)

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

- e. Actuarial gains/losses are immediately taken to the profit and loss account and are not deferred.

The Company has chosen to early adopt revised Accounting Standard 15 (AS 15) "Employee Benefits" which is mandatory from accounting period beginning on or after December 7, 2006. As per transitional provisions of AS 15, the difference in liability (net of tax effect) on account of employee benefits created by the Company has been adjusted against the opening balance in the Profit and Loss Account.

(i) **Accounting for Operating Leases**

Operating lease rentals are recognized as an expense over the lease period.

(j) **Foreign Currency Transactions**

Transactions denominated in foreign currency are recorded at the rate of exchange prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are translated using the rate of exchange prevailing on that date.

Exchange differences either on settlement or on translation are recognised in the Revenue Account/Profit and Loss Account, as applicable, except in cases where they relate to the acquisition of fixed assets, in which case, they are adjusted to the carrying cost of such assets.

(k) **Segment reporting**

**Business Segments**

In accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 (referred to as 'Accounting Regulations') read with Accounting Standard 17 on 'Segment Reporting' issued by the Institute of Chartered Accountants of India, the Company's business in India is classified into Participating business, Non-participating business, Annuities Participating business, Annuities Linked Non-participating business, Unit-Linked Non-participating business and Investment of the Shareholders' funds.

**Segmental revenues and expenses**

All segment revenues are directly attributed to the respective individual segments. There are no inter-segment revenues.

Costs for Participating, Non-participating, Annuity Participating, Annuities Linked Non-participating business and Unit-Linked business: Refer 2(c) above.

**Segmental assets and liabilities**

Segment assets and liabilities include those that are employed by a segment in its operating activity.

**Secondary Geographical Segments**

There are no reportable geographical segments since the Company provides services to customers in the Indian market only and does not distinguish any reportable regions within India.

(l) **Taxation**

Provision for current income tax, if any, is made on an accrual basis after taking credit for allowances and exemptions in accordance with Income Tax Act, 1961. Deferred income tax is recognized for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for tax purposes. The effect on deferred tax assets and liabilities of a change in tax rates is recognized using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty backed by convincing evidence that such deferred assets can be realised. Deferred tax assets are reviewed as at each Balance Sheet date and written down or written up to reflect the amount that is reasonably or virtually certain to be realized.

Provision for Fringe benefit tax is made on the basis of applicable fringe benefit tax on the taxable value of chargeable expenditure of the company as prescribed under the Income Tax Act, 1961.

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### Schedules forming part of the Financial Statements (Contd.)

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**(m) Preliminary and Share Issue expenses**

Share Issue expenses in relation to increase in share capital are written off when incurred. Preliminary Expenses and Initial Share Issue expenses are amortised over a period of 3 years. Unamortised Preliminary Expenses and Share Issue expenses are adjusted in the schedule of Share Capital as prescribed under the IRDA Regulations.

**(n) Service tax**

Service tax liability on risk premium is set-off against available cenvat credits. Unutilised credits, if any, are carried forward under "Advances and Other Assets" for set-off in subsequent periods.

**(o) Provisions and Contingencies**

A provision is created when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.

Contingent liability is disclosed when there is a possible or present obligation that may but probably will not, require an outflow of resources. When there is a possible or present obligation where the likelihood of outflow of resources is remote, provision or disclosure is not made.

**(p) Earnings per Share**

The basic earnings per share is computed by dividing the net profit attributable to the equity shareholders by weighted average number of equity shares outstanding during the reporting year.

Number of equity shares used in computing diluted earnings per share comprises the weighted average number of equity shares which would have been issued on the conversion of all dilutive potential equity shares. In computing diluted earnings per share only potential equity shares that are dilutive are considered.

### 3. Actuarial Method and Assumptions

The actuarial liabilities have been calculated in accordance with generally accepted actuarial principles, the requirements of the Insurance Act 1938, IRDA regulations and the prescribed guidance notes of the Actuarial Society of India. The method adopted is as follows: Unit Linked Policies : a unit reserve equal to the value of the units on 31 March, 2007 plus a non-unit reserve calculated on gross premium prospective valuation method. Par policies (accumulation contracts) : the value of the accumulated fund plus a non-unit reserve calculated on gross premium prospective valuation method. Non-par conventional business : gross premium prospective method.

The assumptions used in the Gross Premium valuation are based on conservative best estimates together with appropriate margins for adverse deviations from experience. The principal assumptions are interest, inflation, return to policyholders' account, lapses, expenses, mortality and morbidity. The base assumptions are:

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Interest	4.5% to 6.3% p.a. (2006 : 4.3% to 6.3%)
Inflation	5.50%
Policyholders returns	Rates consistent with the earning rates and charges
Lapses	Future policy lapses have been assumed based on the type of policy and the duration for which the policy has been in force
Expenses	Best estimates bearing in mind future business plans and pricing assumptions
Mortality	Based on LIC 94-96 mortality table adjusted for AIDS
Morbidity (for Critical Illness)	Based on adjusted CIBT rates (2006 : Reinsurer's rates)
Morbidity (other riders)	Based on reinsurers' rates

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Reserves for group life business are calculated as the risk premium for the unexpired term with an allowance for expenses and a margin for adverse deviations.

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

Particulars	2007					2006						
	Par	Non-Par	Annuities	Annuities	Total	Par	Non-Par	Annuities	Annuities	Total		
			Unit	Unit				Unit	Unit			
			Linked	Linked				Linked	Linked			
At start of the year	2,122,799	404,444	194,565	255	92,992	2,815,055	1,128,051	286,880	132,899	389	20,079	1,568,298
Add: Change in valuation against policies in force (Refer Note 3 above)	886,413	97,309	49,886	(19)	79,427	1,113,016	944,957	117,564	57,129	(134)	72,913	1,192,429
Add: Bonus to policyholders (Refer Note 10 below)*	88,023	—	7,094	—	—	95,117	49,791	—	4,537	—	—	54,328
At end of the year	3,097,235	501,753	251,545	236	172,419	4,023,188	2,122,799	404,444	194,565	255	92,992	2,815,055

\* Forms part of "Change in Valuation of Liability in respect of life policies-Gross" in the Revenue Account

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**5. Contingent Liabilities**

Particulars	2007	2006
1. Partly paid-up investments	20,816	10,836
2. Underwriting commitments outstanding	—	—
3. Claims, other than against policies, not acknowledged as debts by the company	—	—
4. Guarantees given by or on behalf of the Company	500	500
5. Statutory demands/liabilities in dispute, not provided for (Income Tax)	—	15,000
6. Reinsurance obligation to the extent not provided for in accounts	—	—
7. Others – Insurance claims in appeal net of provision [Gross value of claims Rs. 21,145 (2006 – Rs. 17,054), out of which reinsured Rs. 12,406 (2006 – Rs. 12,289)]	7,349	4,765
<b>Total</b>	<b>28,665</b>	<b>31,101</b>

**6. Computation of Managerial Remuneration**

(i) Managing Director's remuneration, which is included under "Employees' remuneration and welfare benefits", is as follows:

Particulars	2007	2006
a. Salary	8,930	5,989
b. Contribution to provident and other funds	568	292
c. Employee Share Option Plan (Refer Note 23)	3,837	2,685
d. Value of perquisites	456	485
<b>Total</b>	<b>13,791</b>	<b>9,451</b>

Note: (a) The Managerial remuneration is in accordance with the requirements of Section 34A of the Insurance Act, 1938 and as approved by IRDA.

(b) The remuneration excludes gratuity and leave encashment. Gratuity is accrued based on an actuarial valuation for the Company's overall liability and leave encashment is valued on actual basis.

(ii) Sitting fees paid to Independent Directors amounts to Rs. 360 (2006 – Rs. 120).

**7. Capital Commitments**

Particulars	2007	2006
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	36,939	16,696

**8. Risk Retention**

During the year ended March 31, 2007, the Company wrote policies with sum at risk worth Rs. 235,552 million (2006 – Rs. 101,034 million) in total business, reinsured there from Rs. 79,949 million (2006 – Rs. 34,565 million) and thereby retained risk of 66.06 per cent (2006 – 65.79 per cent).

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**9. Business, Sector-wise**

Particulars	2007		2006	
	Policies	Premium Income	Policies	Premium Income
Rural Sector	18.57 per cent	11.15 per cent	17.70 per cent	5.43 per cent
Urban Sector	81.43 per cent	88.85 per cent	82.30 per cent	94.57 per cent

The Company has issued 4 policies (2006 – 2 policies), covering 71,299 lives (2006 – 32,939 lives) and underwritten gross premium of Rs. 73,062 (2006 – Rs. 24,861) in the social sector.

**10. Accumulated Fund Addition to Participating Policyholders**

The Board of Directors has at its meeting held on 4th May, 2007, declared the following rates of bonus on participating policies:

- On Accumulation products including retirement products: 4% p.a. cash bonus in addition to the guaranteed rate of 3% costing Rs. 92,472. (2006 – Rs. 54,328 to meet an effective 7 per cent return).
- On the Reversionary bonus product: 2% Simple Reversionary bonus, the cost of bonus being: Rs. 2,645 (2006 – Nil)

In the year under review, a transfer of Rs. 7,760 was made from the participating policyholders account to the shareholders account being the surplus in the participating policyholders accounts subject to the maximum of 1/9th of the bonus declared during the year to the participating policyholders. A transfer of Rs. 6,563 was made from the non-participating policyholders account to the shareholders account which represented the surplus in the non-participating account.

**11. Contribution made to the Policyholders' Account**

In the year under review, the shareholders contributed Rs. 1,179,924 ( Rs. 779,352 relating to current year and Rs. 400,572 relating to the earlier years) to the Policyholders Account to meet fully the deficit in all the Policyholders Account. Last year shareholders contributed Rs. 499,792 to fund the deficit in the Policyholders Accounts. The Shareholders' contribution is irreversible in nature and shall not be recouped to the Shareholders at any point of time. Approval from the Shareholders will be obtained for such contribution at the ensuing Annual General Meeting of the Company.

**12. Encumbrances on Assets**

Apart from fixed deposits worth Rs. 500 (2006 – Rs. 500) marked under lien with the postal authorities, there are no encumbrances on the assets of the Company as at the Balance Sheet date.

**13. Operating Lease Commitments**

In accordance with Accounting Standard 19 on Accounting of Leases issued by the Institute of Chartered Accountants of India, details of leasing arrangements entered into by the company are given below.

The Company has taken various office and residential premises on operating lease and leave and license agreements. Lease payments are recognized in the Revenue Account under 'Rent, Rates and Taxes.' The future minimum lease payments under non-cancellable operating leases for such premises are as follows:

Particulars	2007	2006
Not later than one year	38,566	6,387
Later than one year not later than five years	146,617	—
Later than five years	12,801	—

The total operating lease rentals charged to Revenue account in the current year is Rs. 93,738 (2006 – Rs. 64,158)

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**14. Ratios (in per cent)**

Sr. No.	Particulars	Participating		Non-participating		Annuities-Participating		Annuities Linked Non-par		Unit Linked Non-Participating	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
1.	New business premium income growth	(28.59)	(53.78)	147.77	12.51	151.55	(92.92)	4,372.76	(6.55)	45.01	18.75
Sr. No.	Particulars									2007	2006
2.	Net retention ratio									97.92	98.21
3.	Ratio of management expenses									24.74	21.56
4.	Commission ratio									8.31	9.64
5.	Ratio of policyholders' liabilities to shareholders' funds									1,453.51	737.33
6.	Growth rate of shareholders' funds									(18.03)	(7.46)
7.	Ratio of surplus to policyholders' liabilities									0.22	(4.66)
8.	Change in net worth (including insurance reserves)									28.86	(10.02)
9.	Profit after tax/Total Income									(9.06)	(5.51)
10.	(Total real estate + loans)/(Cash + Invested Assets)									0.12	0.06
11.	Total Investments/( Net worth + Insurance reserve)									1,481.04	1,211.99
12.	Total affiliated investments/(Capital + Surplus)									0.00	0.00

**15. Investments**

- All the investments of the Company are performing investments in accordance with the directions issued by the Insurance Regulatory and Development Authority.
- For the purposes of meeting the requirement of Section 7 of the Insurance Act, 1938, the Company has earmarked securities relating to 12.25% Government of India, 2008, having face value Rs. 50,000 and 11.50% Government of India, 2008, having face value Rs. 50,000, in a constituent SGL Account with its Bankers (2006 – 11.68% Government of India, 2006, having face value Rs. 50,000 and 13.85% Government of India, 2006, having face value of Rs. 50,000). These investments are classified under Investments – Shareholders' (Refer Schedule 8).
- Value of contracts in relation to investments for:

Particulars	2007	2006
Purchases where deliveries are pending	569,129	304,058
Sales where payments are due	Nil	42,099

D. Particulars	2007		2006	
	Policyholders amount	Shareholders amount	Policyholders amount	Shareholders amount
Interest, Dividends and Rent – Gross	667,426	109,842	395,983	94,110
Less : Premium on investments amortized	51,584	13,469	44,623	28,466
Interest, Dividends and Rent – Net of amortisation	615,842	96,373	351,360	65,644

**16. Taxation**

The Company carries on life insurance business and therefore the provisions of Section 44 read with the First Schedule to the Income Tax Act, 1961 are applicable for computation of profit and gains of business.

The Company has not made any provision for taxation in the financial statements since it does not have any taxable income for the year ended March 31, 2007. The Company lost the appeal at CIT (Appeals) for the Assessment Year 2001-2002 and preferred appeal with the Appellate Tribunal. As a matter of prudence, demand of Rs. 8,270 made by the Department and the related penalty of Rs. 8,322 has been fully provided for in the books of account in the year 2005-2006 and 2006-2007 respectively and charged to Shareholders profit and Loss Account. Since life insurance is a long gestation period business, as a matter of prudence the Company has not taken any credit for deferred tax on losses incurred.

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**17. Related Parties Disclosures**

The disclosures relating to related parties as required by Accounting Standard 18 on Related Parties Disclosures by the Institute of Chartered Accountants of India are as under.

**A. Related Parties where control exists**

<u>Nature of relationship</u>	<u>Related Party</u>
Holding Company	Kotak Mahindra Bank Limited

**B. Related parties where transactions have taken place during the years ended March 31, 2007 and March 31, 2006**

(i) Holding Company	Kotak Mahindra Bank Limited
(ii) Joint Venturer	Old Mutual Plc
(iii) Enterprise in which joint venturer has significant influence	Old Mutual Life Assurance Company (South Africa) Limited
(iv) Fellow Subsidiaries	Kotak Securities Limited Kotak Mahindra Capital Company Limited Kotak Mahindra Asset Management Company Limited Kotak Mahindra Prime Limited Kotak Mahindra International Limited
(v) Enterprises in which key management personnel have significant influence	Aero Agencies Limited OM Kotak Mahindra Superannuation Fund Kotak Commodities Services Limited
(vi) Key management personnel	<u>Non-Executive Directors</u> Mr. Uday Kotak, Chairman Mr. Hasan Askari, Vice-Chairman Mr. James Harry Sutcliffe, Director Mr. Dipak Gupta, Director <u>Executive Director</u> Mr. Gaurang Shah, Managing Director

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## Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

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### 17. Related parties disclosures (Continued)

#### C. The following are transactions and closing balances of related parties in the ordinary course of business:

Nature of transaction	Name of the Company	2006-07				2005-06			
		Holding Company	Joint Venturer	Fellow Subsidiaries	Others	Holding Company	Joint Venturer	Fellow Subsidiaries	Others
<b>Assets/Liabilities</b>									
Bank Balance	Kotak Mahindra Bank Ltd.	487,599	—	—	—	—	—	—	—
Bank Deposits	Kotak Mahindra Bank Ltd.	170,000	—	—	—	—	—	—	—
Group Insurance Policy Deposits	Kotak Mahindra Bank Ltd.	4,282	—	—	—	—	—	—	—
	Kotak Securities Ltd.	—	—	500	—	—	—	—	—
	Kotak Mahindra Prime Ltd.	—	—	771	—	—	—	—	—
	Kotak Commodities Services Limited	—	—	—	11	—	—	—	—
Debentures Held	Kotak Mahindra Prime Ltd.	—	—	200,288	—	—	—	—	
Purchase of Fixed Assets	Kotak Mahindra Bank Ltd.	675	—	—	—	—	—	—	—
	Kotak Mahindra Asset Management Company Ltd.	—	—	—	—	—	—	249	—
Issue of Share Capital	Kotak Mahindra Bank Ltd.	437,392	—	—	—	242,889	—	—	—
	Kotak Mahindra Capital Company Ltd.	—	—	197,252	—	—	—	—	—
	Old Mutual Plc	—	222,987	—	—	—	85,340	—	—
Outstanding Receivable/(Payables)	Aero Agencies Ltd.	—	—	—	(152)	—	—	—	(27)
	Kotak Mahindra Asset Management Company Ltd.	—	—	245	—	—	—	(1,410)	—
	Kotak Mahindra Bank Ltd.	(5,450)	—	—	—	(4,511)	—	—	—
	Kotak Mahindra Capital Company Ltd.	—	—	—	—	—	—	13	—
	Kotak Mahindra Prime Ltd.	—	—	(77)	—	—	—	144	—
	Kotak Securities Ltd.	—	—	(318)	—	—	—	390	—
	Old Mutual Life Assurance Company (South Africa) Ltd.	—	—	—	(4,691)	—	—	—	(1,906)
	Old Mutual Plc	—	137	—	—	—	89	—	—
Om Kotak Mahindra Superannuation Fund	—	—	—	—	—	—	—	305	
<b>Expenses/Income</b>									
Brokerage Expenses	Kotak Securities Ltd.	—	—	9,141	—	—	—	—	—
Commission Paid	Kotak Mahindra Bank Ltd.	110,934	—	—	—	112,777	—	—	—
	Kotak Securities Ltd.	—	—	14,241	—	—	—	3,763	—
Expenses/Reimbursements for Services given	Kotak Mahindra Asset Management Company Ltd.	—	—	1,097	—	—	—	795	—
	Kotak Mahindra Bank Ltd.	9,270	—	—	—	9,239	—	—	—
	Kotak Securities Ltd.	—	—	120	—	—	—	883	—
	Old Mutual Life Assurance Company (South Africa) Ltd.	—	—	—	466	—	—	—	2,415
	Kotak Mahindra Prime Ltd.	—	—	—	—	—	—	144	—
	Old Mutual Plc	—	137	—	—	—	89	—	—
Expenses/Reimbursements for Services received	Aero Agencies Ltd. (a)	—	—	—	8,256	—	—	—	5,574
	Kotak Mahindra Asset Management Company Ltd. (b)	—	—	20,507	—	—	—	2,471	—
	Kotak Mahindra Bank Ltd. ( c )	45,646	—	—	—	50,626	—	—	—
	Kotak Mahindra Prime Ltd.	—	—	404	—	—	—	288	—
	Kotak Securities Ltd.	—	—	132	—	—	—	464	—
	Old Mutual Life Assurance Company (South Africa) Ltd.	—	—	—	5,157	—	—	—	2,196
	Interest Income	Kotak Mahindra Bank Ltd.	16,476	—	—	—	—	—	—
	Kotak Mahindra Prime Ltd.	—	—	5,256	—	—	—	—	
Premium Income	Kotak Mahindra Asset Management Company Ltd.	—	—	914	—	—	—	—	
Credit Group Cover	Kotak Mahindra Bank Ltd.	7,946	—	—	—	7,125	—	—	—
	Kotak Mahindra Bank Ltd.	25,053	—	—	—	—	—	—	—
	Kotak Mahindra Prime Ltd.	—	—	10,973	—	—	—	—	—
	Kotak Securities Ltd.	—	—	1,389	—	—	—	—	—
	Kotak Mahindra Capital Company Ltd.	—	—	301	—	—	—	—	—
Superannuation Fund Contribution	Om Kotak Mahindra Superannuation Fund	—	—	—	4,026	—	—	—	954

Notes :

(a) Air Travel expenses

(b) Investment Advisory Fees (including Service Tax)

(c) Includes Employee Stock Option Plan Rs. 9,246 & Advertisement expenses of Rs. 12,156

D. Refer note (6) above for the details of the managerial remuneration paid to the Managing Directors.

E. During the year, Kotak Mahindra Prime Limited transferred 17,230,988 fully paid-up Equity Shares of Rs. 10 each and renounced 4,748,733 fully paid-up Equity Shares of Rs. 10 each to Kotak Mahindra Capital Company Ltd.

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**Schedules forming part of the Financial Statements**

for the year ended 31st March, 2007

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**18. Segmental balance sheet**

Particulars	Participating business		Non-Participating business		Annuities - Participating		Annuities - Linked-Non-par		Unit-Linked		Shareholders		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Investments	3,099,024	2,268,849	502,481	404,512	251,997	206,766	250	262	173,136	94,838	853,836	656,985	4,880,724	3,632,212
Assets held to cover linked liabilities	—	—	—	—	—	—	450,870	20,296	12,323,840	7,559,545	—	—	12,774,710	7,579,841
Loans against policies	11,146	3,612	1,300	813	—	—	—	—	—	—	—	—	12,446	4,425
Reinsurance premium for future period	12,477	14,413	15,194	14,982	286	248	14	11	34,193	25,289	—	—	62,164	54,943
Outstanding Premium	69,968	59,575	3,020	2,789	4,011	4,161	—	—	—	—	—	—	76,999	66,525
Other Assets	—	—	—	—	—	—	—	—	—	—	4,404,265	3,009,888	4,404,265	3,009,888
<b>Total Assets</b>	<b>3,192,615</b>	<b>2,346,449</b>	<b>521,995</b>	<b>423,096</b>	<b>256,294</b>	<b>211,175</b>	<b>451,134</b>	<b>20,569</b>	<b>12,531,169</b>	<b>7,679,672</b>	<b>5,258,101</b>	<b>3,666,873</b>	<b>22,211,308</b>	<b>14,347,834</b>
Proposal Deposits	52,930	8,206	19,694	13,825	2,787	—	19,405	701	295,419	203,812	—	—	390,235	226,544
Premium received in advance	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Balance due to reinsurance companies	39,267	21,284	151,333	72,210	242	59	37	18	90,693	44,747	—	—	281,572	138,318
Policy Liabilities	3,097,235	2,122,799	501,753	404,444	251,545	194,565	236	255	172,419	92,992	—	—	4,023,188	2,815,055
Provision for linked liabilities	—	—	—	—	—	—	439,859	20,296	12,205,588	7,544,883	—	—	12,645,447	7,565,179
Funds for future appropriation	—	—	—	—	—	—	1,548	—	127,698	14,662	—	—	129,246	14,662
Insurance reserve	—	—	—	96,870	(36,347)	(11,851)	—	(747)	—	400,572	—	—	(36,347)	484,844
Shareholders' Funds (balance)	3,183	194,160	(150,785)	(164,253)	38,067	28,402	(9,951)	46	(360,648)	(621,996)	5,258,101	3,666,873	4,777,967	3,103,232
<b>Total Liabilities</b>	<b>3,192,615</b>	<b>2,346,449</b>	<b>521,995</b>	<b>423,096</b>	<b>256,294</b>	<b>211,175</b>	<b>451,134</b>	<b>20,569</b>	<b>12,531,169</b>	<b>7,679,672</b>	<b>5,258,101</b>	<b>3,666,873</b>	<b>22,211,308</b>	<b>14,347,834</b>

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for the year ended 31st March, 2007

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**19. Segment-wise revenue account for the year ended March 31, 2007**

Particulars	Participating	Non-Participating	Annuities Participating	Annuities Non-Participating Linked	Non-Participating Unit Linked	Total
Premium Income						
First Year Premium	200,839	208,548	3,552	474,390	4,643,127	5,530,456
Renewal Premium	1,127,192	81,603	66,492	11,500	2,278,963	3,565,750
Single Premium	2,610	161,036	20	1,959	453,310	618,935
(a) Premium Income	1,330,641	451,187	70,064	487,849	7,375,400	9,715,141
(b) Reinsurance ceded	(22,929)	(133,225)	(375)	(6)	(45,234)	(201,769)
(c) Re-insurance accepted	—	—	—	—	—	—
Income from Investments						
Interest, Dividends and Rent - Gross	174,529	37,726	14,657	4,511	436,003	667,426
Premium on investments amortized (Net)	(39,869)	(4,914)	(3,527)	(10)	(3,264)	(51,584)
(a) Interest, Dividends and Rent - Net	134,660	32,812	11,130	4,501	432,739	615,842
(b) Profit on sale/redemption of investments	238,750	64	18,710	3,247	772,816	1,033,587
(c) (Loss on sale/redemption of investments)	(27,523)	(3,935)	(3,378)	(1,087)	(242,026)	(277,949)
(d) Transfer/Gain on revaluation/change in fair value	—	—	—	(3,533)	(174,069)	(177,602)
Other Income						
(a) Contribution from Shareholders' Account (Refer Schedule 16 – Note 11)	—	—	—	40,251	1,139,673	1,179,924
(b) Miscellaneous income	4,696	99	118	—	1,770	6,683
(c) Profit on sale of fixed assets (Net)	39	14	2	15	221	291
<b>Total (A)</b>	<b>1,658,334</b>	<b>347,016</b>	<b>96,271</b>	<b>531,237</b>	<b>9,261,290</b>	<b>11,894,148</b>
Commission						
First year premium	56,894	9,500	240	31,888	605,470	703,992
Renewal premium	41,758	2,353	807	1,652	51,274	97,844
Single premium	18	13	—	29	4,997	5,057
Commission on Re-insurance ceded	(773)	(1,623)	(13)	—	(2,452)	(4,861)
Net Commission	97,897	10,243	1,034	33,569	659,289	802,032
Operating Expenses related to Insurance Business (Refer Schedule 16 – Note 2 c)	440,503	77,249	8,513	76,563	1,800,226	2,403,054
Provision for doubtful debts	—	—	—	—	—	—
Bad debts written off	—	—	—	—	—	—
Provision for tax (Fringe Benefit Tax)	2,629	571	47	674	14,929	18,850
<b>Total (B)</b>	<b>541,029</b>	<b>88,063</b>	<b>9,594</b>	<b>110,806</b>	<b>2,474,444</b>	<b>3,223,936</b>
Claims by Death	33,344	95,523	1,500	—	28,849	159,216
Annuities/Pension payment	—	—	—	—	—	—
Surrender payments & rider benefits	112,642	2,035	3,161	260	1,505,142	1,623,240
Amount ceded in reinsurance	(10,089)	(39,347)	(248)	—	(1,060)	(50,744)
Benefits Paid (Net)	135,897	58,211	4,413	260	1,532,931	1,731,712
Interim Bonuses paid	—	—	—	—	—	—
Change in valuation of liability in respect of life policies,						
(a) Gross	974,436	97,309	56,980	(19)	79,428	1,208,134
(b) Amount ceded in reinsurance	—	—	—	—	—	—
(c) Amount accepted in reinsurance	—	—	—	—	—	—
Provision for linked liabilities	—	—	—	419,563	4,660,705	5,080,268
<b>Total (C)</b>	<b>1,110,333</b>	<b>155,520</b>	<b>61,393</b>	<b>419,804</b>	<b>6,273,064</b>	<b>8,020,114</b>
<b>SURPLUS/(DEFICIT) (D) = (A) - (B) - (C)</b>	<b>6,972</b>	<b>103,433</b>	<b>25,284</b>	<b>627</b>	<b>513,782</b>	<b>650,098</b>
<b>APPROPRIATIONS</b>						
Transfer to Shareholders' Account	6,972	6,563	788	—	—	14,323
Transfer to Other Reserves (to be specified)	—	—	—	—	—	—
Transfer to Funds for future appropriation	—	—	—	1,374	113,210	114,584
<b>SURPLUS/(DEFICIT) AFTER APPROPRIATION</b>	<b>—</b>	<b>96,870</b>	<b>24,496</b>	<b>(747)</b>	<b>400,572</b>	<b>521,191</b>
<b>SURPLUS/(DEFICIT) BROUGHT FORWARD</b>	<b>—</b>	<b>(96,870)</b>	<b>11,851</b>	<b>747</b>	<b>(400,572)</b>	<b>(484,844)</b>
<b>SURPLUS/(DEFICIT) CARRIED FORWARD TO BALANCE SHEET</b>	<b>—</b>	<b>—</b>	<b>36,347</b>	<b>—</b>	<b>—</b>	<b>36,347</b>
(a) Interim Bonuses Paid	—	—	—	—	—	—
(b) Allocation of Bonus to Policyholders	88,023	—	7,094	—	—	95,117
(c) Surplus/(Deficit) shown in the Revenue Account	—	96,870	24,496	(747)	400,572	521,191
(d) Total Surplus: [(a) + (b) + (c)]	88,023	96,870	31,590	(747)	400,572	616,308

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(Currency : In thousands of Indian Rupees unless otherwise stated)

#### 19. Segment-wise revenue account for the year ended March 31, 2007

Particulars	Participating	Non-Participating	Annuities Participating	Annuities Non-Participating Linked	Non-Participating Unit Linked	Total
Premium Income						
First Year Premium	280,302	124,144	1,152	4,719	3,016,675	3,426,992
Renewal Premium	1,025,082	54,642	69,317	7,635	1,101,235	2,257,911
Single Premium	4,581	25,018	268	5,931	497,818	533,616
(a) Premium Income	1,309,965	203,804	70,737	18,285	4,615,728	6,218,519
(b) Reinsurance ceded	(22,888)	(52,578)	(421)	(29)	(35,617)	(111,533)
(c) Re-insurance accepted	—	—	—	—	—	—
Income from Investments						
Interest, Dividends and Rent – Gross	107,594	27,461	10,676	197	250,055	395,983
Premium on investments amortized (net)	(32,901)	(7,587)	(3,295)	(35)	(805)	(44,623)
(a) Interest, Dividends and Rent – Net	74,693	19,874	7,381	162	249,250	351,360
(b) Profit on sale/redemption of investments	80,563	9	8,237	(8)	111,226	200,027
(c) (Loss on sale/redemption of investments)	(3,346)	—	(684)	—	(40,603)	(44,633)
(d) Transfer/Gain on revaluation/change in fair value	—	—	—	2,000	739,465	741,465
Other Income						
(a) Contribution from Shareholders' Account (Refer Schedule 16 – Note 11)	85,784	39,541	—	1,173	373,294	499,792
(b) Miscellaneous income	257	23	1	1	1,164	1,446
(c) Profit on sale of fixed assets (Net)	241	38	3	1	644	927
<b>Total (A)</b>	<b>1,525,269</b>	<b>210,711</b>	<b>85,254</b>	<b>21,585</b>	<b>6,014,551</b>	<b>7,857,370</b>
Commission						
First year premium	92,493	8,168	403	99	419,782	520,945
Renewal premium	42,442	1,647	1,050	—	24,749	69,888
Single premium	93	33	4	—	8,432	8,562
Commission on reinsurance ceded	(1,795)	(1,808)	(11)	(2)	(4,597)	(8,213)
Net Commission	133,233	8,040	1,446	97	448,366	591,182
Operating Expenses related to Insurance Business	347,379	54,413	6,777	1,312	930,909	1,340,790
Provision for doubtful debts	—	—	—	—	—	—
Bad debts written off	—	—	—	—	—	—
Provision for tax (Fringe Benefit Tax)	2,779	435	54	10	7,447	10,725
<b>Total (B)</b>	<b>483,391</b>	<b>62,888</b>	<b>8,277</b>	<b>1,419</b>	<b>1,386,722</b>	<b>1,942,697</b>
Claims by Death	18,795	26,643	2,619	—	7,898	55,955
Annuities/Pension payment	—	—	—	—	—	—
Surrender payments & rider benefits	29,971	14,363	931	—	331,353	376,618
Amount ceded in reinsurance	(1,636)	(10,747)	(90)	—	(435)	(12,908)
Benefits Paid (Net)	47,130	30,259	3,460	—	338,816	419,665
Interim Bonuses paid	—	—	—	—	—	—
Change in valuation of liability in respect of life policies,						
(a) Gross	994,748	117,564	61,666	(134)	72,913	1,246,757
(b) Amount ceded in reinsurance	—	—	—	—	—	—
(c) Amount accepted in reinsurance	—	—	—	—	—	—
Provision for linked liabilities	—	—	—	20,300	4,201,438	4,221,738
<b>Total (C)</b>	<b>1,041,878</b>	<b>147,823</b>	<b>65,126</b>	<b>20,166</b>	<b>4,613,167</b>	<b>5,888,160</b>
<b>SURPLUS/(DEFICIT) (D) = (A) – (B) – (C)</b>	<b>—</b>	<b>—</b>	<b>11,851</b>	<b>—</b>	<b>14,662</b>	<b>26,513</b>
<b>APPROPRIATIONS</b>						
Transfer to Shareholders' Account	—	—	—	—	—	—
Transfer to Other Reserves (to be specified)	—	—	—	—	—	—
Transfer to Funds for Future Appropriations	—	—	—	—	14,662	14,662
<b>SURPLUS/(DEFICIT) AFTER APPROPRIATION</b>	<b>—</b>	<b>—</b>	<b>11,851</b>	<b>—</b>	<b>—</b>	<b>11,851</b>
<b>SURPLUS/(DEFICIT) BROUGHT FORWARD</b>	<b>—</b>	<b>(96,870)</b>	<b>—</b>	<b>747</b>	<b>(400,572)</b>	<b>(496,695)</b>
<b>SURPLUS/(DEFICIT) CARRIED FORWARD TO BALANCE SHEET</b>	<b>—</b>	<b>(96,870)</b>	<b>11,851</b>	<b>747</b>	<b>(400,572)</b>	<b>(484,844)</b>
(a) Interim Bonuses Paid	—	—	—	—	—	—
(b) Allocation of Bonus to Policyholders	49,791	—	4,537	—	—	54,328
(c) Surplus/(Deficit) shown in the Revenue Account	—	—	11,851	—	—	11,851
(d) Total Surplus: [(a) + (b) + (c)]	49,791	—	16,388	—	—	66,179

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(Currency : In thousands of Indian Rupees unless otherwise stated)

Particulars	Participating business		Non-Participating business		Annuities - Linked-Non-participating		Unit-Linked Non-Participating		Shareholders		Total
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	
Non-cash expenses other than depreciation											
- Liability against life policies	886,413	944,957	97,309	117,564	49,886	57,129	(134)	72,913	—	—	1,192,429
- Transfer to linked fund	—	—	—	—	—	—	419,563	4,207,076	—	—	4,207,076
Transfer to fund for future appropriation	—	—	—	—	—	—	1,374	14,662	—	—	14,662
Bonus to Policyholders	88,023	49,791	—	—	7,094	4,537	—	—	—	—	54,328
- Amortization of premium on investments	39,869	32,870	4,914	7,587	3,527	3,295	10	823	13,469	28,466	73,089
- Gratuity and leave encashment	2,624	1,506	275	60	28	26	900	1,357	—	—	2,953

20. Additional segmental reporting

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

21. Summary of financial statements

Sr. No.	Particulars	2007	2006	2005	2004	2003
<b>Policyholders' Account</b>						
1.	Gross premium income	9,715,141	6,218,519	4,661,638	1,507,210	403,234
2.	Net premium income	9,513,372	6,106,986	4,593,793	1,467,419	397,227
3.	Income from investments (Net of Amortisation)	1,193,878	1,248,219	157,543	69,678	4,142
4.	Other income	1,186,898	502,165	219,899	976,469	—
5.	Total Income	11,894,148	7,857,370	4,971,235	2,513,566	401,369
6.	Commission & Brokerage	802,032	591,182	389,004	191,957	76,053
7.	Operating expenses related to insurance business including Fringe Benefit Tax	2,421,903	1,351,515	1,113,302	898,395	613,776
8.	Total Expenses	3,223,935	1,942,697	1,502,306	1,090,352	689,829
9.	Benefits paid	1,731,712	419,665	45,560	40,844	2,144
10.	Increase in actuarial liability	1,208,134	1,246,757	854,095	438,937	231,961
11.	Surplus/(Deficit) (before appropriation)	650,098	26,513	(271,091)	440,357	(522,565)
<b>Shareholders' Account</b>						
12.	Total income under shareholders' Account	85,950	64,254	31,077	51,971	101,169
13.	Profit/(Loss) before tax	(1,096,357)	(435,951)	(186,921)	(924,214)	—
14.	Provision for tax	8,322	8,270	—	—	—
15.	Profit/(Loss) after tax	(1,104,679)	(444,221)	(186,921)	(924,214)	—
16.	Profit/(Loss) carried to Balance Sheet	(2,668,076)	(1,554,127)	(1,109,906)	(922,985)	1,229
17.	(A) Policyholders' account:					
	Total Funds	4,023,188	2,815,055	1,568,298	714,203	267,906
	Total Investments	4,026,888	2,975,227	1,571,730	727,121	267,906
	Yield on Investments (%)	11.90%	9.28%	6.26%	8.63%	10.05%
	(B) Shareholders' account:					
	Total Funds (including insurance reserve)	1,192,097	925,093	1,028,108	878,969	1,170,610
	Total Investments	853,836	656,985	588,216	571,783	882,563
	Yield on Investments (%)	5.92%	6.68%	5.35%	7.49%	8.60%
18.	Yield on Total Investments	10.34%	8.45%	5.95%	7.85%	8.64%
19.	Paid up Equity Capital	3,303,466	2,445,835	2,117,606	1,512,576	1,313,000
20.	Net Worth (including insurance reserve)	1,192,097	925,093	1,028,108	878,969	1,170,610
21.	Total Assets	17,991,510	11,471,461	5,954,982	2,098,491	1,438,516
22.	Earnings per share (Rupees)	(3.97)	(1.94)	(0.99)	(6.46)	Nil
23.	Book Value per share (Rupees)	3.61	3.78	4.86	5.81	8.92

Registration No: 107; Date of Registration: January 10, 2001

## Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

### 22. Earnings per share

Earnings Per Share is calculated by dividing the Profits/(Loss) in the Shareholders' Account by the weighted average number of equity shares outstanding during the year. The numbers used in calculating basic and diluted earnings per equity share are as follows :

Particulars	2007	2006
Profit/(Loss) after taxation and before exceptional items	(1,104,679)	(444,221)
Profit/(Loss) after taxation	(1,104,679)	(444,221)
Weighted average number of shares	278,335,297	229,006,083
Earnings per share before exceptional items (Basic and Diluted)	Rs (3.97)	Rs. (1.94)
Earnings per share (Basic and Diluted)	Rs (3.97)	Rs. (1.94)
Face value per share	Rs. 10	Rs. 10

### 23. Employee share option plans (ESOP)

At the Annual General Meetings of the holding company, Kotak Mahindra Bank Limited, the shareholders of the Bank had unanimously passed Special Resolutions on 28th July, 2000, 26th July, 2004 & 26th July, 2005, to grant options to the Eligible Employees of the Bank and its subsidiaries companies. Pursuant to these resolutions, the following three Employees Stock Option Schemes had been formulated and adopted:

- Kotak Mahindra Equity Option Scheme 2001-02
- Kotak Mahindra Equity Option Scheme 2002-03
- Kotak Mahindra Equity Option Scheme 2005

In terms of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase) Guidelines, 1999, the option discount (being excess of the market price of the share over the exercise price of the option) is to be accounted for as employee compensation and shall be amortised on a straight line basis over the vesting period. During the year, the Company reimbursed Kotak Mahindra Bank Limited Rs. 9,251 (2006 –Rs. 6,945) towards ESOP granted to the employees of the Company. These costs are a part of Employees' remuneration and welfare benefits in Schedule 3. The expected future ESOP cost for the granted options is Rs. 6,898 (2006 – Rs 3,744).

### 24. Provisions

Additional information in respect of other provisions in Schedule 14:

Particulars	2007	2006
As at April 1, 2006	—	6,958
Additional provision made	—	—
Incurred and charged	—	6,958
Unused amounts reversed	—	—
As at March 31, 2007	—	—
Nature of obligation	Not Applicable	Not Applicable
Expected timing	Not Applicable	Not Applicable
Assumptions	Not Applicable	Not Applicable

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

#### 25. Unit Linked Disclosures Norms

Unit Linked Disclosures made hereunder are in accordance with the instructions received from the Insurance Regulatory & Development Authority vide circular numbers 054/IRDA/F and A/FEB-07 dated February 20, 2007 and IRDA/F&A/001/Apr-07 dated 16th April, 2007.

#### 25A. Unit Linked Disclosures – Revenue Account

##### Revenue Account for the year ended 31st March, 2007

##### Policyholders' Account (Technical Account)

Particulars	Schedule	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non-Unit (1)	Unit (2)	Total (3)=(1)+(2)	Non-Unit (4)	Unit (5)	Total (6)=(4)+(5)	Non-Unit (7)	Unit (8)	Total (9)=(7)+(8)	
<b>Premiums earned – net</b>											
(a) Premium		1,439,044	5,566,772	7,005,816	61,799	426,050	487,849	—	369,584	369,584	7,863,249
(b) Reinsurance ceded		(45,004)	—	(45,004)	(6)	—	(6)	(230)	—	(230)	(45,240)
<b>Income from Investments</b>											
(a) Interest, Dividend & Rent – Gross		10,140	406,444	416,585	62	4,439	4,501	—	16,154	16,154	437,240
(b) Profit on sale/ redemption of investments		64	746,273	746,337	—	3,247	3,247	—	26,479	26,479	776,063
(c) Loss on sale/ redemption of investments		(1,266)	(235,158)	(236,424)	(3)	(1,084)	(1,087)	—	(5,602)	(5,602)	(243,113)
(d) Unrealised gain/(loss)		—	(166,274)	(166,274)	—	(3,533)	(3,533)	—	(7,795)	(7,795)	(177,602)
<b>Other income:</b>											
(a) Linked Income	UL1	411,193	(411,193)	—	6,308	(6,308)	—	4,279	(4,279)	—	—
(b) Contribution from the Shareholders' a/c		1,124,162	—	1,124,162	40,251	—	40,251	15,511	—	15,511	1,179,924
(c) Other Income		1,681	—	1,681	—	—	—	89	—	89	1,770
(d) Profit on Sale of Fixed asset		210	—	210	15	—	15	11	—	11	236
<b>Total (A)</b>		<b>2,940,224</b>	<b>5,906,865</b>	<b>8,847,089</b>	<b>108,425</b>	<b>422,812</b>	<b>531,237</b>	<b>19,661</b>	<b>394,540</b>	<b>414,201</b>	<b>9,792,527</b>
Commission		659,289	—	659,289	33,569	—	33,569	—	—	—	692,858
Operating Expenses related to Insurance Business		1,789,949	—	1,789,949	76,563	—	76,563	10,278	—	10,278	1,876,790
Provision for Taxation		14,844	—	14,844	675	—	675	84	—	84	15,603
<b>Total (B)</b>		<b>2,464,082</b>	<b>—</b>	<b>2,464,082</b>	<b>110,806</b>	<b>—</b>	<b>110,806</b>	<b>10,362</b>	<b>—</b>	<b>10,362</b>	<b>2,585,251</b>
Benefits Paid (Net)	UL2	16,144	1,491,144	1,507,288	—	260	260	450	25,193	25,643	1,533,191
Interim Bonus Paid		—	—	—	—	—	—	—	—	—	—
Change in Valuation Liability		79,428	4,291,626	4,371,054	(19)	419,563	419,544	—	369,079	369,079	5,159,677
<b>Total (C)</b>		<b>95,572</b>	<b>5,782,770</b>	<b>5,878,342</b>	<b>(19)</b>	<b>419,823</b>	<b>419,804</b>	<b>450</b>	<b>394,272</b>	<b>394,722</b>	<b>6,692,867</b>
<b>SURPLUS/(DEFICIT) (D)=(A)-(B)-(C)</b>		<b>380,570</b>	<b>124,094</b>	<b>504,665</b>	<b>(2,362)</b>	<b>2,989</b>	<b>627</b>	<b>8,848</b>	<b>268</b>	<b>9,117</b>	<b>514,409</b>
<b>APPROPRIATIONS</b>											
Insurance reserve at the beginning of the year		391,455	—	391,455	(747)	—	(747)	9,117	—	9,117	399,825
Transfer to Shareholders' a/c		—	—	—	—	—	—	—	—	—	—
Funds available for future appropriations		—	113,210	113,210	—	1,374	1,374	—	—	—	114,584
<b>Total (D)</b>		<b>391,455</b>	<b>113,210</b>	<b>504,665</b>	<b>(747)</b>	<b>1,374</b>	<b>627</b>	<b>9,117</b>	<b>—</b>	<b>9,117</b>	<b>514,409</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25A. Unit Linked Disclosures – Revenue Account**

Schedules to Annexure to Revenue Account (UL) forming part of Financial Statements

**Schedule–UL1**

Linked Income (recovered from linked funds)\*

Particulars	Life Linked Unit (1)	Pension Linked Unit (2)	Linked Group Unit (3)	Total (4)= (1)+(2)+(3)
Fund Administration charge	—	—	—	—
Fund Management charge	141,723	1,078	3,153	145,954
Policy Administration charge	169,669	4,786	184	174,639
Surrender charge**	6,124	25	—	6,149
Switching charge	4	—	—	4
Mortality charge	77,801	313	676	78,790
Rider Premium charge	1,504	—	—	1,504
Partial withdrawal charge	—	—	—	—
Miscellaneous charge	14,368	106	266	14,740
<b>Total (UL–1)</b>	<b>411,193</b>	<b>6,308</b>	<b>4,279</b>	<b>421,780</b>

\* net of service tax, if any

\*\* Surrender charge includes partial surrender charge

**25A. Unit Linked Disclosures – Revenue Account**

**Schedule–UL2**

**BENEFITS PAID [NET]**

Sr. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non Unit (1)	Unit (2)	Linked Life (3)=(1)+(2)	Non-Unit (4)	Unit (5)	Linked Pension (6)=(4)+(5)	Non-Unit (7)	Unit (8)	Linked Group (9)=(7)+(8)	
1.	<b>Insurance Claims</b>										
	(a) Claims by Death	16,897	10,873	27,770	—	—	—	721	358	1,079	28,849
	(b) Claims by Maturity	—	—	—	—	—	—	36	21,092	21,128	21,128
	(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
	(d) Other benefits										
	– Surrender	—	1,480,271	1,480,271	—	260	260	—	3,743	3,743	1,484,274
	– Survival	—	—	—	—	—	—	—	—	—	—
	<b>Sub Total (A)</b>	<b>16,897</b>	<b>1,491,144</b>	<b>1,508,041</b>	<b>—</b>	<b>260</b>	<b>260</b>	<b>758</b>	<b>25,193</b>	<b>25,950</b>	<b>1,534,251</b>
2.	<b>Amount Ceded in reinsurance</b>										
	(a) Claims by Death	753	—	753	—	—	—	308	—	308	1,060
	(b) Claims by Maturity	—	—	—	—	—	—	—	—	—	—
	(c) Annuities/Pension payment	—	—	—	—	—	—	—	—	—	—
	(d) Other benefits										
	– Surrender	—	—	—	—	—	—	—	—	—	—
	– Survival	—	—	—	—	—	—	—	—	—	—
	<b>Sub Total (B)</b>	<b>753</b>	<b>—</b>	<b>753</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>308</b>	<b>—</b>	<b>308</b>	<b>1,060</b>
	<b>Total (A)-(B)</b>	<b>16,144</b>	<b>1,491,144</b>	<b>1,507,288</b>	<b>—</b>	<b>260</b>	<b>260</b>	<b>450</b>	<b>25,193</b>	<b>25,642</b>	<b>1,533,191</b>
	Benefits paid to claimants:										
	In India	16,144	1,491,144	1,507,288	—	260	260	450	25,193	25,642	1,533,191
	Outside India	—	—	—	—	—	—	—	—	—	—
	<b>Total (UL–2)</b>	<b>16,144</b>	<b>1,491,144</b>	<b>1,507,288</b>	<b>—</b>	<b>260</b>	<b>260</b>	<b>450</b>	<b>25,193</b>	<b>25,642</b>	<b>1,533,191</b>

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**Schedules forming part of the Financial Statements**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25B. Unit Linked Disclosures – Fund Balance Sheet**  
**Form A–BS(UI)**  
**Fund Balance Sheet for the Year Ended 31st March 2007**

Particulars	Schedule	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money Market		Group Money Market	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Sources of Funds</b>													
Policyholders' Funds:													
Policyholders' contribution	F-1	107,709	503,857	159,953	122,219	1,630	573	104,150	10,669	1,605	2,264	59	59
Revenue Account		27,241	22,750	6,563	3,267	43	17	2,341	368	839	679	27	20
<b>Total</b>		<b>134,950</b>	<b>526,607</b>	<b>166,516</b>	<b>125,486</b>	<b>1,673</b>	<b>590</b>	<b>106,491</b>	<b>11,037</b>	<b>2,444</b>	<b>2,943</b>	<b>86</b>	<b>79</b>
<b>Application of Funds</b>													
Investments	F-2	131,536	510,262	161,878	122,543	1,639	573	103,522	10,674	2,443	2,951	86	79
Current Assets	F-3	3,414	16,399	4,637	2,946	34	17	2,969	363	1	—	—	—
Less: Current Liabilities and Provisions	F-4	—	(54)	—	(4)	—	—	—	—	—	(8)	—	—
Net current assets		3,414	16,345	4,637	2,943	34	17	2,969	363	1	(8)	—	—
<b>Total</b>		<b>134,950</b>	<b>526,607</b>	<b>166,516</b>	<b>125,486</b>	<b>1,673</b>	<b>590</b>	<b>106,491</b>	<b>11,037</b>	<b>2,444</b>	<b>2,943</b>	<b>86</b>	<b>79</b>
<b>Net Asset Value (NAV) per Unit:</b>													
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)		11.49	10.91	11.55	10.91	11.49	10.90	11.47	10.91	12.69	11.63	12.65	11.61
(b) Number of Units outstanding		134,950	526,607	166,516	125,486	1,673	590	106,491	11,037	2,444	2,943	86	79
(c) NAV per Unit (a)/(b) (Rs.)		11.49	10.91	11.55	10.91	11.49	10.90	11.47	10.91	12.69	11.63	12.65	11.61

**25B. Unit Linked Disclosures – Fund Balance Sheet**  
**Form A–BS(UI)**  
**Fund Balance Sheet for the Year Ended 31st March 2007**

Particulars	Schedule	Dynamic Gilt		Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Balanced		Guaranteed Balanced	
		Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Sources of Funds</b>													
Policyholders' Funds:													
Policyholders' contribution	F-1	350,199	570,966	192,586	201,484	4,458	1,333	11,393	14,987	168,245	203,446	802,940	485,770
Revenue Account		34,949	32,468	9,526	7,895	86	43	639	353	77,599	58,935	144,004	112,095
<b>Total</b>		<b>385,148</b>	<b>603,434</b>	<b>202,112</b>	<b>209,379</b>	<b>4,544</b>	<b>1,376</b>	<b>12,032</b>	<b>15,340</b>	<b>245,844</b>	<b>262,381</b>	<b>946,944</b>	<b>597,865</b>
<b>Application of Funds</b>													
Investments	F-2	374,565	583,499	196,149	202,596	4,394	1,324	11,671	14,863	244,819	259,837	944,410	596,281
Current Assets	F-3	10,583	19,951	5,963	6,788	150	52	361	477	2,365	17,728	13,807	13,538
Less: Current Liabilities and Provisions	F-4	—	(17)	—	(6)	—	—	—	—	(1,340)	(15,185)	(11,274)	(11,954)
Net current assets		10,583	19,935	5,963	6,782	150	52	361	478	1,025	2,544	2,533	1,584
<b>Total</b>		<b>385,148</b>	<b>603,434</b>	<b>202,112</b>	<b>209,379</b>	<b>4,544</b>	<b>1,376</b>	<b>12,032</b>	<b>15,340</b>	<b>245,844</b>	<b>262,381</b>	<b>946,944</b>	<b>597,865</b>
<b>Net Asset Value (NAV) per Unit:</b>													
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)		11.69	11.27	11.73	11.27	11.71	11.27	11.80	11.27	21.96	19.82	21.20	19.43
(b) Number of Units outstanding		385,148	603,434	202,112	209,379	4,544	1,376	12,032	15,340	245,844	262,381	946,944	597,865
(c) NAV per Unit (a)/(b) (Rs.)		11.69	11.27	11.73	11.27	11.71	11.27	11.80	11.27	21.96	19.82	21.20	19.43

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25B. Unit Linked Disclosures – Fund Balance Sheet**  
**Form A–BS(UI)**

**Fund Balance Sheet for the Year Ended 31st March 2007**

Particulars	Pension Balanced		Group Balanced		Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Sources of Funds</b>												
Policyholders' Funds:												
Policyholders' contribution	437,220	21,186	294,760	114,969	403,168	325,286	5,575,025	2,096,395	379,028	188,252	170,974	412,388
Revenue Account	4,087	3,415	44,593	27,302	147,484	99,051	811,844	593,619	102,379	83,098	30,232	22,276
<b>Total</b>	<b>441,307</b>	<b>24,601</b>	<b>339,353</b>	<b>142,271</b>	<b>550,652</b>	<b>424,337</b>	<b>6,386,869</b>	<b>2,690,014</b>	<b>481,407</b>	<b>271,350</b>	<b>201,206</b>	<b>434,664</b>
<b>Application of Funds</b>												
Investments	464,017	23,995	380,507	139,313	552,232	427,546	6,586,875	2,729,393	489,484	279,369	194,391	427,780
Current Assets	7,273	1,856	5,229	18,613	3,990	21,592	80,959	70,631	717	21,118	6,815	6,899
Less: Current Liabilities and Provisions	(29,983)	(1,249)	(46,383)	(15,655)	(5,570)	(24,801)	(280,965)	(110,010)	(8,794)	(29,137)	—	(15)
Net current assets	(22,710)	607	(41,154)	2,958	(1,580)	(3,209)	(200,006)	(39,379)	(8,077)	(8,019)	6,815	6,884
<b>Total</b>	<b>441,307</b>	<b>24,601</b>	<b>339,353</b>	<b>142,271</b>	<b>550,652</b>	<b>424,337</b>	<b>6,386,869</b>	<b>2,690,014</b>	<b>481,407</b>	<b>271,350</b>	<b>201,206</b>	<b>434,664</b>
<b>Net Asset Value (NAV) per Unit:</b>												
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)	21.42	19.41	21.88	19.66	26.07	23.35	25.41	23.11	22.70	20.00	11.48	10.72
(b) Number of Units outstanding	441,307	24,601	339,353	142,271	550,652	424,337	6,386,869	2,690,014	481,407	271,350	201,206	434,664
(c) NAV per Unit (a)/(b) (Rs.)	20.605	1.268	15.507	7.237	21.126	18.169	251.393	116.421	21.205	13.565	17.527	40.533
	21.42	19.41	21.88	19.66	26.07	23.35	25.41	23.11	22.70	20.00	11.48	10.72

**25B. Unit Linked Disclosures – Fund Balance Sheet**  
**Form A–BS(UI)**

**Fund Balance Sheet for the Year Ended 31st March 2007**

Particulars	Guaranteed Floating		Pension Floating		Group Floating		Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Sources of Funds</b>												
Policyholders' Funds:												
Policyholders' contribution	290,289	160,204	3,150	1,804	83,538	5,786	8,476	10,532	61,817	48,603	1,067,619	986,976
Revenue Account	12,852	4,851	195	73	1,421	125	(65)	12	(484)	969	(3,909)	16,155
<b>Total</b>	<b>303,141</b>	<b>165,055</b>	<b>3,345</b>	<b>1,877</b>	<b>84,959</b>	<b>5,911</b>	<b>8,411</b>	<b>10,544</b>	<b>61,333</b>	<b>49,572</b>	<b>1,063,710</b>	<b>1,003,131</b>
<b>Application of Funds</b>												
Investments	293,804	162,468	3,247	1,845	82,280	5,780	8,284	10,393	60,481	52,341	1,045,549	1,040,363
Current Assets	9,337	2,593	98	32	2,679	136	127	152	852	1,697	18,160	37,130
Less: Current Liabilities and Provisions	—	(6)	—	—	—	(5)	—	(1)	—	(4,466)	—	(74,362)
Net current assets	9,337	2,587	98	32	2,679	131	127	151	852	(2,769)	18,160	(37,232)
<b>Total</b>	<b>303,141</b>	<b>165,055</b>	<b>3,345</b>	<b>1,877</b>	<b>84,959</b>	<b>5,911</b>	<b>8,411</b>	<b>10,544</b>	<b>61,333</b>	<b>49,572</b>	<b>1,063,710</b>	<b>1,003,131</b>
<b>Net Asset Value (NAV) per Unit:</b>												
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)	11.50	10.73	11.50	10.73	11.55	10.74	10.26	10.07	10.57	10.49	10.52	10.39
(b) Number of Units outstanding	26,356	15,383	291	175	7,353	551	820	1,047	5,802	4,725	101,133	96,556
(c) NAV per Unit (a)/(b) (Rs.)	11.50	10.73	11.50	10.73	11.55	10.74	10.26	10.07	10.57	10.49	10.52	10.39

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency: In thousands of Indian Rupees unless otherwise stated)

**25B. Unit Linked Disclosures – Fund Balance Sheet**

**Form A-BS(UL)**

Fund Balance Sheet for the Year Ended 31st March, 2007

Particulars	Schedule	Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
<b>Sources of Funds</b>									
<b>Policyholders' Funds:</b>									
Policyholders' contribution	F-1	32,495	—	467,313	—	143,271	—	11,323,068	6,490,007
Revenue Account		(89)	—	567	—	(3,323)	—	1,451,642	1,089,835
<b>Total</b>		<b>32,407</b>	<b>—</b>	<b>467,879</b>	<b>—</b>	<b>139,948</b>	<b>—</b>	<b>12,774,710</b>	<b>7,579,841</b>
<b>Application of Funds</b>									
Investments	F-2	31,905	—	460,804	—	137,071	—	12,968,044	7,606,069
Current Assets	F-3	502	—	7,075	—	2,877	—	190,975	260,705
Less: Current Liabilities and Provisions	F-4	—	—	—	—	—	—	(384,309)	(286,933)
Net current assets		502	—	7,075	—	2,877	—	(193,334)	(26,228)
<b>Total</b>		<b>32,407</b>	<b>—</b>	<b>467,879</b>	<b>—</b>	<b>139,948</b>	<b>—</b>	<b>12,774,710</b>	<b>7,579,841</b>
Net Asset Value (NAV) per Unit:									
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions)		10.54	—	10.51	—	10.01	—	12,774,710	7,579,841
(b) Number of Units outstanding		3,075	—	44,506	—	13,986	—	693,935	494,343
(c) NAV per Unit (a)/(b) (Rs.)		10.54	—	10.51	—	10.01	—	—	—

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25C. Unit Linked Disclosures – Fund Revenue Account**

**Form A-RA(UL)**

Fund Revenue Account for the year ended 31st March, 2007

Particulars	Schedule	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money Market		Group Money Market		Dynamic Gilt	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Interest income		14,662	41,390	10,619	5,901	64	29	4,796	662	243	228	7	7	39,469	55,229
Dividend income		—	—	(6)	—	—	—	—	—	—	—	—	—	—	—
Profit on sale of investment		1	—	615	—	5	—	161	—	27	—	1	—	973	—
Profit on inter fund transfer/ sale of investment		392	—	727	—	—	—	201	—	—	—	—	—	111	—
Loss on sale of investment		(355)	(2,508)	(801)	(350)	(4)	(2)	(522)	(40)	—	—	—	—	(9,093)	(5,312)
Loss on inter fund transfer/ sale of investment		(11,691)	(1,491)	(3,055)	(61)	(19)	—	(594)	—	—	—	—	—	(12,717)	(1,759)
Miscellaneous Income		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealised Gain/loss		9,287	(9,730)	1,058	(1,518)	2	(7)	(457)	(175)	—	—	—	—	1,786	(13,819)
<b>Total (A)</b>		12,296	27,661	9,157	3,972	48	20	3,585	447	270	228	8	7	20,529	34,339
Fund management expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fund administration expenses		2,159	6,239	1,621	890	10	4	565	100	17	21	1	1	4,306	6,624
Other charges	F-5	5,646	—	4,240	—	12	—	1,047	—	93	—	—	—	13,742	—
<b>Total (B)</b>		7,805	6,239	5,861	890	22	4	1,612	100	110	21	1	1	18,048	6,624
Net Income for the year (A-B)		4,491	21,422	3,296	3,082	26	16	1,973	347	160	207	7	6	2,481	27,715
Add: Fund revenue account at the beginning of the year		22,750	1,328	3,267	185	17	1	368	21	679	472	20	14	32,468	4,753
Fund revenue account at the end of the year		27,241	22,750	6,563	3,267	43	17	2,341	368	839	679	27	20	34,949	32,468

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25C. Unit Linked Disclosures – Fund Revenue Account**

**Form A-RA(UI)**

Fund Revenue Account for the year ended 31st March, 2007

Particulars	Schedule	Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Balanced		Guaranteed Balanced		Pension Balanced		Group Balanced	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Interest income		18,039	13,399	185	72	1,038	600	7,932	6,413	29,055	13,263	3,510	389	6,813	3,046
Dividend income		—	—	—	—	—	—	1,992	1,155	4,696	2,158	505	63	1,666	529
Profit on sale of investment		422	—	5	—	15	—	35,087	—	66,069	—	3,064	—	21,060	—
Profit on inter fund transfer/ sale of investment		92	—	1	—	7	—	17,074	—	13,950	—	169	—	5,021	—
Loss on sale of investment		(4,517)	(1,280)	(34)	(7)	(199)	(57)	(3,257)	4,338	(9,143)	7,882	(706)	331	(3,221)	1,775
Loss on inter fund transfer/ sale of investment		(3,080)	(78)	(22)	—	(227)	(3)	(2,531)	431	(5,677)	(439)	(296)	(24)	(824)	(534)
Miscellaneous Income		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealised Gain/loss		(1,136)	(3,684)	(43)	(19)	(49)	(166)	(26,640)	44,693	(35,997)	85,911	(3,494)	2,569	(7,294)	21,638
<b>Total (A)</b>		<b>9,820</b>	<b>8,357</b>	<b>92</b>	<b>46</b>	<b>585</b>	<b>374</b>	<b>29,657</b>	<b>57,030</b>	<b>62,953</b>	<b>108,775</b>	<b>2,752</b>	<b>3,328</b>	<b>23,221</b>	<b>26,454</b>
Fund management expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fund administration expenses		1,954	1,607	20	9	101	72	3,235	2,106	9,134	4,171	1,022	124	2,307	990
Other charges	F-5	6,235	—	29	—	198	—	7,758	—	21,910	—	1,058	—	3,623	—
<b>Total (B)</b>		<b>8,189</b>	<b>1,607</b>	<b>49</b>	<b>9</b>	<b>299</b>	<b>72</b>	<b>10,993</b>	<b>2,106</b>	<b>31,044</b>	<b>4,171</b>	<b>2,080</b>	<b>124</b>	<b>5,930</b>	<b>990</b>
Net Income for the year (A-B)		1,631	6,750	43	37	286	302	18,664	54,924	31,909	104,604	672	3,204	17,291	25,464
Add: Fund revenue account at the beginning of the year		7,895	1,145	43	6	353	51	58,935	4,011	112,095	7,491	3,415	211	27,302	1,838
Fund revenue account at the end of the year		9,526	7,895	86	43	639	353	77,599	58,935	144,004	112,095	4,087	3,415	44,593	27,302

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25C. Unit Linked Disclosures – Fund Revenue Account

Form A-RA(UL)

Fund Revenue Account for the year ended 31st March, 2007

Particulars	Schedule	Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating		Guaranteed Floating		Pension Floating		Group Floating	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Interest income		9,448	5,942	115,771	38,531	915	765	18,157	31,172	17,190	6,756	176	104	1,835	175
Dividend income		5,577	1,870	33,861	11,569	4,418	1,978	—	—	—	—	—	—	—	—
Profit on sale of investment		75,406	—	371,212	—	62,322	—	247	—	365	—	2	—	13	—
Profit on inter fund transfer/ sale of investment		15,033	—	14,582	—	3,984	—	16	—	4	—	—	—	—	—
Loss on sale of investment		(8,161)	8,803	(52,115)	56,300	(8,605)	4,134	(40)	(3,220)	(40)	(680)	—	(11)	(1)	(17)
Loss on inter fund transfer/ sale of investment		(2,154)	37	(16,013)	447	(229)	4,574	(167)	(422)	(189)	(86)	(3)	1	(14)	2
Miscellaneous Income		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealised Gain/loss		(22,294)	76,534	(65,023)	449,984	(27,516)	73,511	(1)	(6)	(5)	4	3	(3)	5	(5)
<b>Total (A)</b>		72,855	93,186	402,275	556,831	35,289	84,962	18,212	27,524	17,325	5,994	178	91	1,838	155
Fund management expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fund administration expenses		7,934	3,194	59,789	19,896	5,457	2,286	2,836	5,552	2,579	1,207	26	19	180	32
Other charges	F-5	16,488	—	124,261	—	10,551	—	7,420	—	6,745	—	30	—	362	—
<b>Total (B)</b>		24,422	3,194	184,050	19,896	16,008	2,286	10,256	5,552	9,324	1,207	56	19	542	32
Net Income for the year (A-B)		48,433	89,992	218,225	536,935	19,281	82,676	7,956	21,972	8,001	4,787	122	72	1,296	123
Add: Fund revenue account at the beginning of the year		99,051	9,059	593,619	56,684	83,098	422	22,276	304	4,851	64	73	1	125	2
Fund revenue account at the end of the year		147,484	99,051	811,844	593,619	102,379	83,098	30,232	22,276	12,852	4,851	195	73	1,421	125

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25C. Unit Linked Disclosures – Fund Revenue Account**  
**Form A-RA(UL)**

Fund Revenue Account for the year ended 31st March, 2007

Particulars	Schedule	Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund		Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
		Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year	Current year	Previous Year
Interest income		624	24	2,486	126	52,969	2,860	690	—	11,152	—	1,559	—	369,404	227,083
Dividend income		28	—	209	7	3,701	163	59	—	816	—	111	—	57,633	19,492
Profit on sale of investment		362	—	2,549	—	49,939	—	455	—	8,959	—	146	—	699,482	—
Profit on inter fund transfer/ sale of investment		76	—	305	—	3,505	—	56	—	1,049	—	159	—	76,514	—
Loss on sale of investment		(661)	—	(3,503)	(7)	(62,408)	(33)	(251)	—	(3,950)	—	(464)	—	(172,051)	70,039
Loss on inter fund transfer/ sale of investment		(64)	—	(295)	9	(6,725)	(15)	(142)	—	(2,418)	—	(644)	—	(69,790)	589
Miscellaneous Income		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unrealised Gain/loss		114	—	57	906	2,610	14,845	(69)	—	(584)	—	(1,920)	—	(177,600)	741,463
<b>Total (A)</b>		479	24	1,808	1,041	43,591	17,820	798	—	15,024	—	(1,053)	—	783,592	1,058,666
Fund management expenses		—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fund administration expenses		272	12	1,596	72	31,157	1,665	421	—	6,865	—	393	—	145,957	56,893
Other charges	F-5	284	—	1,665	—	32,498	—	466	—	7,592	—	1,877	—	275,830	—
<b>Total (B)</b>		556	12	3,261	72	63,655	1,665	887	—	14,457	—	2,270	—	421,787	56,893
Net Income for the year (A-B)		(77)	12	(1,453)	969	(20,064)	16,155	(89)	—	567	—	(3,323)	—	361,805	1,001,773
Add: Fund revenue account at the beginning of the year		12	—	969	—	16,155	—	—	—	—	—	—	—	1,089,836	88,063
Fund revenue account at the end of the year		(65)	12	(484)	969	(3,909)	16,155	(89)	—	567	—	(3,323)	—	1,451,642	1,089,836

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25D. Unit Linked Disclosures – Schedules to Fund Revenue & Fund Balance Sheet**

Schedules to Fund Balance Sheet

**Schedule: F-1 — Policyholders' Contribution**

Particulars	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money market		Group Money market		Dynamic Gilt	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	503,857	490,166	122,219	68,348	573	340	10,669	7,878	2,264	3,115	59	89	570,966	647,667
Add: Additions during the year*	31,496	13,691	83,088	53,871	2,240	233	111,816	2,791	—	—	—	—	37,386	—
Less: Deductions during the year*	427,645	—	45,355	—	1,183	—	18,335	—	659	851	—	30	258,153	76,701
Closing balance	107,709	503,857	159,953	122,219	1,630	573	104,150	10,669	1,605	2,264	59	59	350,199	570,966

Particulars	Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Balanced		Guaranteed Balanced		Pension Balanced		Group Balanced	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	201,484	156,034	1,333	811	14,987	6,897	203,446	104,466	485,770	195,098	21,186	5,506	114,969	47,857
Add: Additions during the year*	83,019	45,450	3,327	522	5,832	8,090	79,476	98,980	475,211	290,672	432,914	15,680	202,452	67,112
Less: Deductions during the year*	91,917	—	202	—	9,427	—	114,677	—	158,040	—	16,880	—	22,661	—
Closing balance	192,586	201,484	4,458	1,333	11,393	14,987	168,245	203,446	802,940	485,770	437,220	21,186	294,760	114,969

\* Additions represents units creation and deductions represent unit cancellations

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

Schedules to Fund Balance Sheet  
**Schedule: F-1 — Policyholders' Contribution (Contd.)**

Particulars	Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating		Guaranteed Floating		Pension Floating		Group Floating	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	325,286	130,375	2,096,395	815,744	188,252	90,311	412,388	418,457	160,204	88,357	1,804	1,378	5,786	2,246
Add: Additions during the year*	215,419	194,911	3,800,358	1,280,651	272,616	97,941	14,246	—	166,454	71,847	1,702	426	97,552	3,540
Less: Deductions during the year*	137,537	—	321,728	—	81,840	—	255,661	6,069	36,369	—	356	—	19,800	—
Closing balance	403,168	325,286	5,575,025	2,096,395	379,028	188,252	170,974	412,388	290,289	160,204	3,150	1,804	83,538	5,786

Particulars	Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund		Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Opening balance	10,532	—	48,603	—	986,976	—	—	—	—	—	—	—	6,490,009	3,281,140
Add: Additions during the year*	323	10,532	13,937	48,603	83,423	986,976	33,950	—	468,308	—	148,705	—	6,865,250	3,292,517
Less: Deductions during the year*	2,379	—	723	—	2,780	—	1,455	—	995	—	5,434	—	2,032,189	83,650
Closing balance	8,476	10,532	61,817	48,603	1,067,619	986,976	32,495	—	467,313	—	143,271	—	11,323,068	6,490,007

\* Additions represents units creation and deductions represent unit cancellations

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures – Schedules to Fund Revenue & Fund Balance Sheet

Schedules to Fund Revenue Account

**Schedule: F-2 – Investments**

Particulars	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money market		Group Money market	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Approved Investments</b>												
Government Bonds	—	123,041	—	26,190	—	253	—	2,803	—	—	—	—
Corporate Bonds	90,421	150,286	99,239	43,963	653	85	68,531	1,496	—	—	—	—
Infrastructure Bonds	18,331	159,322	35,387	31,046	878	189	18,652	4,972	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money Market	22,784	77,613	27,253	21,344	108	46	16,111	1,403	2,443	2,951	86	79
Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>131,536</b>	<b>510,262</b>	<b>161,878</b>	<b>122,543</b>	<b>1,639</b>	<b>573</b>	<b>103,294</b>	<b>10,674</b>	<b>2,443</b>	<b>2,951</b>	<b>86</b>	<b>79</b>
<b>Other Investments</b>												
Corporate Bonds	—	—	—	—	—	—	228	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>228</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total</b>	<b>131,536</b>	<b>510,262</b>	<b>161,878</b>	<b>122,543</b>	<b>1,639</b>	<b>573</b>	<b>103,522</b>	<b>10,674</b>	<b>2,443</b>	<b>2,951</b>	<b>86</b>	<b>79</b>
% of Approved Investments to Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	99.78%	100.00%	100.00%	100.00%	100.00%	100.00%
% of Other Investments to Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.22%	0.00%	0.00%	0.00%	0.00%	0.00%

**Schedule: F-2 – Investments (Contd.)**

Particulars	Dynamic Gilt		Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Balanced		Guaranteed Balanced	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Approved Investments</b>												
Government Bonds	310,524	507,425	162,580	171,342	3,762	1,116	9,766	12,920	—	27,799	—	98,924
Corporate Bonds	—	—	—	—	—	—	—	—	53,217	25,066	293,475	114,667
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	15,679	—	—
Equity	—	—	—	—	—	—	—	—	130,887	149,503	406,239	281,150
Money Market	64,041	76,074	33,569	31,254	632	208	1,905	1,943	45,197	41,790	181,344	101,540
Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>374,565</b>	<b>583,499</b>	<b>196,149</b>	<b>202,596</b>	<b>4,394</b>	<b>1,324</b>	<b>11,671</b>	<b>14,863</b>	<b>229,301</b>	<b>259,837</b>	<b>881,058</b>	<b>596,281</b>
<b>Other Investments</b>												
Corporate Bonds	—	—	—	—	—	—	—	—	—	—	17,722	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	—	—	—	—	—	—	—	—	15,518	—	45,630	—
Money Market	—	—	—	—	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>15,518</b>	<b>—</b>	<b>63,352</b>	<b>—</b>
<b>Grand Total</b>	<b>374,565</b>	<b>583,499</b>	<b>196,149</b>	<b>202,596</b>	<b>4,394</b>	<b>1,324</b>	<b>11,671</b>	<b>14,863</b>	<b>244,819</b>	<b>259,837</b>	<b>944,410</b>	<b>596,281</b>
% of Approved Investments to Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	93.66%	100.00%	93.29%	100.00%
% of Other Investments to Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.34%	0.00%	6.71%	0.00%

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures – Schedules to Fund Revenue & Fund Balance Sheet  
Schedules to Fund Revenue Account  
**Schedule: F-2 – Investments (Contd.)**

Particulars	Pension Balanced		Group Balanced		Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Approved Investments</b>												
Government Bonds	—	4,659	—	13,913	—	49,720	243,010	335,564	—	—	—	853
Corporate Bonds	126,671	2,928	119,209	9,743	114,031	34,662	1,359,617	258,413	—	2,168	128,586	282,361
Infrastructure Bonds	42,221	1,190	3,797	9,832	—	4,088	37,299	16,495	—	—	34,004	81,143
Equity	176,209	11,076	171,520	79,906	391,646	317,984	3,402,526	1,680,824	414,741	267,365	—	—
Money Market Mutual Funds	72,670	4,142	63,181	25,919	478	21,092	1,096,619	438,097	29,013	9,836	31,801	63,423
<b>Total</b>	<b>417,771</b>	<b>23,995</b>	<b>357,707</b>	<b>139,313</b>	<b>506,155</b>	<b>427,546</b>	<b>6,139,071</b>	<b>2,729,393</b>	<b>443,754</b>	<b>279,369</b>	<b>194,391</b>	<b>427,780</b>
<b>Other Investments</b>												
Corporate Bonds	14,633	—	1,882	—	—	—	50,266	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Equity	31,613	—	20,918	—	46,077	—	397,538	—	45,730	—	—	—
Money Market Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>46,246</b>	<b>—</b>	<b>22,800</b>	<b>—</b>	<b>46,077</b>	<b>—</b>	<b>447,804</b>	<b>—</b>	<b>45,730</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Grand Total</b>	<b>464,017</b>	<b>23,995</b>	<b>380,507</b>	<b>139,313</b>	<b>552,232</b>	<b>427,546</b>	<b>6,586,875</b>	<b>2,729,393</b>	<b>489,484</b>	<b>279,369</b>	<b>194,391</b>	<b>427,780</b>
% of Approved Investments to Total	90.03%	100.00%	94.01%	100.00%	91.66%	100.00%	93.20%	100.00%	90.66%	100.00%	100.00%	100.00%
% of Other Investments to Total	9.97%	0.00%	5.99%	0.00%	8.34%	0.00%	6.80%	0.00%	9.34%	0.00%	0.00%	0.00%

**Schedule: F-2 – Investments (Contd.)**

Particulars	Guaranteed Floating		Pension Floating		Group Floating		Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Approved Investments</b>												
Government Bonds	10,937	16,936	—	254	—	983	—	1,063	—	—	—	49,010
Corporate Bonds	205,234	99,232	2,334	1,048	53,642	3,544	3,136	6,770	20,381	7,722	379,759	151,630
Infrastructure Bonds	26,397	17,374	409	271	14,888	821	737	1,323	5,647	14,151	80,508	240,024
Equity	—	—	—	—	—	—	2,650	—	20,736	22,970	348,061	408,785
Money Market Mutual Funds	51,236	28,926	504	272	13,750	432	1,459	1,237	11,254	7,498	194,456	190,914
<b>Total</b>	<b>293,804</b>	<b>162,468</b>	<b>3,247</b>	<b>1,845</b>	<b>82,280</b>	<b>5,780</b>	<b>7,982</b>	<b>10,393</b>	<b>58,018</b>	<b>52,341</b>	<b>1,002,784</b>	<b>1,040,363</b>
<b>Other Investments</b>												
Corporate Bonds	—	—	—	—	—	—	—	—	—	—	—	—
Infrastructure Bonds	—	—	—	—	—	—	303	—	2,462	—	42,765	—
Equity	—	—	—	—	—	—	—	—	—	—	—	—
Money Market Mutual Funds	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>303</b>	<b>—</b>	<b>2,462</b>	<b>—</b>	<b>42,765</b>	<b>—</b>
<b>Grand Total</b>	<b>293,804</b>	<b>162,468</b>	<b>3,247</b>	<b>1,845</b>	<b>82,280</b>	<b>5,780</b>	<b>8,284</b>	<b>10,393</b>	<b>60,481</b>	<b>52,341</b>	<b>1,045,549</b>	<b>1,040,363</b>
% of Approved Investments to Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	96.35%	100.00%	95.93%	100.00%	95.91%	100.00%
% of Other Investments to Total	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.65%	0.00%	4.07%	0.00%	4.09%	0.00%

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures – Schedules to Fund Revenue & Fund Balance Sheet  
Schedules to Fund Revenue Account

**Schedule: F-2 – Investments (Contd.)**

Particulars	Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
<b>Approved Investments</b>								
Government Bonds	—	—	—	—	—	—	740,578	1,444,768
Corporate Bonds	11,462	—	179,144	—	61,337	—	3,370,078	1,195,783
Infrastructure Bonds	2,255	—	31,061	—	740	—	353,211	597,921
Equity	11,026	—	146,246	—	45,020	—	5,667,506	3,219,563
Money Market	5,899	—	85,888	—	24,967	—	2,078,648	1,148,034
Mutual Funds	—	—	—	—	—	—	—	—
<b>Total</b>	<b>30,642</b>	<b>—</b>	<b>442,339</b>	<b>—</b>	<b>132,064</b>	<b>—</b>	<b>12,210,023</b>	<b>7,606,069</b>
<b>Other Investments</b>								
Corporate Bonds	—	—	—	—	94	—	84,825	—
Infrastructure Bonds	—	—	—	—	—	—	—	—
Equity	1,263	—	18,465	—	4,913	—	673,196	—
Money Market	—	—	—	—	—	—	—	—
Mutual Funds	—	—	—	—	—	—	—	—
<b>Total</b>	<b>1,263</b>	<b>—</b>	<b>18,465</b>	<b>—</b>	<b>5,007</b>	<b>—</b>	<b>758,021</b>	<b>—</b>
<b>Grand Total</b>	<b>31,905</b>	<b>—</b>	<b>460,804</b>	<b>—</b>	<b>137,071</b>	<b>—</b>	<b>12,968,044</b>	<b>7,606,069</b>
% of Approved Investments to Total	96.04%	—	95.99%	—	96.35%	—	94.15%	100.00%
% of Other Investments to Total	3.96%	—	4.01%	—	3.65%	—	5.85%	0.00%

**Schedule: F-3 – Current Assets**

Particulars	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money market		Group Money market		Dynamic Gilt	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	3,414	16,399	4,637	2,930	34	16	2,963	294	1	—	—	—	10,583	18,951
Cash & Bank Balance	—	—	—	16	—	1	6	69	—	—	—	—	—	1,000
Dividend Receivable	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unit Collection A/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>3,414</b>	<b>16,399</b>	<b>4,637</b>	<b>2,946</b>	<b>34</b>	<b>17</b>	<b>2,969</b>	<b>363</b>	<b>1</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>10,583</b>	<b>19,951</b>

# Represents interfund receivables or payables, if any.

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures – Schedules to Fund Revenue & Fund Balance Sheet  
Schedules to Fund Revenue Account

**Schedule: F-3 – Current Assets (Contd.)**

Particulars	Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Balanced		Guaranteed Balanced		Pension Balanced		Group Balanced	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	5,963	6,133	150	29	360	468	2,286	2,443	13,593	8,142	7,212	246	5,256	1,648
Cash & Bank Balance	—	655	—	23	1	9	—	15,209	(7)	5,256	(1)	1,605	(103)	16,931
Dividend Receivable	—	—	—	—	—	—	79	76	221	140	62	5	76	34
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unit Collection A/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>5,963</b>	<b>6,788</b>	<b>150</b>	<b>52</b>	<b>361</b>	<b>477</b>	<b>2,365</b>	<b>17,728</b>	<b>13,807</b>	<b>13,538</b>	<b>7,273</b>	<b>1,856</b>	<b>5,229</b>	<b>18,613</b>

**Schedule: F-3 – Current Assets (Contd.)**

Particulars	Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating		Guaranteed Floating		Pension Floating		Group Floating	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	3,720	2,267	74,229	20,974	494	118	6,698	6,863	9,337	2,328	97	32	2,679	136
Cash & Bank Balance	2	19,191	4,838	48,907	1	20,883	117	36	—	264	1	—	—	—
Dividend Receivable	268	134	1,892	749	222	117	—	—	—	—	—	—	—	—
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unit Collection A/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>3,990</b>	<b>21,592</b>	<b>80,959</b>	<b>70,631</b>	<b>717</b>	<b>21,118</b>	<b>6,815</b>	<b>6,899</b>	<b>9,337</b>	<b>2,593</b>	<b>98</b>	<b>32</b>	<b>2,679</b>	<b>136</b>

**Schedule: F-3 – Current Assets (Contd.)**

Particulars	Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund		Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Accrued Interest	123	101	839	915	17,937	19,716	494	—	6,975	—	2,840	—	182,913	111,149
Cash & Bank Balance	2	51	—	777	2	17,288	—	—	3	—	2	—	4,867	148,171
Dividend Receivable	2	—	13	5	221	125	8	—	97	—	35	—	3,196	1,386
Receivable for Sale of Investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Unit Collection A/c #	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Current Assets (for Investments)	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>127</b>	<b>152</b>	<b>852</b>	<b>1,697</b>	<b>18,160</b>	<b>37,130</b>	<b>502</b>	<b>—</b>	<b>7,075</b>	<b>—</b>	<b>2,877</b>	<b>—</b>	<b>190,975</b>	<b>260,705</b>

# Represents interfund receivables or payables, if any.

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures – Schedules to Fund Revenue & Fund Balance Sheet  
Schedules to Fund Revenue Account  
**Schedule: F-4 – Current Liabilities**

Particulars	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money market		Group Money market		Dynamic Gilt	
	Current Year	Previous Year	Current Year	Previous Year	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	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other Current Liabilities	—	(54)	—	(4)	—	—	—	—	—	(8)	—	—	—	(17)
Unit Payable a/c	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>(54)</b>	<b>—</b>	<b>(4)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(8)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(17)</b>

**Schedule: F-4 – Current Liabilities (Contd.)**

Particulars	Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Balanced		Guaranteed Balanced		Pension Balanced		Group Balanced	
	Current Year	Previous Year	Current Year	Previous Year	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	—	—	—	—	—	—	(1,340)	(15,175)	(11,274)	(11,932)	(29,983)	(1,248)	(46,383)	(15,650)
Other Current Liabilities	—	(6)	—	—	—	—	—	(10)	—	(22)	—	(1)	—	(5)
Unit Payable a/c	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>(6)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(1,340)</b>	<b>(15,185)</b>	<b>(11,274)</b>	<b>(11,954)</b>	<b>(29,983)</b>	<b>(1,249)</b>	<b>(46,383)</b>	<b>(15,655)</b>

**Schedule: F-4 – Current Liabilities (Contd.)**

Particulars	Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating		Guaranteed Floating		Pension Floating		Group Floating	
	Current Year	Previous Year	Current Year	Previous Year	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	(5,570)	(24,783)	(280,965)	(109,893)	(8,794)	(29,125)	—	—	—	—	—	—	—	—
Other Current Liabilities	—	(18)	—	(117)	—	(12)	—	(15)	—	(6)	—	—	—	(5)
Unit Payable a/c	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>(5,570)</b>	<b>(24,801)</b>	<b>(280,965)</b>	<b>(110,010)</b>	<b>(8,794)</b>	<b>(29,137)</b>	<b>—</b>	<b>(15)</b>	<b>—</b>	<b>(6)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(5)</b>

**Schedule: F-4 – Current Liabilities (Contd.)**

Particulars	Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund		Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	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	—	—	—	(4,462)	—	(74,270)	—	—	—	—	—	—	(384,309)	(286,536)
Other Current Liabilities	—	(1)	—	(4)	—	(92)	—	—	—	—	—	—	—	(397)
Unit Payable a/c	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<b>Total</b>	<b>—</b>	<b>(1)</b>	<b>—</b>	<b>(4,466)</b>	<b>—</b>	<b>(74,362)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(384,309)</b>	<b>(286,933)</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures — Schedules to Fund Revenue & Fund Balance Sheet  
Schedules to Fund Revenue Account  
Break Up of Other Expenses Under ULIP

**Schedule: F-5 – Other Expenses \***

Particulars	Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money market		Group Money market		Dynamic Gilt	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge @	3,555	—	2,670	—	2	—	958	—	58	—	—	—	8,652	—
Surrender charge @	128	—	96	—	—	—	5	—	2	—	—	—	312	—
Switching charge @	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge @	1,630	—	1,224	—	7	—	63	—	27	—	—	—	3,968	—
Rider Premium charge @	32	—	24	—	—	—	—	—	1	—	—	—	77	—
Partial withdrawal charge @	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charge @	301	—	226	—	3	—	21	—	5	—	—	—	733	—
<b>Total</b>	<b>5,646</b>	<b>—</b>	<b>4,240</b>	<b>—</b>	<b>12</b>	<b>—</b>	<b>1,047</b>	<b>—</b>	<b>93</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>13,742</b>	<b>—</b>

**Schedule: F-5 – Other Expenses \*(Contd.)**

Particulars	Guaranteed Gilt		Pension Gilt		Group Gilt		Dynamic Bond		Guaranteed Bond		Pension Bond		Group Bond		Guaranteed Money market		Group Money market		Dynamic Gilt	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge @	3,926	—	5	—	181	—	4,885	—	13,796	—	173	—	—	—	3,315	—	—	—	—	—
Surrender charge @	142	—	—	—	1	—	176	—	498	—	—	—	—	—	17	—	—	—	—	—
Switching charge @	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mortality charge @	1,800	—	17	—	12	—	2,240	—	6,326	—	635	—	—	—	217	—	—	—	—	—
Rider Premium charge @	35	—	—	—	—	—	43	—	122	—	—	—	—	—	—	—	—	—	—	—
Partial withdrawal charge @	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charge @	332	—	7	—	4	—	414	—	1,168	—	250	—	—	—	74	—	—	—	—	—
<b>Total</b>	<b>6,235</b>	<b>—</b>	<b>29</b>	<b>—</b>	<b>198</b>	<b>—</b>	<b>7,758</b>	<b>—</b>	<b>21,910</b>	<b>—</b>	<b>1,058</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>3,623</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

\* Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

@ All the expenses have been apportioned on the basis of average daily size of the fund.

Registration No: 107; Date of Registration: January 10, 2001  
**Schedules forming part of the Financial Statements (Contd.)**  
for the year ended 31st March, 2007  
(Currency : In thousands of Indian Rupees unless otherwise stated)

25D. Unit Linked Disclosures — Schedules to Fund Revenue & Fund Balance Sheet  
Schedules to Fund Revenue Account  
Break Up of Other Expenses Under ULIP

**Schedule: F-5 – Other Expenses \*(Contd.)**

Particulars	Dynamic Growth		Guaranteed Growth		Aggressive Growth		Dynamic Floating		Guaranteed Floating		Pension Floating		Group Floating	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge @	10,382	—	78,240	—	6,643	—	4,672	—	4,247	—	5	—	331	—
Surrender charge @	375	—	2,824	—	240	—	169	—	153	—	—	—	2	—
Switching charge @	—	—	2	—	—	—	—	—	—	—	—	—	—	—
Mortality charge @	4,760	—	35,877	—	3,046	—	2,142	—	1,947	—	18	—	22	—
Rider Premium charge @	92	—	693	—	59	—	41	—	38	—	—	—	—	—
Partial withdrawal charge @	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charge @	879	—	6,625	—	563	—	396	—	360	—	7	—	7	—
<b>Total</b>	<b>16,488</b>	<b>—</b>	<b>124,261</b>	<b>—</b>	<b>10,551</b>	<b>—</b>	<b>7,420</b>	<b>—</b>	<b>6,745</b>	<b>—</b>	<b>30</b>	<b>—</b>	<b>362</b>	<b>—</b>

**Schedule: F-5 – Other Expenses \*(Contd.)**

Particulars	Advantage Fund		Advantage Multiplier Fund		Advantage Plus Fund		Advantage Multiplier II Fund		Advantage Plus II Fund		Dynamic Floor Fund		Total	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Policy Administration charge @	179	—	1,048	—	20,462	—	293	—	4,780	—	1,182	—	174,640	—
Surrender charge @	6	—	38	—	739	—	11	—	173	—	43	—	6,150	—
Switching charge @	—	—	—	—	—	—	—	—	—	—	—	—	2	—
Mortality charge @	82	—	481	—	9,383	—	134	—	2,192	—	542	—	78,792	—
Rider Premium charge @	2	—	9	—	181	—	3	—	42	—	10	—	1,504	—
Partial withdrawal charge @	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous charge @	15	—	89	—	1,733	—	25	—	405	—	100	—	14,742	—
<b>Total</b>	<b>284</b>	<b>—</b>	<b>1,665</b>	<b>—</b>	<b>32,497</b>	<b>—</b>	<b>466</b>	<b>—</b>	<b>7,592</b>	<b>—</b>	<b>1,877</b>	<b>—</b>	<b>275,830</b>	<b>—</b>

\* Any expense which is 1% of the total expenses incurred should be disclosed as a separate line item.

@ All the expenses have been apportioned on the basis of average daily size of the fund.

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

**Fund Performance of Unit Linked funds as on 31-03-2007 (Absolute Growth %)**

Fund Names	Year of Inception	*Returns			
		2007	2006	2005	Inception
Dynamic Bond	2004-05	5.36%	4.41%	NA	14.91%
Guaranteed Bond	2004-05	5.86%	4.42%	NA	15.45%
Pension Bond	2004-05	5.47%	4.36%	NA	14.96%
Group Bond	2004-05	5.13%	4.46%	NA	14.70%
Guaranteed Money market	2003-04	9.11%	6.28%	6.32%	26.87%
Group Money market	2003-04	8.95%	6.10%	6.32%	26.47%
Dynamic Gilt	2003-04	3.67%	4.72%	4.16%	16.86%
Guaranteed Gilt	2003-04	4.09%	4.69%	4.16%	17.31%
Pension Gilt	2003-04	3.90%	4.72%	4.16%	17.13%
Group Gilt	2003-04	4.66%	4.71%	4.16%	17.97%
Dynamic Balanced	2003-04	10.81%	38.17%	9.76%	119.62%
Guaranteed Balanced	2003-04	9.12%	35.45%	9.76%	112.01%
Pension Balanced	2003-04	10.37%	35.28%	9.76%	114.18%
Group Balanced	2003-04	11.32%	37.04%	9.76%	118.84%
Dynamic Growth	2003-04	11.61%	46.93%	12.02%	160.65%
Guaranteed Growth	2003-04	9.93%	45.39%	12.02%	154.06%
Aggressive Growth	2004-05	13.49%	71.27%	NA	127.03%
Dynamic Floating	2004-05	7.05%	4.98%	NA	14.80%
Guaranteed Floating	2004-05	7.20%	5.03%	NA	15.02%
Pension Floating	2004-05	7.10%	5.08%	NA	14.96%
Group Floating	2004-05	7.58%	5.14%	NA	15.54%
Advantage Fund	2005-06	1.88%	NA	NA	2.63%
Advantage Multiplier Fund	2005-06	0.76%	NA	NA	5.70%
Advantage Plus Fund	2005-06	1.24%	NA	NA	5.18%
Advantage Multiplier II Fund	2006-07	NA	NA	NA	5.39%
Advantage Plus II Fund	2006-07	NA	NA	NA	5.13%
Dynamic Floor Fund	2006-07	NA	NA	NA	0.06%

Note: NA represents non-existence of the fund at the beginning of the year

\* All are absolute returns

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

**Disclosures for ULIP Business**

**(A) Investment Management**

**Activities outsourced**

Investment Advisory Services with Kotak Mahindra Asset Management Company Limited

Custody of Equity & Debt securities with Deutsche Bank

**Fee paid for various activities charged to Policyholders' Account**

Investment Advisory fees paid to Kotak Mahindra Asset Management Company Limited – Rs. 16,837

Custody fees – Rs. 3,555

**Basis of payment of fees**

Investment Advisory fees – Rs. 1,500 p.m. i.e. Rs. 18,000 p.a. (Out of this amount Rs. 1,163 has been allocated to shareholders based on the Average assets held by them during the year.)

Custody fees – For the Period April 2006 to October 2006

– 0.03% for Custody of Debt securities

– 0.05% for Custody of Equity securities

Custody fees – For the Period November 2006 to March 2007

– 0.025% for Custody of Debt securities

– 0.040% for Custody of Equity securities

**(B) There are no Unclaimed redemption of Units During the year**

**(C) None of the Assets of the fund has been considered as doubtful and hence no provision for Doubtful debt has been made during the year.**

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Statement Showing Receipts and Payments made to Related Parties

Fund Names	Related Parties		
	Kotak Securities – Brokerage Paid	Kotak Mahindra Prime Ltd. – Interest Income	Kotak Mahindra Bank Ltd. – Interest Income
Dynamic Bond	—	710	344
Guaranteed Bond	—	696	266
Pension Bond	—	4	1
Group Bond	—	264	116
Guaranteed Money market	—	—	—
Group Money market	—	—	—
Dynamic Gilt	—	—	992
Guaranteed Gilt	—	—	366
Pension Gilt	—	—	4
Group Gilt	—	—	20
Dynamic Balanced	241	47	454
Guaranteed Balanced	509	261	1,041
Pension Balanced	131	22	107
Group Balanced	230	17	399
Dynamic Growth	607	8	210
Guaranteed Growth	3,510	1,863	5,682
Aggressive Growth	504	—	108
Dynamic Floating	—	—	516
Guaranteed Floating	—	—	406
Pension Floating	—	—	4
Group Floating	—	—	40
Advantage Fund	8	9	18
Advantage Multiplier Fund	64	83	115
Advantage Plus Fund	1,116	348	2,159
Advantage Multiplier II Fund	13	55	27
Advantage Plus II Fund	214	336	511
Dynamic Floor Fund	73	64	12
<b>Grand Total</b>	<b>7,222</b>	<b>4,787</b>	<b>13,918</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Statement Showing Company wise Details of Investments held in Promoter Group

Fund name	Promoter Group			
	Kotak Mahindra Bank Ltd. – FD		Kotak Mahindra Prime Ltd. – NCD	
	Amount	Percentage	Amount	Percentage
Dynamic Bond	—	0.00%	16,112	11.94%
Guaranteed Bond	1,891	1.14%	15,796	9.49%
Pension Bond	6	0.36%	84	5.04%
Group Bond	1,485	1.39%	6,730	6.32%
Guaranteed Money market	—	0.00%	—	0.00%
Group Money market	—	0.00%	—	0.00%
Dynamic Gilt	—	0.00%	—	0.00%
Guaranteed Gilt	4,706	2.33%	—	0.00%
Pension Gilt	87	1.92%	—	0.00%
Group Gilt	131	1.08%	—	0.00%
Dynamic Balanced	—	0.00%	2,477	1.01%
Guaranteed Balanced	10,030	1.06%	6,653	0.70%
Pension Balanced	4,410	1.00%	553	0.13%
Group Balanced	8,322	2.45%	28,142	8.29%
Dynamic Growth	—	0.00%	—	0.00%
Guaranteed Growth	70,742	1.11%	41,468	0.65%
Aggressive Growth	4,347	0.90%	—	0.00%
Dynamic Floating	5,516	2.74%	—	0.00%
Guaranteed Floating	6,035	1.99%	—	0.00%
Pension Floating	50	1.50%	—	0.00%
Group Floating	1,752	2.06%	—	0.00%
Advantage Fund	176	2.10%	402	4.78%
Advantage Multiplier Fund	1,624	2.65%	4,943	8.06%
Advantage Plus Fund	29,707	2.79%	48,194	4.53%
Advantage Multiplier II Fund	721	2.23%	1,509	4.66%
Advantage Plus II Fund	12,194	2.61%	23,858	5.10%
Dynamic Floor Fund	3,657	2.61%	3,367	2.41%
<b>Grand Total*</b>	<b>167,589</b>	<b>1.31%</b>	<b>200,288</b>	<b>1.57%</b>

\* This amount represents total exposure to promoter group as a percentage of total fund size

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Dynamic Bond	% of Total Funds
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	2,889	2.14%
7.70% NABARD 2009	288	0.21%
7.90% NABARD 09-Aug-2007	4,041	2.99%
8% SBBJ 28072007	1,363	1.01%
8.15% SBBJ 02082007	1,977	1.47%
8.25% IDBI 2011	676	0.50%
8.25% Indian Overseas Bank FD 22-Sept-2007	354	0.26%
9% SBBJ 211207	53	0.04%
9.35% PNB – 29.12.07	2,111	1.56%
9.50% FD SBI 27.04.2008	2,791	2.07%
CD Canara Bank – 28.02.08	760	0.56%
<b>Banks – Public Sector Total</b>	<b>17,304</b>	<b>12.82%</b>
<b>Finance – Housing – Large</b>		
8.40% HDFC 2009	319	0.24%
8.55% LIC Hsg Fin 2011	9,256	6.86%
HDFC 120310 Zero Coupon Bond	12,737	9.44%
<b>Finance – Housing – Large Total</b>	<b>22,312</b>	<b>16.53%</b>
<b>Finance – Investment/Others</b>		
11.19% Kotak Prime NCD 2008	16,112	11.94%
8.65% CitiFinancial Consumer Finance 05-Aug-2008	6,521	4.83%
8.90% CitiFinancial Consumer Finance – 05.08.09	17,804	13.19%
L&T Finance Ltd.	2,674	1.98%
<b>Finance – Investment/Others Total</b>	<b>43,112</b>	<b>31.95%</b>
<b>Finance – Term-Leading Institutions</b>		
9.90% PFC – 22.03.17	18,331	13.58%
<b>Finance – Term-Leading Institutions Total</b>	<b>18,331</b>	<b>13.58%</b>
<b>Others</b>		
Finance Leasing	4,011	2.97%
Banks – Private Sector	10,487	7.77%
Finance – Large	3,992	2.96%
Finance – Medium	8,471	6.28%
Finance – Housing – Medium	3,517	2.61%
Net Current Assets	3,414	2.53%
<b>Grand Total</b>	<b>134,950</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Guaranteed Bond	% of Total Funds
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	3,490	2.10%
7.70% NABARD 2009	155	0.09%
7.90% NABARD 09-Aug-2007	4,394	2.64%
8% SBBJ 28072007	3,949	2.37%
8.25% IDBI 2011	403	0.24%
8.25% Indian Overseas Bank FD 22-Sept-2007	2,710	1.63%
8.25% SBBJ 13-Sept-2007	97	0.06%
8.50% Exim Bank Bonds 2011	55	0.03%
9% SBBJ 211207	60	0.04%
9.35% PNB – 29.12.07	4,360	2.62%
9.50% FD SBI 27.04.2008	34	0.02%
CD Canara Bank – 28.02.08	222	0.13%
<b>Banks – Public Sector Total</b>	<b>19,930</b>	<b>11.97%</b>
<b>Finance – Housing – Large</b>		
8.40% HDFC 2009	4,270	2.56%
8.55% LIC Hsg Fin 2011	7,059	4.24%
HDFC 120310 Zero Coupon Bond	12,697	7.63%
<b>Finance – Housing – Large Total</b>	<b>24,026</b>	<b>14.43%</b>
<b>Finance – Investment/Others</b>		
11.19% Kotak Prime NCD 2008	15,796	9.49%
7.05% CitiFinancial Consumer Ltd. Nov 5, 2008	602	0.36%
8.65% CitiFinancial Consumer Finance 05-Aug-2008	7,348	4.41%
8.90% CitiFinancial Consumer Finance – 05.08.09	17,540	10.53%
Citicorp Finance India Ltd.	4,570	2.74%
L&T Finance Ltd.	1,599	0.96%
<b>Finance – Investment/Others Total</b>	<b>47,454</b>	<b>28.50%</b>
<b>Finance – Term-Leading Institutions</b>		
9.90% PFC – 22.03.17	18,124	10.88%
<b>Finance – Term – Leading Institutions Total</b>	<b>18,124</b>	<b>10.88%</b>
<b>Power Generation &amp; Supply</b>		
8.73% PGC 2012	17,262	10.37%
<b>Power Generation &amp; Supply Total</b>	<b>17,262</b>	<b>10.37%</b>
<b>Others</b>		
Banks – Private Sector	12,330	7.40%
Finance – Housing – Medium	3,783	2.27%
Finance Leasing	4,011	2.41%
Finance – Large	3,074	1.85%
Finance – Medium	6,219	3.73%
Refineries	5,664	3.40%
Net Current Assets	4,638	2.79%
<b>Grand Total</b>	<b>166,516</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Pension Bond	% of Total Funds
<b>Finance – Housing – Large</b>		
8.40% HDFC 2009	67	4.00%
8.55% LIC Hsg Fin 2011	57	3.41%
HDFC 120310 Zero Coupon Bond	72	4.30%
<b>Finance – Housing – Large Total</b>	<b>196</b>	<b>11.71%</b>
<b>Finance – Investment/Others</b>		
11.19% Kotak Prime NCD 2008	84	5.04%
7.05% CitiFinancial Consumer Ltd. Nov 5, 2008	26	1.53%
8.65% CitiFinancial Consumer Finance 05-Aug-2008	60	3.57%
8.90% Citi Financial Consumer Finance – 05.08.09	53	3.18%
Citicorp Finance India Ltd.	43	2.55%
<b>Finance – Investment/Others Total</b>	<b>266</b>	<b>15.88%</b>
<b>Finance – Term-Leading Institutions</b>		
8.55% PFC 2011	830	49.60%
9.90% PFC – 22.03.17	48	2.87%
<b>Finance – Term-Leading Institutions Total</b>	<b>878</b>	<b>52.47%</b>
<b>Others</b>		
Banks – Private Sector	50	3.01%
Banks – Public Sector	99	5.93%
Finance – Medium	35	2.12%
Finance Leasing	21	1.24%
Petrochemicals	94	5.59%
Net Current Assets	34	2.05%
<b>Grand Total</b>	<b>1,673</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Group Bond	% of Total Funds
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	1,296	1.22%
7.70% NABARD 2009	594	0.56%
8% SBBJ 28072007	75	0.07%
8.15% SBBJ 02082007	1,332	1.25%
8.25% Indian Overseas Bank FD 22-Sept-2007	1,329	1.25%
8.25% SBBJ 13-Sept-2007	167	0.16%
8.50% Exim Bank Bonds 2011	5,567	5.23%
9.35% PNB – 29.12.07	1,796	1.69%
9.50% FD SBI 27.04.2008	1,670	1.57%
CD Canara Bank – 28.02.08	1,491	1.40%
<b>Banks – Public Sector Total</b>	<b>15,317</b>	<b>14.38%</b>
<b>Finance – Housing – Large</b>		
10.25% HDFC 30.03.2017	3,655	3.43%
8.40% HDFC 2009	5,110	4.80%
8.55% LIC Hsg Fin 2011	4,122	3.87%
9.25% HDFC Ltd. 24.11.2016 Tier II Bond	229	0.21%
HDFC 120310 Zero Coupon Bond	11,957	11.23%
<b>Finance – Housing – Large Total</b>	<b>25,073</b>	<b>23.54%</b>
<b>Finance – Investment/Others</b>		
11.19% Kotak Prime NCD 2008	5,630	5.29%
7.97% Kotak Prime 06-Sept-2007	1,100	1.03%
8.65% CitiFinancial Consumer Finance – 05-Aug-2008	5,028	4.72%
8.75% Citicorp Finance 12-Sept-2006	26	0.02%
8.90% Citi Financial Consumer Finance – 05.08.09	12,385	11.63%
<b>Finance – Investment/Others Total</b>	<b>24,169</b>	<b>22.70%</b>
<b>Finance – Term-Leading Institutions</b>		
9.90% PFC – 22.03.17	13,618	12.79%
<b>Finance – Term-Leading Institutions Total</b>	<b>13,618</b>	<b>12.79%</b>
<b>Others</b>		
Finance – Large	143	0.13%
Finance – Medium	7,560	7.10%
Finance – Housing – Medium	967	0.91%
Finance Leasing	4,070	3.82%
Banks – Private Sector	6,954	6.53%
Power Generation & Supply	5,033	4.73%
Refineries	619	0.58%
Net Current Assets	2,969	2.79%
<b>Grand Total</b>	<b>106,491</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Guaranteed Money Market	% of Total Funds
<b>Banks – Private Sector</b>		
9.40% ICICI 28th December, 2011	10	0.42%
9.60% ICICI 31st December, 2007	1,231	50.39%
<b>Banks – Private Sector Total</b>	<b>1,242</b>	<b>50.81%</b>
<b>Banks – Public Sector</b>		
CD Canara Bank – 28th February, 2008	1,201	49.15%
<b>Banks – Public Sector Total</b>	<b>1,201</b>	<b>49.15%</b>
<b>Others</b>		
Net Current Assets	1	0.04%
<b>Grand Total</b>	<b>2,444</b>	<b>100.00%</b>

Industry	Group Money Market	% of Total Funds
<b>Banks – Private Sector</b>		
9.40% ICICI 28th December, 2011	1	1.21%
9.60% ICICI 31st December, 2007	45	51.96%
<b>Banks – Private Sector Total</b>	<b>46</b>	<b>53.17%</b>
<b>Banks – Public Sector</b>		
CD Canara Bank – 28th February, 2008	40	46.79%
<b>Banks – Public Sector Total</b>	<b>40</b>	<b>46.79%</b>
<b>Others</b>		
Net Current Assets	—	0.04%
<b>Grand Total</b>	<b>86</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Dynamic Gilt	% of Total Funds
Government of India Bonds	310,524	80.62%
Banks – Private Sector	31,549	8.19%
Banks – Public Sector	32,492	8.44%
Net Current Assets	10,583	2.75%
<b>Grand Total</b>	<b>385,148</b>	<b>100.00%</b>

Industry	Guaranteed Gilt	% of Total Funds
Government of India Bonds	162,580	80.44%
Banks – Private Sector	15,908	7.87%
Banks – Public Sector	17,661	8.74%
Net Current Assets	5,963	2.95%
<b>Grand Total</b>	<b>202,112</b>	<b>100.00%</b>

Industry	Pension Gilt	% of Total Funds
Government of India Bonds	3,762	82.81%
Banks – Private Sector	295	6.50%
Banks – Public Sector	336	7.40%
Net Current Assets	150	3.30%
<b>Grand Total</b>	<b>4,544</b>	<b>100.00%</b>

Industry	Group Gilt	% of Total Funds
Government of India Bonds	9,767	81.17%
Banks – Private Sector	892	7.41%
Banks – Public Sector	1,013	8.42%
Net Current Assets	361	3.00%
<b>Grand Total</b>	<b>12,032</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Guaranteed Balanced	% of Total Funds	Industry	Guaranteed Balanced	% of Total Funds
<b>Banks – Private Sector</b>			Automobiles – Passenger Cars	2,796	1.14%
10.30% UTI Bank 190208	3,048	1.24%	Automobiles – Scooters & 3-Wheelers	1,748	0.71%
10.50% UTI Bank FD 210208	2,380	0.97%	Cement – Major – North India	2,109	0.86%
7.90% ICICI 14-05-2007	986	0.40%	Cigarettes	5,520	2.25%
8% HDFC 18-06-2007	3,605	1.47%	Computers – Software – Large	20,209	8.22%
8.15% ICICI 12042007	4,601	1.87%	Construction – Civil/Turnkey – Large	2,769	1.13%
8.25% HDFC 14072007	756	0.31%	Construction – Factories/Offices/Commercial	1,208	0.49%
8.25% HDFC 14082007	2,587	1.05%	Diversified – Mega	4,035	1.64%
8.30% ICICI 28082007	810	0.33%	Electric Equipment – General – Large	3,510	1.43%
9.60% ICICI 31st December, 2007	331	0.13%	Electrical Equipment	2,645	1.08%
HDFC Bank Ltd.	2,719	1.11%	Electronics – Others	1,354	0.55%
ICICI Bank Ltd.	8,551	3.48%	Engineering – Heavy – General – Large	617	0.25%
UTI Bank FD 23.04.2007	1,639	0.67%	Engineering – Turnkey services	6,853	2.79%
<b>Banks – Private Sector Total</b>	<b>32,014</b>	<b>13.02%</b>	Entertainment – Electronic Media	1,219	0.50%
<b>Banks – Public Sector</b>			Finance – Housing – Large	13,255	5.39%
11.25% Canara Bank 130308	4,288	1.74%	Finance – Housing – Medium	2,753	1.12%
7.90% NABARD 09-Aug-2007	948	0.39%	Finance – Investment/Others	18,205	7.40%
8% SBBJ 28072007	89	0.04%	Finance – Large	8,333	3.39%
8.15% SBBJ 02082007	1,964	0.80%	Finance – Medium	2,738	1.11%
8.25% Indian Overseas Bank FD 22-Sept-2007	1,727	0.70%	Finance Leasing	4,966	2.02%
8.25% SBBJ 13-Sept-2007	174	0.07%	Finance – Small	387	0.16%
9% SBBJ 211207	3,266	1.33%	Heavy Electrical Equipment	958	0.39%
9.35% PNB – 29.12.07	200	0.08%	Hotels – Large	1,605	0.65%
9.35% PNB 28122007	6,704	2.73%	IT Consulting & Other Services	2,853	1.16%
9.50% FD SBI 27.04.2008	3,174	1.29%	Media & Entertainment	1,361	0.55%
Andhra Bank	1,634	0.66%	Metal – Copper/Copper Alloy Products	1,478	0.60%
CD Canara Bank – 28.02.08	2,868	1.17%	Oil Exploration/Allied services	4,880	1.98%
EXIM CP – 23.07.2007	2,004	0.82%	Paints/Varnishes	2,387	0.97%
Exim CP 12-July-2006	3,385	1.38%	Personal Care – Indian – Large	1,642	0.67%
Indian Bank	469	0.19%	Personal Care – Multinational	4,324	1.76%
Punjab National Bank	1,514	0.62%	Pesticides/Agrochemicals	1,558	0.63%
State Bank of India	4,346	1.77%	Petrochemicals	188	0.08%
<b>Banks – Public Sector Total</b>	<b>38,752</b>	<b>15.76%</b>	Pharmaceuticals – Indian – Bulk Drugs	4,098	1.67%
<b>Others</b>			Refineries	12,531	5.10%
Aluminium	934	0.38%	Steel	2,479	1.01%
Automobiles – Tractors	3,410	1.39%	Steel – Large	732	0.30%
Auto Ancillaries – Engine Parts	490	0.20%	Steel – Sponge Iron	2,259	0.92%
Auto Parts & Equipment	663	0.27%	Telecommunications – Service Provider	11,833	4.81%
Automobiles – LCVs/HCVs	2,097	0.85%	Transport Road	2,063	0.84%
			Net Current Assets	1,025	0.42%
			<b>Grand Total</b>	<b>245,844</b>	<b>100.00%</b>

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### Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

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#### 25E. Unit Linked Disclosures – Other Disclosures

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Guaranteed Balanced	% of Total Funds	Industry	Guaranteed Balanced	% of Total Funds
<b>Banks – Private Sector</b>			Auto Parts & Equipment	1,767	0.19%
10.30% UTI Bank 190208	3,343	0.35%	Automobiles – LCVs/HCVs	7,578	0.80%
10.50% UTI Bank FD 210208	8,884	0.94%	Automobiles – Passenger Cars	8,171	0.86%
7.90% ICICI 14-05-2007	9,939	1.05%	Automobiles – Scooters & 3-Wheelers	7,778	0.82%
8% HDFC 18-06-2007	14,488	1.53%	Cement – Major – North India	6,738	0.71%
8% KMBL 11042007	1,081	0.11%	Cigarettes	15,223	1.61%
8% Kotak Bank 090407	8,949	0.95%	Computers – Software – Large	61,002	6.44%
8.15% ICICI 12042007	5,596	0.59%	Construction – Civil/Turnkey – Large	7,558	0.80%
8.25% HDFC 14072007	6,590	0.70%	Construction – Factories/Offices/Commercial	3,220	0.34%
8.25% HDFC 14082007	2,341	0.25%	Diversified – Mega	11,111	1.17%
8.25% HDFC 16072007	27	0.00%	Electric Equipment – General – Large	14,104	1.49%
8.30% ICICI 28082007	6,028	0.64%	Electrical Equipment	7,613	0.80%
9.40% ICICI 28th December, 2011	1,499	0.16%	Electronics – Others	4,171	0.44%
9.60% ICICI 31st December, 2007	2,432	0.26%	Engineering – Heavy – General – Large	4,041	0.43%
HDFC Bank Ltd.	8,349	0.88%	Engineering – Turnkey services	20,459	2.16%
ICICI Bank Ltd.	24,603	2.60%	Entertainment – Electronic Media	3,185	0.34%
UTI Bank FD 23.04.2007	12,991	1.37%	Finance – Housing – Large	46,740	4.94%
<b>Banks – Private Sector Total</b>	<b>117,140</b>	<b>12.37%</b>	Finance – Housing – Medium	16,216	1.71%
<b>Banks – Public Sector</b>			Finance – Investment/Others	67,521	7.13%
11.25% Canara Bank 130308	5,185	0.55%	Finance – Large	13,795	1.46%
7.70% NABARD 2009	23,240	2.45%	Finance – Medium	31,425	3.32%
8% SBBJ 28072007	10,507	1.11%	Finance Leasing	15,407	1.63%
8.15% SBBJ 02082007	5,447	0.58%	Finance – Small	53,664	5.67%
8.25% Indian Overseas Bank FD 22-Sept-2007	11,590	1.22%	Heavy Electrical Equipment	2,840	0.30%
8.25% SBBJ 13-Sept-2007	624	0.07%	Hotels – Large	5,191	0.55%
9% SBBJ 211207	4,976	0.53%	IT Consulting & Other Services	8,167	0.86%
9.35% PNB – 29.12.07	15,283	1.61%	Media & Entertainment	4,182	0.44%
9.35% PNB 28122007	11,766	1.24%	Metal – Copper/Copper Alloy Products	4,195	0.44%
9.50% FD SBI 27.04.2008	11,480	1.21%	Oil Exploration/Allied services	13,626	1.44%
Andhra Bank	4,283	0.45%	Paints/Varnishes	4,913	0.52%
CD Canara Bank – 28.02.08	20,297	2.14%	Personal Care – Indian – Large	4,093	0.43%
EXIM CP – 23.07.2007	9,125	0.96%	Personal Care – Multinational	16,122	1.70%
Exim CP 05-July-2007	9,316	0.98%	Pesticides/Agrochemicals	4,285	0.45%
Exim CP 12-July-2006	27,534	2.91%	Petrochemicals	7,807	0.82%
Indian Bank	1,440	0.15%	Pharmaceuticals – Indian – Bulk Drugs	12,668	1.34%
Punjab National Bank	5,591	0.59%	Refineries	49,987	5.28%
State Bank of India	12,375	1.31%	Steel	7,066	0.75%
<b>Banks – Public Sector Total</b>	<b>190,058</b>	<b>20.07%</b>	Steel – Large	2,172	0.23%
<b>Others</b>			Steel – Sponge Iron	6,776	0.72%
Aluminium	2,089	0.22%	Telecommunications – Service Provider	35,844	3.79%
Automobiles – Tractors	8,577	0.91%	Transport Road	4,671	0.49%
Auto Ancillaries – Engine Parts	3,456	0.36%	Net Current Assets	2,533	0.27%
			<b>Grand Total</b>	<b>946,944</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Pension Balanced	% of Total Funds	Industry	Pension Balanced	% of Total Funds
<b>Banks – Public Sector</b>			Cigarettes	5,775	1.31%
11.25% Canara Bank 130308	499	0.11%	Computers – Software – Large	25,003	5.67%
7.70% NABARD 2009	12,717	2.88%	Construction – Civil/Turnkey – Large	1,512	0.34%
7.90% NABARD 09-Aug-2007	2,841	0.64%	Construction – Factories/Offices/Commercial	5,265	1.19%
8% SBBJ 28072007	4,302	0.97%	Diversified – Mega	5,385	1.22%
8.15% SBBJ 02082007	677	0.15%	Electric Equipment – General – Large	8,623	1.95%
8.25% IDBI 2011	6,082	1.38%	Electrical Equipment	7,235	1.64%
8.25% Indian Overseas Bank FD 22-Sept-2007	4,308	0.98%	Electronics-Others	1,976	0.45%
8.25% SBBJ 13-Sept-2007	1,794	0.41%	Engineering – Heavy – General – Large	574	0.13%
8.50% Exim Bank Bonds 2011	2,872	0.65%	Engineering – Turnkey services	7,861	1.78%
9% SBBJ 211207	2,165	0.49%	Entertainment – Electronic Media	3,245	0.74%
9.35% PNB – 29.12.07	8,760	1.98%	Finance – Housing – Medium	1,732	0.39%
9.35% PNB 28122007	2,504	0.57%	Finance – Investment/Others	35,936	8.14%
9.50% FD SBI 27.04.2008	6,345	1.44%	Finance – Large	14,349	3.25%
Andhra Bank	1,321	0.30%	Finance – Medium	10,114	2.29%
CD Canara Bank – 28.02.08	11,541	2.62%	Finance – Term – Leading Institutions	10,159	2.30%
EXIM CP – 23.07.2007	9,543	2.16%	Finance Leasing	6,041	1.37%
Exim CP 05-July-2007	3,149	0.71%	Finance – Small	2,531	0.57%
Indian Bank	251	0.06%	Heavy Electrical Equipment	1,562	0.35%
Punjab National Bank	1,159	0.26%	Hotels – Large	1,824	0.41%
State Bank of India	4,943	1.12%	IT Consulting & Other Services	4,503	1.02%
<b>Banks – Public Sector Total</b>	<b>87,774</b>	<b>19.89%</b>	Media & Entertainment	1,216	0.28%
<b>Finance – Housing – Large</b>			Metal – Copper/Copper Alloy Products	1,220	0.28%
10.25% HDFC 30.03.2017	18,432	4.18%	Oil Exploration/Allied services	4,351	0.99%
8.40% HDFC 2009	6,170	1.40%	Paints/Varnishes	5,739	1.30%
9.25% HDFC Ltd. 24.11.2016 Tier II Bond	14,633	3.32%	Personal Care – Indian – Large	1,429	0.32%
Housing Development Finance Corp. Ltd.	4,935	1.12%	Personal Care – Multinational	5,533	1.25%
LIC Housing Finance 30.08.2007	3,998	0.91%	Pesticides/Agrochemicals	4,383	0.99%
<b>Finance – Housing – Large Total</b>	<b>48,168</b>	<b>10.91%</b>	Petrochemicals	9,490	2.15%
<b>Others</b>			Pharmaceuticals – Indian – Bulk Drugs	4,893	1.11%
Aluminium	441	0.10%	Power Generation & Supply	13,079	2.96%
Automobiles – Tractors	4,206	0.95%	Refineries	17,191	3.90%
Auto Ancillaries – Engine Parts	4,021	0.91%	Steel	2,938	0.67%
Auto Parts & Equipment	847	0.19%	Steel – Large	2,332	0.53%
Automobiles – LCVs/HCVs	2,613	0.59%	Steel – Sponge Iron	2,801	0.63%
Automobiles – Passenger Cars	3,113	0.71%	Telecommunications – Service Provider	22,859	5.18%
Automobiles – Scooters & 3-Wheelers	2,782	0.63%	Transport Road	3,351	0.76%
Banks – Private Sector	43,566	9.87%	Net Current Assets	(22,710)	– 5.15%
Cement – Major – North India	2,479	0.56%	<b>Grand Total</b>	<b>441,307</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

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**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Group Balanced Fund	% of Total Funds
<b>Banks – Private Sector</b>		
10.30% UTI Bank 190208	2,630	0.78%
10.50% UTI Bank FD 210208	4,074	1.20%
7.90% ICICI 14-05-2007	4,048	1.19%
8% HDFC 18-06-2007	5,484	1.62%
8% KMBL 11042007	472	0.14%
8% Kotak Bank 090407	7,850	2.31%
8.15% ICICI 12042007	1,655	0.49%
8.25% HDFC 14072007	2,567	0.76%
9.60% ICICI 31st December, 2007	965	0.28%
HDFC Bank Ltd.	4,675	1.38%
ICICI Bank Ltd.	11,857	3.49%
UTI Bank FD 23.04.2007	1,975	0.58%
<b>Banks – Private Sector Total</b>	<b>48,253</b>	<b>14.22%</b>
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	897	0.26%
7.70% NABARD 2009	11,248	3.31%
7.90% NABARD 09-Aug-2007	5,466	1.61%
8% SBBJ 28072007	1,300	0.38%
8.15% SBBJ 02082007	2,575	0.76%
8.25% Indian Overseas Bank FD 22-Sept-2007	4,984	1.47%
8.25% SBBJ 13-Sept-2007	393	0.12%
9% SBBJ 211207	590	0.17%
9.35% PNB – 29.12.07	979	0.29%
9.35% PNB 28122007	5,923	1.75%
9.50% FD SBI 27.04.2008	5,843	1.72%
Andhra Bank	1,506	0.44%
CD Canara Bank – 28.02.08	7,975	2.35%
EXIM CP – 23.07.2007	2,004	0.59%
Exim CP 12-July-2006	2,274	0.67%
Indian Bank	435	0.13%
Punjab National Bank	1,484	0.44%
State Bank of India	5,853	1.72%
<b>Banks – Public Sector Total</b>	<b>61,730</b>	<b>18.19%</b>
<b>Finance – Investment/Others</b>		
7.05% CitiFinancial Consumer Ltd., Nov 5, 2008	1,860	0.55%
7.97% Kotak Prime 06-Sept-2007	28,142	8.29%
8.65% CitiFinancial Consumer Finance 05-Aug-2008	2,272	0.67%
8.75% Citicorp Finance 12-Sept-2006	5,778	1.70%
Citicorp Finance India Ltd.	2,998	0.88%
Infrastructure Development Finance Company Ltd.	1,046	0.31%
L&T Finance Ltd.	779	0.23%
<b>Finance – Investment/Others Total</b>	<b>42,875</b>	<b>12.63%</b>
<b>Others</b>		
Aluminium	781	0.23%

Industry	Group Balanced Fund	% of Total Funds
Automobiles – Tractors	3,103	0.91%
Auto Ancillaries – Engine Parts	490	0.14%
Auto Parts & Equipment	552	0.16%
Automobiles – LCVs/HCVs	3,312	0.98%
Automobiles – Passenger Cars	2,959	0.87%
Automobiles – Scooters & 3-Wheelers	3,423	1.01%
Cement – Major – North India	2,759	0.81%
Cigarettes	6,930	2.04%
Computers – Software – Large	27,406	8.08%
Construction – Civil/Turnkey – Large	2,434	0.72%
Construction – Factories/Offices/Commercial	1,096	0.32%
Diversified – Mega	4,117	1.21%
Electric Equipment – General – Large	7,707	2.27%
Electrical Equipment	2,645	0.78%
Electronics – Others	2,151	0.63%
Engineering – Heavy – General – Large	1,776	0.52%
Engineering – Turnkey services	8,677	2.56%
Entertainment – Electronic Media	898	0.26%
Finance – Housing – Large	22,119	6.52%
Finance – Housing – Medium	705	0.21%
Finance – Large	8,401	2.48%
Finance – Medium	11,389	3.36%
Finance – Term – Leading Institutions	3,797	1.12%
Finance Leasing	15,959	4.70%
Finance – Small	5,140	1.51%
Heavy Electrical Equipment	1,526	0.45%
Hotels – Large	1,912	0.56%
IT Consulting & Other Services	5,426	1.60%
Media & Entertainment	1,279	0.38%
Metal – Copper/Copper Alloy Products	1,464	0.43%
Oil Exploration/Allied services	5,945	1.75%
Paints/Varnishes	1,922	0.57%
Personal Care – Indian – Large	1,280	0.38%
Personal Care-Multinational	6,978	2.06%
Pesticides/Agrochemicals	1,428	0.42%
Petrochemicals	141	0.04%
Pharmaceuticals-Indian-Bulk Drugs	4,783	1.41%
Refineries	15,999	4.71%
Steel	2,454	0.72%
Steel – Large	4,206	1.24%
Steel – Sponge Iron	2,040	0.60%
Telecommunications – Service Provider	16,340	4.82%
Transport Road	1,800	0.53%
Net Current Assets	(41,154)	- 12.13%
<b>Grand Total</b>	<b>339,353</b>	<b>100.00%</b>

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(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Dynamic Growth	% of Total Funds	Industry	Dynamic Growth	% of Total Funds
Computers – Software – Large			Entertainment – Electronic Media	3,095	0.56%
HCL Technologies Ltd.	5,478	0.99%	Finance – Housing – Large	49,093	8.92%
Infosys Technologies Ltd.	25,229	4.58%	Finance – Investment/Others	22,732	4.13%
Satyam Ltd.	13,353	2.42%	Finance – Large	10,184	1.85%
Tata Consultancy Services	16,957	3.08%	Finance – Medium	9,978	1.81%
<b>Computers – Software – Large Total</b>	<b>61,017</b>	<b>11.08%</b>	Finance – Small	13,964	2.54%
<b>Others</b>			Heavy Electrical Equipment	3,017	0.55%
Aluminium	3,220	0.58%	Hotels – Large	4,627	0.84%
Automobiles – Tractors	9,021	1.64%	IT Consulting & Other Services	8,503	1.54%
Auto Ancillaries – Engine Parts	2,245	0.41%	Media & Entertainment	4,372	0.79%
Auto Parts & Equipment	1,804	0.33%	Metal – Copper/Copper Alloy Products	4,373	0.79%
Automobiles – LCVs/HCVs	6,671	1.21%	Oil Exploration/Allied services	14,348	2.61%
Automobiles – Passenger Cars	8,159	1.48%	Paints/Varnishes	6,243	1.13%
Automobiles – Scooters & 3-Wheelers	6,426	1.17%	Personal Care – Indian – Large	4,381	0.80%
Banks – Private Sector	34,253	6.22%	Personal Care – Multinational	13,085	2.38%
Banks – Public Sector	46,980	8.53%	Pesticides/Agrochemicals	4,496	0.82%
Cement – Major – North India	6,269	1.14%	Pharmaceuticals – Indian – Bulk Drugs	11,803	2.14%
Cigarettes	16,162	2.94%	Refineries	35,805	6.50%
Construction – Civil/Turnkey – Large	8,215	1.49%	Steel	6,266	1.14%
Construction – Factories/Offices/Commercial	3,767	0.68%	Steel – Large	2,240	0.41%
Diversified – Mega	10,831	1.97%	Steel – Sponge Iron	5,706	1.04%
Electric Equipment – General – Large	11,608	2.11%	Telecommunications – Service Provider	35,645	6.47%
Electrical Equipment	7,665	1.39%	Transport Road	4,441	0.81%
Electronics – Others	4,008	0.73%	Net Current Assets	(1,580)	-0.29%
Engineering – Heavy – General – Large	4,840	0.88%	<b>Grand Total</b>	<b>550,652</b>	<b>100.00%</b>
Engineering – Turnkey services	20,676	3.75%			

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**Schedules forming part of the Financial Statements (Continued)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Guaranteed Growth	% of Total Funds	Industry	Guaranteed Growth	% of Total Funds
<b>Banks - Private Sector</b>			Auto Ancillaries-Engine Parts	14,617	0.23%
10.30% UTI Bank 190208	36,070	0.56%	Auto Parts & Equipment	16,372	0.26%
10.50% UTI Bank FD 210208	49,571	0.78%	Automobiles-LCVs/HCVs	57,224	0.90%
7.90% ICICI 14-05-2007	3,442	0.05%	Automobiles-Passenger Cars	73,469	1.15%
8% HDFC 18-06-2007	66,556	1.04%	Automobiles-Scooters & 3-Wheelers	52,706	0.83%
8% KMBL 11042007	43,803	0.69%	Cement-Major-North India	53,809	0.84%
8% Kotak Bank 090407	26,940	0.42%	Cigarettes	136,534	2.14%
8.15% ICICI 12042007	29,826	0.47%	Computers-Software-Large	530,080	8.30%
8.25% HDFC 14072007	28,982	0.45%	Construction-Civil/Turnkey-Large	62,460	0.98%
8.25% HDFC 14082007	28,165	0.44%	Construction-Factories/Offices/Commercial	21,969	0.34%
8.25% HDFC 16072007	3,750	0.06%	Diversified-Mega	97,280	1.52%
8.30% ICICI 28082007	33,395	0.52%	Electric Equipment-General-Large	119,049	1.86%
9.40% ICICI 28th December, 2011	3,048	0.05%	Electrical Equipment	64,996	1.02%
9.60% ICICI 31st December, 2007	98,565	1.54%	Electronics-Others	34,708	0.54%
HDFC Bank Ltd.	74,539	1.17%	Engineering-Heavy-General-Large	38,171	0.60%
ICICI Bank Ltd.	229,296	3.59%	Engineering-Turnkey services	178,950	2.80%
UTI Bank FD 23.04.2007	79,537	1.25%	Entertainment- Electronic Media	26,317	0.41%
<b>Banks - Private Sector Total</b>	<b>835,485</b>	<b>13.08%</b>	Finance - Housing - Large	345,043	5.40%
<b>Banks - Public Sector</b>			Finance - Housing - Medium	41,742	0.65%
11.25% Canara Bank 130308	86,795	1.36%	Finance - Investment/Others	316,636	4.96%
11.50% Exim 21-Feb-2009	14,072	0.22%	Finance - Large	18,831	0.29%
11.50% IDBI 14-March-2010	10,372	0.16%	Finance - Medium	44,710	0.70%
12% NABARD 05-January-2012	2,738	0.04%	Finance - Term-Leading Institutions	42,947	0.67%
6.2% Exim Bank 2008	49,489	0.77%	Finance Leasing	32,839	0.51%
7.70% NABARD 2009	162,715	2.55%	Finance-Small	156,037	2.44%
7.90% NABARD 09-Aug-2007	28,113	0.44%	Heavy Electrical Equipment	28,149	0.44%
8% SBBJ 28072007	42,780	0.67%	Hotels-Large	40,853	0.64%
8.15% SBBJ 02082007	22,748	0.36%	IT Consulting & Other Services	79,871	1.25%
8.25% IDBI 2011	10,558	0.17%	Media & Entertainment	36,998	0.58%
8.25% Indian Overseas Bank FD 22-Sept-2007	57,715	0.90%	Metal-Copper/Copper Alloy Products	36,597	0.57%
8.25% SBBJ 13-Sept-2007	25,197	0.39%	Oil Exploration/Allied services	117,560	1.84%
8.50% Exim Bank Bonds 2011	76,464	1.20%	Paints/Varnishes	39,449	0.62%
8.95% PNB 18-April-2016	7,335	0.11%	Personal Care-Indian-Large	33,723	0.53%
9% SBBJ 211207	26,664	0.42%	Personal Care-Multinational	116,046	1.82%
9.35% PNB - 29.12.07	67,610	1.06%	Pesticides/Agrochemicals	32,963	0.52%
9.35% PNB 28122007	89,383	1.40%	Petrochemicals	31,373	0.49%
9.50% FD SBI 27.04.2008	51,597	0.81%	Pharmaceuticals-Indian-Bulk Drugs	112,281	1.76%
Andhra Bank	35,320	0.55%	Power Generation & Supply	15,556	0.24%
CD Canara Bank - 28.02.08	94,481	1.48%	Refineries	330,338	5.17%
EXIM CP - 23.07.2007	38,113	0.60%	Steel	58,740	0.92%
Exim CP 05-July-2007	70,746	1.11%	Steel-Large	29,249	0.46%
Exim CP 12-July-2006	97,482	1.53%	Steel-Sponge Iron	52,568	0.82%
Indian Bank	11,651	0.18%	Telecommunications-Service Provider	310,174	4.86%
Punjab National Bank	44,473	0.70%	Transport Road	38,884	0.61%
State Bank of India	117,028	1.83%	Government of India Bonds	189,214	2.96%
<b>Banks - Public Sector Total</b>	<b>1,341,637</b>	<b>21.01%</b>	Net Current Assets	(200,006)	-3.13%
<b>Others</b>			<b>Grand Total</b>	<b>6,386,869</b>	<b>100.00%</b>
Aluminium	17,077	0.27%			
Automobiles-Tractors	84,595	1.32%			

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**Schedules forming part of the Financial Statements (Continued)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Aggressive Growth Fund	% of Total Funds	Industry	Aggressive Growth Fund	% of Total Funds
<b>Computers-Software-Large</b>			Engineering-Heavy-General-Large	3,591	0.75%
HCL Technologies Ltd.	5,292	1.10%	Engineering-Turnkey services	19,263	4.00%
Infosys Technologies Ltd.	30,356	6.31%	Entertainment- Electronic Media	3,267	0.68%
Satyam Ltd.	13,240	2.75%	Finance - Housing - Large	12,538	2.60%
Tata Consultancy Services	17,281	3.59%	Finance - Investment/Others	2,093	0.43%
<b>Total Computers-Software-Large</b>	<b>66,170</b>	<b>13.75%</b>	Heavy Electrical Equipment	9,939	2.06%
<b>Others</b>			Hotels-Large	4,875	1.01%
Aluminium	2,208	0.46%	IT Consulting & Other Services	8,447	1.75%
Automobiles-Tractors	8,549	1.78%	Media & Entertainment	4,395	0.91%
Auto Ancillaries-Engine Parts	2,317	0.48%	Metal-Copper/Copper Alloy Products	4,223	0.88%
Auto Parts & Equipment	1,730	0.36%	Oil Exploration/Allied services	13,696	2.85%
Automobiles-LCVs/HCVs	6,794	1.41%	Paints/Varnishes	5,748	1.19%
Automobiles-Passenger Cars	7,153	1.49%	Personal Care-Indian-Large	4,313	0.90%
Automobiles-Scooters & 3-Wheelers	6,991	1.45%	Personal Care-Multinational	16,549	3.44%
Banks - Private Sector	46,453	9.65%	Pesticides/Agrochemicals	4,253	0.88%
Banks - Public Sector	38,828	8.07%	Pharmaceuticals-Indian-Bulk Drugs	11,834	2.46%
Cement-Major-North India	6,319	1.31%	Refineries	38,749	8.05%
Cigarettes	15,470	3.21%	Steel	7,140	1.48%
Construction-Civil/Turnkey-Large	7,916	1.64%	Steel-Large	2,240	0.47%
Construction-Factories/Offices/Commercial	3,184	0.66%	Steel-Sponge Iron	7,132	1.48%
Diversified-Mega	10,751	2.23%	Telecommunications-Service Provider	36,255	7.53%
Electric Equipment-General-Large	13,360	2.78%	Transport Road	5,236	1.09%
Electrical Equipment	15,346	3.19%	Net Current Assets	(8,077)	- 1.68%
Electronics-Others	4,166	0.87%	<b>Grand Total</b>	<b>481,407</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Continued)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Dynamic Floating Rate	% of Total Funds
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	5,303	2.64%
8% SBBJ 28072007	4,833	2.40%
9.35% PNB – 29.12.07	4,686	2.33%
9.35% PNB 28122007	187	0.09%
9.50% FD SBI 27.04.2008	394	0.20%
IDBI Floater 2007 (1 yr Gsec + .45)	18,101	9.00%
IDBI Floater 2009 (5 yr Gsec + 1.00)	10,203	5.07%
<b>Banks – Public Sector Total</b>	<b>43,708</b>	<b>21.72%</b>
<b>Finance – Investment/Others</b>		
Citicorp Consumer Finance Floater (MIBOR+283)	17,413	8.65%
IDFC Floater 03-06-2009	34,004	16.90%
M & M Finance (Mibor + 185 bps)	14,058	6.99%
<b>Finance – Investment/Others Total</b>	<b>65,475</b>	<b>32.54%</b>
<b>Finance – Large</b>		
Sundaram Finance Limited Floater (MIBOR+130)	27,997	13.91%
<b>Finance – Large Total</b>	<b>27,997</b>	<b>13.91%</b>
<b>Finance – Small</b>		
G E Capital Daily MIBOR + 120 bps	26,286	13.06%
<b>Finance – Small Total</b>	<b>26,286</b>	<b>13.06%</b>
<b>Others</b>		
Banks – Private Sector	16,398	8.15%
Finance – Housing – Large	14,527	7.22%
Net Current Assets	6,815	3.39%
<b>Grand Total</b>	<b>201,206</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Continued)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Guaranteed Floating Rate	% of Total Funds
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	2,991	0.99%
8% SBBJ 28072007	3,582	1.18%
8.15% SBBJ 02082007	1,137	0.38%
8.25% Indian Overseas Bank FD 22-Sept-2007	6,421	2.12%
8.25% SBBJ 13-Sept-2007	1,021	0.34%
9% SBBJ 211207	799	0.26%
9.35% PNB – 29.12.07	5,151	1.70%
9.35% PNB 28122007	900	0.30%
9.50% FD SBI 27.04.2008	1,911	0.63%
CD Canara Bank – 28.02.08	4,337	1.43%
IDBI Floater 2007 (1 yr Gsec + .45)	25,586	8.44%
IDBI Floater 2009 (5 yr Gsec + 1.00)	33,454	11.04%
<b>Banks - Public Sector Total</b>	<b>87,288</b>	<b>28.79%</b>
<b>Finance - Investment/Others</b>		
Citicorp Consumer Finance Floater (MIBOR+283)	24,368	8.04%
IDFC Floater 03-06-2009	26,397	8.71%
M & M Finance (Mibor + 185 bps)	29,787	9.83%
<b>Finance – Investment/Others Total</b>	<b>80,552</b>	<b>26.57%</b>
<b>Finance – Large</b>		
Sundaram Finance Limited Floater (MIBOR+130)	32,161	10.61%
<b>Finance – Large Total</b>	<b>32,161</b>	<b>10.61%</b>
<b>Finance-Small</b>		
G E Capital Daily MIBOR + 120 bps	33,457	11.04%
<b>Finance – Small Total</b>	<b>33,457</b>	<b>11.04%</b>
<b>Others</b>		
Banks – Private Sector	22,988	7.58%
Finance – Housing – Large	26,422	8.72%
Government of India Bonds	10,937	3.61%
Net Current Assets	9,337	3.08%
<b>Grand Total</b>	<b>303,141</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Continued)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Pension Floating Rate	% of Total Funds
<b>Banks – Public Sector</b>		
8% SBBJ 28072007	50	1.48%
8.15% SBBJ 02082007	3	0.09%
8.25% Indian Overseas Bank FD 22-Sept-2007	38	1.15%
9.35% PNB – 29.12.07	45	1.36%
9.35% PNB 28122007	15	0.44%
9.50% FD SBI 27.04.2008	60	1.79%
CD Canara Bank – 28.02.08	77	2.30%
IDBI Floater 2007 (1 yr Gsec + .45)	240	7.18%
IDBI Floater 2009 (5 yr Gsec + 1.00)	434	12.97%
<b>Banks – Public Sector Total</b>	<b>962</b>	<b>28.75%</b>
<b>Finance – Housing – Large</b>		
LIC Housing Finance Ltd. Floater 2010 (IBMK +.55)	468	14.00%
<b>Finance – Housing – Large Total</b>	<b>468</b>	<b>14.00%</b>
<b>Finance – Investment/Others</b>		
Citicorp Consumer Finance Floater (MIBOR+283)	200	5.98%
IDFC Floater 03-06-2009	410	12.25%
M & M Finance (Mibor + 185 bps)	240	7.18%
<b>Finance – Investment/Others Total</b>	<b>850</b>	<b>25.40%</b>
<b>Finance – Large</b>		
Sundaram Finance Limited Floater (MIBOR+130)	392	11.71%
<b>Finance – Large Total</b>	<b>392</b>	<b>11.71%</b>
<b>Finance – Small</b>		
G E Capital Daily MIBOR + 120 bps	360	10.75%
<b>Finance-Small Total</b>	<b>360</b>	<b>10.75%</b>
<b>Others</b>		
Banks – Private Sector	216	6.46%
Net Current Assets	98	2.92%
<b>Grand Total</b>	<b>3,345</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Continued)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Group Floating Rate	% of Total Funds
<b>Banks – Public Sector</b>		
11.25% Canara Bank 130308	199	0.23%
8% SBBJ 28072007	270	0.32%
8.15% SBBJ 02082007	1,058	1.25%
8.25% Indian Overseas Bank FD 22-Sept-2007	1,006	1.18%
8.25% SBBJ 13-Sept-2007	52	0.06%
9.35% PNB – 29.12.07	1,513	1.78%
9.50% FD SBI 27.04.2008	1,399	1.65%
CD Canara Bank – 28.02.08	1,208	1.42%
IDBI Floater 2007 (1 yr Gsec + .45)	5,930	6.98%
IDBI Floater 2009 (5 yr Gsec + 1.00)	5,909	6.96%
<b>Banks – Public Sector Total</b>	<b>18,545</b>	<b>21.83%</b>
<b>Finance – Housing - Large</b>		
LIC Housing Finance Ltd. Floater 2010 (IBMK +.55)	8,783	10.34%
<b>Finance – Housing – Large Total</b>	<b>8,783</b>	<b>10.34%</b>
<b>Finance – Investment/Others</b>		
Citicorp Consumer Finance Floater (MIBOR+283)	8,019	9.44%
IDFC Floater 03-06-2009	14,888	17.52%
M & M Finance (Mibor + 185 bps)	5,916	6.96%
<b>Finance – Investment/Others Total</b>	<b>28,823</b>	<b>33.93%</b>
<b>Finance – Small</b>		
G E Capital Daily MIBOR + 120 bps	12,055	14.19%
<b>Finance – Small Total</b>	<b>12,055</b>	<b>14.19%</b>
<b>Others</b>		
Banks – Private Sector	7,044	8.29%
Finance – Large	7,030	8.28%
Net Current Assets	2,679	3.15%
<b>Grand Total</b>	<b>84,959</b>	<b>100.00%</b>

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Advantage Fund	% of Total Funds	Industry	Advantage Fund	% of Total Funds
<b>Banks – Private Sector</b>			Automobiles-LCVs/HCVs	49	0.58%
10.30% UTI Bank 190208	65	0.78%	Automobiles – Passenger Cars	46	0.55%
10.50% UTI Bank FD 210208	98	1.16%	Automobiles – Scooters & 3-Wheelers	44	0.52%
8% HDFC 18-06-2007	139	1.65%	Cement – Major – North India	42	0.50%
8.25% HDFC 14072007	38	0.45%	Cigarettes	113	1.35%
9.40% ICICI 28th December 2011	214	2.55%	Computers – Software – Large	418	4.96%
9.50% Kotak Bank FD 31.01.2012	176	2.10%	Construction – Civil/Turnkey – Large	36	0.42%
HDFC Bank Ltd.	48	0.57%	Construction – Factories/Offices/Commercial	35	0.42%
ICICI Bank Ltd.	170	2.02%	Diversified – Mega	77	0.92%
<b>Banks – Private Sector Total</b>	<b>949</b>	<b>11.28%</b>	Electric Equipment – General – Large	77	0.91%
<b>Banks – Public Sector</b>			Electrical Equipment	32	0.38%
11.25% Canara Bank 130308	199	2.37%	Electronics – Others	17	0.20%
8.15% SBBJ 02082007	23	0.28%	Engineering – Heavy – General – Large	31	0.37%
8.25% IDBI 2011	480	5.71%	Engineering – Turnkey services	203	2.41%
8.25% Indian Overseas Bank FD 22-Sept-2007	105	1.25%	Entertainment – Electronic Media	28	0.33%
8.50% Exim Bank Bonds 2011	48	0.57%	Finance – Housing – Large	537	6.38%
9% SBBJ 211207	187	2.23%	Finance – Housing – Medium	104	1.23%
9.35% PNB – 29.12.07	173	2.06%	Finance – Large	579	6.89%
9.35% PNB 28122007	18	0.22%	Finance – Term – Leading Institutions	431	5.12%
9.50% FD SBI 27.04.2008	21	0.25%	Finance – Small	249	2.96%
9.85% NABARD 2012	302	3.59%	Heavy Electrical Equipment	18	0.21%
Andhra Bank	13	0.15%	Hotels-Large	44	0.52%
EXIM CP – 23.07.2007	100	1.19%	IT Consulting & Other Services	59	0.70%
Punjab National Bank	43	0.51%	Media & Entertainment	23	0.27%
State Bank of India	102	1.22%	Metal-Copper/Copper Alloy Products	33	0.40%
<b>Banks – Public Sector Total</b>	<b>1,816</b>	<b>21.59%</b>	Oil Exploration/Allied services	92	1.10%
<b>Finance – Investment/Others</b>			Paints/Varnishes	34	0.40%
11.19% Kotak Prime NCD 2008	402	4.78%	Personal Care-Indian-Large	30	0.36%
8.60 IDFC 2011	162	1.93%	Personal Care-Multinational	92	1.09%
Infrastructure Development Finance Company Ltd.	17	0.20%	Pesticides/Agrochemicals	29	0.35%
L&T Finance Ltd.	403	4.79%	Pharmaceuticals-Indian-Bulk Drugs	97	1.15%
<b>Finance – Investment/Others Total</b>	<b>984</b>	<b>11.70%</b>	Power Generation & Supply	144	1.71%
<b>Other</b>			Refineries	236	2.80%
Aluminium	12	0.14%	Steel	30	0.35%
Automobiles-Tractors	65	0.77%	Steel – Large	15	0.18%
Auto Ancillaries-Engine Parts	16	0.19%	Steel – Sponge Iron	52	0.62%
Auto Parts & Equipment	7	0.09%	Telecommunications – Service Provider	232	2.75%
			Transport Road	29	0.35%
			Net Current Assets	127	1.51%
			<b>Grand Total</b>	<b>8,411</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Advantage Multiplier Fund	% of Total Funds	Industry	Advantage Multiplier Fund	% of Total Funds
<b>Banks – Private Sector</b>			Automobiles – LCVs/HCVs	325	0.53%
10.30% UTI Bank 190208	1,000	1.63%	Automobiles – Passenger Cars	379	0.62%
10.50% UTI Bank FD 210208	200	0.33%	Automobiles – Scooters & 3-Wheelers	342	0.56%
8% HDFC 18-06-2007	693	1.13%	Cement – Major – North India	304	0.50%
8.25% HDFC 14072007	124	0.20%	Cigarettes	910	1.48%
9.40% ICICI 28th December 2011	1,523	2.48%	Computers – Software – Large	3,241	5.28%
9.50% Kotak Bank FD 31.01.2012	1,624	2.65%	Construction – Civil/Turnkey – Large	407	0.66%
HDFC Bank Ltd.	410	0.67%	Construction – Factories/Offices/Commercial	226	0.37%
ICICI Bank Ltd.	1,438	2.34%	Diversified – Mega	599	0.98%
<b>Banks – Private Sector Total</b>	<b>7,011</b>	<b>11.43%</b>	Electric Equipment – General – Large	615	1.00%
<b>Banks – Public Sector</b>			Electrical Equipment	334	0.54%
11.25% Canara Bank 130308	1,196	1.95%	Electronics – Others	176	0.29%
8% SBBJ 28072007	1,383	2.25%	Engineering – Heavy-General-Large	192	0.31%
8.25% IDBI 2011	3,046	4.97%	Engineering – Turnkey services	1,160	1.89%
8.25% Indian Overseas Bank FD 22 Sept-2007	662	1.08%	Entertainment – Electronic Media	101	0.16%
8.50% Exim Bank Bonds 2011	383	0.62%	Finance – Housing – Large	4,352	7.10%
9% SBBJ 211207	23	0.04%	Finance – Housing – Medium	1,061	1.73%
9.35% PNB – 29.12.07	823	1.34%	Finance – Large	1,278	2.08%
9.35% PNB 28122007	800	1.30%	Finance – Term – Leading Institutions	3,017	4.92%
9.50% FD SBI 27.04.2008	678	1.10%	Finance – Small	859	1.40%
9.85% NABARD 2012	1,809	2.95%	Heavy Electrical Equipment	177	0.29%
Andhra Bank	126	0.21%	Hotels – Large	369	0.60%
CD Canara Bank – 28.02.08	525	0.86%	IT Consulting & Other Services	487	0.79%
EXIM CP – 23.07.2007	825	1.34%	Media & Entertainment	173	0.28%
Punjab National Bank	239	0.39%	Metal – Copper/Copper Alloy Products	259	0.42%
State Bank of India	780	1.27%	Oil Exploration/Allied services	749	1.22%
<b>Banks – Public Sector Total</b>	<b>13,299</b>	<b>21.68%</b>	Paints/Varnishes	322	0.52%
<b>Finance – Investment/Others</b>			Personal Care – Indian – Large	233	0.38%
11.19% Kotak Prime NCD 2008	2,918	4.76%	Personal Care – Multinational	724	1.18%
7.97% Kotak Prime 06-Sept-2007	2,025	3.30%	Pesticides/Agrochemicals	227	0.37%
8.60 IDFC 2011	970	1.58%	Petrochemicals	222	0.36%
IDFC Floater 03-06-2009	363	0.59%	Pharmaceuticals – Indian – Bulk Drugs	759	1.24%
Infrastructure Development Finance Company Ltd.	109	0.18%	Power Generation & Supply	1,296	2.11%
L&T Finance Ltd.	2,154	3.51%	Refineries	1,991	3.25%
<b>Finance – Investment/Others Total</b>	<b>8,540</b>	<b>13.92%</b>	Steel	247	0.40%
<b>Others</b>			Steel – Large	126	0.20%
Aluminium	121	0.20%	Steel – Sponge Iron	428	0.70%
Automobiles – Tractors	490	0.80%	Telecommunications – Service Provider	1,912	3.12%
Auto Ancillaries – Engine Parts	98	0.16%	Transport Road	276	0.45%
Auto Parts & Equipment	70	0.11%	Net Current Assets	852	1.39%
			<b>Grand Total</b>	<b>61,333</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

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**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Advantage Plus Fund	% of Total Funds	Industry	Advantage Plus Fund	% of Total Funds
<b>Banks – Private Sector</b>			Auto Parts & Equipment	1,288	0.12%
10.30% UTI Bank 190208	16,278	1.53%	Automobiles – LCVs/HCVs	5,498	0.52%
10.50% UTI Bank FD 210208	6,526	0.61%	Automobiles – Passenger Cars	5,894	0.55%
8% HDFC 18-06-2007	1,785	0.17%	Automobiles – Scooters & 3 – Wheelers	6,605	0.62%
8.25% HDFC 14072007	6,665	0.63%	Cement – Major – North India	5,419	0.51%
8.25% HDFC 14082007	2,416	0.23%	Cigarettes	15,721	1.48%
9.40% ICICI 28th December 2011	28,033	2.64%	Computers – Software – Large	53,224	5.00%
9.50% Kotak Bank FD 31.01.2012	29,707	2.79%	Construction – Civil/Turnkey – Large	6,519	0.61%
HDFC Bank Ltd.	6,846	0.64%	Construction – Factories/Offices/Commercial	4,044	0.38%
ICICI Bank Ltd.	23,552	2.21%	Diversified – Mega	10,025	0.94%
<b>Banks – Private Sector Total</b>	<b>121,809</b>	<b>11.45%</b>	Electric Equipment – General – Large	10,719	1.01%
<b>Banks – Public Sector</b>			Electrical Equipment	6,043	0.57%
11.25% Canara Bank 130308	5,729	0.54%	Electronics – Others	2,211	0.21%
8% SBBJ 28072007	8,191	0.77%	Engineering – Heavy – General – Large	3,567	0.34%
8.25% IDBI 2011	53,393	5.02%	Engineering – Turnkey services	18,913	1.78%
8.25% Indian Overseas Bank FD 22 Sept-2007	13	0.00%	Entertainment – Electronic Media	1,671	0.16%
8.25% SBBJ 13-Sept-2007	11,604	1.09%	Finance – Housing – Large	54,575	5.13%
8.50% Exim Bank Bonds 2011	5,440	0.51%	Finance – Housing – Medium	17,339	1.63%
9.35% PNB – 29.12.07	15,018	1.41%	Finance – Large	21,479	2.02%
9.35% PNB 28122007	14,000	1.32%	Finance – Term – Leading Institutions	49,918	4.69%
9.50% FD SBI 27.04.2008	24,903	2.34%	Finance – Small	8,299	0.78%
9.85% NABARD 2012	37,194	3.50%	Heavy Electrical Equipment	3,017	0.28%
Andhra Bank	2,484	0.23%	Hotels – Large	6,245	0.59%
CD Canara Bank – 28.02.08	23,588	2.22%	IT Consulting & Other Services	7,916	0.74%
EXIM CP – 23.07.2007	15,827	1.49%	Media & Entertainment	3,339	0.31%
Punjab National Bank	4,469	0.42%	Metal – Copper/Copper Alloy Products	3,997	0.38%
State Bank of India	13,010	1.22%	Oil Exploration/Allied services	12,930	1.22%
<b>Banks – Public Sector Total</b>	<b>234,863</b>	<b>22.08%</b>	Paints/Varnishes	4,714	0.44%
<b>Finance – Investment/Others</b>			Personal Care – Indian – Large	3,991	0.38%
11.19% Kotak Prime NCD 2008	33,909	3.19%	Personal Care – Multinational	12,992	1.22%
7.97% Kotak Prime 06-Sept-2007	14,285	1.34%	Pesticides/Agrochemicals	3,733	0.35%
8.60 IDFC 2011	11,355	1.07%	Petrochemicals	67,710	6.37%
Infrastructure Development Finance Company Ltd.	1,992	0.19%	Pharmaceuticals – Indian – Bulk Drugs	13,870	1.30%
L&T Finance Ltd.	52,950	4.98%	Power Generation & Supply	19,236	1.81%
<b>Finance – Investment/Others Total</b>	<b>114,490</b>	<b>10.76%</b>	Refineries	40,368	3.80%
<b>Others</b>			Steel	4,930	0.46%
Aluminium	1,613	0.15%	Steel – Large	2,057	0.19%
Automobiles – Tractors	8,486	0.80%	Steel – Sponge Iron	5,944	0.56%
Auto Ancillaries – Engine Parts	1,837	0.17%	Telecommunications – Service Provider	32,228	3.03%
			Transport Road	4,262	0.40%
			Net Current Assets	18,160	1.71%
			<b>Grand Total</b>	<b>1,063,710</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

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**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Advantage Multiplier II	% of Total Funds	Industry	Advantage Multiplier II	% of Total Funds
<b>Banks – Private Sector</b>			Auto Parts & Equipment	40	0.12%
10.30% UTI Bank 190208	250	0.77%	Automobiles – LCVs/HCVs	178	0.55%
10.50% UTI Bank FD 210208	497	1.53%	Automobiles – Passenger Cars	177	0.55%
8% HDFC 18-06-2007	43	0.13%	Automobiles – Scooters & 3-Wheelers	146	0.45%
8.25% HDFC 14072007	480	1.48%	Cement – Major – North India	156	0.48%
8.25% HDFC 14082007	16	0.05%	Cigarettes	385	1.19%
8.25% HDFC 16072007	34	0.10%	Computers – Software – Large	1,617	4.99%
9.40% ICICI 28th December 2011	855	2.64%	Construction – Civil/Turnkey – Large	185	0.57%
9.50% Kotak Bank FD 31.01.2012	721	2.23%	Construction – Factories/Offices/Commercial	91	0.28%
HDFC Bank Ltd.	196	0.60%	Diversified – Mega	283	0.87%
ICICI Bank Ltd.	718	2.21%	Electric Equipment – General – Large	464	1.43%
<b>Banks – Private Sector Total</b>	<b>3,810</b>	<b>11.76%</b>	Electrical Equipment	119	0.37%
<b>Banks – Public Sector</b>			Electronics – Others	66	0.20%
11.25% Canara Bank 130308	798	2.46%	Engineering – Heavy – General – Large	103	0.32%
8% SBBJ 28072007	494	1.52%	Engineering – Turnkey services	810	2.50%
8.25% IDBI 2011	1,492	4.60%	Entertainment – Electronic Media	42	0.13%
8.25% Indian Overseas Bank FD 22-Sept-2007	593	1.83%	Finance – Housing – Large	1,461	4.51%
8.50% Exim Bank Bonds 2011	380	1.17%	Finance – Housing – Medium	481	1.48%
9% SBBJ 211207	125	0.38%	Finance – Large	1,577	4.87%
9.35% PNB – 29.12.07	89	0.27%	Finance – Term – Leading Institutions	1,280	3.95%
9.35% PNB 28122007	501	1.54%	Heavy Electrical Equipment	89	0.27%
9.50% FD SBI 27.04.2008	404	1.25%	Hotels – Large	175	0.54%
9.85% NABARD 2012	905	2.79%	IT Consulting & Other Services	241	0.74%
Andhra Bank	115	0.36%	Media & Entertainment	88	0.27%
EXIM CP - 23.07.2007	412	1.27%	Metal – Copper/Copper Alloy Products	103	0.32%
EXIM CP 12-July-2006	76	0.23%	Oil Exploration/Allied services	396	1.22%
Punjab National Bank	234	0.72%	Paints/Varnishes	130	0.40%
State Bank of India	482	1.49%	Personal Care – Indian – Large	92	0.28%
<b>Banks – Public Sector Total</b>	<b>7,098</b>	<b>21.90%</b>	Personal Care – Multinational	385	1.19%
<b>Finance – Investment/Others</b>			Pesticides/Agrochemicals	166	0.51%
11.19% Kotak Prime NCD 2008	1,509	4.66%	Petrochemicals	1,232	3.80%
8.60 IDFC 2011	495	1.53%	Pharmaceuticals – Indian – Bulk Drugs	417	1.29%
Infrastructure Development Finance Company Ltd.	59	0.18%	Power Generation & Supply	480	1.48%
L&T Finance Ltd.	1,510	4.66%	Refineries	1,727	5.33%
<b>Finance – Investment/Others Total</b>	<b>3,572</b>	<b>11.02%</b>	Steel	118	0.37%
<b>Others</b>			Steel – Large	54	0.17%
Aluminium	48	0.15%	Steel – Sponge Iron	166	0.51%
Automobiles-Tractors	322	0.99%	Telecommunications – Service Provider	1,159	3.58%
Auto Ancillaries – Engine Parts	49	0.15%	Transport Road	127	0.39%
			Net Current Assets	502	1.55%
			<b>Grand Total</b>	<b>32,407</b>	<b>100.00%</b>

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**Schedules forming part of the Financial Statements (Contd.)**

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**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Advantage Plus Fund II	% of Total Funds	Industry	Advantage Plus Fund II	% of Total Funds
<b>Banks – Private Sector</b>			Auto Ancillaries – Engine Parts	718	0.15%
10.30% UTI Bank 190208	8,568	1.83%	Auto Parts & Equipment	571	0.12%
10.50% UTI Bank FD 210208	2,235	0.48%	Automobiles – LCVs/HCVs	2,324	0.50%
8% HDFC 18-06-2007	9,459	2.02%	Automobiles – Passenger Cars	2,534	0.54%
8.25% HDFC 14072007	392	0.08%	Automobiles – Scooters & 3-Wheelers	1,466	0.31%
8.25% HDFC 14082007	783	0.17%	Cement – Major – North India	2,272	0.49%
8.25% HDFC 16072007	303	0.06%	Cigarettes	6,221	1.33%
9.40% ICICI 28th December 2011	12,239	2.62%	Computers – Software – Large	22,740	4.86%
9.50% Kotak Bank FD 31.01.2012	12,194	2.61%	Construction – Civil/Turnkey – Large	2,834	0.61%
HDFC Bank Ltd.	2,905	0.62%	Construction – Factories/Offices/Commercial	1,655	0.35%
ICICI Bank Ltd.	10,195	2.18%	Diversified – Mega	4,123	0.88%
<b>Banks – Private Sector Total</b>	<b>59,275</b>	<b>12.67%</b>	Electric Equipment – General – Large	6,795	1.45%
<b>Banks – Public Sector</b>			Electrical Equipment	2,107	0.45%
11.25% Canara Bank 130308	8,903	1.90%	Electronics – Others	887	0.19%
8% SBBJ 28072007	5,953	1.27%	Engineering – Heavy – General – Large	1,500	0.32%
8.15% SBBJ 02082007	2,207	0.47%	Engineering – Turnkey services	8,392	1.79%
8.25% IDBI 2011	18,606	3.98%	Entertainment – Electronic Media	763	0.16%
8.25% Indian Overseas Bank FD 22-Sept-2007	466	0.10%	Finance – Housing – Large	15,955	3.41%
8.25% SBBJ 13-Sept-2007	2,439	0.52%	Finance – Housing – Medium	7,229	1.55%
8.50% Exim Bank Bonds 2011	1,915	0.41%	Finance – Large	16,215	3.47%
9% SBBJ 211207	1,409	0.30%	Finance – Term – Leading Institutions	18,621	3.98%
9.35% PNB – 29.12.07	8,198	1.75%	Finance – Small	21,641	4.63%
9.35% PNB 28122007	4,099	0.88%	Heavy Electrical Equipment	1,313	0.28%
9.50% FD SBI 27.04.2008	4,516	0.97%	Hotels – Large	2,467	0.53%
9.85% NABARD 2012	10,052	2.15%	IT Consulting & Other Services	3,379	0.72%
Andhra Bank	913	0.20%	Media & Entertainment	1,013	0.22%
CD Canara Bank – 28.02.08	1,526	0.33%	Metal – Copper/Copper Alloy Products	1,619	0.35%
EXIM CP – 23.07.2007	6,011	1.28%	Oil Exploration/Allied services	4,932	1.05%
EXIM CP 05-July-2007	10,449	2.23%	Paints/Varnishes	2,104	0.45%
EXIM CP 12-July-2006	12,779	2.73%	Personal Care – Indian – Large	1,340	0.29%
IDBI Floater 2007 (1 yr. Gsec + .45)	132	0.03%	Personal Care – Multinational	5,204	1.11%
Punjab National Bank	1,726	0.37%	Pesticides/Agrochemicals	2,516	0.54%
State Bank of India	5,271	1.13%	Petrochemicals	9,891	2.11%
<b>Banks – Public Sector Total</b>	<b>107,568</b>	<b>22.99%</b>	Pharmaceuticals – Indian – Bulk Drugs	5,502	1.18%
<b>Finance – Investment/Others</b>			Power Generation & Supply	7,951	1.70%
11.19% Kotak Prime NCD 2008	20,912	4.47%	Refineries	21,167	4.52%
7.97% Kotak Prime 06-Sept-2007	2,946	0.63%	Steel	2,071	0.44%
8.60 IDFC 2011	4,489	0.96%	Steel – Large	834	0.18%
Infrastructure Development Finance Company Ltd	753	0.16%	Steel – Sponge Iron	2,556	0.55%
L&T Finance Ltd.	21,812	4.66%	Telecommunications – Service Provider	14,467	3.09%
<b>Finance – Investment/Others Total</b>	<b>50,913</b>	<b>10.88%</b>	Transport Road	1,868	0.40%
<b>Others</b>			Net Current Assets	7,075	1.51%
Aluminium	484	0.10%	<b>Grand Total</b>	<b>467,879</b>	<b>100.00%</b>
Automobiles – Tractors	2,809	0.60%			

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**25E. Unit Linked Disclosures – Other Disclosures**

Industry wise disclosure of investments with exposure of 10% and above segregated at scrip level

Industry	Dynamic Floor Fund	% of Total Funds	Industry	Dynamic Floor Fund	% of Total Funds
<b>Banks – Private Sector</b>			Automobiles – Passenger Cars	984	0.70%
10.30% UTI Bank 190208	2,099	1.50%	Automobiles – Scooters & 3-Wheelers	364	0.26%
10.50% UTI Bank FD 210208	697	0.50%	Cement – Major – North India	956	0.68%
7.90% ICICI 14-05-2007	197	0.14%	Cigarettes	2,418	1.73%
8% HDFC 18-06-2007	1,970	1.41%	Computers – Software – Large	7,428	5.31%
8% Kotak Bank 090407	1,915	1.37%	Construction – Civil/Turnkey – Large	971	0.69%
8.15% ICICI 12042007	660	0.47%	Diversified – Mega	1,256	0.90%
8.25% HDFC 14072007	388	0.28%	Electric Equipment – General – Large	1,470	1.05%
9.50% Kotak Bank FD 31.01.2012	1,742	1.24%	Electrical Equipment	218	0.16%
9.60% ICICI 31st December 2007	1,391	0.99%	Electronics – Others	451	0.32%
HDFC Bank Ltd.	954	0.68%	Engineering – Turnkey services	2,430	1.74%
ICICI Bank Ltd.	2,816	2.01%	Finance – Housing – Large	8,531	6.10%
UTI Bank FD 23.04.2007	85	0.06%	Finance – Housing – Medium	1,172	0.84%
<b>Banks – Private Sector Total</b>	<b>14,916</b>	<b>10.66%</b>	Finance – Investment/Others	8,993	6.43%
<b>Banks – Public Sector</b>			Finance – Large	13,603	9.72%
11.25% Canara Bank 130308	3,188	2.28%	Finance – Medium	1,509	1.08%
7.70% NABARD 2009	11,330	8.10%	Finance Leasing	3,469	2.48%
7.90% NABARD 09-Aug-2007	135	0.10%	Finance – Small	3,735	2.67%
8% SBBJ 28072007	1,002	0.72%	Heavy Electrical Equipment	532	0.38%
8.25% Indian Overseas Bank FD 22-Sept-2007	2,822	2.02%	Hotels – Large	1,022	0.73%
8.25% SBBJ 13-Sept-2007	98	0.07%	IT Consulting & Other Services	1,287	0.92%
8.50% Exim Bank Bonds 2011	2,544	1.82%	Media & Entertainment	752	0.54%
8.95% PNB 18-April-2016	2,161	1.54%	Metal – Copper/Copper Alloy Products	938	0.67%
9% SBBJ 211207	1,150	0.82%	Oil Exploration/Allied services	1,585	1.13%
9.35% PNB – 29.12.07	1,933	1.38%	Paints/Varnishes	1,144	0.82%
9.35% PNB 28122007	999	0.71%	Personal Care – Multinational	1,272	0.91%
9.50% FD SBI 27.04.2008	2,629	1.88%	Pesticides/Agrochemicals	974	0.70%
EXIM CP – 23.07.2007	1,503	1.07%	Petrochemicals	1,346	0.96%
EXIM CP 05-July-2007	2,613	1.87%	Pharmaceuticals – Indian – Bulk Drugs	1,683	1.20%
EXIM CP 12-July-2006	612	0.44%	Power Generation & Supply	740	0.53%
Indian Bank	109	0.08%	Refineries	3,974	2.84%
Punjab National Bank	1,043	0.75%	Steel	1,085	0.78%
State Bank of India	1,392	0.99%	Steel – Large	229	0.16%
<b>Banks – Public Sector Total</b>	<b>37,263</b>	<b>26.63%</b>	Telecommunications – Service Provider	4,036	2.88%
<b>Other</b>			Net Current Assets	2,877	2.06%
Automobiles – Tractors	1,171	0.84%	<b>Grand Total</b>	<b>139,948</b>	<b>100.00%</b>
Automobiles – LCVs/HCVs	1,165	0.83%			

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**Schedules forming part of the Financial Statements (Contd.)**

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**25E. Unit Linked Disclosures – Other Disclosures**

NAV Highest, Lowest & Closing at the end of the year

Fund Name	Highest NAV	Lowest NAV	Closing NAV
Dynamic Bond	11.49	10.91	11.49
Guaranteed Bond	11.55	10.87	11.55
Pension Bond	11.50	10.90	11.50
Group Bond	11.47	10.87	11.47
Guaranteed Money market	12.69	10.87	12.69
Group Money market	12.65	11.61	12.65
Dynamic Gilt	11.69	11.26	11.69
Guaranteed Gilt	11.73	11.27	11.73
Pension Gilt	11.71	11.27	11.71
Group Gilt	11.80	11.27	11.80
Dynamic Balanced	23.37	17.07	21.96
Guaranteed Balanced	22.27	17.05	21.20
Pension Balanced	22.44	11.61	21.42
Group Balanced	23.27	16.78	21.88
Dynamic Growth	28.36	19.22	26.07
Guaranteed Growth	27.12	19.52	25.41
Aggressive Growth	25.18	15.33	22.70
Dynamic Floating	11.48	10.73	11.48
Guaranteed Floating	11.50	10.73	11.50
Pension Floating	11.50	10.74	11.50
Group Floating	11.55	10.74	11.55
Advantage Fund	10.83	9.41	10.26
Advantage Multiplier Fund	12.89	9.76	10.57
Advantage Plus Fund	11.15	9.73	10.52
Advantage Multiplier II Fund	11.11	9.99	10.54
Advantage Plus II Fund	11.08	9.99	10.51
Dynamic Floor Fund	10.22	9.79	10.01

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Annualised Expense ratio to average daily assets of the Fund

Fund Name	Annualised Expense	Average Daily Assets of the Funds	Annualised Expense Ratio
Dynamic Bond	2,159	176,928	1.22%
Guaranteed Bond	1,621	132,870	1.22%
Pension Bond	10	804	1.22%
Group Bond	565	58,453	0.97%
Guaranteed Money market	17	2,897	0.60%
Group Money market	1	82	0.72%
Dynamic Gilt	4,306	430,592	1.00%
Guaranteed Gilt	1,954	195,377	1.00%
Pension Gilt	20	2,021	1.00%
Group Gilt	101	11,085	0.91%
Dynamic Balanced	3,235	243,097	1.33%
Guaranteed Balanced	9,134	686,547	1.33%
Pension Balanced	1,022	76,821	1.33%
Group Balanced	2,307	202,547	1.14%
Dynamic Growth	7,934	516,642	1.54%
Guaranteed Growth	59,789	3,893,658	1.54%
Aggressive Growth	5,457	330,575	1.65%
Dynamic Floating	2,836	232,484	1.22%
Guaranteed Floating	2,579	211,344	1.22%
Pension Floating	26	2,158	1.22%
Group Floating	180	20,248	0.89%
Advantage Fund	272	8,908	3.05%
Advantage Multiplier Fund	1,596	52,171	3.06%
Advantage Plus Fund	31,157	1,018,281	3.06%
Advantage Multiplier II Fund	421	14,593	2.89%
Advantage Plus II Fund	6,865	237,873	2.89%
Dynamic Floor Fund	393	58,828	0.67%

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Gross Income ratio to average daily assets of the Fund

Fund Name	Annualised Income	Average Daily Assets of the Funds	Annualised Income Ratio
Dynamic Bond	12,297	176,928	6.95%
Guaranteed Bond	9,158	132,870	6.89%
Pension Bond	49	804	6.08%
Group Bond	3,584	58,453	6.13%
Guaranteed Money market	270	2,897	9.31%
Group Money market	8	82	9.27%
Dynamic Gilt	20,530	430,592	4.77%
Guaranteed Gilt	9,820	195,377	5.03%
Pension Gilt	91	2,021	4.53%
Group Gilt	585	11,085	5.28%
Dynamic Balanced	29,657	243,097	12.20%
Guaranteed Balanced	62,953	686,547	9.17%
Pension Balanced	2,753	76,821	3.58%
Group Balanced	23,221	202,547	11.46%
Dynamic Growth	72,856	516,642	14.10%
Guaranteed Growth	402,275	3,893,658	10.33%
Aggressive Growth	35,290	330,575	10.68%
Dynamic Floating	18,211	232,484	7.83%
Guaranteed Floating	17,326	211,344	8.20%
Pension Floating	177	2,158	8.18%
Group Floating	1,839	20,248	9.08%
Advantage Fund	479	8,908	5.37%
Advantage Multiplier Fund	1,808	52,171	3.47%
Advantage Plus Fund	43,591	1,018,281	4.28%
Advantage Multiplier II Fund	797	14,593	5.46%
Advantage Plus II Fund	15,023	237,873	6.32%
Dynamic Floor Fund	(1,054)	58,828	-1.79%

Registration No: 107; Date of Registration: January 10, 2001

**Schedules forming part of the Financial Statements (Contd.)**

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**25E. Unit Linked Disclosures – Other Disclosures**

Fundwise Disclosure of Appreciation/(Depreciation) in value of Investment Segregated Classwise

Fund Name	Investment Type				Grand Total
	Corporate Bonds	Government Securities	Equities	Government Guaranteed Bonds	
Dynamic Bond	(469)	—	—	—	(469)
Guaranteed Bond	(464)	—	—	—	(464)
Pension Bond	(6)	—	—	—	(6)
Group Bond	(633)	—	—	—	(633)
Guaranteed Money market	—	—	—	—	—
Group Money market	—	—	—	—	—
Dynamic Gilt	—	(6,385)	—	(5,650)	(12,035)
Guaranteed Gilt	—	(2,512)	—	(2,309)	(4,820)
Pension Gilt	—	(34)	—	(29)	(62)
Group Gilt	—	(122)	—	(92)	(214)
Dynamic Balanced	(563)	—	20,909	—	20,347
Guaranteed Balanced	(2,613)	—	56,810	—	54,197
Pension Balanced	(1,122)	—	318	—	(804)
Group Balanced	(522)	—	15,917	—	15,395
Dynamic Growth	(1,544)	—	62,370	—	60,825
Guaranteed Growth	(13,070)	—	439,235	—	426,165
Aggressive Growth	—	—	46,235	—	46,235
Dynamic Floating	—	—	—	—	—
Guaranteed Floating	—	—	—	—	—
Pension Floating	—	—	—	—	—
Group Floating	—	—	—	—	—
Advantage Fund	(23)	—	136	—	114
Advantage Multiplier Fund	(154)	—	1,117	—	963
Advantage Plus Fund	(4,948)	—	22,403	—	17,455
Advantage Multiplier II Fund	(14)	—	(55)	—	(69)
Advantage Plus II Fund	(352)	—	(233)	—	(584)
Dynamic Floor Fund	(363)	—	(1,557)	—	(1,920)
<b>Grand Total</b>	<b>(26,859)</b>	<b>(9,053)</b>	<b>663,606</b>	<b>(8,079)</b>	<b>619,615</b>

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

#### 26. Employee benefits

The Company has chosen to early adopt revised Accounting Standard 15 (AS 15) "Employee Benefits" which is mandatory from accounting period beginning on or after December 7, 2006. As per transitional provisions of AS 15, the difference in liability on account of employee benefits created by the Company amounting to Rs. 9,271 has been adjusted against opening balance in the Profit & Loss account. [Refer Schedule 16(2)(h)].

##### (a) Gratuity

In accordance with Payment of Gratuity Act, 1972 the Company provides for gratuity, a defined benefit retirement plan covering all employees. The plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee's salary and the years of employment with the Company subject to maximum of Rs. 3.50 lakhs per employee.

The gratuity benefit is provided through unfunded plan and annual contributions are charged to profit and loss account. Under the scheme, the settlement obligation remains with the Company.

Reconciliation of opening and closing balance of the present value of the defined benefit obligation for gratuity benefits is given below.

	As of 31st March, 2007
<b>Change in Defined benefit obligations as at</b>	
Present value of Defined benefit obligations, 1st April, 2006	13,523
Service cost	8,916
Interest cost	1,187
Benefits paid	(932)
Actuarial (gain)/loss on obligations	868
<b>Present value of Defined benefit obligations as at 31st March, 2007</b>	<b>23,562</b>
<b>Reconciliation of present value of the obligation and the fair value of the plan assets</b>	
Opening Fair Value of Plan assets as at 1st April, 2006	—
Contributions by the employer for the year	932
Benefits paid	(932)
Closing Fair Value of Plan assets	—
<b>Net asset/(liability) as at 31st March, 2007</b>	<b>—</b>
<b>Cost recognised for the period</b>	
Current service cost	8,916
Interest cost	1,187
Expected return on plan assets	—
Actuarial (gain)/loss	868
<b>Net gratuity cost</b>	<b>10,971</b>
<b>Actuarial assumptions used</b>	
Discount rate	8.20% p.a.
Salary escalation rate	15.00% p.a. for first 2 years, 10.00% p.a. for next two year & 6.00% p.a. thereafter.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

**(b) Superannuation**

The eligible permanent employees of the Company, who have opted for the scheme, are entitled to receive retirement benefits under the superannuation scheme operated by the Company. Superannuation is a defined contribution plan under which the Company contributes annually a sum equivalent to 15% (Previous Year 0.15%), subject to a maximum of Rs. 1.00 lakh, of the employee's eligible annual salary to the superannuation fund administered by the trustees, which undertakes to pay the lump sum and annuity payments pursuant to the scheme.

**(c) Provident fund**

In accordance with Indian regulations, employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which, both the employee and the Company contribute monthly at a determined rate. These contributions are made to a recognised provident and administered by a Board of Trustees. The employee contributes 12% of his or her basic salary and the Company contributes an equal amount. The investments of the funds are made according to rules prescribed by the Government of India.

**(d) Accumulated Compensated Absences**

The Company provides for accumulated compensated absences as at balance sheet date using full cost method to the extent leave will be utilised and on basic pay to the extent leave will be encashed.

**27. Prior year comparatives**

Prior year amounts have been reclassified wherever necessary to conform to current year's presentation.

**For and on behalf of the Board of Directors**

Uday Kotak  
Chairman

Hasan Askari  
Vice-Chairman

Dipak Gupta  
Director

G. Murlidhar  
Chief Operating Officer  
& Company Secretary

Gaurang Shah  
Managing Director

A. Venkatasubramanian  
Appointed Actuary

Mumbai  
4 May, 2007

Registration No: 107; Date of Registration: January 10, 2001

### Schedules forming part of the Financial Statements

for the year ended 31st March, 2007

(Currency : In thousands of Indian Rupees unless otherwise stated)

#### Statement of receipts and payments as on March 31, 2007

Particulars	Year ended 31 March, 2007	Year ended 31 March, 2006
<b>Cash Flows from Operating Activities</b>		
Premium and Deposits from Policyholders	9,857,956	6,324,830
Cash paid to Agents, Suppliers and Employees	(2,880,595)	(1,780,998)
Advances/Loans/Deposits placed	(70,466)	(5,464)
Reinsurance premium (net)	(10,131)	(56,802)
Claims paid (net of reinsurance)	(1,762,472)	(403,810)
Deposits held for regulatory purposes	—	—
Income-tax paid	(4,848)	—
Fringe benefit tax paid	(13,850)	(10,725)
<b>Net cash from/(deployed in) Operating Activities</b>	<b>5,115,595</b>	<b>4,067,031</b>
<b>Cash Flows from Investing Activities</b>		
Purchase of fixed assets	(163,343)	(56,441)
Interest received on Investments (net of interest expended on purchase of investments)	1,320,938	463,486
Decrease/(Increase) in investments (net)	(6,448,973)	(4,754,635)
Proceeds on sale of fixed assets	1,810	1,943
<b>Net cash deployed in Investing Activities</b>	<b>(5,289,569)</b>	<b>(4,345,647)</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of Share Capital	857,631	328,229
Expenses on subscription of shares	(5,997)	(5,614)
<b>Net cash from Financing Activities</b>	<b>851,634</b>	<b>322,615</b>
Net increase in Cash and Cash Equivalents	677,660	43,999
Cash and Cash Equivalents at start of year	570,984	526,985
<b>Cash and Cash Equivalents at end of year</b>	<b>1,248,644</b>	<b>570,984</b>
<b>Notes:</b>		
Cash and cash equivalents at the end of the year includes:		
Cash (including cheques on hand, drafts and stamps)	382,494	291,412
Bank Balances (including deposits)	866,150	279,572
	<b>1,248,644</b>	<b>570,984</b>

(a) The above Statement of Receipts and Payments has been prepared as prescribed by Insurance Regulatory (Preparation of Financial Statements & Auditor's Report of Insurance Companies) Regulations, 2002 under the 'Direct Method' laid out in Accounting Standard 3 – 'Cash Flow Statements' issued by the Institute of Chartered Accountants of India.

(b) Due to large volume of investments transactions, cash flow is reported on net basis in accordance with Accounting Standard 3 issued by the Institute of Chartered Accountants of India.

As per our report of even date attached

For M. P. Chitale & Co.  
Chartered Accountants

For BSR & Co.  
Chartered Accountants

Ashutosh Pednekar  
Partner  
Membership No: 041037

Akeel Master  
Partner  
Membership No: 046768

Mumbai  
4 May, 2007

For and on behalf of the Board of Directors

Uday Kotak  
Chairman

Hasan Askari  
Vice-Chairman

Dipak Gupta  
Director

G. Murlidhar  
Chief Operating Officer  
& Company Secretary

Gaurang Shah  
Managing Director

A. Venkatasubramanian  
Appointed Actuary

Mumbai  
4 May, 2007

