DIRECTORS' REPORT

Dear Members

Your Directors have immense pleasure in presenting the second Annual Report, together with the audited statement of accounts of Bharti A:XA Life Insurance Company Limited ("the Company") for the year ended 31 March 2007.

Financial Performance

The performance highlights for the year are summarised below:

(Figures in millions)

Particulars	For the Year Ended March 31,2007	For the Year Ended March 31,20G7
Income		
Premium Income {net)		77.59
Income from Investments		
•Policyholders	{0.18)	
•sharenolders	58.0'	57.34
Other Income		7.32
Total Income		142.75
Less: Expenses		
Commission		5.62
Expenses {excluding depreciation)		848.44
Depreciation		27.87
Benefits paid {net)		-
Provision for actuarial liability (net)		e 37
Provision for Taxati		
Loss for the Current Year		2.71
		804.26)
Total Expenses		947.01
Add: Loss Bought For.vard from Last Year		(
!!IJ LoSS,!ISon_<!ate ,		------{804.2I_J

• Expense and deprectatton tncludes Rs.125mn ~~pertamtng~~ to the penod pnor to the stan of operations.

Dividend

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

Successful first financial year

The Company became the sixteenth player in the life insurance market when it received its license to commence insurance operations on 14 July 2006. The Company's business was formally launched at the hands of Mr C S Rao, Chairman, Insurance Regulatory and Development Authority ('IRDA') when he graced the inauguration of the Hyderabad branch on 22 August 2006. This was followed by a national media launch at the hands of Mr P Chidambaram, Hon'ble Finance Minister on 13 December 2006 at Mumbai.

During the year the Company has sold 5100 individual policies and covered 3067 lives under its group insurance product for a total received premium of Rs.77.5mn. As at 31 March 2007 the Company has a sales force of 1500 including licensed agents operating from 16 points of sale having a presence in 15 cities. The Company has a focused multi-distribution strategy of agency channel, employee sales force, corporate agents, brokers and other third party distributors.

Products

The Company during its first year of operations has launched four individual products - FutureConfident (unit linked whole life), FutureConfident II (unit linked whole life), WealthConfident (unit linked limited pay) and SecureConfident (term assurance) as well as Critical Illness and Accidental Death Benefit riders. These products have been well-received by the market. The Company launched a special product 'ServSuraksha' for the rural market. The Company has since 01 April 2007 launched two further products namely, SaveConfident (traditional participating anticipated endowment) and InvestConfident (unit linked single premium). The Company plans to enhance the individual product portfolio in the coming financial years to cover the entire suite of products available in the market.

Rural and Social sector obligations

The Company has complied with both the rural and social sector obligations as mandated by the IRDA. The Company has underwritten 480 rural policies (8% of total policies) and covered 3067 lives under the social sector during the year.

Technology

Technology plays a critical role as a service differentiator in the growth plan of the Company. The Company has taken a number of key technology initiatives:

- Service delivery initiatives. such as decentralised imaging and worklratking, automated SMS, output management system and customer self service portal
- Distribution channel initiatives such as distributor portal, agent recruitment system and customer relationship management system
- Enterprise initiatives such as data warehousing/business intelligence, human resour e management system and investment management system
- IT infrastructure initiatives such as internet gateway and back up MPLS connectivity.

Customer Service

The Company in its endeavour to build a customer centric organisation has launched various initiatives like front end imaging, service standards for policy issuance, policy administration, ciE img payment, complaint acknowledgement and resolution of customer complaInts. A complaint haJ;dling and resolution mechanism is in place for redressal 01' grievances/ complaints of customers. Customer satisfaction is monitored through regular customer surveys ;;,nd quality assessment. The Company uses the Customer Service Index ('CSI') as a measurement mechanism to track its performance on customer service delivery metrics.

Corporate Governance

The Company believes in the philosophy of conducting business through ethical and fair means. **The** true spirit of corporate governance emanates from the strong values which the Company believes and practices. A detailed report on Corporate Governance is included as part of this Annual Report.

Board of Directors

At the core of its corporate governance practice is the Board of Directors, which oversees the working of the management and protects the long term interests of its shareholders and policyholders.

In accordance with the provisions of Section 255 and 256 of the Companies Act, 1956, Mr Mark Pearson, Mr Saanjay Saxena and Mr Nasser Munjee, Directors of the Company, are liable to retire by rotation at the Annual General Meeting and being eligible, offer themselves for re-appointment as Directors. The Directors recommend their re-appointment.

Auditors

M/s Lovelock and Lewes and M/s Khandelwal Jain and Company, Chartered Accountants, were appointed as the joint statutory auditors of the Company for the financial year 2006-2007 and shall be retiring at the conclusion of the forthcoming annual general meeting. The Company proposes to re-appoint M/s Lovelock and Lewes and M/s Khandelwal Jain and Company as the joint statutory auditors (both being eligible for re-appointment) on the recommendation of the Board Audit and Compliance Committee of the Company. The firms have expressed their w'illingness to continue as the statutory auditors, if re-appointed at the Annual General Meeting and have certified that their re• appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and as per the requirements stipulated by the IRDA.

Share capital

During the year the share capital of the Company increased by Rs.1489 mn. A further Rs.380mn has been received from the shareholders and is pending allotment as or. 31 March 2007.

Deposits

The Company does not accept deposits from the public.

Particulars of Empllliyees

The Company has over 783 employees as of 31 March 2007. The statement of particulars of employees pursuant to the provisions of Section 217{2A) of the Companies Act 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is set out in .he Annexure to this Report.

Statutory Disclosure of Particulars

The requirements of disclosure in temns of Section 217(1)(e} of the Companies Act, 1956, pertaining to steps taken regarding conservation of energy do not apply to the Company. Other partiw.lars in the Companiea (Disclosure of Particulars in the Repor: of the 1\oard of Directors) Rules, 188ii, are not applicable and hence are not given.

The Company recorded an outgo of Rs.8,74,024.28 in foreign exchange in 2006-2007.

Auditors' Report _ .

The reports of the joint statutory auditors are attached to this report. All the Notes to Schedules and Accounts are self-explanatory and do not call for further comment.

Management Report

Pursuant to the provisions of Regulation 3 of the IRDA (Preparation of financial statements and auditors' report of insurance companies) regulations, 2000, the Management Report forms a part of the financial statements.

Solvency Margin

The Company is adequately capitalised and has, at all times during the year, complied with the required IRDA solvency norms.

Directors' Responsibility Statement

Your Directors confirm that:

- the annual accounts have been prepared in accordance with applicable accounting standards and there have been no material departures from the same;
- the Company has selected accounting polices and applied them consistently and has made judgments and estimates that are reasonable and prudent and provide a true and fair view of the state of affairs of the company as on 31 March 2007;
- proper and sufficient care has been taken to maintain adequate accounting records and safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the accounts of the Company are prepared on a going concern basis. Other accounting policies are stated in the notes to the accounts which form an integral part of the annual accounts.

Outlook

The Indian economy continued to growth at a robust pace with the real GOP rising 9.2% in the financial year (FY) 2006-07, as per advanced estimate released by Central Statistical Or!janisation (CSO). The financial services sector showed an even higher growth at 1"1.15% in the FY "2C06··W. The new business premium of the life insurance indus:ry has g;own at record pace of 95% in F,' 2006-07.

Market share of the private sector life insuranc:e companies continued to increase in FY 2005-07 with the market share of 37.0% (on <mnualised premium equivalent basis) compared to 35.5% in FY 2005-06. Life insurance penetration in India continues to be low at 3.2% of GOP. This presents attractive growth opportunities for the life insurance sector. The Company will play a meaningful role in not only increasing its market share but also by reaching out to the market segments that are hitherto not fully tapped.

Acknowledgements

The Board places on record its sincere appreciation of the hard work, professionalism, team work and relentless pursuit of excellence shown by its employees and distributors, which has enabled the company to successfully launch its operations and complete the financial year. The Board aiso expresses its gratitude to the IRDA, the Bharti group and the AXA Group for their constant support, guidance and co-operation.

For and on behalf of the Board of Directors of Bharti AXA Life Insurance Company Limited

Sunil Mittal

Sunil Bharti Mittal
Chairman

11 June 2007
New Delhi

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

The philosophy of doing business through ethical and fair means has been the foundation of Bharti AXA Life Insurance Company Limited ("the Company") since inception. The Company believes that the true spirit of corporate governance emanates from the Values the Company which are Professionalism, Innovation, Pragmatism, Team Spirit and Integrity.

Board of Directors ('Board')

The Board of the Company oversees how the management serves and protects the long• term interests of all the policyholders and the shareholders of the company. The Directors on the Board of the Company come from diverse areas of knowledge and specialisation. They provide an independent and objective view on the business issues and assess them from the stand-point of the stake holders of the Company. The Managing Director is responsible for implementation of strategy, achievement of business plan and day-to-day operations of the Company.

The Board meetings of the Company are held on a quarterly basis to review the performance of and provide future directions to the senior management of the Company. In case of matters requiring urgent deliberation and decision, the Board approves these matters, by passing resolutions by circulation. The BoarJ met four times during the financia: year 2006-2007 on 16 May 2006, 22 August 2006, 14 December 2006 and 14 March 2007.

The Board of the Company comprises of one (1) executive and. seven (7) non-executive Directors. The composition of the Board as at 31 March 2007 is as fo!lows:

Name of Director	Directorship T}'!!e
Mr Sunil B Mittal	Non-Executive Director, Chairman
Mr Nitin Chopra	Chief Executive Officer and Managing Director
Mr Mark Pearson	Non-Executive Director
--of0r Sadri Agarwal	Non-Executive Director
Ms Clare Duggan	Non--Executive Director
Mr Akhil Gupta	Non-Executive Director
Mr Sanjay Saxena	Non-Executive Director
Mr Nasser Munjee	Non-Executive Director

During the financial year 2006-07, following changes were made to the Directorships of the Company:

Name of Director	Date of Ap>Jointment / Cessation	Particulars
Appointments		
Mr Sadri Agarwal	16 May 2006	Appointed as Additional Director and the appointment was regularised at the Annual General Meeting held on 14 December 2006.
Mr Sanjay Saxena	16 May 2006	Appointed as Additional Director and the appointment was regularised at the Annual General Meeting held on 14 December 2006.
Mr Nitin Chopra	16 May 2006	Appointed as Additional Director (Chief Executive Officer and Managing Director). The appointment was regularised at the Annual General Meeting held on 14 December 2006.

Mr Rajan Bharti Mittal	16 May 2006	Appointed as Alternate Director to Mr Sunil Bharti Mittal
Cessations		
Mr Tim Thomas	16 May 2006	ResiQned from the position of the Director
Mr Milind ChalisQaonkar	16 May 2006	Resigned from the position of the Director
Mr Rajan Bharti Mittal	16 May 2006	Resigned from the position of the Director

Committees of the Board of Directors

To enable better and more focussed attention on the affairs of the Company, the Board delegates particular matters to Committees of the Board set up for the purpose. These Committees prepare the groundwork for decision making and report at the subsequent Board meetings. There are three sub-committees of the Board namely the Board Audit and Compliance Committee, Board Investment Committee and Board Remuneration Committee.

Board Audit and Compliance Committee

The Board Audit and Compliance Committee ("BACC") is primarily responsible for reviewing the internal control systems and financial operating systems of the Company, ensuring legislative and regulatory compliances, reviewing accounting policies and audit reports and reporting to the Board of Directors on significant results of the foregoing activities.

The BACC provides the Board of Directors with qualitative inputs on financial statements and brings in a degree of financial expertise. In addition, the BACC also reviews the findings of internal and statutory audits and approves the appointment, removal and !erms of remuneration of statutory auditors. The statutory auditors and internal auditors are entitled to attend and participate in the deliberations at the meetings of the BACC.

During the financial year, Board Audit and Compliance Committee ("BACC") met 3 times i.e., on 22 August 2006, 14 December 2006 and 14 March 2007. The composition of the BACC as on 31 March 2007 is as follows:

Name of the member	Desinnation	Cateaorv
Mr Sadri A!larwal	Chairman	Non-Executive Director
Mr Mark Pearson	Member	Non-Executive Director
Ms Clare Duggan	Member	Non-Executive Director
Mr Nasser Munjee	Member	Non-Executive Director

Board Investment Committee

Board Investment Committee ("BIG'") is constituted as per the mandate of Insurance Regulatory and Development Authority ("IRDA"). The Committee amongst other things inter alia is responsible for recommending investment policy to the Board, review of investment performance and ensuring compliance with the statutory requirements for investments.

During the financial year, the Board Investment Committee ("BIG") of the Company met 3 times on 22 August 2006, 14 December 2006 and 14 March 2007. The BIC was re• constituted during the F.Y. 2006-07 by the Board at its meeting held on 14 March 2007. The composition of the BIC as on 31 March 2007 is as follows:

Name of the Members	Desianation	Category
Mr Badri Agarwal	Chairman	Non-executive Director
Mr Mark Pearson	Member	Non-executive Director
Mr Nasser Muniee	Member	Non-executive Director
Mr Nitin Chopra	Member	Chief Executive Officer (Principal Officer)
Mr K S Gopalakrishnan	Member	Chief Financial Officer
MrG L N Sarma	Member	Appointed Actuary
Mr Abhiiit Gulanikar	Member	Vice President - Investments

Board Remuneration Committee

The Board Remuneration Committee ('BRC') is primarily responsible in assisting the Board in developing and implementing remuneration strategies and framework, recommending specific remuneration packages to key senior officers and ensuring the highest standards of governance and disclosure in remuneration.

During the financial year, the Board Remuneration Committee ("BRC") of the Compsrr; met twice on 22 August 2006 and 14 March 2007. The composition of the BRC as on 31 M<:>rch 2007 is as follows:

Name of the members	Designation	catoag
Mr Badri Agarwal	Chairman	Non-executive Dire tor
Mr Mark Pearson	Member	Non-executive Directoi
Mr Nasser Muniee	Member	Non-executive Director
Ms Clare DuQQan	Member	Non-executive Director

General Meetings

The particulars of the general meetings of the Company held during the financial year are as follows·

General meeting	Date of meetina	Venua
Extra-ordinary general meeting	29 May2006	Reg!stNed office of thn Company
Annual general meeting	14 December 2006	
Statutory meeting	9 January 200ZJ	
Extra-ordinary aenerat meeting	22 January 2007	

General Shareholder Information

Date, time and venue of the second Annual General Meeting	11 June 2007- 12:30 hrs (1ST) Bharti AXA Life Insurance Company Limited 61/62, Kalpataru Synergy Opp Grand Hyatt Vakola Santacruz (East) Mumbai 400055
Address for correspondence	Same as above

For and on behalf of the Board of Directors

Place: New Delhi
Dated: 11 June 2007

Sunil B Mittal
Chairman

AUDITORS' REPORT

To the Members of
Bharti AXA Life Insurance Company Limited

l. We have audited the accompanying Balance Sheet of Bharti Axa Life Insurance Company Limited ('the Company') as at March 31, 2007, the Policyholders' Revenue Account, the Shareholders' Profit and Loss Account for the period July 14, 2006 to March 31, 2007 and the Receipts and Payments Account for the year ended March 31, 2007, annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We co!1ducte<! our audit in accordanc2 with auditing st<tlld-J.rd-.,; gene:ally accept(;'d -in InUirr. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material mis!>tatemcn.t. An audit iucludes examining, on a test basis, evidence supporting the amounts and disclosure-s in the financial statements. An audit a!-.o inch1des assessing the accounting principles used and sign1ficant estimates made by manageme:r1t. as well as evaluating the overall financial statement presentation. \Ve believe that our audit provides a reasonable basis for our opinion.

3. In accordance with the provisions of Section II of the Insurance Act, 1938' ('the Insurance Act') read with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 ('LlJe Regulations·:. and the provisions of sub-sections (I), (2) and (5) of Section 211 and sub-section (5) of Section *22'* of the Companies Act, 1956 ('the Companies Act'), the Balance Sheet, the Policyholders Rewn'" Account and the Shareholders' Profit and Loss Account are not required to be, and are not, dra\·'n up in accordance with Schedule VI to the Companies Act. The Balal'.ce Sheet, the Policyholder,• Revcnue Account and the Shareholders' Profit and Loss Account are, therefor . drawn up):1 conformity with Regulation 3(1) of the Regulations.

4. We report that:

   (a) We have obtained all the information and explanations which to the best of our knowledge and be!id'were-necess-ary for the purposes o{ouraudit and have found them to be satisfactory.

   (b) In our opmion, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books.

   (c) The financial accounting systems of the Company are centralised and therefore accounting returns are not required to be submitted by branches ami other offices.

   (d) The Balance Sheet, Policyholders' Revenue Account, Shareholders' Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account.

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI

(e) The actuarial valuation of liabilities for policies in force is the responsibility of the Company's appointed actuary ('the appointed actuary'). The actuarial valuation of liabilities for policies in force has been duly certified by the appointed actuary. The appointed actuary has certified to the Company that the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority ('IRDA') and the Actuarial Society of India in concurrence with IRDA. We have relied upon the appointed actuary's certificate in this regard.

(f) 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 on March 31, 2007 from being appointed as a Director in terms of Section 274(l)(g) of the Companies Act.

5. In our opinion and to the best of our information and according to the information and explanations given to us:

(a) The accounting policies selected by the Company are appropriate and in compliance with the applicable accounting standards referred to in Section 211(3C) of the Companies Act and with the accounting principles prescribed in the Regulations and orders or directions issued by IRDA in this behalf. The Balance Sheet, the Policyholders' Revenue Account, the Shareholders' Profit and Loos Account and the Receipts and Payments Account referred to in this report are in compliance with the applicable accounting standards referred to in Section 211(3C) of the Companies Act.

(b) Investments of the Company have been valued in accordance with the provisions of the Insurance Act and the Regulations.

(c) The said fmancial statements are prepared in accordance with the requirements of the Insurance Act, the Insurance Regulatory and Development Authority Act, 1999, the Regulations and the Companies Act, to the extent applicable and in the manner so required, and give a true and fair view in conformity with 'the accounting p1 inciples generally accepted in India, as applicable to insurance companies:

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

ii. in the case of the Policyholders' Revenue Account. of the deficit (before transf r by shareholders) of the Company for the year ended March 31, 2007;

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

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

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

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

KHANDELWAL JAIN & CO.
MUMBAI

(a) We have reviewed the management report attached to the fmancial statements for the period July 14, 2006 to March 31,2007 and have found no apparent mistake or material inconsistency with the financial statements.

(b) **Based on information and explanations received during the normal course of our audit and management representation, nothing has come to our attention which causes us to believe that** the Company has not materially complied with the terms and conditions of registration as per sub-section 4 of section 3 of the Insurance Act, 1938.

For Lovelock & Lewes	For Khandelwal Jain & Co.
Chartered Accountants	Chartered Accountants
Sharmila A. Karve	Shailesh Shah
Partner	**Partner**
M. No. 43229	M. No. 33632
Place: New Delhi	Place: New Delhi
Dated: 11" June, 2007	Dated: 11" June, 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 Bharti** AXA Life Insurance Company Limited ('the Company') for the year ended March 31,2007, we certif'y that:

1. **We have verified the cash balances, to the extent considered necessary, and securities** relating to the Company's investments as at March 31, 2007, by actual inspection or on the basis of certificates/confrrmations received from the depository participant appointed by the Company, as the case may be. As at 31 March 2007, the Company had no reversions and life interests;

2. The Company is not the trustee of any bust; and

3. No part of the assets of the policyholders' funds has been direc<ly or indirectly appiied in **contravention to the provisions of the Insurance Act, 1938, relating to t.l,.-e application and** investments of the policyholders funds.

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

For Lovelock & Lewes
CharteredAccountants

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Sharmila A. Karve
Partner
M. No. 43229
Place: New Dell1i
Dated; I1..June, 2007

For K.handelwal Jain & Co.
Chartered Accountants

]/....

Shailesh Shah
Partner
M. No. 33632
Place: New Delhi ..
Dated: IIth June, 2007

Form A-RA

BHARTI *AXA* LIFE INSURANCE COMPANY LIMITED

IRDA Registration No: 130

Dale of Registration with IRDA: July 14,2006

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31,2007

Policyholders' Account (Technical Account)

_ (Rs. OOO's)

Parliculars	Schedule	Year Ended March 31,2001
Premiums earned net		
(a) Premium	I	77,761
(b) Reinsurance ceded		(170)
lc) Reinsurance accepted		
Sub Total		77,591
Income From Investments		
[Refer Notes 2(b)(ii), 2(bXiii) and 2(h) of Schedule 16)		
(a) Interest, Dividends and Rent- Gross		307
(Amortisation for the year Nil. Previous year Nil))		
(b) Profit on sale/redemption of invesbnents		54
(c) (Loss on sale/ redemption of investments)		(45)
(d) Transfer/Gain on revaluation/change in fair value••		(492)
Other Income		
(a) Contribution from Shareholders' *Nc* (Refer Note 21 ofSchedule 16)		846,66
(b) Foreign Exchange Gains		6,865
(c) Others		458
TOTAL fA)		931,40
Commission	2	5,615
Operating Expenses reilted to Insurance Business	.'	S60,7U!
!>rovision tb D0ubthol tkbt5		
Bad debt to be written off		
Provision for Tax		
[Refer Note 2 (n) of Schedule 16)		
(a) Income Tax		
(b) Fringe Benefits Tax		2,705
Provisions (other than taxation)		
(a) Fot diminution in the vaiue ofillvestfl)ents (Net)		
(b)Otbcrs		
TOTAL (B)		869,038
Benefits Paid (Net)	4	
Interim Bonuses Paid		
Change in valuation ofliability in respect oflife policies		
ta) Gross		62,36
(b) Amount ceded in Reinsurance		-
(c) Amount accepted in ReinsUfllllce		
TOTAL(C)		62.36
SURPLUSI(Dii'FICIT) (D)={A)-(B)-(C)		-
APPROPRIATIONS		
Tr;msf:r to Shareholders' Account		
Tr.msfer to Other Reserves		
Balance being Funds for Futwe Appropriations		
TOTAL(D)		
••represents the deemed realised gain as per nonn specified by the authority		
The breakup of total surplus is as under:		
(a) Interim Bon\JS Paid		
{b) Allocation of Bonus to policyholders		
(c) Surplus shown in the Revenue Account		
(d) T0!al Surplus: ((a)-'-(\:o)-'-(c)]		
Notes to the Accounts		

Schedules referred to above fom1 an integral part of the Revenue Account

Wo ho«b: ortify """" """""in od by lho Company mrespect of hfe msurance busmess transacted in In ave been fully debited in Revenue Account.

For and on behalf of the Board of Directors

Shamtila A. Karve	Shailesh Shah	Sunil Bharti Mittal	Badri Agarwal	Mark Pearson
Partner	Partner	Chairman	Director	Director
Membership No. 43229	Membership No. 33632			
For and on behalf of	For and on behalf of			
Lovelock & Lewes	Khandelwal Jain & Co.			
Chartered Accountants	Chartered Accountants			

H N:in' M.:J:"A,

Chief Executive Officer	Chief Financial Officer	GLN Sanna Appointed Actuary

KHANDELWAL JAIN MUMBAI

Place : New Delhi

Date : lith June, 2007

Place : New Delhi

Date: lith June, 2007

Form A·PL

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

IRDA Registration No: 130

Date of Registration with IRDA: July 14, 2006

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Shareholders' Account (Non-technical Account)

lRs. OOO's)

Partlculan	Schedule	Year Ended March 31, 2007
Amvunt transferred from Polic) holders Account (Tcdmica! ,\ccuunt)		
Income From Investments		
[Refer Notes 2(b){ii), 2(b)(iii) and 2(h) of Schedule 16]		
(a) Interest, Dividends and Rent- Gross of Accretion		56,453
(The above includes income accretion ofRs.1,611 thousand, Previous year Nil)		
(b) Profit on sale/redemption of invesrmentl		2,489
(c) (Loss on sale/ redemption of investments;		(930)
Other Income		
TOTAL(A)		58(H2
Expense other than those directly related to the insurance business		15.600
Bad debt written off		
Provisions (Other than taxation;		
(a) For diminution in the value of investments (net)		
(b) Provision for doubtful debt!		
(c) Others		
Contrib1ttion to the Pulicyholders Account (Technical Account) (Refer Note 1 of Schedule lti)		s1t-.GM
TOTAL(i.)		
Prvfitl (Loss) before ux		804.2571
Pro\ision for Taxation		
Protit / (Loss) after tax		so.t,25't
APPROPRIATIONS		
(a) Balance at the beginning of the yeat		
(b) Interim dividends paid during the yell		
(c) Proposed final dividend		
(d) Dividend distribution on tall		
(e) Transfer to reserves! other accounts		-
Profit/ (Loss) carried forward to >he Bal.:u:lce Shret		*604,257*
Eamincs per sbare		
(Face ValueRs *lOt* per share)		
Basic {Rs.)		(7.&2)
Diluted (Rs)		{7.78)
Notes to the Account:>	16	

Schedules referred to abO\e form an integral part of the fit and Loss Account

Shannila A. Kar..-e	Shailesh Shah	Ma1k Pearson
Partner	Partner	Director
Membership No. 43229	Membership No: 33 32	
For and on behalf of	For and on behalf of	
T ,nl·elnck & !.ewe	Khandel"·HI Jain & C\•	
Chartered Accountants	Chartered Accountants	

Nitin ChoJra	opalakrishnan	GLN Sanna
Chief Executive Officer	Chief Financial Officer	Appointed Actuary

MUMBAI

Pla'e :New Delhi
Date : IIth June, 2007

Place :New Delhi
Date : II th Jw1e, 2007

FORMA-BS

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

IRDA Registration No: JJO

Date of Regi5tration with IRDA: July 14, 2006

BALANCE SHEET AS AT MARCH 31,2007

(Rs. OOO's)

Particulars	Schedule	A5 at March 31, 2007	As at March 31, 2006
SOURCES OF FUNDS			
SHARtHOLDERS' FUNDS			
Share Capital	5	1,500,000	11,000
Share Application Money Pending Allolmenr		380,000	86,800
Reserves And Surplus	6		
Crediti{Debit) Fair Value Change Account (Net) Sub-		(730)	
Total		1,879,270	97,800
Borrowings	7		-
POLICYHOLDERS' FUNDS:			
Credit/(Debit) Fair Value Change Account (Net)			
Policy Liabilities		8,090	
Insurance Reserves			
Provision For Linked Liabilities Sub-		54,279	
Total		62,[illegible]69	
Funds For Future Appropriations			
TOTAL			
Investments			
APPLICATION Ol' FUNDS			
Shareholders'	8	1,154,435	
Policyholders'	8A	8,100	
Assets Held To Cover Linked Liabilities	88	54,279	
Loans			
Fixed Assets	10	106,853	34,873
Incidental Expenditure Pending Capitalisation / AllocatioJ			65,844
Current Assets			
Cash and Bank Balances	II	13,948	13,964
Advances And Other Assets	12	179,014	37,094
Sub-Total (A)		192,962	51,058
Current Liabilities	13	374,921	53,975
Provisions	14	4,326	
Sub-Total (B)		379,247	53 97
NET CURRENT ASSETS (C)= (A-- B)		{IS6 285	(2 917
Miscellaneous Expendimre (To the extent not written off or adjusted)	16		
Dchit lhlatKe of Profit and loss Accotml	15	8[illegible]4,237	
Notes to the Account$.			
TOTAL		1.941 639	97JIUO

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

;:;oosh,"K'=•oo•"••"'P•rt

Sh•nniGA. Km<
Partner
Membership No. 43229
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Sh;;.r,;;; h•h
Partner
Membership No. J n
For and on behalf of
Kbandelwal Jain & Co.
Chartered Accountants

Chatnnan

Director

M"kP"rn'"
Director

Nitin Chopra
Nitin Chopra
Chief Executive Officer

K.S. Gopalakrishnan
Chief Financial Officer

GLN Sarma
GLN Sarma
Appointed Actuary

KHANDELWAL JAIN & CO.
MUMBAI

Place : New Delhi
Date : II th June, 2007

Place : New Delhi
Date : 11th June, 2007

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31,2007

SCHEDULE I

PREMIUM

Refer Note 2 b)(i) of Schedule 16] (Rs. OOO's

	Particulars	Year Ended March 31 2007
I	First year premiums	77,665
2	Renewal premiums	-
3	Single premiums	96
	TOTAL PREMIUM	77 761

Premium Income from business written :

In India	77,761
Outside India	
TOTAL PREMIUM	77761

SCHEDULE 2

CO;\ I MISSION EXPEI'\SES

RefCr !'Jete 2(f) of Schedlile 161 (Rs. OOO's

Particulars	Yenr Ended March 31.2007
Conunission paid	
Direct - First year premium	5,615
-Renewalprcn:tium	-
- Single premium	-
Total (A)	5,615
Add : Commission on Re-insurance Accepted	
Less : Commission on Rc-insurance Ceded	-
Net Commissioi1	5 615
Bre k-up of the Commlsssion expenses (Gro.o;;s) Incurred to procure business.	
Agents	5.425
Droker	190
Corporate Agencies	
ReferraJs	-
Total (B)	5,615

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

MUMBAI

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF THE REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31,2007

SCHEDULE 3

OPERATI G EXPEi'\SES RELATED TO INSURAI'\ICE BUSINESS

Refer Notes 2 (c) and 22 of Schedule 161 ffis.OOO's

	Particulars	Year Ended March 31 2007
I	Employees' remuneration and welfare benefit (Refer Note 9 of Schedule 16)	300,977
2	Travel, conveyance and vehicle running expense!	48,503
3	Training expenses	11,436
4	Rents, rates and taxes	67,646
5	Repairs	3,028
6	Printing and stationery	12,974
7	Commw11cation expenses	14,071
8	Legal and professional charges	69,015
9	Medical fees	281
10	Auditors' tees, expenses etc	
	a) as auditor	1,0Cl2
	b) as adviser or in any other capacity, in respect of	
	(i) Taxation matters	-
	(ii) Insurance matters	-
	(iii) Management services;	-
	c) in any other capacity	60
II	Advertisement and publicity	178,190
I.	Interest and bank charges	1,135
13	Depreciation! Amortisation (Refer Note 2G)ofSchedule 16)	27,874
14	Information technology and related expense.!	114,119
15	Subscription fees	1,511
16	Electricity	4,153
17	Security	1,286
18	Brokerage	!,388
19	Others	2,009
	TOTAL	860,718

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORJ\.UNG PART OF THE REVENUE ACCOUNT FOR THE PERIOD ENDED MARCH 31,2007

SCHEDULE 4

BENEFITS PAID [NETJ

Refer Note 2(e) of Schedule 161 (Rs.OOO's

	Particulars	Year Ended March 31,2007
1	Insurance Claims	
	(a) Claims by Death,	-
	(b) Claims by Maturity,	-
	(c) Annuities/Pensions payment,	
	(d) Other benefits· Riders	
	·Surrender	-
2	(Amount ceded in reinsurance):	
	(a) Claims by Death,	-
	(b) Claims by Maturity,	-
	(c) Annuitie /Pensions payment,	-
	(d) Other benefits· Riders	
	·Surrender	!
3	Amount accepted in reinsurance :	
	(a) Claims by Death,	
	(b) Claims by Maturity,	-
	(c) Annuities/Pensions payment,	-
	(d) Other benefits· Riders	-
	• Surrend I	-
	TOTAL	-
	Benefits paid to claimants:	
	In India	-
	Outside India	-
	Total Benefits paid {Net)	

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2007

SCHEDULE 5

SHARE CAPITAL

Refer Nole 17 of Schedule 161 Ills. OOO's

	Par11culars	As at March 31, 2007	As al March 31,2006
I	Authoris d Capital 200,000,000 (Previous Year 100,000,000) Equity shares ofRs 10/- each	2,000,000	1,000,000
2	Issued Capital 150,000,006 (Previous Year I,100,000) Equity shares ofRs 10 each, fully paid up	1500.000	11,000
3	Subscribed Capital 150,000,006 (Previous Year I ,100.000) Equity shares ofRs 10 each, fully paid up	l.SOO,OC'O	11,000
4	Called-up Capital 150,000,006 (J>re••iow Ye r \,\00,000) Equity ;;hare> ofRs \0 each, fully paid up	1,500,00-J	11,0 0
	Less : Calb unpaid		
	Add: Shares forfeited (Amount originally paid up)		
	i..es.s: Par value of Equity Shares bought back		
	Less: Preliminary expffi>es Expenses including comnti;sion or brokerage on Underwriting or subsc-ription of shares		-- J
	TOTAL	J300,&001	

Nt>t .

a) Darin_ the year, the compa.'ly has iss :ed 148,\100,006 equil}· <l!c.rc 'lfRs 10 each fH!l:)\lid up to th f llow.og Shl1 ia>ld r>-

llhrilli btequise (Holding) Pri1·ate Lirr.ileJ	53,9(1(1.006
Fir; -'l.mer;ca,., cmiti.:s Private Limited	)6.667 000
A,'{.-\ India Hohling.'l (Mauritias)	3,J.U!YJO

SCHEDULE SA

PATIERN OF SIIAREHOLDING

[A!! certified by the :O.IanagtmentJ

	Shanholdtr	As at March 31 IIIII		As at Man:h 31, 2006	
		Number ofSbares	•4 ofHoldin	NumbCF !Shan	Yo of oT "
	Pr<; ITK>len - Indian Bhani Enterprise (Holding) Private Limited	I 16,667,006	77.78%	l,IOO,OOC	100%
	First American Securities Private Limited• • Foreign	33,333,000	22.22%		
	o•m				
	T?TAL.	150,000006	IOCWo	--	_J...!!P.. LL- --j

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31,2007

SCHEDULE 6

RESERVES AND SURPLUS

(Rs COO's)

	Particulars	As at March 31, 2007	As at March 31, 2006
I	Capital Reserve	-	-
2	Capital Redemption Reserve	-	-
3	Share Premium	-	-
4	Revaluation Reserve	-	-
5	General Reserves	-	-
	Less: Debit balance in Profit and Loss Account	-	-
	Less: Amount utilized for Buy-back	-	-
6	Catastrophe Reserve	-	-
7	Other Reserves	-	-
S	Balance of profit in Profil and Loss Account	-	
	TOTAL	..	.

SCHEDULE 7

BORROWINGS

(Rs. IJOC's

	Particulars	As at March 31, 2007 .	As at 1\'ln<!h 31, 2006
I	Debentures/ Bonds	-	-
2	Banks	-	
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

SCHEDULE *8*

INVESTMENT8-SHAREHOLDERS

Refer Notes 2lh) and 8 of Schedule 161 _LRJ.000•,

	Particulars	As at March 31, 20U7	As at Marth 31, ZU06
	LONG TERM INVESTMENTS		
r	Go\'emment Sec:urities and Government guanmteed bonds including Treasury Bills•	385,324	
2	Other Approved Securities		
▼	Other lmestments		
	{a) Shares		
	{aa) Equity	*19,289*	
	(bb) Preference		
	(b) Mutual Funds		
	(d) Debentures/ Bonds	50,000	
	(<) Other Securities		
	(0 Subsidiaries		
	(g) Investment Propertie.;;-Real Estate		
▼	inv ents in Infrastruc:Uire and Social Sector (Reti:r Note 8 {v)of Schedule 16J	195,114	
	Non Convertible Debentures		
5	Qt..herthan Approved Investments		
	Equity Shaus	5,11S	
	Debentures/ Bonds		
	SHORT TERM INVESTMENTS		
▮	Government Sec:uritics and Government guaranteed bonds including Treasury Bills	227,387	
2	Other Approved Secwities		
3	Other Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mutua1 Funds		
	(c) Derivativ Instruments		
	(d) Debentures/ Bonds	100,0;1	
	(e) Other Securities	96,011.	
	(f) Subsidiaries		
	(gJ Investment Properties-Real Estate		
	h) Margin Money	1,2271	
4	Investments in Infrastructure and Social Sectm (Refer Note 8 (v) of Schedule 161	50,000	
	Non Convertible Debenturts		
;	Other than Approved Investments		
	Equity Shares		
	Debentutesl Bonds		
	Mutual Fund	14842	
	TOTAL	1154435	-
-----	INVESTMENTS – --	--	
	In India	1,!54,435	
	Outside India		
	TOL\L	J 15H35	

Notes-

I Aggregate book value and market value of long term investment other than equity shares is Rs.('OOO) 630,438 and Rs.('OOO) 624,411 respectively.

2 Aggregate book value and market value of Short term investment other than equity shares is Rs.('OOO) 489,590 and Rs.('OOO) 487,739 respectively.

• Government Securities inc:Judes Rs. ('000) 1041 towards deposits under 7 of the Insurance Act 1938

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO MUMBAI Chartered Accountants

BHARTJ AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31,2007

SCHEDULE8A

INVESTMENTs-POLICYHOLDERS

(Rs 000')

	Particulars	As at March 31, 2007	As at March 31, 2006
	LONG TERM INVESTMENTS		
I	Government Securities and Government guaranteed bonds including Treasury Bills	8,10	
2	Other Approved Securities		
3	Other Investments		
	(a) Shares		
	(aa) Equity		
	(bb) Prekrence		
	(b) Mutual Funds		
	('c) Derivative Instruments		
	(d) Debentures' Bonds		
	(e) Other Securities		
	(Q Subsidiaries		
	(g) Investment Properties-Real Estatt'		
4	Investments in Infrastructure and Seem! Sector [Refer Note 3 (v) of Schedule 16]		
5	Other Tlma Approved Investments		
	F.quily Shares		
	Debenturesf Bonds		
	SHORTTERMINVESTMENTS		
I	Government Securities and Government guaranteed bonds including Treasury gills		
2	Other Approved Securities		
3	Other Investments		
	(a) Shares		
	(u.) Equi!)'		
	(bb) Preference		
	(b) MutUl!i Funds		
	(c) Derivative Instruments		
	(d) DeMnturesf Bonds		
	(e) Other Secwlties		
	(f) Subsidiarie		
	(g) Investment Properties-Real Estate		
4	lnve!>tments in lnfi;ostructure and Social Sedor [Refer Note 8 (v) of Schedule 16]		
5	Other lhan Ap01roved Jnvesnnents		
	Equity Shares		
	Debentures' Bonds		
6	Other lnvestmen		
	Bildnces in bank		
	Other Cuncnt assets (nl't)		
	TOTAL	810	-
	INVESTMENTS		
	In India	8.1	
	Ou!Side india		
	TOTAL	▼▼	-

Note-

I Aggregate book value and market value of Long tenn investment other than equity shares is Rs 8,100 ('000) and Rs 8,100 ('000) respectively.

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO MUMBAI Chartered Accountants

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31,2007

SCHEDULE 88

INVESTMENTS- ASSHS HELD TO COVER LINKED LIABILITIES

_(Rs. 000'•)

	Particulars	As at March 31, 2007	AsatMarch31, [illegible]
	LONG TERM INVESTMENTS		
)	Government Securities and Government guaranteed bonds including Treaslll)' Bills	1,480	
2	Other Approved Securities		
3	Other Investments		
	(4) Shares		
	(aa) Equity	31,911	
	{bb) Preference		
	(b) Mutual Funds		
	(c) Derivative Instruments		
	(d) Debentures/Bonds		
	(e) Other curities		
	(f) Subsidiaries		
	(S) Investment Properties-Real Es ate		
4	Investmen!.S in Infrastructure and Social Sector		
	[Refer Note 8 (v) of Schedule 16)		
	Non Convenible Debenture.<		
5	Other than Approved Investments	6,-128	
	(a) Equity Shares		
	{b) Debentures!Bonds		
	SHORT TER\IIN\'ESnn:NTS		
)	GcH:rrrmnt S«:witit and Govmuner.t guaranteed bonds includinJ TJUSUJY Bills	[illegible]	
'-	O!Oer ApprC.n'ti Securities		
3	Other Im·e<:tm n:s		
	(a) Shares		
	(aa) Equity		
	(bb) Preference		
	(b) Mwual Full<is		
	(c) Derivative lnstrumenL<		
	(d) Debentures.' Bonds		
	(e) Other Securities	3,179	
	(f) Subsidiaries		
	(g) Investment Properties-Real Estate		
4	Investments in Infrastructure and Social Sector		
	[Refer Note 8 (v) of Schedule 16]		
5	Othc:r than Approved lnvestmenls		
	Equity Slla:res		
	DebmtUJ"eSIBonds		
	Mutual Funds	I,SN	
▼	Other Investments		
	BalM"...es in bank	13,786	
	Other Cum:r:t assrts (net)	(4,523)	
	TOTAL	54 79	--
	INVESTMENTS		
	In India	54,2?9	
	Outside India		
	TOTAL	[illegible]	

1 Agg:Teg:<t book value and market ·:alue of Long tenn investment o!her than equity shares is Rs 1,505 ('000) lilt Rs 1,481 ('COO) respectively. Aggregate book value and market value of Short tenn investment othCi th.au equity shares is Rs 5,192 ("OOO)and Rs 5,197 ('OOO)n:spectivcly

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

SCHEDULE 9

LOANS

(Rs 000'•)

	Particulars	As at March 31, 2007	As at March 31,2006
I	SECURITY-WISE CLASSIFICATION		
	Secured		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt. Securities etc.	-	-
	(c) Loans against policies	-	-
	(d) Others	-	-
	Unsecured		
	Total		
2	BORROWER-WISE CLASSIFICATION		
	(a) Central and State Governments	-	-
	(b) Banks and Financial Institutions	-	-
	(c) Subsidiaries	-	-
	(d) Companies	-	-
	(e) Loans against policies	-	-
	lffi_ Others	-	-
	Total	-	-
3	PERFORMANCE-WISE CLASSIFICATION		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	
	(b) Non-standard loans less provisions		
	(aa) In India	-	-
	{bb) Outside India	-	-
	Total	-	
4	MATURITY-WISE CLJ.SSIFICA TION		
	{a) Short Term	-	-
	(b) Long Tenn	-	-
	·Total	-	-

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

BHARTJ AX:\ LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31,2007

SCHEDULE 10

FIXED ASSETS

Refer Notes of2(i), 2(j) and 2 (k) of Schedule J6l

Particulars	Cost! Gross Block				Depree atioa/ Amortisation				Net Block	
	ru at Aprill, :.006	Addition!/ Alljllsllllents	DeletiouJ	A• 11 Marcb 31, 2007	As at April I, 1006	For the Yur	Deletion•	AI at Much Jl, 2007 •	As at Mnch JJ. 2007	Asa1Much31, 2006
lnt.ngihlr An#!										
Goodwill										
Softwan:		!.668		1,668		4!Y		419	1,24Y	
Tangible AfStls										
L:md-Fre.:hold										
Leasehold improvements		M-1.841		114,341		17.1'1		17.731	67.110	
Buildmgs										
Furniture 1111d Finin	23,79l	(IY,5 S)		4,266	••	2,1 !"/		2,99g	1.2!·8	22.910
lcflUIDIIIJ!!DII'S.bll!!!l!!i" E11ui12mpt										
Owned	I II	1,628		1.813	12	123		III	1,678	173
III III	3,624	17.456		21,030	196	5.(!94		5.290	15,7'0	3,428
Vehidcs	7 305	1,271 2 70<>	110	1,27! 9 901	270	III -0		III J.n74	1,043	
Office Equipment							'		- 7	7.03S
Others										
Total	34,905	911,045	110	124,1140	1,359	2 . 11	4	27,875	96,9!·5	33,546
Capital Woric In Progress- (including o;apital advance:									9.8X8	1,327
TOTAL	IIIII	9{1,045	110	124,8411	l;.s.q..	26,5"20	4	27,875	106,853	34,873
Previous Year		34,90S		34,905		us		!,359	33,546	

*Includes Depreciation amounting to Rs.{'OOO• 6,288 pertair.:;-,g to period pr;or to July 13, 2006.

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

SCHEDULE II

CASH AND BANK BALANCES

(Rs. OOO's)

	Particulars	As at March 31, 2007	As at March 31,2006
I	Cash (including cheques, drafts and stamp in hand)	970	106
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months of the date of balance sheet)	-	-
	(bb) Others	-	-
	(b) Current Accounts	12,978	13,858
	(c) Others	-	-
3	Money at Call and Short Notice		
	(a) Wid1 Banks	-	-
	(b) With other Institutions		-
4	Others	-	-
	TOTAL	13948	13,2!!:!._--
	Balances with non-scheduled banks included in 2 and 3 above	-	-
	CASH AND BANK BALANCES		
	JnIndia	13,948	13,964
	Outside India	-	-
	TOTAL	13948	13964

LOVELOCK & LEWES ★ CHARTERED ACCOUNTANTS ★ MUMBAI

KHANDELWAL JAIN MUMBAI

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

SCHEDULE 12

ADVANCES AND OTHER ASSETS

(Rs. 000's)

	Particulars	As at March 31, 2007	As at March 31, 2006
	ADVANCES		
I	Reserve deposits with ceding companies	-	-
2	Application money for investments	-	-
3	Prepayments	13,390	2,182
4	Advances to Directors/Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation)	-	-
6	Advances		
	Advances to Suppliers	80-l	
	Advances to Employees	286	-
	Other Advances	31,347	
	TOTAL(A)	45,827	- 597 1,779
	OTHER ASSETS		
I	Income accrued on investments	21,008	-
2	Outstanding Premiums	-	-
3	Agents' Balances	-	-
4	Foreign Agencies Balances	-	-
5	Due from other cntitie! carrying on insurance business (including reinsurers)	-	-
6	Due from subsidiaries/ holding company	-	-
7	Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938]	-	-
8	Others		
	-Refundable Security Deposits	88,1911	34,31
	-Service Tax Unutilised Credit	17,377	-
	-Other Recoverables	6,611.	
	TOTAL(B)	133,1871	343ts
	TOTAL(A+B)	179,0141	37,094

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

MUMBAI

SCHEDULES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2007

SCHEDULE 13

CURRENT LIABILITIES

(Rs. OOO's

	Particulars	As at March 31, 2007	As at March 31, 2006
1	Agents' Balances	3,197	-
2	Balances due to other insurance companies	170	-
3	Deposits held on re-insurance ceded	-	-
4	Premiums received in advance	-	-
5	Unallocated premium	1,625	-
6	Sundry creditors	317,877	53,471
7	Due to subsidiaries/ holding company	-	-
8	Claims Outstanding	-	-
9	Annuities Due	-	-
10	Due to Directors/Officers	-	-
11	Others:		
	Book Overdraft	27,663	-
	Others (includes statutory dues payable and payablcs to emolovees)	24,389	504
	TOTAL	374 921	53 975

SCHEDULE 14

PROVISIONS

(It< OII{I')

	Particulars	As at March 31, 2007	As tc!131,.200 -!
1	For taxation (less paymeuts and taxes deducted at sau cc)	114	-
2	For proposed dividends	-	-
3	For dividend distribution tax	-	-
4	Others:	-	-
	Provisions for Employee Benefits	-	-
	fr9_yjsi9 _(or 9 atuity	1,002	-
	Provision for Leave encashment	3,200	-
	TOTAL	4.326	-

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
BHARTI AXA LIFE INSURANCE COMPANY LIMITED

SCHEDULE FORMING PART OF BALANCE SHEET ASAT MARCH 31,2007

SCHEDULE 15

MISCELLANEOUS EXPENDITURE

To the extent not written off or adjusted) (Rs.ooo•,)

	Particulars	As **at March 31,** 2007	As at March 31, 2006
	Discount Allowed in Issue of shares/ debentures	-	-
	Others	-	-
	TOTAL	-	-

SCHEDULE1
6

NOTES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT MARCH 31,2007, THE REVENUE ACCOUNT AND THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007.

I. NatureofOperations

Bharti AXA Life Insurance Company Ltd. ('the Company') was incorporated on October 27, 2005 as a Company under the Companies Act. 1956 to undertake and carry on the business of life insurance. The Company has obtained a licence from the Insurance Regulatory and Development Authority {'IRDA") on July 14, 2006 for carrying on the business of life insurance. The company commenced its commercial activities on August 22,2006.

The Company's life insurance business comprises of individual life business r.omprising of non-participating and unit-linked insurance products and group life business

2. SignificantAccounting Policies

a) Basisofpreparation offinancial statements

The financial statements are prepared under the historical co_st conv&nlion on accru<JI basis to comply in all material aspects with the applicable accounting standards issued by the Institute of Chartered Accountants of India, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors" Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations'), various circulars issued by IRDA, relevant regulations notified by the IRDA, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956 of India, to the extent applicable.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumption• that affect the reported amount of assets, liabilitie5. 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 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. Difference between -the actual and estimates are-recognised in the period in which the actual materialise or are known.

b) Revenue Recognition

i. Premium (net of service tax) is recognised as income when due from policyholders. Premium on lapsed contracts are recognised on receipt basis. In respect of linked business premium income is recognised when the associated units are allotted.

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

iii. Interest income is recognised on accrual basis. Accretion of discount and amortisation of premium in respect of debt securities is effected over the period of maturity/holding on constant yield-to-maturity. In respect of short term zero coupon instruments, accretion of discount and amortisation of premium is effected by straight line method. Interest income is reflected after amortisation of premium/ accretion of discount.

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iv. In case of unit linked business, fund management charges, administration charges and mortality charge are recognised in accordance with terms and conditions of the policy.

v. Realised gains and losses in respect of equity securities and units of mutual funds are calculated as the difference between the net sales proceeds and their cost. In respect of debt securities, the realised gains and losses are calculated as difference between net sales proceeds or redemption proceeds and amortised cost. Cost in respect of equity shares and unit of mutual fund is computed using the weighted average method. In respect of government securities and corporate bonds, the cost is computed using FIFO method.

c) Expense Recognition

Expenses are recognised on accrual basis. Expenses pertaining to Shareholder's! Directors are recognised in the Profit and Loss Account and expenses relating to Policyholder's are recognised in the Revenue Account.

d) Reinsurance premium

Premium ceded on reinsurance is accounted in accordance with the terms **of the** treaty.

e) Claims/ Benefits

Claims by death are accounted when intimated. Claims by maturity are accounted on the policy maturity date. Annuity benefits are accounted when due. Surrenders are accounted as and when notified. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable.
Amounts recoverable from reinsurer are accounted for in the same period as the related claim and are reduced from claims.

f) Acquisition costs

Acquisition costs such as commission, medical fees etc. are costs that are pnmarily related to the acquisition of new and renewal insurance contracts and are expenserl in the year in which they are incurred.

g) Policy Liabilities

Liabilities on life policies are determined by ihe Appointed Actuary using generally accepted actuarial practice in accordance with the standards and guidance notes established by the Actuarial Society of India; the requirement of the lnsLirance Act, 1938 and the regulations issued by the IRDA.

The liabilities are calculated in a manner that together with estimated future premium income and Investment income, the Company can meet estimated future claims (including bonus entitlements to policy holders) and expenses.

h) Investments

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended and circulars / notifications issued by IRDA from time to time.
Investments are recorded on the trade date at cost, which includes brokerage, statutory levies, if any and excludes interest paid, if any, on purchase.

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Classification

Investments intended to be held for a period of less than twelve months or those maturing within twelve months are classified as "Short Term Investments". Investment other than short term are classified as "Long Term Investments".

Amortisation of fixed income security premiums and discounts

The premium or discount, if any at the time of purchase of a fixed income security, is recognised over the period of maturity/ holding of the instrument on a constant yield to maturity basis.

Valuation - Shareholders' investments and Non-Linked Policyholders' investments

Debt securities, including government securities are considered as "held to maturity" (excluding, interest paid if any) and are stated at historical cost subject to amortisation.

Investments in mutual funds are stated at the net asset value (NAV) declared by the respective funds as at the Balance Sheet date. Listed equity securities are measured at fair vaiue on the Balance Sheet date. For the purpose of determining fair value, the lower of the last quoted closing prices at the National Stock Exch<mge of !ndia Ltd. ('NSE') and The Mumbai Stock Exchange Limited, ('Bb'E') is considered. Unlisted equity securities are measured at historical cost. In respect of investments 111 equity shares and mutual funds, the corresponding unrealised investm nt gains or losses are reported in the Balance Sheet under "Fair Value Change Account". In case of diminution, other than temporary, in the market value of investments as on the Balance Sheet date, the amount of diminution is recognised as an expense in the Revenue/Profit and Loss Account as the case may be.

Valuation -Linked Business

Government securities are valued at prices obtained from Credit Rativg Information Services of India Ltd. ('CRISJL'). Debt securities, other than Governm:mt securities, are valued on the basis of CRISIL Bond Valuer. Fixed deposit, money at call and short notice are valued at cost. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing price at the National Stock Exchange of India Ltd. ('NSE') is considered Unrealised gains and losses arising due to changes in fair value are attributed to unit holders and are recognised in the Revenue account of the fund Investments !P mutual funds are stated at previous day's net asset value (NAV) declared by the respective funds.

Transfer of Investments

Any transfer of investments from Shareholder's Acc;ount to Policyholder's Account is carried out at market value.

Inter fund transfer of investments. between Unit Linked funds is done at market value.

I) **Fixed Assets**

Tangible

Fixed Assets are stated at cost, less accumulated depreciation. Cost includes the purchase price and any other cost which can be directly attributed to bringing the asset to its present location and working condition for its intended use.

Intangibles

Expenditure incurred on critical application software and their customisation/further development is recognised as an intangible asset and capitalized under fixed assets if such expenditure results in a benefit of enduring nature. Other software expenses

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are expensed as incurred. Intangible assets are stated at cost less accumulated amortisation.

j) Depreciation

Depreciation on Fixed Asset is provided on the Straight Line Method over the useful life of the assets as determined below, depreciation on additions to Fixed Asset is charged for the entire month in which assets are capitalised.

Nature of Asset	Useful Life (Months)
Furniture and Fittings	60
Information Technology Equipment	36
Computer Software	36
Office Equipments	60
Vehicles	60

Leasehold Improvements are amortised over the prima;y period of respective leases or 60 months, whichever is lower.

Assets individually costing less than Rs.5,000 are fully depreciated in the year of acquisition.

Impairment of Assets

The carrying values of assets at each balance sheet date are reviewed fer impairment. If any indication of such impairment exists, the recoverable amounts of those assets are estimated and impairment is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is· the greater of the net selling price and their " ue in use. Value in use is arriv<!ld by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

k) Assets acquired under Lease

Finance Lease

Assets acquired on 'finance lease' which transfer risk and rewards of ownership to the company are capitalised as assets of the company at lower of the fair value the asset or minimum lease payment. Amortisation of capitalised lea ed assets i.; computed as the sum over the useful life of the asset. Lease rentals payable is apportioned between principal amount and finance charges using the internal rate of .return method. Finance charges are expensed ·over the period of the contract to reflect a constant periodic rate of interest on the outstanding liability.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership over the lease term are classified as Operating Leases. Operating lease rentals are recognized as an expense over the lease period.

l) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Assets and liabilities in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing as at that date.

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Exchange differences either on settlement or on translation are recognised in the Policyholders Revenue Account (Technical Account) or Profit and Loss Account as applicable.

m) Employee Retirement Benefits

Contributions to Provident Fund are made to Regional Provident Fund office and are charged to the Policyholders Revenue Account as incurred. Provision for Gratuity to employees is made on the basis of an actuarial valuation carried out as at the year end. Provision for Leave Encashment is done on the basis of leave accrued at the yearend.

n) Provision for Taxation

Provision for current income tax, if any, is made on an accrual basis after taking credit for all allowances and exemptions in accordance with the Income Tax Act 1961.

Deferred income tax is recognised for future tax consequences attributable to timing differences between income as determined by the financial statemen{s and the recognition for tax purposes. The 3ffect of deferred tax assaV liability of " cMnge in the tax rates is recognised 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 that there is a reasonable certainty that sufficient future taxable income will be available against wl1ich such deferred tax assets can be realised.

Deferred tax assets/liabilities are reviewed as at each Balance Sheet date and written down/ written up to reflect the amount that is reasonably or virtually certain to be realised.

o) **Service Tax**

Service tax liability on risk portion in Life Insurance premium is set-off flgainst available input service tax credits from payment of service tax under lnsurarce Auxiliary Services, Repair & Maintenance services and other eligible services. Unutilized credits if any, ace carried forward as "Service Tax Unutilized credit" onder "Advances and other assets" for set-off against service tax risk premium liability of subsequent periods.

p) Provisions and contingent liabilities

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 mede** of the amount of the obligation.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made. Loss contingencies arising from litigation etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

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3. **Actuarial Method and Assumptions**

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

The actuarial liability is calculated using the gross premium method, using assumptions for interest, mortality, expense, and inflation together with allowance for taxation and allocation of profits to shareholders. These assumptions are determined as prudent estimates at the date of valuation with allowances for adverse deviations.

The interest rates used for valuing the liabilities are in the range of 5.40% to 6.20% per annum depending on the type of the product.

Mortality rates used are based on published mortality tabi-J·Indian Assured Lives Mortality 1994-1996(modified) Ultimate, adjusted *to* reflect expected exp3rieneP. and allowances for adverse deviation. Expenses are provided for at long t<>rm expected renewal expense levels.

Unearned premium reserves are held under one Y'%lr renewable g oup term product.

The unit liability in respect of linked business has been taken as the value of the units standing to the credit of policyholders, using the net asset values (NAV) prevailing at the valuation date.

4. **Capital Commitments**

There are no commitments outstanding for Investment and Loans.

Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances): Rs.73,667 ('000) (Previous year Rs. r<il).

S. **Contingent Liabilities:**

IRs. '000)

Sr. No	Particulars	As at March 31,2007
i.	Partly paid - up investments	-
ii.	Claims, other than against policies, not acknowledQed as debts by the Company	-
iii.	Underwriting commitments outstanding	-
iv.	Guarantees given by **or on** behalf of the Company	-
v.	Statutory demands/ liabilities in dispute, not provided for	-
vi.	Reinsurance obligations to the extent not provided for in accounts	-
vii.	Insurance claims disputed by the Company, to the extent not provided / reserved	-
	TOTAL	-

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6. Encumbrances on Assets

There are no encumbrances on the assets of the Company inside or outside India as at the Balance Sheet date, except for assets acquired under finance lease.

7. Outstanding Claims

There are no outstanding claims as at March 31, 2007.

8. Investments

i. Investments have been made in accordance with the Insurance Act, 1938 and Insurance Regulatory and Development Authority (Investments) Regulations, 2000.

ii. All the investments of the Company are performing investments.

iii. Value of contracts in relation to investments for:

	Particulars	Year Ended March 31,2001 (Rs.'OOO)
1	are pendinQ	-
	- Untt linked Business	4,416
	- Non linked Business	-
2	Sales where payments are due	-
	- Unit linked Business	-
	- Non linked Business	-

iv. As at March 31, 2007, the aggregate cost and market value of investments, whiclo are valued at fair value (Other than investments in unit linked funds) was Rs.49,978 ('000) and Rs.49,248 ('000).

v. The Company has not made any investments in the Social Sector, s;nce the securities of acceptable grade were not available in this category.

9. Managerial Remuneration

Appointment of managerial personnel is in accordance with the requirements of Section 34A of the Insurance Act, 1938 and is as approved by the IRDA.
·- Details of the managerial remi.meratiCin paid by the Company are as follows: -

Sr. No.	Particulars	Year Ended March 31, 2007 (Rs.'OOO)
1	Salary	6,520
2	Other Allowances and Benefits	23,640
3	Contribution to Provident Fund	782
4	Perquisites Value	2,055
	Total	32,997

The remuneration excludes gratuity, which is accrued based on an actuarial valuation for the Insurer's overall liability and leave encashment, which is accrued at actual.

During the year, the Company has paid managerial remuneration to the Chief Executive Officer (CEO) amounting to Rs.32,997 ('000) including performance bonus amounting to

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Rs. 6611 ('000). The Insurance Regulatory and Development Authority (IRDA) vide letter no. 75/AXAJCEO AppointmenV2007-08/01 dated June 8, 2007 has approved salary paid to CEO except for performance bonus amounting to Rs.6,611 ('000) for which IRDA has sought further information from the Company. The Company has provided further clarification to IRDA on 9[1] ··June '07 for obtaining their approval for the payment of performance bonus.

Pending the said approval of IRDA, this amount has not been charged to revenue and has been shown as a recoverable from the CEO.

10. **Percentage of business sector wise:**

Particulars	Year Ended March 31, 2007		
	Number of Individual Life Policies	Number of Group Life Covered	**First year written** premium (Rs'OOO)
Total Business	5,825	3,067	77,760
Rural Sector	480	-	96
As a % of tot l Sector	**8%**	-	0.12%
Social Sector	-	3,067	138
As a % of total Sector	-	100',/o	0.1l:l%

11. **Investments of Funds and Assets Pertaining to** PoliJ::yholdi:.r · Liabilili!l!:

Allocation of Investments between Policyholders' Funds and Shareholders' Funds

Investments made out of the Shareholders' and Policyholders' Funds are tracked from inception and income acC'Jrdingly accounted for on the basis of records maintained. As and when necess< ry, transfers have been made from Shareholders' Investments to Policyholders' lmestments. In respect of such transfers, the investment income is allocated from the date of tran$fer.

12. **Risk Retention / Reinsurance**

Extent of risk retained and reinsured on the basis of sum assured is given below:

Particulars	Year Ended March 31, 2007	
	Individual	Group
Risk Retained	79%	100%
Risk Reinsured	21%	-

13. **Assets reauired to be deoosited under Section 7 of the Insurance Act. 1938**

As at March 31, 2007, the Company has earmarked 7.40% Government of India, 2012 Inscribed stock amounting to Rs.1,041 ('000) (Previous Year Rs. Nil) towards deposit with Citibank in the designated CSGL account, pursuant to Section 7 of the Insurance Act, 1938, and has accordingly intimated to the Insurance Regulatory and Development Authority. The said government securities are held with the custodian under segregated status.

14. **Operating Leases**

The Company has entered into agreements in the nature of lease/leave and licence with different lessors /licensors for residential premises and office premises. Lease pay ents

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aggregating to Rs. ('000) 59,802, (Previous year Rs. Nil) are recognised in the Revenue Account under 'Rent, Rates and Taxes'.

The future minimum lease payments under non-cancellable operating leases as at the Balance Sheet date are as follows:

Particulars	Year Ended March 31, 2007 (Rs.'000)	Year Ended March 31, 2006 (Rs.'000)
Due within one year	72,340	35,121
Due in a period between one and five years	201'180	23,496
Due after five years	77,902	-

15. Finance Lease

The future minimum lease payments under finance leases as at the Balance Sheet date are as follows:

Particulars	Year Ended March 31, 2001 1 s:0001	Year End&d MardrJ'l .- 20()6 (Rs.'OOOL
Due within one year	7.417	1,286
Due in a period between one and five years	9,309	2,251
Total Minimum Lease Payment	16,727	3,538
Less: Future finance charges on leases	795	490
Present Value of fulance lease liabilities	15,392	3,048

t6. Taxation

The Company carries on life insurance business and hence the provisions of Sactian 44 and the First Schedule of Income Tax Act, 1961. are applicable for computation of Profits and Gains of its business. No provision for taxation has been rr.ade in the accounts since the Company does not have any taxable inccme in the current accounting period.

Life insurance is a long gestation business. As a matter of prudence, the Company deems it proper not to recognise deferred lax assets.

17. Share Capital

The Delhi High Court on September 8, 2006 sanctioned the scheme of arrangement entered between Bharti lnfotel Private Limited (BIPL) and Bharti Enterprise (Holdings) Private Limited (BEHPL), separating its insurance and other businesses from.its telei:om · operations. Accordingly, all Bharti group's ventures and investments in insurance and businesses other than Indian telecom have been de-merged from Bharti tnfotel Private Limited ('BIPL') and now vest with Bharti Enterprises (Holdings) Private Limited ("BEHPL").

During the year, the Company has transferred 60,000,000 equity shares held by BIPL to BEHPL after receipt of regulatory approval of the Insurance Regulatory Development Authority.

18. Segment Reporting

In accordance with the Accounting Regulations read with Accounting Standard – 17 on "Segment Reporting" issued by the Institute of Chartered Accountants of India, life insurance companies are required to prepare Segmental Revenue Account and Segmental Balance Sheet. The Company's business is segmented into Non-Par

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business and Unit-Linked business. Since the Company has conducted business only in India, there is only one geographical segment. The accounting policies used in segmental reporting are same as those used in the preparation of the financial statements.

Income and expenses directly attributable or allocable to the segments are recorded and disclosed under the respective segments in the Segmental Revenue account or Profit and Loss account. Operating expenses, which are not directly identifiable, are apportioned to the business segments on the basis of priced expenses {Expense loadings assumed in product pricing).

Assets and Liability directly attributable or allocable to the segments are recorded and disclosed under the respective segments in the Segmental Balance Sheet. Other assets and liabilities which are not directly identifiable are disclosed as "unallocated".

(a) ***Segmental Revenue Account***

Refer Annexure 1 to Schedule 16 for Segmental Revenue Account.

{b) Balance Sheet

Refer Annexure 2 to Schedule 16 for Segment81 Balance Shaet.

1·>. **&1ated Partv Transactions**

A. Related Parties where control oxistlO

Bharti Enterprise {Holdings) Private Limited
First American Securities Private Limited
AXA India Holdings {Mauritius)

B. Key Management personnel

Mr. Nitin Chopra -Chief executive officer

C. Ass.?ciate Companies where transactions have taken place d , ring liJ.. '¥•

Bharti Infotel Private Limited
Bharti Enterprise {Holdings) Private Limited
First American Securities Private Limited
AXA India Holdings {Mauritius)
AXA Asia Pacific Holdings Limited
AXA Business Services Private Limited
AXA Technology Services {India} Private Limited

D. The details of Related party transactions are attach!ld in Annexure

..20. **Earnings Per Share**

Particulars	**Year Ended March 31,2007**
Loss for the Year {Rs'OOO)	(804,257)
Weighted average number of equity shares (No)	102,911,511
Add: Weighted average outstanding share application money	484,932
Number of shares for diluted EarninQs Per Share	103,396,443
Earnings per share Basic {Rs.) Diluted (Rs.l	 {7.82) (7.78)
Face Value per share	Rs.10

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KHANDELWAL JAIN & CO. MUMBAI

21. As at the year end the company has transferred the amount of Rs. 846,669 ('000) from Shareholder's Account (Non-Technical Account) to Policyholder's Account (Technical Account to make good the deficit in the Policyholder's. The above transfer from Shareholder's Account (Non-Technical) to Policyholder's Account (Technical Account) is irreversible in nature and will not be recouped to the Shareholder's Account (Non• Technical Account) at any point of time in future. The said transfer from Shareholder's Account (Non-Technical Account) to Policyholder's Account (Technical Account) is made subject to the approval of Shareholder's by way of special resolution at the ensuing Annual General Meeting.

22. Operating expenses related to Insurance business for the Year ended March 31, 2007; includes incidental expenses incurred by the Company prior to the commencement of its commercial activities (i. e July 14, 2006) as follows:

Particulars	Expenses Incurred Rs ('000)		Total Amount Rs. ('000_
	Year ended Marcn 31, 2006	April 01, 2006 to July 13,2006	
Employees' remuneration and welfare benefits	21'120	12,147	r-- 33,267
Travel, conveyance and vehicle running expenses	10,504	3,07 -	13 577
Training expenses	-	351	351
Rents, rates, taxes and Repairs	23,120	(7,443)	15,677
Printing and stationery	232	2f)O	492
Communication expenses	1,168	721	1,889
Legal and professional charges	6,224	21,142	27,366
Subscription fees	-	231	231
Auditors' fees, expenses etc	561	(61)	500
Advertisement and publicity	-	1,407	1,407
Interest and bank charges		1-	31
		4,929	6,288
-			
Depreciation/ Amortisation	1,359		
Information technology and related expenses	-	15,209	15,209
Fringe benefit tax	-	223	223
Sitting fee to board	-	11	11
Electricity	-	715	715
Security	-	208	208
St8mp Duty	-	3720	3720
Others	1,556	2,295	3,851
Total	**65,844**	**59,169**	**125,013**

23. **Claims**

There are no claims paid to claimants in and outside India for the period ended March 31,2007.

24. There are no non- performing investments as at March 31, 2007.

25. There are no assets including loans subject to restructuring as at March 31, 2007.

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26. Summary of Financial statements of the Company as prescribed by the IRDA *are* attached in Annexure 4 to Schedule 16.

27. The accounting ratios of the Company as prescribed by the IRDA *are* attached in Annexure 5 to Schedule 16.

28. The financial statements of each of the fund *under* Unit Linked business as prescribed by IRDA *are* attached in Annexure 6 to Schedule 16.

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Director **Director**

1\.(;l.;l--- . –f¥ – G.L.N.Sarma

Nitin Cho\,ra
ChiefEx cutive Officer

J{S.vG palakrishnan
Chief Financial Officer

GLN Sarma
Appointed Actuary

Place :New Delhi
Date : 11rh **June 2007**

KHANDELWAL JAIN & CO.
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Annexure 1

BHARTI AXA U "E INSURANCE COMPANY LIMITED
IRUA Re&bk•tioa No: 130
Dt tf ofRer:i b'!ltiea with IRDA: July 14, 2906
SEGMENTAL kEVENl'E ACCOUNT FOR THE YEAR ENDED MARCil :n,l007

mounun KS.·uu

Particulars	Unit Linked	Non-Part! lndlvldull	tin Gr0!_.1.2.	UnaJiocated	Total
I					
Premiums earned • Net					
{a) PrEJntum	76,143	1,480	136		77.761,
(b) Reinsurance ceded	(44)	(126)	-		(170)
(c) Reinsurance accepted			•		
	76 099	1 354	1:18		77 591
Income from Investments					
(a) Interest, Dividends&. Rent- et of amortisation	307				307
(b) Profit on sale / redemption or Investments	54		1		54
(c) (Loss on §ale / re:::lemption of investments)	(45}				(45)'1
{d) Transfer /Gain on revaluatlo ; f cha119E; In fair value	(492)				(492)1
Other Income					
a) Contribution from Shareholders' Ate	7 4.871	51,775	23		646.669
b) Foreign Exchange Gains	6.446	419			6,665
c) Others	457	1			458
——	so1 598	n. tH	23		853 816
W	mm	m	m		rn-
commisslon	5,281	334			5.615
Operating Expenses related to Insurance $us1ness	809,075	51,643			860.718
Provision for doubtful debts					
Bad debts written off					
Provision for Tax (Fringe Benefit T. ax)	2,540	165			2,705
Provisions (other than taxation)					
(a) For diminution In the value or investments (net)					
(b) others					
Total (B)	1!16 896	52,142		•	869,038
Benefits Paid (Net)	•				
Interim Bonuses Paid					
Change In valuation of liability in respect -of life policies	•				
(a) Gross	60,802	1,406	s1		62,369
(b) Amount ceded in Re-tnsuranre					
(c) AmOunt epted In Re-Insurance					
Total (t:)	60 &02	1,-ic.&i__	161		&2,369
SURPLUS/ (DEFICIT) (D) :: (A·B-C)	•				
APPROPRIATIONS					
Transfer to Shareholders Account					
Total (D)					
a) Interim Bonuses Paid					
b) Allocation of Bonus to policyholders					
c) Surplus shown In the revenue account					
d) Total Surplus :[(a)+(b)+(					

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BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA Re:istration No: 130
Datr of Re&:islrarion wilh IRDA: Ju!y 14,2006
SEGMENTAL BALANCE SHEET AS AT MARCH :n, 2007

.rnuum 111 ---- uuu

Particulars	Shareholders' Funds	UnltUnked	Non-Participating Individual	Grou s	lot11l	Unallocated	'Total
SOURCES OF FUNDS							
SHAREHOLDERS' FUNDS							
ShareCapital	1,500,000						1,500,000
Share Application Money Pending Allotment	380,000 1						380,000
Crediti(Debit) Fair Value Change Aecoount (Net)	(;30						1;30
ReservesAnd SUJplus	1 879,270						1879 270
&nowmg,							
POliCYHOLDERS' FUNDS:							
CredW(Debit) Fair Value Change ACCOIIIIt (Net)							
PolicyLiabilities		6.522	1,407	161	1,568		6,090
lnsurmce Reserves							
Provision For Linked Liabilities							54,279
Sub-total		60 801	1 7	161	1568		62 369
Funds For Future ApplOpriations							
TOTAL	1879 270	60801	1407	161	1568		1941 639
A PPLICAnON OF FUNDS							
I.o=							
Fixed Assets						106,653	106,653
CURRENT ASSETS							
Cash and Bank Balances						13,948	13,948
Advances And Other Assets	20. 28!		179		179	156,007	179,014
Sub-total (A)	20 828		179		179	171 955	192 962
CIIITI:nt Liabilities		3320	1672		1,67	369,929	374,921
						4,326	4,326
Sub-total (B)			t672		1,672	374 255	379 247
NET CURRENT ASSETS (0 :c (A· Bl	20,828	{3,3	(1,493)		11,4'!13)	(202,300)	(186,2851
Miseelbneous Expenditure							
Debit Balance In Profit &. loss Acoount (Shareholders' Account }	604.257						804,257
TOTAL	1,979,520	57 481	76	161		95447	1941 639

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

Bharti Axa Life Insurance Company Limited

Annexure 3 to Notes to Accounts

(Rs'OOO)

Sr. No	Name of the related party with whom the transaction has been made	Description of Relationship with the party	Nature of Transaction	Current year Amount	Amount outstanding as recoverable 31103/2007	Amount outstanding as payable 31/03/2007
1	AXA Business Services Private Limited	Associate Company	Reimbursement of expenses incurred on their behalf	19,296	9,736	-
			Policy processing services provided by AXA BS	338	-	-
			Expenses incurred by AXA BS on our behalf	618	-	
2	AXAAsia Pacific Holdings Limited	Associate Company	Software license, software customization and other IT services	100,316	-	-97.21B
			Reimbursement of expenses incurred on their behalf	64,118	-	60,783
			Business consultancy & SUP_EOrt rovid d	19,623	-	19,191
3	AXA Technology Private Limited	Associci<ltc Company	IT equipments on lease renlals	17,271	-	
			Purchase of printers, fa'<. machine and other assets	1,774		
			IT technical support and service cost	12,653	-	
4	Bharti Airtel Limited	Associate Company	Telephone and other expenses paid	2,854	-	-
5	Nitin Chopra	Key Management Personnel	~~Policy premium~~	~~501~~	-	-
			Salary	32,997	6,611	-

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

Sr. No	Name of the related party with whom the transaction has been made	Description of Relationship with the party	Nature of Transaction	Current vear		
				Amount	Amount outstanding as recoverable 31/03/2007	Amount outstanding as payable 31103/2007
6	First American Securities Private Limited	Investing Company	Share canital	566,670	-	566,670
			Share application money pending allotment	11,333	-	11.333
			Reimbursement of expenses incurred on their behalf	4,755	-	-
7	Bharti Enterprises (Holdings) Private Limited	Investing Company	Share caoital	589,000	-	-
			Share application money pending allotment	113,516	-	113,516
	UAXAl Holdings	Invesling Company	Share caO-ital	333.330	-	333,330
			Share application money pending allotment	255.151	-	255,151

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA Registration No: 130 **Annexure 4**
Summary of Financial Statements

(Rs. 000's)

Sr.no	Particulars	Year Ended March 31, 2007
	POLICYHODERS' A/C	
1	Gross premium income	77,761
2	Net premium income	77,591
3	Income from investments@	(176)
4	Other income	853,992
5	**Total income**	**931,407**
6	Commissions	5,615
7	Brokerage	-
8	Operating Expenses related to insurance business	860,718
9	Fringe Benefit Tax	2,705
10	**Total Expenses**	**869,038**
11	Payment to policyholders	-
12	Increase in actuarial liability	62,369
13	**Surplus / (Deficit) from operations**	-
	SHAREHOLDERS' A/C	
14	Total income under Shareholder's Account@	58,012
15	Profit / (loss) before tax	(804,257)
16	Provision for tax - Fringe Benefit Tax	-
17	**Profit / (loss) after tax**	(804,257)
18	Profit / (loss) carried to Balance Sheet	(804,257)
	MISCELLANEOUS	
19	(A) Policyholders' account	
	Total	62,369
	Total	62,379
	Yield	-0.6%
	(B) Sh[redacted]	
	Total Funds	1,075,743
	Total investments	1,154,435
	Yield on investments (%) ^	10.1%
20	Yield on total investments(%) ^	9.5%
21	Paid up equity capital	1,500,000
22	Net worth	1,075,743
23	Total Assets	1,137,382
24	Earnings per share (Rs.)*	(7.82)
25	Book value per share (Rs.)*	7.03

Iotaliund Policyholders reserves

@ Includes the effect of gains / losses on sale of investments

* calculated after taking into equivalent shares to be alloted against 'Advance against Share Capitai'.(Diluted)

^ calculated by dividing the investment income as shown in the revenue/profit and loss account by average of period beginning and period closing investments

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA Registration No: 130 **Annexure 5**
Ratios as prescribed by IRDA

	Particulars	Year Ended March 31, 2007
1	New business premium income growth (segment-wise)*	
	Participating	Not applicable
	Non - Participating Individual	Not applicable
	Non - Participating Group	Not applicable
	Pension	Not applicable
	Gratuity	Not applicable
	Unit-Linked	Not applicable
2	Net retention ratio (Net premium divided by gross premium)	99.8%
3	Ratio of expenses of management (Expenses of management divided by the total Gross direct premium)	1106.9%
4	Commission ratio (Gross Commission paid divided by Gross Premium)	7.2%
5	Ratio of policyholders' liabilities to shareholders' funds	5.8%
6	Growth rate of shareholders' funds *	Not Applicable
7	Ratio of surplus 1 (deficit) to policy holders' liability (Surplusi(Deficit) as per Revenue account is Nil)	0%
8	Change in networth (Rs'OOO)	977,943
9	Profit after tax 1 Total income Total Income= Total Income under Policyholders' Account (Excluding Contributions from Shareholders' Account) + Total Income under ShareHolders' Account	-563.4%
10	(Total Real Estate+ Loans) 1 Cash and invested assets	0%
11	Tot5tl Investmet')ts 1 (Capital+ Surplus .. Note: Total Investments = Shareholders' Investments + Policyholders' Investments + Assets held to cover Linked Liabilites	113.1%
12	Total affiliated Investments 1 (Capital + Surplus	0.6%

* This being the first year of Insurance operation, previous year figures are not available for computation of relevant ratios

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

KHANDELWAL JAIN & CO.
MUMBAI
Chartered Accountants

Annexure 6

BHARTl AXA LIFE lNSVRANCE COMPANY LIMITED

JRDA Registration No: 130

Dale ofRegistra*ion witb IRDA: July 14, :Z006

REVEN _.!E ACCOUNT FOR THE YEAR ENDED MARCH 3!, 20(17

Policyholders' Account (Technical Account')

1'\5,m ·uuu

Particulars	Schedule	Linked life			Linked Ptmsipn			linked Group			Total Unit linked
		Non-Unit	Un	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1) + (2)	(4)	(!:)	(6)=(4) + (5)	(7)	(8)	(9)= (7) + (8)	(10)=(3)+ (6)+(9)
Premiums earned- net											
(a) Premium		20.413	55,730	76,143	-		-	-	-	-	76,143
(b) Reinsurance ceded		(44)	-	(44)	-	-	-	-	-	-	(44)
Incomefrom Investments											
(a) Interest, Dividend & Rent- Gross		-	307	307	-	-	-	-	-	-	307
{b) Profit on sale/redemption of investments		-	54	54	-		-	-	-	-	54
{c) Loss on sale/redemption of investments		-	(45)	(45)	-	-	-	-	-		(45)
{d) Unrealised gain/(loss)		-	(492)	(492)	-	-	-	-	-	-	(492)
Otherincome:											
{a) Linked Income	UL1	1,731	(1,731)	-	-	-	-	-	-	-	-
(b) Contribution from Shareholders' *ale*		794,871	-	794,8?1	-	-	-	-		-	794,871
{c) Foreign Exchange Gains		6,446	-	6,446							6,446
(d) Miscellaneous Income			457	457	-	-	-	-	-	-	457
TOTAl(A)		823,417	54,280	877,697	-		-	-	-	-	877,697
Commission		5,281	-	5,281	-	-	-	-	-	-	5,281
Operating Expenses related to Insurance Business		809,074	1	609,075	-	-	-	-	-	-	809,075
Provision for Taxation		2,540	-	2,540	-	-	-	-	-	-	2,540
TOTAl (BL		816,895	1	816,896	-	-	-			-	816,896
Benefits Paid {Net)	UL2		-	-	-	-	-	-	-	-	-
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-
Change in Valuation Uabilitv		6.523	54,279	60,802	-	-	-	-	-	-	60,802
TOTAl (CI		523	54,279	60,802	-	-		-	-	-	60,802
SURPLUS/ (DEFICin (0) =(A)·(B)-(C)			- -	-	-	-	-	-	-	-	-
APPROPRIATIONS											
Transfer to Shareholders' ale											
Funds available for future appropriations											
Total fD)											

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

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Schedules to Annexure to Revv

Annexure 6

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

IRDA Registration No: 130

Date of Registr tion with IRDA: July 14, 2006

Schedule-UL1

Linked Income (recovered from linked funds)*

(Rs. In '000)

Particulars	Life Linked Unit	Pension Lini<ed Unit	Linked Group Unit	Total
	(1)	(2)	(3)	(4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	-	-	-	-
Policy Administration charge	726	-	-	726
Surrender charge	-	-	-	-
Switching charge	-	-	-	-
Mortality charge	1,005	-	-	1,005
Rider Premium charge	-	-	-	-
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
TOTAL (UL-1)	1,731	-	-	1,731

* (net of service tax, if any)

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

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Annexure 6

BHARTI AXA LIFE INSt.r'RANCE COMPANY LIMITED
IRDA Registration No: 130
Date ofRegistratioD with IRDA: July 14,2006

Schedule-UL2
BENEFITS PAID [NET]

n::o. 111 uu

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Gro			Total Unit Linked
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group	
		{1)	2	3=1)+2)	(4	5	{6 = 4 + 5	7)	{8	{9-7+8	10)=(3•{6•{9
1	Insurance Claims	-	-	-	-	-	-	-	-	-	-
(a)	Claims by Death	-	-	-	-	-	-	-	-	-	-
{b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(C)	Annuities / Pension payment		-		-	-	-	-	-	-	-
{d)	Other benefits										
	-Surrender	-	-	-	-	-	-	-	-	-	-
	-Survival	-	-	-	-	-	-	-	-	-	-
	Sub Total A)	-	-	-	-	-	-	-	-	-	-
2	Amount Ceded in reinsurance										
{a)	Claims by Death	-	-	-	-	-	-	-	-	-	-
{b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-
{c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits										
	-Surrender		-	-	-	-	-		-	-	-
	-Survival	-	-	-	-	-	-	-	-	-	-
	Sub Total Bl	-	-	-	-	-	-	-	-	-	-
	TOTAL AI B)	-	-	-	-	-	-	-	-	-	-
	Benefrts paid to claimants:										
	In India	-	-	-	-	-	-	-	-	-	-
	Outside India		-	-	-	-	-	-	-	-	-
	TOTAL UL2l						...L_				

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

KHANDELWAL JAIN & CO.
MUMBAI

Forrr. A-BS(UL)

Annexure 6

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA Registration No: 130
Date of Registration with IRDA: July 14,2006

Fund Balance Sheet as at March 31,2007

Particulars	Schedule	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund	Current Year Total	(Rs.In'ODD)
		Currentyear	Currentyear	Currentyear	Current year		**Previous Year**
Sources of Funds							
Policyholders' Funds:							
Policyholder contribution	F-1	7,796	68	45,953	352	54,169	-
Revenue Account		513	1	(406)	2	110	-
Total		8,3D9	69	45,547	354	54,279	-
Application of Funds							
Investments	F-2	8,123	61	36,559	273	45,016	-
Current Assets	F-3	245	8	13,518	81	13,852	-
Less: Current Liabilities and **Provisions**	F-4	59	0	4,530	0	4,589	-
Net current assets		136	8	8,988	81	9,263	-
Total		8,3D9	69	45,547	354	54,7.79	-

Net Asset Value (NAV) per Unit:				
(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)	8,319	69	45,547	354
(b) Number of Units outstanding	'174,766	6,757	4,018,429	34,595
(c) NAV per Unit (a)/(b) (Rs.)	10.7251	10.1609	!1.3345	10.:'267

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

Form A·RA(UL)

Annexure 6

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA Regist ation No: 130
Date of Registration with IRDA: Jnly 14, 2006

Fund Revenue Account for the year ended March 31, 2907							
Particulars	Schedule	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund	Current Year Total	(Rs. In '000)
		Current Year	Current Year	Current Year	Current Year		Previous Year
Income from investments							-
Interest income		180	1	0	2	183	-
Dividend income		30	-	94	-	124	-
Profit/loss on sale of investment		{14)	(0)	24	0	10	-
Profit/loss on inter fund transfer/ sale of investment		-	-	-	-	-	-
Miscellaneous Income		0	-	457	-	457	-
Unrealised Gain/loss*		376	(0)	(868)	-	(492)	-
Total (A)		572	1	(293	2	282	-
Fund management expenses		59	0	73	0	132	-
Fund administration expenses		-	-	-	-	-	-
Other charges:	F-5	0	0	40	-	40	-
Total (B)		59	0	113	0	172	-
Net Income for the year (A-B)		513	1	(406)	2	110	-
Add: Fund revenue account at the beginning of the year		-	-	-	-		-
Fund revenue account at the end of the year		513	1	(406)	2	110	-

• Net change in mark to market value of investments

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

Schedules to Fund Revenue Account

Annexure 6

BHARTI AXA LIFE INSURANC'Ii: COMPANY LIMITED
IRDA Registration No: 130
Date of Registration with IRDAl July 14, 2006

Schedule: F1

POLICYHOLDERS' CONTRIBUTION

(Rs.in'000)

Particulars	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund	Current Year Total	Previous Year
	Current year	Current year	Current year	Current year		
Opening balance	-	-	-	-	-	-
Add: Additions during the year	8.112	104	51,325	379	59,920	-
Less: Deductions during the year	316	36	5,372	27	5,751	-
Closing balance	7,796	8	45,953	352	1_69	-

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI

Annexure 6

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IHDA Re tration No: 130
Dak of ;t,. imation with IRDA: .July 14, 2006

Schedule: F 2
INVESTMENTS

(Rs. in '000)

Particulars		Steady Money Fund Current Year	Grow Money Fund Current Year	Protect Money Fund Current Year	Current Year Total'	Previous Year
Approved Investments						
Government Bonds	1,459	21		194	1,674	
Corporate Bonds	3, 60	40		79	3,179	
Infrastructure Bonds						
Equity	2,995	ı	28,916		31,.911	
Money Market						
Mutual Funds						
Total ;	7 514	61	28 916	273	36,764	
Other Investments				-1-		
Corporate Bonds	-	-	-	-		
Infrastructure Bonds	-	-	-	-		
Equity	609	-	5,819	-	6,428	
Money Market :	-	-	-	-		
!Mutual Funds	-	-	1824	- /	1,824 1	1
lTotal	609	-	7,643	- __]	8,252	
!GRAND TOTAL I	8,123 :	61 I	36,559 l	27'3j	45,016 ı	
%of Approved Invesbnents to Total	92.50%	100.00%	79.09%	100.00%		
o/o of Other Investments to Total	7.50%	0.0(1%	20.91%	O.QOJ/o		
	100.000ft.	100.00%	100.00%	101:.-lO%		

Schedule: F 3
CURRENT ASSETS

fRs. In ·oool

Particulars	Save and Crow Current Year Monev Fund	steady Money Current Year Fund	Grow Money Fund Current Year	Pote c M9 ne y Fun	C t y T ta1 u;ren ear o	Previous Year
Accrued Interest	41	1	0			-
Cash &Bank Balance	201	7	13,497		13,	-
Dividend Receivable	3	-	21			-
Receivable for Sale of Investments		-	-		-	-
Unit Collection A/c		-	-			-
Other Current Assets (for Investments)	-	-	-		-	-
Total	245	6'	13.516	__ sd	13852	

LOVELOCK & LEWES CHARTERED ACCOUNTANTS MUMBAI

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

Annexure 6

Schedule: F 4
CURRENT LIABILITIES

(Rs. In "OOOJ

Particulars	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund	Cum:flt Year Total	Previous Year
	Current Year	Current Year	Current Year	Current Year		
Payable for Purchase of Investments	-	-	4,416	-	4,416	-
Other Current Liabilities	59	0	114	0	173	-
Unit Payable a/c	-		-	-	-	-
Total	59	0	- 4,530	0	4,5 9	

BREAK UP OF OTHER EXPENSES UNDER UUP

Schedule: F 5
OTHER EXPENSES

(Rs. In '000

Particulars	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund	Current Year Tota	Previous Year
	Current Ye'ar	Current Year	Current Year	Current Year		
Policy Administration charge	-	-	-	-	-	-
Surrender charge	-	-	-	-		-
Switching charge	-	-	-	-	-	
Mortality charge	-	-	-	-	-	
Rider Premium charge	-	-	-	-		-
Partial withdrawal charge					-	
Aoorooriation charae for Last Dav Collection						
	0	0	40	-	40	-
Total	0		40	-	40	-

LOVELOCK & LEWES
CHARTERED ACCOUNTANTS
MUMBAI

DELWAL JAIN & CO.
MUMBAI

BIIARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA Registration No: 130
Date of Registration with IRDA: July 14,2006

RECEIPTS AND PAYMEI'o;TS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2007

Particulars	Year Ended March 31,2007 (Rs.OOO's)
ICASH FLOW FROM OPERATING ACTIVITIES	
Premium collection (Excluding Service Tax collected, but including monies pending billing)	79,385
Cash paid to Reinsurers	
Cash paid to suppliers and employees	(543,719)
Benefits paid	
Commission paid	(2,418)
Deposits paid	(61,728)
Other Income Received	458
Taxes Paid (Fringe Benefrt Tax)	(2,581)
Net cash used In operating Activities	(530,603)
II CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Fixed Assets	(98,520)
Purchase of Investments	(2,939,791)
Sale of Investments	!,7 3,179
Interest and Dividend Received	9542
Net cash used In investing activities	(1.265,"9'") !
III CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issuance of share capital	1,782.200
Net cash from financing activities	1,78l.200
Net increase in cash and cash equivalent	(13,893)
Cash and cash equivalent at beginning of the year	13,964
Cash and cash equivalent at the end of the year	71

1. The above Receipts and Payments Account has been prepared as prescribed by Insurance Regulatory arid Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations. 2002 und&r !lle •Dfrect 1\:k:tho · laid out in Accounting standard - 3 on Cash Flow Statements issued by the Institute of Charetcred Accountants of India

2. Cash and Cash eauivalent atthe end of the ,eenod com,eris.e of the fo owmg 8 alanee shea amounts;

Particulars	Year Ended Marcb 31,2007 (Rs.OOO's)
Cash (including cheques, drafts, stamps ir hand} as per schtd•Jle 11	970
Bank Balances as per Schedule 11	12,978
Book. Overdraft as per Schedule 13	(27,663)
Bank Balances :n unit linked Funds as : :er Schedule 8_8	13,786
Total	71

This is .the Recei●ls and Payments Account referred to in our report of even..date

For and on behalf of the Board of Directors

Muk Poarnon 7'

Sunil Bharti Mittal Badri Agarwal
Director

Sharrnila A. Karve

Sh

Partner
Membership no. 43229
For and on behalf of
Lovelock & Lewes
Chartered Accountants

Partner
Membership n . 33632
Forand on behalf of
Khandelwal Jain & Co.
Chartered Accountants

Chainnan

Director

N IA . - _

GLN Sarma

Chief Executive Officer

Chief Financial Officer

Appointed Actuary

KHANDELWAL JAIN & CO. MUMBAI Chartered Accountants

Place : New Delhi
Date : II th June, 2007

Place : New Delhi
Date: llthJune,2007

BHARTI AXA LIFE INSURANCE COMPANY LIMITED

IRDA REGISTRATION NO: 130 DATED JULY 14, 2006

MANAGEMENT REPORT

In accordance with the Insurance Regulatory and Development Authority (Preparation of financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002, the following Management Report is submitted by the Board of Directors with respect to the operation of the company for the period July 14, 2006 to March 31, 2007. The Management of the Company confirms, certifies and declares as below:

1. **Certificate of Registration**

   The Certificate of Registration granted t>y the Insurance Regulatory and Devef::.prnent Authority to enable the Company to transact life insurance business continues to stand valid as at March 31, 2007 and even as of the date of this Report.

2. **Statutory Dues**

   All relevant statutory dues payable by the Company have been generally deposited on time as on the date of this Report.

3. **Shareholding Pattern**

   The Company confirms that the shareholding pattern is in accordance witt, the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development Auihority (Registration of Indian Insurance Companies) Regulations. 2000. During the year, the company has transferred 60,000,000 shares from Bharti lnfotei Private Limited to Bharti Enterprise Holding Private Limited. The same has been approved by IRDA.

4. **Investment of Funds**

   The Company has not directly or indirectly invested outside India the funds of the policyholders issued in India.

5. **Solvency Margin**

   The Company has adequate assets to cover both its liabilities and the minimum solvency margin as stipulated in Section 64 VA of the Insurance Act, 1938.

6. Valuation of Assets

The Company certifies that values of all the assets have been reviewed on the date of the Balance Sheet and that the amounts reflected in the Balance Sheet under "Loans", "Investments" (excluding fixed income securities held in the Shareholders' account and non-linked Policyholders' account which are carried at amortised cost), "Agents balances", "Outstanding Premium", "Interest, Dividend and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amount due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" did not exceed their respective realizable or market value.

7. Application of Lif9 Insurance Funds

The Controlled Fund of the Company has been invested as per the provisions of, inter alia, Sections 27 and 27A of the Insurance Act, 1938 and in accordance with IRDA (Investment) Regulations, 2000. No part of the life insurance fund has beeo directly or inrlirectly invested outside India.

8. Risk Minimizatlor. Strategies

Underwriting procedures have been enhanced and 1ules have been struGtured to enahle the Company to strike a balance between mitigating risk. ensuring control and providing better service. The key risks affecting the operations of the company are underwriting and investing risks. The underwriting risk is managed by adopting prudent underwriting policies and procedures. The Company S'J<>ks to reduce its risk exposure by reinsuring certdin levels of risks with re-insurers.

The Company has prudent policy in respect of Investments. Investment risks are managed by laying down appropriate guidelines in the Investment policy. The Investment pohcy is approved and reviewed by the Board periodically.

9. Operations In other Countries

The Company does not have any operation outside India; hence there are no exposures to either other country risks or currency fluctuation risks.

10. Ageing of Claims

No claims were intimated to the Company in this financial year.

11. **Valuation of Investments**

The Company certifies that the investments made, out of Shareholders' funds and non• linked Policyholders' funds, in Government Securities, Treasury Bills, Bonds and Debentures have been valued at amortized cost. However, in the unit-linked funds, such investments are carried at market value. Inter corporate deposits have been stated at original cost. Investments in mutual funds and listed equity securities are recorded at fair value. The above valuation basis is in accordance with the Insurance Regulatory and Deveiopment Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

In thn case cf unit-linked funds, the market value of Governnwnt Securities is va!ueC. at prices obtained from Credit Rating Information Services of India ltd. ('CRISIL'). Debt securities, other than Government Securities, are valued on the basis of CRISIL Bond Valuer. The market value of equity shares is the last quoted closing price at the National Stock Exchange of India Ltd.('NSE').

In the case of shareholders' funds and non-linked Policyholders' funds, the market value of Government Securities has been determined on the basis of valuations published by PIMMDA. The market value of corporate bonds and debentures has been deterrl"ined on the basis of the benchmark yields and spreads published by FIMMDA. The market value of equity shares is the lower of the last quoted closing prices at the National Stock ExchangA of India Ltd. ('NSE') and the Stock Exchange, Mumbai ('BSE'). Unli&:ed equity securitie.s are measured at historical cost.

Market value of investments by the Company in mutual funds has been determined on the basis of the net asset value declared by the respective funds as at the Balance Sheet date.

12. Review of Asset Quality and Performance of Investment.

All investments as at the year end are performing investments.

The company invests only in high credit quality instruments, like Government of India bonds or corporate bonds rated AA+ or better. The investment in equity is limited to listed blue chip stocks.

13. Directors' Responsibility Statement

The Board of Directors of the Company also state that:

(a) in the preparation of financial statements, the applicable accounting standards, principles and policies have been followed along with proper explanations relating to material departures, if any;

(b) the management has adopted accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating loss under Revenue Account and of the loss in the Profit and Loss account of the Company for the year ended March 31, 2007.

(c) the management has taken proper and sufficient care for the mwintenance of adequate accounting records in accordance with the applicable prov;aions of the Insurance A t 1938 (4 of 1938) / Companies Act. 1956 (1 of 1956), for safeguarding the assets of the company and for preventing B<1d detecting fraud and other irregularities;

(d) the management has prepared the financial statements on a going c ncern basis;

(e) the management has ensured that an internal audit system commen.surate with the size and nature of the business exists and is operating effectively.

14. Schedule of Payments made to individuals, firms, ·companies and organization-; In which **the** Directors are interested.

The Schedule of transactions and year-end outstanding balances of related parties in 'he ordinary course of business are indicated in Note No. 18(C) of the Notes to Accounts in Schedule 16 of the Financial Statements.

For and on behalf of the Board of Directors

Sunil Bharti Mittal		Mark Pearson
Chairman	**Director**	**Director**
Nitin Chopra	K.S. Gopalakrishnan	GLNSanna
Chief Executive Officer	Chief Financial Officer	Appointed Actuary

Place : New Delhi
Date : II"' JWJe, 2007