Appendix A

DIRECTORS' REPORT

Dear Members

Your Directors have immense pleasure in presenting the third Annual Report, together with the audited statement of accounts of Bharti AXA Life Insurance Company Limited ("the Company") for the year ended 31 March 2008.

Financial Performance

The perfonmance highlights for the year are summarised below:

(Figures in Rs. mnl

Particulars	For the year ended 31 March 2008	For the year ended 31 March 2007
Income		
Premium & Investment Income (net)	1,262	135
Other Income	25	7
Total Income	1287	142
Less: Expenses		
Commission	126	6
Expenses (excluding depreciation)	2,857	848
Depreciation	115	27
Benefits paid (net)	6.	0
Provision for actuarial liability (net)	594	62
Provision for taxation	9	3
Total Expenses	3,707	...946
Loss for the current year	(2.420)	(1304)
Add: Loss bought forward from last year	(804)	0
Total Loss as on date	(3224)	(804)

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 nof recommend any dividend for the year.

Outlook

The Indian economy continued to grow at a robust pace with GOP growth in excess of 8% during the year. The country offers a strong foundation lor the industry to base its growth plans on Rs.564bn new busmess received premium sales, around 1.1bn population w1th a median age of 25 years. increasing arnuence and a high savings rate. The total market 1s expected to grow by approximately 17%-22% per annum and reach a size of Rs3.200bn to 4,000bn by 2012 (source: Mckinsey & Company).

Private sector life insurance compames continued to show strong growth of 84% during FY 2007-2008 (on annuahsed premium equivalent basis) compared to 104% 1n FY 2006-2007, Increasing their market share to 52% from 37% last year. Pnvate sector growth has been

Rural and Social sector obligations

Your Company has complied with the rural and the social sector obligations as mandated by the IRDA. The Company has underwritten 6884 policies from rural locations (9% of total policies) and covered 7,550 lives {versus mandated 7500 lives) under the social sector during the year.

Technology

Technology plays a critical role in the revenue generation and servioe differentiation initiatives in the ambitious growth plan of the Company. The Company has taken a number of key technology initiatives:

- Service delivery initiatives such as decentra lised imaging and worktracking. automated SMS, output management system, service deliv.ery databank, mobile transactional platform
- Distribution channel initiatives such as agent recruitment system and distribution management jnformation system
- Enterprise initiatives such as data warehousing/business intelligence, human resource management system and investment management system
- Revenue enabling initiatives like Ashimalife for group business,campaign management systems for cross-sell/up-sell activities
- IT Jrastructure initiatives such as internet gateway, back up MPLS connectivity, SAN storage.

Customer Service

The Company's customer service vision is to build a customer centric organisation. whereby customer service differentiates us as the preferred financial protection partner to our end customers, advisors and channel partners.

As a step in that direction the Company in November 2007 obtained ISO 9001:2000 certification for its Operations, Customer and Distributor Services and Claims processes covering the head office and 11 branches, becoming the first life insurance company to get the oertification within the first year of national launch. We are the fourth private sector insurance company to obtain this certification and the first to do so in its first year of national launch.

Speedy issuance is a key priority for our advisors and customers. Due to initiatives such as increased imaging locations (now available in 15 locations), auto-underwriting and simplification of the non medical underwriting process the issuance time has been reduoed. We have one of the best turn around times in the market for policy issuance. In March 2008, 92% of standard cases were issued within one working day, which is one of the best turnaround times in the industry. Welcome calling is used for tracking onboarding satisfaction and also used for identifying improvement opportunities.

We have established multiple touchpoints with our customers and advisors. This includes the contact center, branch services. SMS and email services. Since May 2007 we have been using SMS as a mode of communicating with our customers and partners. We also have a SMS feature whereby customers/partners can SMS "SERVICE" to us and we call back to address the servicing need.

dnven by significant investments in their branch netwOI'k and agency force. In addition. companies have leveraged alternative distribution channels like bancassurance and corporate agents and brokers to expand their business into lower tier towns.

Successful second financial year

The Company achieved new business Index of Rs.1,618mn during FY 2007-2008 (Rs.117m in FY 2006-2007). During the year the Company sold more than 74,000 individual policies (5,700 policies sold in FY 2006-2007). The Company covered over 9,000 lives (FY 2006-2007 nil) under its group insurance product. The total received premium was of Rs.1.180mn (FY2006-2007Rs.77mn).

As at 31 March 2008 the Company was operating with 78 branches having presence 1n 67 Ctties with approximately 11700 licensed agents and 2,150 direct sales fOtce. In addition, the COI'npany has tied up with CitiF1nanetal (the largest retail consumer finance company 1n lnd1a) to exclusively distribute its life insurance products.

Product Development

During 2007-2008, unit-linked products continued to dominate the life insurance marl\et. particular1y the sales of private life insurance companies. New product lines such as health products (unit-linked and traditional). micro-insurance business, simplified underwriting products and funds with automatic asset allocation were launched. The IRDA asked two Insurance companies to withdraw their actuarially funded unit-l nked products on account of the products' complexity in the first quarter of 2007-2008.

Your Company launched Aspire life, a unique unit-linked endowment plan wh1ch was a pioneering innovation in the life insurance marl\et. The product has a unique customer propos1tion of guaranteed retum of first year premium at maturity or death, and 100% allocation from the second year and has become the highest selling product of your Company. It is to be noted that the product has a positive capital strain for your COI'npany and also provides competitive commissions to the d1stnbution partners.

A unit-linked pension accumulation plan. Dream life Pension was launched by your Company to target the retirement saving segment. The product provides *very* competitive customer yield over the tenure of the plan and proVIdes the option to systematically Increase premiums every year to keep pace with inflation. Successful sales events to launch the product were conducted across 11 cities In January 2008 and the product has contributed approximately 30% of sales in the last quarter of 2007-2008.

Two group credit life products, Mortgage Credit Shield and Credit Shield, were launched, to support the strategic bancassurance partnership with CitiFinancial. The product structure and enrolment proCess in the group schemes was simplified and customized to align with the existing process of the bancassurance partner and enable 'over the counter' issuance of insurance coverage to the customers of Cotifinancial.

In the financial year 2008-2009, your Company plans to further enhance the indiVIdual product portfolio through child education products, riders, products w1th somplofied underwriting and unit-linked products with Investment guarantee. We also propose to launch group protection products customized fOI' dorect sales in the 'telcassurance' channel and group credit and tenm life products targeted at C1tifonancial and other loan providers.

Your Company plans to evaluate the opportumties related to micro-insurance and health insurance during this financial year. The Implementation plan for entry 1nto group fund management business is in progress.

Ease of payment has been achieved through introduction of multiple payment methods and our customers can pay at the branch or opt for electronic clearing service (ECS) or direct debit to credit card. We also have a drop box and cheque pick up facility for our customers.

Conservation has been a focus area and as a part of our conservation strategy a robust premium reminder system has been put in place. This includes usage of SMS and outbound voice services for premium reminder and lapsation. Reinstatement campaigns are. run on a regular basis to improve persistency. To take care of orphaned policyholders a "No advisor customer" retention strategy has been put in place.

We have a robust complaints management process in place including tracking and escalation mechanisms. A Complaints Committee has been formed and meets on a monthly basis to examine trends, issues and also frame and track improvement action plans.

The Customer Service Index is used as an internal measurement mechanism to track performance on various customer service delivery metrics and it is derived through usage of lead indicators(turn around time and quality) and lag indicators(complaints, free looks and welcome calling score). The CSI has been consistently above 90% from April 2007 to March 2008. The CSI performance has been validated in the recent Customer SCOPE (An AXA group tool for measuring customer satisfaction) conducted by AC Nielsen wherein the overall satisfaction with service is at 86%, one of the highest in the AXA group.

Corporate Governance

The Company believes in the philosophy of conducting business through fair and ethical 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 Andrew Penn, Mr Prakash Nene and Mr Akhil Gupta, 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.

The Board would like to place on record its sincere appreciation tor the services rendered by Ms Clare Duggan, Mr Sanjay Saxena and Mr Kent Griffin during their tenure on the Board.

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 2007-2008 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 willingness 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.

Share capital

During the year the Company increased its share capital by Rs.2161mn. A further Rs.300mn received from the shareholders is pending allotment as on 31 March 2008.

Deposits

During the year ended 31 March 2008 the Company did not accept deposits from the public.

Particulars of Employees

The Company has *over* 5384 employees as of 31 March 2008. 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 the Annexure to this Report.

Statutory Disclosure of Particulars

The requirements of disclosure in terms 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 particulars in the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, are not applicable and hence are not given.

The Company recorded an inflow of Euro 817,778.09 and an outgo of Rs.1.74 million in foreign exchange in 2007-2008.

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 2008;
- 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.

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 complete the financial year. The Board also expresses its gratitude to the IRDA, the Bharti group and the AXA Group for their constant support, g and co-operation.

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

Sunil Bharti Mittal
Chairman

21 August 2008
Mumbai

Auditors' Report

To the Members of
Bharti AXA Life Insurance Company Limited

1. we have audited the accompanying Balance Sheet or Bharti AXA Life Insurance Company Limited ('the Company') as at March 31, 2008, the Policyholders' Revenue Account, the Shareholders• Profit and Loss Account and the Receipts and Payments Account for the year then ended, annexed thereto, whiCh we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our auditin accordance with audrting standards generally accepted in India. Those standards require that we plan and perform the audit to obta n reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. we believe that our audit provides a reasonable basis for our opinion.

3. In accordance with the provisions of Section 11 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 ('the Regulations'}, and the provisions of sub-sections (1), (2) and (5) of Section 211 and sub-section (5) of Section 227 of the Companies Act, 1956 ('the Companies Act'), the Balance Sheet, the Policyholders' Revenue Account and the Shareholders' Profit and Loss Account are not required to be, and are not, drawn up in accordance with Schedule VI to the Companies Act. The Balance Sheet, the Policyhokfers' Revenue Account and the Shareholders' Profit and Loss Account are, therefore, drawn up In conformity with Regutauon 3(1) of the Regulations.

4. We report that:

   (a) we have obtained all the information and explanations wh ch to the best of oor knowledge and belief were necessary for the purposes of our audit and have found them to be satisfactory;

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

   (c) The financial accounting systems of the Company are centralised and therefore accoontlng returns are not required to be submitted by branches and 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;

   (e) The actuarial va uation of liabilit es 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 certofied by the appointed actuary. The appointed actuary has certified to the Company that the assumpt ons for such valuation are In accordance with the gu delines and norms Issued by the Insurance Regulatory and Development Authority ('IROA') and the Actuarial Society of India In concurrence with IRDA. we have rehed 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, 2008 fr[illegible] is a Director in terms of Section 274(1)(9) of the Compan es Act.

Lovelock & Lewes Chartered Accountants Mumbai

Khandelwal Jain & Co Chartered Accountants Mumbai

5. In oor opiniOn and to the best ot our information and according to the information and e•planat•ons owen to us:

(a) The accounting policies selected by the Company are appropriate and are in compliance w•th the applicable account ng standards referred to in Section 211(3C) of the Compnnlcs Act and with the accounting principles prescribed In the Regulations and orders or directions issued by IROA in this behalf. The Balance Sheet, the Policyholders' Revenue Account, the Shareholders' Profit and Loss Account and the Receipts and Payments Account referred to In this report arc 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 prov1s1ons of the Insurance Act and the RegulatiOns.

(C) The: said f.nancial statements are prepared " accordance with the requirements ot the Insurance Act, the Insurance Regulatory and lopment Authority Act, 1999, the Regutatoons and the Com nies Act, to the extent appllelble and In the manner so required, and grve a true and fair vtew In conformoty woth the accounung pnndples generally a«epted in India, as apptkable to insurance compames:

i. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2008;

il. In the case of the PoUcyholders' Revenue Account, of the deficit (before transfer by sharehdders) or the Company for the year ended March 31, 2008;

Ill. in the case of the Shareholders' Profit and Loss Account, of the bss of the Company for the year ended March 31,2008; and

lv. In the case of the Receipts and Payments Account, of the receipts and payments of the Company for the year ended March 31, 2008.

6. Further, on the basis of our examination ot the books or account and other records of the Company and according to the informatkm and explanat.ons given to us, we certify to the best of our knowledge and belief that:

(a) We have reviewed the managefT'lient report attached to the finandal statements for the year ended March 31, 2008 and nave found no apparent mistake or matertalInconsiStency' itoth the financial state-ments;

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

Sharmila A. Karve
Partner
Membership No. 43229
For and on behalf ot
L.ovetock & Lewes
Chartered Accountants

P&ace : Mumbai
Dated: 21 August,2008

Shallesh Shah
Partner
Membership No. 33632
For and on behalf or
Khandelwal Jain &. Co.
Chartered Accountants

P&ace:: Mumbai
Dated: 21August 2008

Auditors' Certificate

Jn 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 BhartiAXA Ute Insurance Company limited ('the Company') for the year ended March 31, 2008, we certify that:

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company 's investments as at March 31, 2008, by actual inspection or on the basis of certificates/confirmations received from the depository participant appointed by the Company, as the case may be. As at March 31, 2008, the Company had no loans, reversions and life Interests;
2. The Com ny is not the trustee of any trust; and
3. No part of the assets *or* the policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and Investments *of* the policyholders funds.

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

Sharmila A. Karve
Partner
Membership No. 43229
For and on behalf *of*
Lovelock & lewes
Chartered Accountants

Place: Mumbal
Dated: 21 August 2008

Shallesh Shah
Partner
Membership No. 33632
For and on behalf of
Khandelwal Jain & Co.
Chartered Accountants

Place: Mumbai
Dated: 21 August 2008

FORM A.BS
BhartiAXA Life Insurant::c Company limited
IROA Registration No: 130 dated 14 July, 2006

Balance Sheet as at 31 March, 2008

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Particulars	Sc;hcdule	As at 31 March, 2008	As at 31 March, 2007
Sources of Funds			
Shareholders' Funds:			
Share Capital	5	3,661,08	1,500,000
Share AppicattOn Money Pending Allotment		300,000	380,000
Reserves and Surplus	6	?68,916	-
CredrV(Oebrt) Fa1r Value Change Account (Net)		8,089	(730)
Sub Total		4 738 089	1879 270
Borrowings	7		-
PoticvholderS' Funds:			
CredrV(Oebrt) Fair Value 0\ange Account (Net)		IS	-
Policy Uabi11hes		57,841	8,090
Insurance Reserves			
Provision for Unked Liabilities		59!	54,279
Sub-Total			62 369
Funds for Future Appropriations			-
Total			9 6 9
Application of Funds			
Investments			
Shareholders'	8	1,737,098	1,154,435
Policyholders'	SA	5&,103	8,100
Assets Held to Cover Linked UabJhtles	SB	598,579	54,279
Loons	9	-	-
Fixed Assets	10	353,988	106,853
Current Assets			
Cash and Bank Balances	I I	144,488	13,948
AcMmces bnd Other Assets	12	33&,870	179,014
Sub ToUI (A)		483,358	192,962
Current Uabihties	13	1,02621	of 374,921
Provisions	14	. 34:765	
Sub-ToUI (8)			379 247
Net Current Assets (C) = (A - 8)		577,628	{186,285)
t-1iscenanews Expenditure ('ro the elCtent not wnnen off or adjusted)	15		-
Dtbit Balonoo of Profit and Loss Accoont (Shareholders' Account)		3,224,3-84	804,257
Total		5 394 524	1941 639
Notes *to* the Accounts	16		a:;

S<:hedtes ferred to above form an integfal part of the Balance Sheet

This ιs the Balance Sheet referred to in our 1et>0rt *ot* even d&tt

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Sharmila A.Karve
P.artl'ler
Membership No.43229
For and on behalf *of*
Lovelock & lewes
Ch!rtered Accountants

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Membershp No. 33632 for and on beha f of
Kh.andelwal a•n&Co. Chartered A(oountMts

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Place : Mumblli
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For and on behalf of the Board of Directors

Sunil Bharti Mittal
Chairman

Prakash Nene
Director

Mark Pearson
Director

Nitin Chopra
Chief Executive Officer

V.Srinivasan
Chief Financial Officer

GLN Sarma
Appointed Actuary

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Place : Mumbai
Date : 21 August 2008

Shirin Patel
Company Secretary

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Company has been fully debited to the policyholders account as expenses

For and on behalf of the Board of Directors

Sunil Bharti Mittal Chairman	Prakash Nene Director	Mark Pearson Director
Nitin Chopra Chief Executive Officer	V.Srinivasan Chief Financial Officer	GLN Sarma Appointed Actuary

Shailesh Shah

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IADA R11g15tu tlon No: 130dated 14July, 2006

Profit and LouAccount *tot* tl\e Ve.11r Ended 31M> rch, 2008

Shareholders' Account (Non-Technical Account)

P:utkul;ars	Sehcdute	Year Ende-d J1 M•rcl\. 1008	Ye•r fndecl3 1Mllr<h, 1001
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(Reter Notes l{bJ(i), l(b)(lf) &no l(h) *ot* SCh4du14 16)			
(11) Interest, Oiviclend$ and Rent- Gross		99,716	56,453
(The&bOve inc.ludts iOXOMe a«fe<iOo'l ollt$.7,870thOus&n.d, 10..-s ye¥R5.1,6U 11'10\l llnd)			
(b) Prof.t on Sale/Redemption ollnv tment'.l		11,203	2,48!1"
(c.) (f..OS.S on S;llef Re<StmpUon otlnVQ:Stment$)		(1,313	(930)
Other lneo111e			
TOt$1 (A)		109,$46	58..012
bpen!ot' other tl!at l.l'lo$1! dili!Ctly rto\aotl!d to l.Mtr'6-u•&nce business		21,717	t$,600
8&0Cltbtswr1tt•n *on*			
ProvisiOns (Otherthan r.)(lltion)			
(<11) For Diminution In 1t1ev111...e oflnV9$tmMts (l'Ot)			
(b) Prcwision *(Or* Ooubdul Oebts			
(C)()(hers			
Contrlbut:Oon to tho Pollcyholdct'S Accoul'lt (Tecllllle lAcooutl)		2,507,954	846,669
(A.ef Not@ 20 *Or* SCflt<lul t6)			
Totolll (8)			
Pfof!t/ (Loss) before Ta:.uttion		(lo420,12'1)	(804,251
ProviSiOl'I for T i l l			
Pfol\t/{Lou) lifterlu.Wol'l		(2,< 20,121)	(80.,251
Appr'(lflri•liO!tt			
(•) e.Sllnte lit the bcgltll'lll'lg *ol* the yellt		(804,251)	
(b) loterwn d•Yldl:llds p&ld dunno the ye!r			
(<)ProPOSII!d RnalDM(Sel'l(l			
(d) Olwcler!CI Olstrbution oo Tw:			
(e) Tti!MftOR t$/Ottler A«OUIltS			
Profit/ {l.on)earried to el•nQe: Shoeet		(3.11..384)	804,257)
('-.:e Val o e Rt.10/·Per sh•...> f[illegible]i'ISIS Per Share (Il'llls.) (Refer N«e 19ol Schedule 16)			
		(9.13	(B2)
Diluted		(9.69	(1.18)
Notes to the Aooounts	"		

Schedules referred to above form an integral part of the Profit and Loss Account

This is the Profit and Loss Account referred to in our report of even date

For lind Ol'l bcll\.111 of the llollrd *ol* Directors

Sunil Bharti Mittal
Chairman

Prakash Nene
Director

Mark Pearson
Director

P rtlleF

Sll tnifaA Ker....e

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Ch.a.rterec:l Acxoun l'lt$

M<mlbtr&hlp No.33632
For Mel on bth Vor
l<l'lllndelwlll)llil'l 3.(O
Chllrttrocl Acoountllllts

Nitin Chopra
Chief Executive Officer

Y Srini'll!lnn
Chief l"•naroCilll Officer

GUt Sllrme
pomted Actuary

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lllll:21Au\lW2008

Ilharti AXA Ufe Insurance Comp•ny Limited

Schedule forming part of the Revenue Account for the Year Ended 31March, 2006

Schedule 1

Premium

[Refer Note 2(b)(i) of Schedule 16] (Rs'000)

Particulars	Individual Participating	Individual Unit Linked	Non-Participating Individual	Non-Participating Group	Pension	Total
First Year Premiums	13,510	874,790	10,436	192	159,083	1,058,011
Renewal Premiums	-	51,077	594	-	-	51,671
Single Premiums	-	20,841	276	32,354	20,910	74,381
Total	**13,510**	**946,708**	**11,306**	**32,546**	**179,993**	**1,184,063**
Premium Income from business written						
In India	13,510	946,708	11,306	32,546	179,993	1,184,063
Outside India	-	-	-	-	-	-
Total	**13,510**	**946,708**	**11,306**	**32,546**	**179,993**	**1,184,063**

f

Schedule 2

Commission Expenses

Refer Note 2 of Schedule 16 RJI'OOO

Particulars	Particip	Ind1vidua Unit Linked	Non Partlcl atin Individual	Grou	Pension	Total
Commission paid						
Direct - First Year Premiums	2,679	108,813	1,359		11,406	124,257
- Renewal Premiums		717	17			734
- Single Premiums		385		640	408	
Total (A)	2,679	109,915	1,376	640	11,814	126,424
Add : Commission on Re-insurance Accepted						
Less : Commisslon on Re-ins r n						
Net Commission	2 67	109915			11814	4
Break-up of the commiuion expenses (Gross) incurred to procure buslnes.s						
AQ.Pnts	2,670	:.C 89,119	1,350		11,465	104,604
BrokerS	9	18,865	26		183	19,083
Coroorate Agents		1,931		640	166	2,737
Referral						
Total B	2 679	109915	1376	640	11,814	126,424

Lovelock & Lewes Chartered Accountants Mumbai

Khandelwal Jain & Co. Mumbai Chartered Accountants

Bharti AXA Life Insurance Company Limited

Schedule forming part of the Revenue Account for the Yur Ended 31 Mar, 200)

Prem1um
IR•f'' No,_Jlb\101 of

Particulars		Individual Unit Linked		Group	Pension	Total
F'''ve_'ft. S.,,,.	-	76:14,	1,3	138	-	77.66l
	-	-	ill	-	-	''''
rotol						77.76:
In come from bu.smu.s wntten						
lin '. • •••	-	76:141	•:•a	_us	-	':761
rota!						

Schedule 1

Commission Expenses
Rete< Note 2(1) of ScMdule 161

IRs'OOOI

Partlculars	Individual Partic·inatina	lna•v•aual Unit Linked	Non·Partlc atin Individual	Non·Partlc atin Group	Pension	Total
Commission Plld						
OlrKt .. First Year Premiums	-	5,281	334	-	-	5,615
f''''' :·,: •nlums	-	-	-	-	-	-
:jnnlr nh•m•	-	-	-	-	-	-
Total (A)	-	5,281	334	-	-	5,615
Add mhstOn on Re·insurance Accepted	-	-	-	-	-	-
mm1''1on on R · ,,.;:.;;.;	-	-	-	-	-	-
Net Commission	-	5 281	3 4	-	-	
Break·up of the commlufon expenses (Gross) Incurred to procure business						
AOents	-	5,091	33	-	-	5,425
Brotirs	-	190	-	-	-	190
Corpor•te AGents	-	-	-	-	-	-
Rderrats	-	-	-	-	-	-
Total	-	S 281	334	-	-	

BhartiAXA Life nsuf"8nce Company limited

Schedule forming part of the Revenue Acwunt fQr the Year Ended 31 March, 2008

Sche<h,tle 3

Operating Expenses related to tnsurancc Businc.ss

Particulars	Individual [redacted]	Individual Unit [redacted]	Non-Participating [redacted]	[redacted]	Pension	Total
Employees' Remuneration and Welfare Benefits (Refer Notes 2(n), 9 and 21 of Schedule 16)	47,264	990,315	58,742	10,111	150,444	1,256,876
Travel, Conveyance and Vehicle Running Expenses	3,310	69,345	4,113	1,263	10,535	88,566
Training Expenses	2,404	50,360	2,987	49,232	7,648	112,631
Rents, Rates and Taxes	7,606	159,367	9,453	22	24,210	200,658
Repairs	704	14,742	874	425	2,239	18,984
Printing and Stationery	1,941	40,666	2,412	1,172	6,178	52,369
Communication Expenses	4,558	95,495	5,665	15,142	14,507	135,367
Legal and Professional Charges	3,069	64,311	3,815	74,144	9,770	155,109
Medical Fees	406	8,501	504	245	1,291	10,947
Auditors' Fees, Expenses etc:						
a) as Auditor	37	785	47	23	119	1,011
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						
Advertisement and Publicity	11,641	243,904	14,468	66,011	37,053	373,077
Telemarketing expenses	3,661	76,706	4,550	2,211	11,653	98,781
Interest and Bank Charges	177	3,703	220	107	563	4,770
Depreciation / Amortisation [Refer Note 2(j) of Schedule 16]	4,247	88,993	5,279	2,565	13,519	114,603
Service Tax on Premium	1	10	1	0	2	14
Information Technology and Related Expenses	4,337	90,874	5,390	31,401	13,805	145,807
Subscription Fees	50	1,057	63	30	161	1,361
Electricity	1,039	21,766	1,291	627	3,307	28,030
Security	489	10,237	607	295	1,555	13,183
Brokerage	470	9,853	584	284	1,497	12,688
Others	272	5,705	338	164	867	7,346
Service Tax	4,344	91,037	5,400	2,624	13,830	117,235
Total	**102,027**	**2,137,732**	**126,803**	**258,098**	**324,753**	**2,949,413**

Bharti A:xA life Insurance Company Lited

S<:hcdulc forming part of the Revenue Account for the Year Ended 31 March, 2007

Sc:hedule 3

'Rs.'000\

Operating Expenses relate<! to Insurance Business

Particulars	Individual Participating	Individu;lll Unit Linked	Non-Participating Individual	Non-Participating Group	Pension	Total
e:mplovees'Remuneration and Welfare Benetlts (Refer Notes 2(n), 9 and 21 of Schedule 16)		282,918	18,059	-	-	300,977
Trave ,Conveyance and Vehicle Runn ng Expenses	-	45,593	2,910	-		48,50
Training Expenses	-	10,750	686	-	-	li,43E
Rents, Rates and Taxes	-	63,S87	4,059	-		67,64E
Repairs	-	2,846	182			3,02
PrirHinO and Statiooerv	-	12,196	778			12,974
communication expenses		10,581	675	-	-	11,256
l.egal and ProfeSSionalCharges		64,874	4,141		-	69,015
MedicalFees	-	264		-	-	281
Auditors' Fees, Expenses etc:						
a) as Audtor	-	996	17I		-	1,062
b) as Advise.- Ol' in any other capacity, n respect of						
(I) Taxation fo1atters						
(II) Insurance Matters						
(iii) Management Services						
c) in *any* Othtr Capacity	-	Se	4	-		60
Advtrtisernent and Publicity		167,499	10,691		-	178,190
Ttremark.tti•l9 ex.penses	-	2,64E	169		-	2,815
Interest en<l eanie Charges	-	1,06E	69	=	-	1,135
oep.-eoation / Amortisation (Refer Note 2(j) of SChedule 16)	-	26,202	1,672		-	27,87
Service Tal(on Pl'emium			-	-	-	
Jnformabon Techno ogy and Related fl(pen.ses		107,272	6,847	-	-	114,119
Subscription Fees	-	1,421	90	-	-	1,511
Eledricity	-	3,904	249	-		4,151
Security	-	1,209	77	-		1,286
Brokerbge		1,305	83			1,388
Others	-	1,886	121	-	-	2,009
Service Tal(	-			-	-	-
Total		809 075	51 643		-	860 718

Bhartl AXA Life Insurance COmpany Limited

Schedule forming part of the RevenLHa Account fOf" th$ Ye01r Ended 31 Har<h,2008

Schedule 4

B efit:!l Pll d (Net)

Refer Note 2te\ or Sc.Mdule 16'

Rs.'OOO)

Particular.	Ind ividual Partidp." ting	Individual Unit Linked	Non-9art ici atin lndivld...al	Group	Pension	Total
Insurance C s:						
<a) Cl;,lms bv oeath,	256	5,867	S		3	6, 131
(b) Clt ims by MiJtl.lfitv,						
(c) Annuitle$/PCns; Qt S P<tyment.				-		
(d) Oti'IU bCildit$ • A. l''$				-		
•Sun'endetS					-	
(Al'l'IOUl'lt Ceded in Rems...anoc):						
(a) Cla- ms by oeattl,		(3)		-		(93)
(b) Cla!mi bY Milt!Kit>/,					-	
(c) AnnuttiesJ Pei\Sklns Payment,						
(d) Other bei'lCfits • AA!ers						
• Surrcnd<:l'$						
Amoutlt lv!Oeptod in Rcin;unmcc:						
(a) Claims by oeam,				-	-	
(b) Claims bv Mi'ltufltV,						
(c:> Annvstie-s/Penslons payment,.				-		
(d) Other benefit$· R.lders						
• Surtetders						
Total	256	5,774	5		3	5,038
Benefits Pald to Claimants:						
fn tndla	256	$,774			3	6,038
Ovtside India						
Tota l Benefits Paid (N$\)	256	5,774	•		3	6,038

For the vear ended 31st march l007

R.s.'000'

Particulars	Individual P rtlc:inOttlnn	lndtvldu< -1 Un LfnkM	Non Part!¢1 tin Individua l	Grou	Pension	TotaJ
InStWatloe Claims: (Refer r1ote (a) below)						
(a) Galms by Death,						
(b) Oums by Miltunt)',					-	
(c) Annullties/ n:ions P<Jvment..	-					
(d) Othe1 bef'lefits • Riders				-		
• Surrende1s		-			-	
(A t Ce:de<J In Reinsurance) :					-	
(.,) Claims by Death,		-		-	-	
(b) Oums by Matunty,		-				
(c) AMtlities/PenslOl'U Pl!lymMt,						-
ld) Other bener ts • Riders				-	-	-
•surrenders						-
Amount Aecel)(ed in Re.'lwratloe:						
(a) CIOIIYI$ by Death,						
(b) Oalms by MaturitY,	-					
(c) Annult)ts/ nslorcs paY"""eI"l(						
(d) Othew- bel'ldits • Ricte1-s	-					
·Surf'eJ'ICSef'S	-					
ToUI						-
Bcmefits Pltid to Claim111nts:						
..?ia		-				-
dell'llfla						
Total Benefits P<ld Net						

Lovelock & Lewes Chartered Accountants Mumbai

Khandelwal Jain & Co. Chartered Accountants Mumbai

lharti A't.A Life lnsunnce Company Lim.ited

Sch•d o tc forming part of the Balance Sheet as at 31March,. 1008

Schedule 5

Share Capital

lb.'OOOl

P'11rtkuio1rs	As at 31 Marett. 2008	As •t u Mat'C.tl, 2007
Authorb.cl C.piQI		
3,000.000. (P'rewiOUI YNr 200,000,000) fQUitY $Nrn ollb 10/·u(h	30.000 000	2 000 000
Iuued Capit.l		
,jrH.,lOl.t)) 'Y.. 150,000.006) Equity Shares otRs 10ucn_ fulvpald up	3.66l,O&l	1.500,000
$ubKrlboM C.pttat		
366,10..•)) (P•f YHI 150.000.006) EQUity Shira olRs 10 .fuly paid up	3,661,084	1,500,000
C.lted""U, Cap4tal		
)6.6.10...•)) (Ptt"YC Vt n., 1S0,000,006) (QUICV Shltts ot Rs 10 .tully paad up	3,661,084	1,500,000
L<S> Cfllsvno..S		
AM .Shares torl..-.tcl (AtncNI'll onglftaly p.atd up)	-	-
ltou: Par v1Aue of fOUitV Shloret b0u9ht baCk		-
1 U• PreiiJTh!'la!'y CXI)f'l'lld	-	
bl)l'nMI 1ndvdl1'111 co !n.lon Of brok age on UI'ICienotrit.nQ		
N••• Of Subs.cr1p 10n of St\.lrn		
Total		

a) Dur.oo the year, tht comp1nv has ln o ed 216,108,•27 Equity snare ot Rs 10each fully paid up to the: following Shtrcholde.-t·

8harti VentvtH ltm!tcd	•1,1Sl,lOO
&hart• f;nterpnses {H()ld•nOI) Pnvlte L•mlttd	45,290,070
First Amtrlc.an Stcurlt•tl Prlvltt Limited	81,641,372
AXA Ind Holdongs (MauritK.!I)	48,023,685
Total	216,108,.427

b) 0Vrlno tht yur. tht oomptny trtlnsferred 105,290,070 equity shares frOM Bharti Enterprtses {Hold•ngs) Private Umlttd In favour of &han;l Ventvrts lJimlttd.

SCHEOUU:•SA

Pattern of Sh•re.holdlng
(A$ ccrtlf•d by the Mtnfloement)

Particulars	As at 31 Marc:h 2008		A.l at 31 March 2007	
	Number of Shares		t ha •	%of Holdln
IPTomotiffS				
• Indian				
Bh<lrll Entefprllti (HOl<l!ngl) Pt'I'Vitt L.lmottd			60,000,000	<0.0
lh.-.rtl VeNures lim•ted	146,4"3.370	<0.		0.00
Other$	6	0.		0.00
flf'st An!«rl(:an StcUflll:itl Pnvltt lliTI•tH•	138,308,372	)7.?	56,667	37.78
• Foreign				
AXA (nd•• HOid•ft91 (.,_l..,rKIUI)	81,)56,685	22.2	33.333	22.22
Others				
Total	**366.108.433**	100.	150,000,00	100.00

* AXA India Holdings (Mauritius) has 10% holding in First American Securities Private Limited.

Lovelock & Lewes Chartered Accountants Mumbai

CHARTERED ACCOUNTANTS MUMBAI

Bhartl AXA Life Insurance Company Limited

Schedule forming part of the Balance Sheet as at 31 March,2008

Schedule 6

fRs OOO)

Reserves and Surplus

Particulars	As at 31 March, 2008	As at 31 March,2007
Capital Reserve	-	-
Capital Redemption Reserve	-	-
Share Premium	768,916	-
Revaluation Reserve	-	-
General Reserves	-	-
Less: Debit balancein Profit and Loss Account	-	-
Less: Amount utilized for Buy-back	-	-
catastrophe Reserve	-	-
Other Reserves	-	-
B•lancP of Profit in Profit •nn Lo« Account	-	-
Total	768.916	-

Schedule 7

Borrowings

!Rs.'OOOl

Particulars	As at 31 March,2008	As at 31 March,2007
Debentures/ Bonds	-	-
Banks	-	-
Finandal Institutions		
Oth		
To		

Bhatti AXA Life Insurance Company Limited

hedute forming part of the Balance Sheet as at 31 March, :ZOOS

Schedule 8

Investments - Shareholders

Ref•r NotM Zth) and 8 of SchP.dule 16l

IRs.'OOOl

Particulars	As at 31 March, 2008	At at 31 Mareh, 2007
Long Term Investments		
Govemment Sewrltles and Government Guarante d Bonds including Treasury Bills•	406,237	385,324
Other APProved Secunt:Jes	-	-
Othoer 1nve5tments		
(o)sn....t		
(N) Equoty	56,190	29.289
(Ill>) Preference	-	-
(b) """"Funds	-	-
(C) DMYMrw Instruments	-	-
(d) Debentures/ Boods	125,745	50,000
(f) Othtt Secur•tles	-	-
(f) Subsidiaries	-	-
(O) Investment Properti - Real Estate	-	-
veitments In Infrastructure and Social Sector	292.140	195,114
Other thM Aooroved Investments		
EQuty Shares	14,283	5,118
DebentureS/ Bonds	-	-
Short Term Investments		
Government Securities and Govemment Guaranteed Bonds Including Treasury S1Us	555,210	227,387
Other Approved Secun	-	
Ott\erlrwescments		
<•> Shares		-
<.> eq.,.,.,		•'; -
(Ill>)_.,"""""	-	
(b) Mutual Futlds	-	-
(C) Oer1v11bve Instruments		-
(d) tlent\lr..,t Boods	145,442	100,094
(t) Other 5ecu bes	81,733	96,040
(f) Subsidiaries	-	-
(9) Investment Properties • Real Estate	-	
(h) Margin Money	-	1,227
vestments In Infrastructure and Sodalsector	-	50.000
Other than Approve<Jlvestm nts	-	-
EQuity Sl\ares	-	-
Debe:nturei/ eonds	-	
Mutual Fund	60,118	14,642
Total	1,737,098	1154,435
Invutme.nts		
In India	1,737,098	1,154 435
Out tnd.a	-	-
Tobl1	1 737 098	1154..435

Note•:

1. AOoreoate book value and market value of long term Investment other than e< uity Shares and mut\lal funds i) Rs.824,122('000), prev•Otls year Rs. 630,438('000) Md Rs.82t,266("000), prevtoos year Rs.624,4lt('000) resotctlvely
2. Agoregate book value and market value of Short term Investment other than equity shares and mutual funds tt RJ.?82,385('000), previous year Rs.489,S90('000) and RS-782,385('000).previous year RS.487,739('000) respectively

* Government Securities includes Rs.49,314('000), previous year Rs.1,041('000) towards deposits under Section 7 of the Insurance Act, 1938.

Lovelock & Lewes Chartered Accountants Mumbai

Khandelwal Jain & Co. Mumbai Chartered Accountants

Bharti AXA Life Insurance company Limited

Schedule forming part of the Balance Sheet as at 31 March, 2008

Schedule SA

Investments - PolicyholderS

lRs.'0001

Partieulars	As at 31 March, 2008	As at 31 March, 2007
Long Term Investments		
Governm nt Securities and Government Guaranteed bonds ncluding Treasury Bills	34,533	8,100
Othe.- Approved securities	-	
Othehvestments	-	
(a) Shares		
{aa) EQuly		
(bb) Preference		
(b) Mutual Funds	-	-
(c) Derivative Instruments		
(d) Debentures/ Bonds	16,345	-
{e) Other securities	5,810	
(f) Subsidiaries		
(O) Investment Properties· Real Estate		
Investments In Infrastructure and Social sector	-	-
Other than A()proved Investments	-	-
Equity Shares		
Debentures/ 60nds		
Short Term Investments		
Government Securibes and Government Guaranteed Bonds ndu<lfng Treasury Bills	-	-
Other Approved Securities		
Other nvestments		
(a) Shares		
(aa) Equ•ty		
(bb) Pl'efel'ence		-
(b) Mutual Funds	-	
(c) Derivative Instruments		-
(d) DebentureS/ Bonds	-	-
(e) Other Securittes		-
(f) Subsidlartes	-	-
{g) Investment Properties-RealEstate		-
Investments in Infrastructure and Social Sector	-	-
Other than Approved Investments		
EQuity Shares	-	-
DebentureS/ Bonds		
,..!utual Funds	1,415	
Other Jnvestments		
Balances in bank		
Other Current assets (net)	-	-
		8 100
Investments		
Irhcfla	58,103	8,100
Outside hlcfia	-	-
Total	58 103	8100

Note

1 Aggregate book value and market value of Long tetm Investment other than eQuity shares tS Rs S6,688('000), prev•ous year Rs.B,100('000) and Rs.S6,570 ('000), previous year Rs.S,100('000) respectivety.

Bhartl AXA Life JnsuAnce Company Limited

Schedule forming P<' rt of the 8alanc. Sh"t uat 31 March, 2008

Seh ule 88

Investments .. Assets held to cover Linked Li.ablt tles

Particulars	As at :U March, 2008	As at 11 March, 2007 Uts.OOO!
lonQ Tenn In'< estme.nts		
Govemment Secur1tles and Government Guaranteed Bonds IncfiOdlng Treasury &lts	6,225	),480
Ochef Approved Securttles		
Oth., lnveSlments		
(a) Shares		
(aa) Equity	452,001	31,911
(bb) Preference		
(b) Mutual f\.W)(IS		
(c) O ttlfe instruments		
(d) Debentures/BOnds	5,306	
(e) Other SWJ11tles		
(f) Subsidiaries		
(O) Investment Properties· Real Estate		
investments In Infrastructure ancl SoCial Sector		
Non Converbble Debentures		
Other than Approved Investments		6,428
(a) EquitY Shares	56,061	
(b) Detutes/Bonds		
Short Term Investments		
Government secur'll:ies and Government Guar-anteed Bonds I'lduding Treasury BilS	339	•••
Other Approved Securities		
Other investments		
(a) Shares		
(U) Equity		
(bb) Preference		
(b) Mutual funds		
(C) Derivatlv@ InstruMents		
(d) D@b@ntlK@$/ Bonds		
(e) Other securities	5,266	3,179
(f) Sui>Sidiaries		
(g) Investment Pfoperti@S- Real EState		
Investments in Infrastructure and Social Sector		
Oth« than A.pprcwe:llnwstments		
EqoltY Sharu		
Oe nturn/Bonds		
Mutual fonds		1,824
Oth« Investments		
Balances In Bank	103,930	13;186
Other Current Assets(net)	(30,549)	(4,523)
Total Investmecnts u!::i: Indla Total	598,579	54,279

Lovelock & Lewes Chartered Accountants Mumbai

KHANDELWAL JAIN & CO CHARTERED ACCOUNTANTS MUMBAI

BhartiAXA Life InsuranQe Company Limited

Schedule forming part of the Balance Sheet as at 31 March, 2008

Schedule 9

loans

IRs.'000\

Particulars	As at 31 March, 2008	As at 31 March, 2007
Security·wise aass.ncauon		
Secured		
(a) On mortgage or Property		
(aa) In India	-	-
(bb) Outside India		
(b) On Shares,Bonds, Government Securities etc.	-	-
(c) Loans against Pollldes	-	-
(d) Others	-	-
unsecured		
Total	-	-
6of'rower-Vwtse ftcabOn		
(a) Central ana SIMe Governments	-	-
(b) Banks ana Fononclollnsutubons	-	-
(c) Subsldtaries	-	-
(d) Coml)anles	-	-
(e) loans against Policies	-	-
(r) Others	-	-
Total	-	-
Performance-wise Classiftcatlon		
(a) Loans classlned as Standard		
(aa) In India	-	-
(bb) OUtside lnalo	-	-
(b) Non-standard l""ns leSS Pnm"""""		
(aa) In lnch	-	-
(bb) OUtside 1na10	-	-
Total	-	-
Maturity-wise OassltkaUon		
(a) SI>Ort Term	-	-
(b) Long T.,.m	-	-
Total	-	-

Bhartl AXA Life Insurance Company Limited

Sche<ho le forming part of the Balance Sheet as at 31 Hart:h, 2001

ulelO

Axed Assets
IR<-fe< Not..>I 2(1), 2Ul ond 1 k) oiScheclule 16)

(Rs.'OOO)

ParUcvlara	Gross Block at Cost				Depredation/ Amortisation				Net llodc	
	Al at 1 April, 1007	Additions / Acljwtmtnts	Oeldions	As at March, 2008	2007			AJ:atll March, 2001	As at March, 2001	As at March, 2007
lll DAItl:tt A 11:11.1										
Softooo-. IIDSIII:dl 61HSI.	1.668	25.J.45	-	27,013	419	5,548	°	5,967	21.046	1,249
lt ll'n tl	84,841	71,230	-	162,071	17,731	4),437	-	61,168	100,903	67,110
FUf'nM;ure 1nd Fotnnos	4,266	44,0S4	-	48,320	2,998	14,682	-	*11,680*	30.640	1,268
lnfOtm.attOn Tt<hnology fQUICift\11\(										
O..ned	1,813	4),302	-	45,115	135	5,630	-	5.765	39,350	1,678
Le1H<1	21,0.0	135,519	-	156,599	5.290	35,398	-	40,688	115,911	15,790
V hteltt	1,271	-	-	1,271	228	254	-	482	789	1,043
Office Equ•pmtnt	9,901	44,8?5	-	$4,776	1,074	9,653	-	10,727	44,049	8.827
Tout	124 840	370 325	-	495 165	27 875	114602	-	1412 471	352 688	96 965
Clp•talWOfk In ProQrHI - (InCluding capltllldvlnCtl)									1,300	9,888
TotAl	124140	370 325	-	495,165	27 175	114 602	-	142 477	353•	106,153
Prevlou• Yur	].4 905	90 045	110	124840	B59	26 520	4	27 875	96 965	

Bharti AXA Ufe In.surance Company limited

Schedule forming part of the Balance Sheet •• at 31 March, 2008

Schedule 11

Cat.h 1nd Sank Balances

(I'$. '000)

Partkulars	As at 31 March.,. 1008	As at 11 Jota 2.007
CISh (Il'"CttOit'g Cheques, Drafts an<l StMnC)S in hand)	7S,JO	97
81nk 8ai\Ct'S		
(a) Depos Accounts		
(n) Shol't·tertn (Due w1thIn U months of the date or Balance Sheet)		-
{bb) Others	-	
(b) Current Acc.ounts	69,18	12,97
(c) at:hers		
Money It Clll and Short Notice		
(a) With Banks	-	
(b) Ylith Otl'l.er InstitUtiOnS		
Otht..	-	-
Total	14448	1394
Bli&lno!'S Wm non--schec:luted blniCS (.nduded 1n 2 anct 3		
C.•h and Billnk Balances		
In Ind ot	1••.481	13,941
OuUide Jndi&		
Total	144488	13948

Bharti AXA life Insurance Company limited

Schedule forming part of the Balance Sheet as at 31 March, 2008

Schedule 12

Advances and Other Assets

Particulars	As at 31 March,2008	As at 31 March,2007
Advances		
Reserve DePOsits with Ceding Companies	-	-
Application Money for Investments	-	
Prepayments	34,685	13,390
Advances to Directors/Officers	-	-
Advance Tax Paid and Taxes Deducted at Source **(Net of Provision for Taxation)**	-	-
Advances		
Advances to Suppliers	26,447	804
Advances to Employees	2,554	286
Other Advances	23,713	31,347
Total (A)	87,39	45,82
Other Assets		
Income accrued on Investments	31,524	21,008
Outstanding Premiums		
Agents' Balances	-	-
Foreign Agencies Balances		
Oue from other entitles carrying on Insurance **business (including reinsurers)**	93	-
Due from subsidiaries/ holding company	-	-
Deposit with Reserve Bank *of* India	-	-
[Pursuant to section 7 *of* Insurance Act, 1938)		
Others		
-Other Recoveries	-	6,611
-Refundable Security Deposits	219,854	88,191
-Service Tax Unutilised Credit	117,235	17,377
less: Provision for unutilised credit	(117,235)	-
Total (B)	251,47	133,18
Total (A+B)	338 870	179 014

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Chartered Accountants
Mumbai

Khandelwal Jain & Co.
Mumbai
Chartered Accountants

BhartI AXA Lfe Insurance Company Umlted

Schedule forming part of the Balance Sheet as at 31 March, 2008

Schedule 13

Current liabilities

(Rs.'OOOl

Particulars	As at 31 March,2008	As at 31 MarCJh,2007
Agents' Balances	35,973	3,197
Balances due to Other Insurance companies	2,238	170
Deposits held on Re-insurance ceded		-
Premiums Received Advance	48	-
unallocated Premium	17,477	1,625
Sundry Creditors	777,654	317,877
Due to Subsldarles/HoldlllQ company	-	
Oaims Outstanding	2,897	-
Annuities Due	-	
Ou to Directors/Officers	-	-
Othrs: Bank Overdraft {as per books)	97,047	27,663
Others (inc udes Statutory Dues Payable and Payables to Employees)	92,837	24,389
Total	1026 221	374 921

Sche.dule 14

Provisions

(Rs.'OOOl

Particulars	As at 31 March,2008	As at 31 March,2007
For Taxation (Less Payments and Taxes Deducted at Source)	-	124
For Proposed Dvidends		
For Dividend Distribution Tax	-	-
Bonus payable to policyholders		
Others		
Provision for Employee Benefits:		
ProviSion for Gratuity	1,384	1,002
ProviSion for Leave Encashment	33,381	3,200
Total	34,765	4,326

Bharti AXA Life Insur-ance Company Limited

Schedule forming part of the Balance Sheet as at 31 March,2008

Schedule 15

Miscellaneous Expenditure

To the Extent Not Written Off or AdJUstedl

(RsDOOl

Particulars	As at 31 March, 2008	As at 31 March, 2007
DtscountAllowed in Issue of Shares/Debentures		-
Others	-	-
Total		-

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Schedule 16

Notes annexed to and fanning part of the Balance Sheet as at 31 March, 2008, the Revenue Account and the Profit and Loss Account for the Year Ended March 31, 2008.

1. **Background**

Bharti AXA Life Insurance Company Ltd. ('the Company') was incorporated 011 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 ancl Development Authonty ('IRDA') on July 14, 2006 for carrymg on the business of life Insurance. The COmpany commenced its commercial acbvitles on August 22, 2006.

The Company•s life insurance bustness comprises of individual hre business compns.ng of parttclpat ng, non-participating, unit·hnked Insurance products, penston prodocts and group life bus•ness.

2. **Significant Accountjng Pollclu**

a) Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention on accrual 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 nsurance Regulatory ancl Development Authonty Act, 1999 and the Companies Act, 1956 of ndia, to the extent applicable.

The preparation of the financial statements In conformity with generally accepted accounting pnndples reQutres the management to make esbmates ancl assumptions that affect the reported **amount of assets, liabilities, revenues and expenses and disclosure of contingent Uabint.es as of** the date of the financial statements. The estimates and assumptions used tn the aooompany1ng financial statements are based upon management's evaluation of the relevant facts ancl circumstances as of the elate of the financlill statements. Actual results may cltff from the esttmates and assumptions used In preparing the accompanying finandal statements. 'Oifference between the actual ancl esttmates are recognised in the period In which the actual matenalise 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. Otvlclend comes 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 matunty/holcltng on **constant yield-to-matunty. In respect of short term zero coupon Instruments, accretion of** cltscount and amortisation of premtum Is effected by straight line method.

tv. **In case of un•t linked bustness, fund management charges, administratiOn charges and** mortality charge are recogntsed •n accordance with terms and conditions of the poltcy•

v. **Reahsed gains and losses "' respect of equity securlttes and un•ts *of* mutual funds are** calculated as the difference between the net sales proceeds and thetr cost. In respect of debt **securities, the realised gains and losses are calculated as d1fference between net sales** proceeds or redempt•on proceeds and amortised cost. Cost in respect of eQUitY shares and

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unit of mutual fund is computed using the weighted average method. In respect of government securit es 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. Survival benefits are accounted on the due 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 recovered from reinsurer are accounted in the same period as that of the related claim.

f) Acquisition Costs

Acquisition cost, representing costs Incurred for acquisition of insurance contract are expensed In the period in which they are incurred.

g) Policy Liabilities

Uabilities on life policies are determined by the Appointed Actuary using generally accepted actuarial practice in accordance with the standards and guidance notes established by the Institute *of* Actuaries of India, the requirement of the Insurance 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 (inclu.#J"9 bonus entitlements to policy holders) and expenses. •....

The liabilities under non linked individual policies are calculated by Gross Premium Reserve Method. For one year, group term insurance contracts, uneamed premium method is used. For riders, liability is higher of that calculated using the Gross Premium Reserve Method and Unearned Premium Method. The actuarial assumptions are given in Note 3 below.

h) Investments

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) R09ulat ons, 2000, as amended and circulars *1* 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.

Classification
Investments Intended to be held for a period ofless than twelve months or those maturing within twelve months are classified as "Short Term Investments". Investments other than short term are classified as "Long Term rnvestments"'.

Amortisation of fixed income security oremlums and discounts
The premium or discount, if any at the time of purchase of a fixed inc rec e *of* the instrument on a yield-to-maturity basis.

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Yah•atlon – Shareholders' •nvqstments and Non·Unked folicvholders' Inv

Debt securities, Including government securities are considered as "held to maturityN and are stated at historical cost subject to amortisation or accretion on constant yield basis.

Investments In mutual funds are stated at the net asset value (NAV) declared by the respect1ve funds as at the Balance Sheet date. usted equ1ty securities are measured at mar1cet value on the Balance Sheet date. For the purpose of determ1nong mar1cet value, the lower of the last quoted dos1ng pnces at The NatiOnal Stock Exchange of Ind1a Ud. CNSE') and The Mumba1 Stock Exchange LJm1ted, CBSE') IS considered. Unlisted equity secuntoes are measured **at h1stoncal cost. In respect of investments in equity shares and mutual funds, the correspond•ng unreahsed Investment gains or losses are reported in the Balance Sheet under** "Faor 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.

Y9!.\.lAt!on Unkcd Business

Government securlt•es, other than Treasury bills are valued at prices obtained From Credit Rating Information Services of India Ud. ('CRISIL'). Treasury bills are valued at cost subject to **accretton on current year basis.**

Debt securot1es, other than Government secuntoes, 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 market value on the Balanoe Sheet date. For the purpose of determining market value, the last quoted closing prlce at the National Stock exchange of India Ltd. ('NSE') is considered. Unreallsed gains and losses arising due to **changes In market value are attributed to unit holders and are recognised in the Revenue Account of the fund. Investments in mutual funds are stated at previous day's net asset value** (NAV) declared by the respectove funds.

Transfer of Inv

Any transfer of 1nvestments from Shareholder's Account to Policyholder's Account is carried out at market value as they are in approved category and the value of the fund IS less than Rs.SO crores.

Inter fund transfer of Investments, between Unit Linked funds is done at mar1cet vaiUe.

I) Fixed Assets

Fixed Assets are stated at cost, less accumulated depredation/amortisatton. Cost includes the purchase pnce and any other cost which can be d1rectly attributed to bnng1ng the asset to its present kleatoon and working cond1t100 for Its 1ntended use.

Expenditure IOCUI'Ted on application software and the1r custormsattan/further development 1s recogn1sed as an intang1ble asset and capctahzed under fixed assets If such expendoture results **in a benefit of endunng nature. Other software expenses are expensed 35 1ncurred. Intangible assets are stated at cost less accumulated amort1sat1on.**

j) Depreciation

Depredation on Fixed Assets is provided using the Straight Line Method on a pro rata basis. The rate of depreciation is higher than the rates prescribed under Schedule XIV of the Companies Act, 1956 and is based on the useful life of the asset as estimated by the management. The management's estimate of useful life of the various fixed assets is given below:

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

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

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

k) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is an Indication that an asset may be Impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount. the carrying amount is reduced to its recoverable amount. The reduction is treated as an Impairment loss and is recognised in the Revenue Account.

I) Assets acquired under Lease

Fjnance 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 of the asset or minimum lease payment. Amortisation of capitalised leased assets is 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 \}arges are expensed over the period of the contract to reflect a constant periodic rate of intef.est 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.

m) Foreign Currency Transactions

Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of transact1on. Assets and liabilities in foreign currency as at the Balance Sheet date are converted at the exchange rates prevailing as at that date.

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

n) Employee Benefits

Defined Coptrjbytjop Plans

Provident Fund

The Company provides For provident fund benefit to the employees, which is a defined contribution plan. Under the plan, the company contributes to a Government administered PJ'Ovldent fund and has no further obligation beyond making its contribution. Such contribution is charged to the Revenue Account as incurred.

Oefingd Beneft Plap and other long term benefits

Leave Encashment

The liability in respect of leave encashment is provided based on an independent actuarial valuation carried out at the year end.

Gratuitv

The Company's Gratuity plan is a defined benefit plan. The liability under the plan is determined on the basis of an independent actuarial valuation carried out at the year end. The actuarial valuat on method used by independent actuary for measuring the liability is the Projected Unit Cred1t Method.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the Revenue Account as income or expense.

o) Provision for Taxation

Tax expenses comprise of income tax, deferred tax and fringe benefit tax.

Income Tax

Provision for current income tax, if any, is made on an accrual basis. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Deferred Tax

Deferred income tax is recognised for future tax consequences attributable to tifning differences between income as determined by the finanal statements and the recognition for tax purposes. The effect of deferred tax asset/ liability of a change 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 which 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 virtually certain to be realised.

Fringe Benefit Tax

Provision for fringe Benefit Tax (FBT) has been recognised on the basis of applicable fringe Benefit Tax on the taxable value of chargeable expenditure of the Company as prescribed under the Income Tax Act, 1961 and in accordance with the guidance note on accounting for FBT issued by the Institute of Chartered Accountants of India.

p) Seryjce Tax unutilised credit

Service tax liability on output service is set off against the service tax credits available on t&x paid on input services. Unutilsed credits, if any, are carried forward for future set off. A p sed on estimated realisat on of unutilised credit.

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q) Provisions and Contingent liabilities

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

A disclosure for a contingent liability is made when there is a possible obligat on or a present obligation that may_, but probably will not, require an outflow of resources. W,here there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. ActuarialMethodandAssumPtions

Actuarial liabilities are calculated in accordance with accepted actuarial principles, professional guidance notes issued by the Institute of Actuaries 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 table-Indian Assured Lives Mortality 1994-1996(modified) Ultimate, adjusted to renect expected experience and allowances for adverse deviation. Expenses are provided for at long term expected renewal expense levels.

Unearned premium reserves are held under one year renewable group term product.

The unit liability In respect of l1nked 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. Caojtal Commjtments

There are no commitments outstanding for Investment and Loans.

Estimated amount of contracts remaining to be executed on fixed assets, to the extent not provided for (net of advances): Rs.2,835('000) ((Previous year Rs.73,667('000)].

5. Contjngent Uabiljtjes;

fRs'OOOJ

Sr. No.	Particulars	As at 31 March 2008	As at 31 March 2007
i.	Partly paid-up investments		
ii.	Claims, other than against policies, not acknowledaed as debts bv the Comoanv		
iii.	Underwritina commitments outstanclina		
iv.	Guarantees given by or on behalf of the Comoanv		
v.	Statutory demands/ liabilities in dispute, not provided for		
vi.	Reinsurance obligations to the extent not rovided for in accounts		
vii.	Insurance claims disputed by the Company, to the extent not rovtded rese(ved		
	Total		

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6. Encumbrances on Ass-ets

There are no encumbrances on the owned assets of the Company inside or outside India as at tt>e Balance Sheet date.

7. Outstanding Claims

i. The claims intimated to the Company and outstanding as at 31 March, 2008 aggregate to Rs.2,897 ('000) (Previous year Rs.Nil).

ii. The Company does not have any claims, which are settled and unpaid for more than six months.

iii. All the claims are paid / payable in India.

8. Investments

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

ii. AU the investments of the COmpany are performing investments.

iii. Value of contracts in relation to investments for:

(Rs'000)

Sr. No.	Particulars	Year Ended 31 March 2008	Year Ended 31 March 2007
i.	Purchases where Deliveries are pending	-	-
	- Unit linked Business	35 816	4 416
	- Non linked Business	-	-
ii.	Sales where_payments are due	-	-
	- Unit linked Business	-	-
	- Non linked Business	-	-

iv, As at 31 March, 2008, the aggregate cost and market value of investments, which are valued at market value (Other than investments in unit linked funds) was Rs.122,487('000) (Previous Year Rs.49,978('000)) and Rs.130,591('000) (Previous Year Rs.49,248('000)).

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 RDA.

Details of the managerial remuneration paid / payable by the Company are as follows:

(Rs'000)

Sr. No.	Particulars	Year Ended 31 March 2008	Year Ended 31 March 2007
i.	Salarv	8 543	6 520
ii.	Bonus*	7 700	6 610
iii.	Other Allowances and Benefits	4 692	17 030
iv.	Contribution to Provident Fund	1 025	782
v.	Perauisites Value	3 353	2 055
	Total	25 313	32 997

*Bonus of Rs.6,610('000) pertaining to the financial year 2006-07 has been reported in the managerial remuneration of previous year but has been charged to revenue account in the current year on receipt of IRDA approval.

The remuneration excludes gratuity and leave encashment, which are accrued based on an actuanal vatuation for the Insurer's overall liability.

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10. Percentage of business sector wise

Particulars	Year Ended 31 March 2008			Year Ended 31 March 2007		
	Number of Individual Life Policies	Number of Group Lives Covered	First year written premium (Rs.'OOO)	Number of Individual Life Policies	Number of Group Lives Covered	First year written premium (Rs.'OOO)
Total Busmess	74 074	9 012	1 184 063	5 825	3 067	77 760
Rural Sector	6,884	-	92 580	480	-	96
As a % of total Sector	9%	-	7.82%	8%	-	0.12%
Social Sector	-	7,550	216	-	3,067	138
As a % of total Sector	-	84%	0.02%	-	!00%	9,

Allocation of nvestments between Policyholders' Funds and Shareholders' Funds

Investments made out of the Shareholders' and Policyholders' Funds are tracked from inception and income accordongly accounted for on the basis of records maintained. As and when necessary, transfers have been made from Shareholders' Investments to Policyholders' Investments. In respect of such transfers, the investment mcome Is allocated from the date of transfer.

Policyholders' liabities adequately backed by assets

The Policyholders' liabilities aggregating to Rs.57,841('000) [Previous Year Rs.8,090('000)] as at 31 March, 2008 are adequately backed corresponding assets compnsing policyholder's investments Rs. 58,103 ('000) [Previous Year Rs. 8,l.c O ('000)] and other receivables Rs. 2,373 ('000) [Previous Year Rs. 179 ('000)].

12. Risk Betention / Reinsurance

Extent of nsk retaoned and reinsured on the basis of sum assured is goven below:,

Particulars	Year Ended 31 March, 2008		Year Ended 31 March, 2007	
	Individual	Group	Individual	Group
Risk Retained	81%	16%	79%	100%
Risk Reinsured	19%	84%	21%	-

13. Assets regvired to be deposited pnder Section 7 of the Insy rance Act.1938

The investments under Section 7 of the Insurance Act, 1938 maintained In CSGL account woth Cotibank are as follows:

(Rs'OOO)

Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
7.40% Government of India 2014*	1043	1 041
7.37% Government of India 2014*	48 271	-
Total	49 314	1041

"The saod government secuntoes are held with the custodoan under segregated status.

14. Operating leases

The Company has entered into agreements in the nature of lease/leave and licence with different lessors / licensors tor residential premises and office premises. Lease payments aggregating to Rs. 164,209('000), (Previous year Rs. 59,802('000)) 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:

(Rs.'OOOI

Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
Not later than one year	208,608	72,340
Later than one year and not later than five vears	438,410	201,180
Later than five years	-	77,902

15. Fjnance Leases

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

CRs.'OOO)

Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
Not later than one vear	49 401	7 417
Later than one year and not later than five years	69,634	9,309
later than five years	-	-
Total Minimum Lease Pavment	119 035	16 726
Less: Future finance charges on leases	5,777	795
Present Value ot finance lease liabilit es	113,258	15,931

16. Taxatjon

The Company carries on lite insurance business and hence the provisions of Section 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 made in the accounts since the Company does not have any taxable Income 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 tax assets.

17. Segment Reoortjng

In accordance with the Account ng 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 Individual Pension, Par, Non Par, Unit Linked and Group Non Par 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 preparatoon 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).

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Assets and Liability directly attributable or allocable to the segments are recorded and disclosed under the respective segmentsh the Segmental Balance Sheet. Other assets and llabilitoes whoch **are not directly identifiable are disclosed as ..unallocated...**

(a) Balance Sheet

Refer Annexure 1 to Schedule 16 for Segmental Balance Sheet.

18. Related partv Transactjon$ <Refer Annexure 2)

i. **Related Parties where control exists**

Bharti Enterprises (Holdings) Private Limited (upto 29" Feb,2008)

First American Securities Private Limited

AXA India Holdings (Mauritius)

Bhartiventures Limited (from 29'" Feb, 2008)

ii. **Key Management personnel**

Nltn Chopra - Chief Executve Officer

iii. **Assocjate Comoanies wherg transactions have taken place durina the year**

BhartlAlrtel Pnvate Limited

First American Securit es Private Lirited

AXA India Holdings (Mauritus)

AXA Aia Pacific Holdings Lirted

AXA Bus ness Services Private Umited

AXA Technology Serices (India) Private Limited

Bharti Resources Private Limited

Bhartl Ventures Lirted

Sharti AXA Investment Managers Private Umited

iv. Detaols of related party transactions (Refer Annexure 2).

19. Earnings Per Share

Earnings per Share is calculated by dividing the net profit or loss for the year attributed to equity shareholders by the weighted average number of equity shares outstanding during the year.

Particulars	Year Ended 31 March,2008	Year Ended 31 March,2007
LOss for the Year (Rs'OOO)	(2,420,127)	(804,257)
Weighted average number of equity shares INol	248,764,987	102,911,511
Add: Weighted average outstanding share application money	1,012,295	484,932
Number of shares for diluted Eaminas Per Share	249,777,282	103,396,443
Earnings per share Basic (Rs.) Diluted (Rs.)	 (9.73) (9.69)	 (7.82) (7.78)
Face Vlae per share (Rs.)	10	10

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Chartered Accountants
Mumbai

Khandelwal Jain & Co.
Mumbai
Chartered Accountants

20. Contribution made by the Shareholders to the pg!kyholder's Account

As at the year end the Company has transferred the amount of Rs. 2,507,956('000) (Previous Year Rs.846,669('000)) from Shareholder's Acco unt (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 Acco unt) is irreversible in nature and will not be recouped to the Shareholder's Acco unt (Non-Technical Account) at any point **of time in future. The said transfer From Shareholder's Account (NonTechnical 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.**

21. Employee Benefits

The Company has classified the various benefits provided to employees as under:

(I) Defined COntribution Plan

proyjdeot Fund

During the year, the Company has recognised the following amount in the Revenue Acco unt. Employer's Contribution to Provident Fund and Employees' Pension Scheme, 1995 Rs.49,984 ('000) (Previous Year Rs.9,684('000))
[included in Employees' Remuneration and Welfare Benefits - Refer Schedule 3]

(II) Defined Benefit Plan and other long term benefits

Valuations in respect of Gratuity and leave Encashment have been carried out by Independent actuary, as at the Balance Sheet date, based on the following assumptions:-

Discount Rate (per annum)	:8%p.a.
Rate of Increase in Compensation levels	:15%p.a.
Expected Average remaining working lives of employees	:**30 Years**

IRs. '0001

A} Changes in the Present Value of Obligation	Gratuity	**Leave Encashment**
Present Value of Obligation at the beginning of the year	1,002	3,200
Interest Cost	80	-
Past Service Cost	-	-
Current Service Cost	286	30 jl
Curtailment Cost Creditl	-	-
Settlement Cost Creditl	-	-
Benefits Pa d	-	-
Actuarial Gain Loss on obliaations	15	-
Present Value of Obllaatlon as at 31 March 2008	1383	33 381

(Rs.'OOOsl

B) Changes In the Fair value of Plan Assets	**Gratuity**	**Leave Encashment**
Present Value of Plan Assets at 'the beginning of the year	-	-
Expected Return on Pfan Assets	-	-
Acturial Gains and (Loss) on Plan Assets	-	-
Contributions	-	-
Benefits Paid	-	-
Fair Value of Plan Assets at 31 March 2008	-	-

Lovelock & Lewes Chartered Accountants Mumbai

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Rs.'OOOsl

C) Reconciliation of Present Value of Defined Benefit Obliaation and the Fair value of Assets	Gratuity	Leave Encashment
Present Value of funded Obligation as at 31 March, 2008	-	-
Fair Value of Plan Assets as at the end of the year	-	-
Funded Status	-	-
Present Value of unfunded Obligation as at March 31 2008	1,383	33,381
Unrecoanised Actuarlallaalnsl/ losses	-	-
Unfunded Net Asset 1 (Liability) Recognised in Balance Sheet	1,383	33,381

IRs.'ODDsl

D) Amount recognised in the Balance Sheet	Gratuity	Leave Encashment
Present Value of Obliaation as at 31 March 2008	1383	33 381
Fair Value of Plan Assets as at 31March 2008	-	-
Liability recoanised in the Balance Sheet	1383*	33 381*

* Included In Provisions- Refer Schedule 14

IRs.'DOOsl

E) Expenses recognised in the Revenue Account	Gratuity	Leave Encashment
Current Service Cost	287	30 181
Past 5ervice Cost	-	-
Interest COst	80	-
Expected Return on Plan Assets	-	-
Curtailment Cost / (Credit)	-	-
Settement Cost / (Credit)	-	-
Net actuarial (aain) /loss recoanlsed in the Year	15	-
Total Expenses recognised in the Revenue Account**	382	30,181

** mcluded 10 Employees Remuneration and Welfare Benefits - Refer Schedule 3

Note : Previous Year figures have not been given as this is the first year of the adoption qf A$·15 (revised 2005}on Employee Benefits.

22. Summary of Financial statements of the Company as prescribed by the ROA is attached in Annexure 3 to Schedule 16.

23. The accounting ratios of the Company as prescr bed by the IROA are attac..l1ed in Annexure 4 to Schedule 16.

24. The financial statements of each of the fund under Unit linked business as prescribed by IROA are attached in Annexure 5 to Schedule 16.

25. The Mcro. Small and Medium Enterprises Development Act. 2006

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

Lovelock & Lewes Chartered Accountants Mumbai

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

26. Assets restructured during the period are as follows:

fRs'000\

Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
Total amount of loan assets subject to restructuring	-	-
Total amount or standard assets subject to restructurina	-	-
Total amount of sub-standard assets subject to restructurlnQ	-	-
Total amount of doubtfulassets subject to restructuring	-	-

27. Addjt jona! djsc!osyres go expenses

The additiona ldisclosures on expenses pursuant to RDA notification dated March 28, 2008 have are as follows:

(Rs.'000l

Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
Business Development expenses	62,828	2,539
MarketinQ Suooort Exoenses	-	-
OutsourcinQ expenses	12 076	1855

28. prgyjPY$ year Figures

Previous year figures have been regrouped and reclassified wherever necessary to conform to current year presentation. The regroupings alongwith reasons are as follows:

(Rs.'000)

Regrouped Item	Regrouped from	Regrouped to	Amount	Reason for regrouping
Telemarketing expenses	Communication expenses	Telemarketing expenses	98,781	To promote better disclosures in financial statements

For and on behalf of the Board of Directors

Sunil Bharti Mittal
Chairman

Prakash Nene
Director

Mark Pearson
Director

NItin Chopb
Chief Executive Officer

V.Srinivasan
Chief Financial Officer

GLN Sarma
Appainted Actuary

Place :Mumbal
Date : 21 August 2008

Shirin Patel
Company Secretary

Annexure 1

lh&rti AXA life Insurance Company limited
IRDA R-olstratiOft No: 130 dat 14J11ty, 2006
Segmental l.darKe Sheet as at 31 Hatch, 1008

Particular•	Stl<!rMOidert•	lr\dfvldual Partkf patiAO	lndlvldual Unit lll'lli.ed	Non-Partlcl.,.tii'IQ 11\dlvfdu.al	GtOU"S	Total	Pension	Unallocated	Total
Sources ol funds									
Sl\a..-ehO'd@l'S' Funds									
SMre C191till	3,661,084	-	-		-	-	-	-	3,661,084
AcNbl'lce Share API)i•catlon H<Oney Pendti'IQ Allotmer t	300,000	-			-	-	-	-	300,000
Rese Ano Suflllus	761,916	-	-	-	-	-			768.'}16
Cre<le(f(Oebit) fa<r Va e Cl\ange AccoUM (Net)	8689	-	-			-	-		8,089
Sui).Total	4 731 089	-	-	-	-	-	-	-	4 738 089
&o!-row,ngs									
PolleyhOI I'l' Funds									
PoliCY ua!M,ties		1,115	33,763						
C(edit/(Oeblt) Faw- Vilue Cl\anoe AocouM (Net)				1l	2 14,5	15 1&,884	•,019		15 57,841
lns>. ranc4 Resoerves									
Fet lin&ted Uab,l!ti			•65 865				132 714	-	5'98 579
Pro'M!On Sub-Total	-	111S	499 628	4359	145<10		134 793	-	656435
'uncls Fot Future AppropnotJOns		-	-	-					-
ToUII	4 1 11 oa	1115	620	4359	14		1367 3		5394524
Applicat on of Funds-									
ln'o'fltmtnt5									
Stl•ret olcJers'	17J7,098								1,717,098
Potocyt!Oide1S'	-	1,115	33,763	4,606	14,540	19,146	4,019		58,103
Assets HellS To Cover t.Jnloct(l L13b!!he:s			46S, 6S				132,'11<1		598,5'19
l.o>O$									-
Foc.ed AssetS	353,98&	-	-	-		-			353,988
eun-.tlt .t.sseu.									
Clstl•l'ld &arlk Balat Ces									144,488
Advances And Clmer ASsets	Or								338 870
Sub-Total (A}	29151		93	1963		6,021	3,414	9 !· :	1,0!: :
Cu1Ttnt Li.bllotlf!S			4&,475	5,395				1002:354	1060 98
						6 021			
							$UI;)-Total (8)		
Provi5I01'4									

'414

Net CJ TCnt Aneu (C) •(A •e)	19,151	(676)	(48,381)	(3,431)	(161)	(3,6")	(3,414)	(550,613}	(577,618)
MtS«!ll.OIIS E t el'ldit\ll'e Oeult UMI(e ln.Prcllt t.LOS$ AIXQ!Int	3,224,384				-	-	-		3,224,3&4
(SN,..l'ool<ltt'5' Account) Tot••	S 344 611	•••	451141	1174	14178	1$451	133379	SSO 613	5 394 524

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KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Annexure 1

ll'lflrtl AXA Ule Iltfur•n<:e Company llmltJe,d
IRDAiiletlstntlon No: 130 dat4d 14July, 2006
kt"'*' IBaiiRU st..-es at ll "Wtcl'l, 7

IU OOO'

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St.. ..,._ 'w>cb s .r . ''-W, ...	310.000	-	-	-			-		-	300.000
,_C-..O	1.500.000	-	-	-	-		-		-	1.500,000
			-		-		-		-	
) ....V-..										
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	-	-	6.522	1,407	161	1.561	-	-		8.090
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		-	-	-	-	-	-			
Cl$M/1010l S...,... ••••	-	-	54219	7	I.l1	-	-	-	-	54279
fU."'Cb fclr Ntwre .oor.	1	7	-	1	1	-	-	-	-	1941639
ApptlQ\loft of FuNs										
S.,., ,.. a	!154,435	-	-			-		-	-	1,15-4,·05
To eo...r Uf\'*1u.ot:oet	:	:	$4,21' 6,522	1,417	161	1,S7t		-	-	54,279 8,1lKl
'_'''	-	-	-			-		-	-	-
Filled Ass.ets	106.853	-	-	-		-		-	-	106,8$3
Cum:fllAuelt										
Cul'l and ea.-.lt lat cn									13. 8	13,948
Advances And Otl!•r A»4'll	r:iH:	-		;,	-	;,.		-		
Sub-Totlll (A)								-	15!007	192962

Currenll••b•l!lles		-	3,320	1.672		1,672		-	369,929	37:· !
Provisions									4 326	
Sul)oolOlll (I)	-	-	3 320	1t72	-		-	-	374 255	379 247
filet Current Anlt' (Ct - (A - I)	20/ll.&	-	(3,320)	(1,493)		(1,4U)			(202,300)	(116,285)
MtW:clla eovs I •nd!tvre	-	-								
O.bit 6fl.ai'lC•I'o Profit - LOIS Actovnt {St\f,..t!oldtrJ' A«Oill'lt)	804,257	-								$(14,257
TOt411	2 OU313	-	01	,			-		202 00	1941 63SI

1

Bhartl An Life Insurance COmpany limited

Annexure 2 Notes to Accounts

IRo'0001

Sr. No	Name of the related party with whom the transaction has taken Dlace	Description of Relationship with the oa<tv	Nature of Transaction	Current year			Previous Year		
				Amount	Amount outstllndlng •• recoverable 31/03/2008	Amount outatanding as payable /03/2008	Amount	Amount outatandlng •• ; ; !!	Amount outstanding as payable 31l03 12007
1	AXA 8us.ness iCes PrtvMe L...-uted	Assooate Company	Retmbursement of e•pensn Incurred on tne•r behalf	3,134	12,870		19,296	9,7	-
			PollCY . ,__..__ Mf"vt(H PfO'W byAXABS	11,664			338	-	
			__,__,ed by AXA es on our Jf	83		83	618		-
2	AXA AS<a PaCifiC HOidtOQS Umited	Associate Company	Software hcense, tol'twtre customlz uon and other JT services	81,306	-	161,748	100,316	-	97,218
			Reimbursement of expenses incurred on tnetr behalf	4,625	3,871	51,047	64,118	-	60,783
			BuslnHS consultancy & ._,,..ovlded	37.951		53,830	19,623	-	19,191

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Sr. No	Name of the related party with whom the transaction has been made	Description of Relationship with the party	Nature of	:year			. Year		
				A ••	Amount outstanding as recoverable '''''''12008	Amount outstanding as payable '''''''12008	A • •	Amount outstanding as recoverable 31	Amount outstanding as payable 31/0J/2007
3	AXA Technology Private Limited	Company	Value of IT assets during the year on '''''''ease	135,51'			17,271		
			_. lease '":•"' paid during the year on assets purchased on Finance lease						
4	Bharti Airtel Limited	Company	othe.r expenses		31,892		2,854		
5	Sunil Bharti Mittal		oald Policy		2,000		2,000		
6	Rajan Bharti Mittal	!Of	Polley		2,000		2,000		
7	Rakesh Mittal	'of	Policy		2,000		2,000		
8	Akhil Kumar Gupta		Policy				2,000		
9	NibnChopra	••('''''	Salarv		3	770C	501		
10	F•rst American Securities Private Limited	Investing Company	Share caPital				566 ,670		
			Share application ..•V• ., pending	122,667		122,667	11,333		11,333
			onuu .cm						
			''' '''' : lnro t : on their behlf				4,755		

Sr. No	Name of the related party with whom the tn11ns•ction hat bMn made	o. ctfpUon of Relationshfp with the ••••••	Nature of Transaction	Cun-ent vear Amount	Amount out:Stlnding •• 31/0l/2008 recoverable	Amount outrundlno•• 31/0l/2008 p,ayable	Previous Yur Amount	Amount outstanding •• 31/03/2007 r-ecoverable	Amount oubtanding as 31/03/2007 pay•ble
11	6rlat11fntt'J)f'IWS (Hold·rK.JS) Pr ..- ne umttt <l	Investing COmpany	Share C.a ıtal	554 417	-	-	000	-	
			Share appltcaoon money pend-ng allotme-nt		-	-	113516	-	113,516
12	AXA lncfoo Holdongs	In"Vntin9 Company	S rt ca •••	1039 588	-	-		-	-
			Share appliCatiOn money penchng allotment	63,333		63,333	255,151		255,151
13	6har • Venturt-S Llmoted	lnvestlno Compeny	h(llt ((ll ,,,	411 533	-			-	-
			Share application money pen(long allotment	114,000		114000			
			Deposit	4,100	4 100			-	-
14	Bhar!i Resources Limited	ASSOCI4le Company	Tra ning cfl.)rges	2,457		2:,457			-
15	Bhartt AXA Investment M•naoors PnvM• Llmltftd.	Associate CompMy	Expenses incu by Bhartl AXA	9,128	10,53.4	1,406	-	-	-
16	AXA SA	Associate Company	Reimbursement of marketing credit re«lved	106,694	61,700		-	-	-

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Khandelwal Jain & Co. Chartered Accountants Mumbai

Bharti AXA Life Insurance Company Limited
Summary of Financial Statements

Annexure 3

CRs'OOOl

	Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
	MIlCYHOI DfBS' Ate		
1	Gross Premium Income	1,184,063	77,761
2	Net Pl"emlum Income	1,181,332	77,591
3	Income from Investments•	(28,709)	(176)
4	Other income	24 639	7 323
5	Total income	1177 262	84 738
6	Commissions (including Brokerage)	126,424	5,615
7	Operating Expenses related to insurance business	2,949,413	860,718
8	Provision for tax	9291	2 705
9	Total ExDenses	3085 128	869 038
10	Payment to Policyholders	6,038	-
II	Increase in Actuarial liability	597,970	62,369
12	Reinsurance ceded	13918	-
13	Su_rp_lus/ (Oeficit)_ from operations	(2 507 956	(846 669
	SHABfHOLDfBS'AJC		
14	Total Income under Shareholder-s Account•	109,546	58,012
15	Profit *1* (loss) before tax		(804,257)
16	Provision for tax • Frtnqe Benefit Tax	(2,420,127)	-
17	Profit / (loss) after tax	(2 420 127	(804 257
18	Profit / (loss) carried to Balance Sheet	(3,224,384)	(804,257)
	MISCELLANEOUS		
19	fA) policyholders' account		
	Total Funds•	656,420	62,369
	Total Investments	656,682	62,379
	Yield on Investments(%) '	·7.99%	·0.60%
	CSI Shareholders' account		
	Total Funds	1,505,616	11075,743
	Total Investments	1,737,098	1,154,435
	Yield on Investments(%) *r.*	7.6%	10.1%
20	Yield on Total Investments(%)"	4.5%	9.5%
21	Paid up Equity capital	3,661,084	1,500,000
22	Net Worth	1,505,616	1,075,743
23	Total Assets	2,170,141	1,137,382
24	Earnings per Share (Rs.)•	(9.69)	(7.82)
25	Sook value oer Share IRs.)•	3.82	7.03

Indudes the effect of gains flosses on sale of investments

\# Totalfund - Policyholders reserves

calculated by dividing the investment Income as shown In the Revenue/Profit and Loss Account by average of pertod beginning and period closing Investments

C-alculated after taking into equivalent shares t be allotted against 'Advance against Share Capitai'.(Diluted)

Bharti AXA Life nsurance Company Limited
Ratios as prescribed by IRDA

Annexure 4

	Particulars	Year Ended 31 March, 2008	Year Ended 31 March, 2007
1	New Business Premium Income Growth (so;,gment-wise)		
	Non - Participating Individual	664%	N.A
	Non - Participating Group	23484%	N.A
	Participating - Individual	NA	N.A
	Pension	NA	N.A
	Un-Linked	1143%	N.A
	Gratuity	N.A	N.A
2	Net Retention Ratio (Net premium divided by gross premium)	99.8%	99.8%
3	Ratio of Expenses of Management (Expenses of management divided by the total Gross direct premium)	259.8%	1106.9%
4	**Commission Ratio** (Gross Commission paid divided by Gross Premium)	10.7%	7.2%
5	Ratio of Policyholders' Liabilities to Shareholders' Funds	43.6%	5.8%
6	Growth Rate of Shareholders' Funds	40.0%	N.A
7	Ratio of Surplus / (Deficit) to Policyholders' Liability (Surplusi(Defocit) as per Revenue account is Rs.Nii('OOO)	NIL	NIL
8	Change in Net Worth (Rs'OOO)	429,873	977,943
9	Profit after Tax 1Total Income Total Income = TotalIncome under Policyholders' Account {Excluding from Shareholders' Account) + Total Income under ShareHolders' Account	-188.1?	-563.4%
10	(Total Real Estate+ Loans) / Cash and invested assets	NIL	NIL
11	Total Investments / (Capital + Surplus Note: Total nvestments = Shareholders' Investments + Policyholders' Investments + Assets held to cover Linked Liabilites	159.0%	113.1%
12	Total affiliated Investments / (Caoital + Surolusl	0.6%	0.6%

Note: The growth rates for previous year are not available as it was the first year of operations for the Company.

Lovelock & Lewes Chartered Accountants Mumbai

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

ANNEXURE TO REVENUE ACCOUNT-Break up of Unit Linked Business (UL)

Annexure 5

llh.l>t'tl AXA l.lfeln"n-Comp•nv
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llt.,.niM Ac<:-t for Ttle Yl.r l d Jt Mutt\, 1001
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Particulars	Schedule										Total
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				T....							
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lcJLOott 01\ Mllt/fl.et:koii'IPlJO'I of Jnws			{1,860)	(1,160)		(109)	(lot)				(l,969)
O•l'ltl IJ'ICIMt:											
!G) u""-""1111•+nt(bn)			C)6,o2t>	t21,0)f)		(M2•>	IU21)				UUS6J
(t) I.!!!ktll tncomtc	uu	Z$.380	(25,380)			(870)					
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(c) fM•QII E«Nnot Glint					3,514						2 .?ll6
Mrcellaneous Inc«n•			;•..	lot,tU	11.tl4	-	II,lt<l	-	-	-	1l1,1l9
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KHANDELWAL JAIN & CO.
MUMBAI
CHARTERED ACCOUNTANTS

Lovelock & Lewes
Chartered Accountants
Mumbai

Bhartl Axa Life Insurance Company Limited
IROA Registration tto: 130dated 14 July, 2006
Revenue Account For The Year Ended 31 March, 2007
PoUcyholde.rs' Account (Technical Account)

IR•.'OO Ol

P: rti ulrs	Schedule	linked Life Non-Unit	Unit	Total	Linked Pension Non-Unit	Unit	Total	linked Grou Non-Unit	Unit	Total	TOtOl IUnit Linked
Premiums earned .. Net		1	'''	(3 1 + 2	4	Sl	• • 4 +fS	(7	8	● ● 7 + 8	101.(3 ... • +
(al Prcmu;m		20,413	55.730	76,143							76,143
(b) Rtin$urance ceoed		(4-4)	-	(<14)							
Income From Investments											(44)
(al Interest, Dividend & lent • Gross			307	307					-		307
(b) Profit on sa14!'/A.e<Jemotion of nvestments			54	54							54
(c) Loss on Sl'le/Redemoti<>n Of Tnvewnel'ltS			(45)	(451							(45)
(d) Unreali$t<t <tilii\ICIO $$)			(492)	(492)							(492)
Other Income.:											
(a) linked Income	Ul1	1,731	(L731)						-	-	-
(b) Contribution from Shareholders' ate		794,871	-	794.871							794,871
{ I = =▪ ▪ ns		6,446	-	6,446							6,446
Total A		823 417	54 28-0 457	877 697 457	-	-	-	-	-		877 697 451
CommiSSIOn		5.281	-	5,281							5,281
Operatlno ExPenses re::ted t ::: c usint:ss		-	1	&0:							809,075
P' v.sion for Ta;.cation Finae en T11x											
T tal ●		816-895	1	816 896	-	-	-	-	-	-	81689G
Benefits Paid (Net}	Ul2	-									
Jntenm Bonus Pa•Cl		-				-					
Ch\'lnae in V tJV\'Ition of l.ieb<litv in resPett oftfe l>Qlicie$		6 523	S4 279	60 802	-	-			-		SO>
Chancte ill Valuatior Uabilih.									-		
Total C		•523	54 279	60 802							
SURPLUS DEFICIT 0 ... . 8 .C					-	-	-	-	-	-	60 802
APPROPRIATIONS		-	-	-	-	-	-	-	-	-	-
lfl$urr\ee r s.e--ve at tMl)toQmnill<l Of IM vtr											
Transfer to Sha(ehoi<l«S' a/c											
Funds availab e for fubJ.re A,pprol)(lations											
Funds available for Furure ADProPflatlons • PoUCV'holders											
Funds available for furure A: ;:. lations ·Shareholders											
Total ●											

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Chartered Accountants
Mumbai

KHANDELWAL JAIN & CO.
MUMBAI
CHARTERED ACCOUNTANTS

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

Annexure 5

Bharti AXA Life Insurance Company Limited
IRDA Registration No: 130 dated 14July, 2006

Schedule·Ull
Linked Income (recovered from linked funds)•
Current Year

(Rs.'OOO)

Particulars	life linked Unit	Pension linked "ni•	linked Group	Total
	(1)	(2)	(3)	(4)• (1)+(2)+(3)
Fund Administration	-	-		-
Fund Management	3,143	172	-	3,315
Policy Admin stration	10,861	698		
Surrender		-	-	11,559
Switching	-	-	-	-
t-Iorta1ity				
FUder Premium	11,376	-	-	11,376
Partial withdrawal	-	-		-
t>llscellaneous	-	-	-	-
Total UL-1	25 380	870	-	26 250

• (net of service tax, If any)

Schedule-Ull
Linked Income (recovered from linked funds)*
Previous Year

(Rs.'OOO)

Particulars	Life Linked Unit	Pensi inked 1	Link Group nit	Total
	1	2	3	4 = 1 + 2 + 3
Fund Admjnlstranon	-	-	-	-
Fund 11anag ment	-	-		-
Polley Adm nlstratlon		-	-	726
Surr nder	726	-	-	-
Switc::h ng	-	-	-	-
Mortality	1,005	-	-	1,005
Rider Premium				-
Partial withdrawal	-	-	-	-
MLScdlaneous.	-	-	-	-
Total_ (Ul·1l	1731	-	-	1731

• (net of serv c::e tax, If any)

"Orm A-IS(UI.)

Anne.a;ure.S

•harti AXA life lnt11ren.ce Comp.any Umite4
lROA Registn tJon No • 130dated 14July 2006

,••••••••}

'und &alance ShHt at at)1 March, 200*

Pillrtlculiuf	Scfledu..	Save illnd Grow Money		Steady Money		Gf"ow MCMiey		Protect Money		Pentk>n S..ve a..ct GrOw Honey		PeiUion SteWy Ho"ey		Pcn on Grow Money		Current Year Total	Previous YurTotal
		C11nent	Pre¥0'-'S	Current Year	Pr4!w 0'""	C:unent Year	Pr Ollf	'e_r IIII	Pr WT04i•	C:wrent Year	01.11	«;unen	rev ou•	Current Yew	Pr Q		
Soun:u of "*"elf PolkyMiclers• Funds:: PoiiC'Yhoolder eot"tnbu !on	,_,	2 . 24 1	'·!!	>.	••		•S·!!		m	, ,,		9,3)1		1)2,277		.,}! 7	$4,1 • 7
Applc;atlon of Funds				•				-		•	-		-	•			
Ifl'lestmems	F-2	22.9	8,123	),660	61	401,138	36,559		'''	'',		•••		95,869		515,198	45,016
Cllttefllld:iets	,_,	2.J70	·,	,·,	8	66,019	4 S,0 U,SU		••	158		•••••		;}2,060		109,518	1),851
l.tU- Gw•...,t U.bilttiUltld l'n!YI$Ion5	■■	•,, 1175	59	•, '		28 927 J7 09l	-	-	-	1SI		•••		S ,., 16 211		3-6137	4S89
							-				-		-		-		

Net Asset Value (NAV) per Unit:

(e) Ket ASM!t es per 61h1n.ce Slleet ('ToUlAu«s CliiT«<t Ub obU!t.es o ond Provl,oOnf} (R$.In'000$}		2•139	·,••	1•95	••	418 230	4$$47		•	''		98,2		122 142	
(b) N\lmber of Un.ts OlitstolondlnQ		1t68,}JS	774 766	}06,518	6 757	32.345181	4 018 429	-	}4,595	11919		971,166		16 1« 475	
(c) NAV per '-""It (e}l(b) (Its.)		U-2631	10.7241	11.'''76	10.1906	P.S486	11.33•	-	I JU*	95090		1'''.1162		7.5655	

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Mumbai

Khandelwal Jain & Co.
Mumbai
Chartered Accountants

Annexure 5

(Rs.'000)

Form A-RA(UL)

Bharti AXA Life Insurance Company Limited
IRDA Registration No: 130 dated 14 July, 2006

Fund Revenue Account for the year ended 31 March 200[illegible]

Income from Investments

[illegible]

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(-)		211	5t			3	11.3	1	-	1										
Nd Inceme for the.,_, (A..)		l.Stl	su	171	1	(2$,103)	(400)	(2)	2	(4)					(10,111)	-	(3).5&0)	110		
• Ntt eN;..: ;...h; to 'Ca(t:) •ttt vlholl																				
tiM,_, tt uhod reYenue •ccownt at IM of		1,105	su	171	1	(15,609)	(–)	-	1	(4)	-	-	-	(IG,UI)	-	(33,470)	110			

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KHANDELWAL JAIN & CO.
MUMBAI
CHARTERED ACCOUNTANTS

Schedules to Fund Revenue Account

Annexure 5

AXA Life Company Limited

Schedule: F1

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Mumbai

MUMBAI
CHARTERED ACCOUNTANTS

Schedules to Fund Revenue Account

Bharti AXA Life Insurance Company Limited
IRDA Registration No: 130 dated 14 July, 2006

Annexure 5

Schedule: F 2
INVESTMENTS

% of Other Investments to Total

(Rs.'000)

	Save and Grow Money Fund	Save and Grow Money Fund	Steady Money Fund	Steady Money Fund	Grow Money Fund	Grow Money Fund	Protect Money Fund	Protect Money Fund	Pension Save and Grow Money Fund	Pension Save and Grow Money Fund	Pension Steady Money Fund	Pension Steady Money Fund	Pension Grow Money Fund	Pension Grow Money Fund	Current Year Total	Previous Year Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year		
Accrued Interest	702	41	212	1	-	-	-	-	17	-	57	-	-	-	988	42
Cash & Bank Balanc	1,280	201	51	7	61,624	13,497	-	81	140	-	8,791	-	32,044	-	103,930	13,786
Dividend Receivable	2	3	-	-	87	21	-	-	-	-	-	-	16	-	105	24
Receivable for Sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Unit Collection A/c	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Asset	186	-	-	-	4,308	-	-	-	1	-	-	-	-	-	4,495	-
Total	2,170	245	263	8	66,019	13,518	-	81	158	-	8,848	-	32,060	-	109,518	13,852

Schedule: F 4
CURRENT LIABILI

Bharti AXA Life Insurance Company Limited

Annexure to Revenue Account (UL} forming part of Financial Statements

Annexure 5

DISCLOSURES FOR ULIP BUSINESS

1. Performance of the Fund (Absolute Growth %}

Fund Name	Year of Inceotion	Current Year	Previous Year	Since Inception
Save and Grow Money Fund	2006	14.34%	7.25%	22.63%
Steady Money Fund	2006	11.68%	13.34%	1398%
Grow Money Fund	2006	19.53%	2.05%	35.48%
Save and Grow Money Pension Fund*	2007	-4.9%	NA	-4.9%
Steady Money Pension Fund•	2007	1.16%	NA	1.16%
Grow Money Pension Fund•	2007	- 24.34%	NA	-24.34%

* Funds launched during Financial Year 2007·08

2. Investment Management

- Activities outsourced
  - Custody, NAV calculation and Fund Accounting.
- Fee paid for various activities charged to Policyh<>lders' Fund Account
  - No fees paid to outsourced party are charged to Policyholder's Fund Account.
- Basis of payment of fees
  - Fees are calculated as a percentage of assets under management.

3. Related party transactions

3.1 Brokerage, custodial fee or any other payments and receipts made to/from related parties is Nil (Previous Year - Nil).

3.2 Company-wise details of Investments held in the Promoter Group

As of 31 March, 200B (Rs'OOO}

Fund Name	Company Name	Type Of Investment	%of Holding in various Funds	Total Funds Under Management
Save and Grow Money Fund	Bharti Airtel Umlted	Equity	2.69	525
Grow Monev Fund	Bharti Airtel Umlted	Eauotv	4.88	19 566
Save and Grow Mon Pensoon Fund	BhartiAortel Llmoted	E ui	2.12	8
Grow Money Pension Fund	Bhart1 Aortel Llmoted	E uit	4.88	4 674

As of 31 March, 2007

(Rs'OOO)

Fund Name	Company Name	Type Of Investment	Ofo of Holding **in various Funds**	Total Funds Under Management
Save and Grow Money Fund	Bhartl Artel Um1ted	Equitv	3.53	8 310
Grow *Money* Fund	Bhartl Alrtel Limited	Eoultv	8.00	45 586

3.3 Industry wise disclosure of Investments

As of 31 March,2008

Save And Grow Mon ev Fund		
Sector Name	CUrrent Market Value of Assets in (Rs'OOO)	(Ofo) of Assets
Aluminium	164	0.68
Banking Services	8 582	35.55
Cement	147	0.61
Commercial Vehic les	80	0.33
Computer Software	955	3.96
Construction	330	1.37
Cosmetics T01letnes Soaps & Detergents	167	0.69
Crude Oil & Natural Gas	703	2.91
Diversified	477	1.98
Druas & Pharmaceuticals	230	0.9!1;
Electricity Generation	324	1.34
Finished Steel	427	1.77
Hotels	25	0.10
Housing Construction	369	1.53
Housinq Finance Services	226	094
Industrial Cao1tal Goods	29	0.12
Media-Broadcasting	36	0.15
Natural Resources	55	0.23
Non Bank1na Financial Comoanv	101	0.42
Other Financial nstitutions	128	0.53
Other Metal Products	108	0.45
Paints	38	0.16
Passenaer Cars & MultiUtJIltv Vehicles	137	0.57
PetToleum Products (Refineries\	236	0.98
Power Generation	543	2.25
Prime Movers	470	1.95
Refineries	1 153	4.78
Sovere1qn	4 789	19.84

Switchino Aooaratus	153	0.63
Telephone Services	1018	4.22
Tobacco Products	260	1.08
Trading	120	0.50
TransPOrtation	38	0.16
Turnkey ProJects/Erectoon Contracts	298	1.23
Two & Three Wheelers	48	0.19
NetCurrentAssets/Othersectors	1175	4.87
Grand Total	24 139	100.00

Grow Money Fund		
Sector Name	**Current Market** Value of Assets in IRs'OOOI	("'o) of Assets
Aluminium	6155	1.40
Bankn>g Services	44 090	10.06
Cement	5444	1.24
Commercial Vehicles	2 997	0.68
Computer Software	35 521	8.11
Construction	12 284	2.80
Cosmetics Toiletries Soaos & Deteroents	6 214	1.42
Crude 011 & Natural Gas	26 170	5.97
Diversified	17 725	4.04
Drugs & Pharmaceuticals	8589	1.96
Electricitv Generation	12 070	2.75
Finished Steel	15877	3.62
Hotels	933	0.21
Houslno Construction	13737	3.13
Housing Finance Services	8429	1.92
Industrial Caoital Goods	I 064	0.24
Media-Broadcastino	1331	0.30
Natural Resources	2,033	0.46
Non Bankino FInandal Comoanv	3766	0.86
Other Finandal Instotutlons	4 760	1.09
Other Metal Products	3,976	0.91
Paints	1,436	0.33
Passenqer Cars & Multi UtilitY Vehicles	5 117	1.17
Petroleum Products (Refineries)	8772	2.00
Power Generation	20 225	4.62
Pnme Movers	17515	4.00
Refineries	42 935	9.80
Swtching Apparatus	5,711	1.30
Teleohone Services	37 894	8.65
Tobacco Products	9 691	2.21

Lovelock & Lewes Chartered Accountants Mumbai

Chartered Accountants Mumbai

Tradlno	4 488	1.02
Transportation	1 393	0.32
Turnkev Protects/Erection Contracts	11 065	2.53
Two & Three Wheelers	1729	0.39
NclCurrent Assets/ Other Sectors	37 094	8.46
Grand Total	438 230	100.00

Steady Mane Fund		
Sector Name	Current Market Value of Assets in (Rs'OOO)	(%) of Assets
Bankino SeNices	1 158	33.14
Sovereign	1302	37.29
Corporate Bonds	I 199	34.32
Net Current Assets / Other sectors	(164)	(4.75)
Grand Total	3495	100.00

Steady Money F		
Sector Name	Current Market Value of Assets In (Rs'OOO)	(%) of Assets
Banklno Services	521	5.30
Sovereign	358	3.64
Coroorate Bonds	105	1.07
Current Assets	8848	89.99
Grand Total	9 832	100.00

Save And Grow Mone Pension Fund		
Sector	Current Market Value of Assets in (Rs'OOO)	(Clo) of Assets
Aluminium	12	1.65
Banking Serices	230	31.09
Cement	12	1.66
Construction	10	1.32
Cosmetics Toiletries Soaps & Detergents	6	0.77
Crude Oil & Natural Gas	9	1.19
Doversfied	35	4.62
Drugs & Pharmaceuticals	20	2.77
Electridty Generation	2	0.27
Finished Steel	7	1.00
Houslno Construction	3	0.44
Housing Finance Services	7	0.96

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Mumbai Chartered Accountants

Media-Broadcastina	4	0.60
Passenger Cars & Multi Utility Vehldes	8	1.12
Prime Movers	32	4.34
Refineries	23	3.00
Sovereian	114	15.41
Switching Apparatus	4	0.50
Telephone Services	14	1.81
Tobacco Products	6	0.84
Trading	1	0.12
Transportation	6	0.70
Turnkev Prolects/Erection Contracts	15	2.05
Two & Three Wheelers	4	0.56
Current Asset	157	21.23
Grand Total	741	100.00

Grow Money Pension Fund		
Sector Name	Current Market Value of Assets in (Rs'OOO)	(%)of Assets
Aluminium	1471	1.20
Banklna Services	10 538	8.63
Cement	1302	1.07
Commercial Vehicles	716	0.59
Computer Software	8488	6.95
Construction	2 936	2.40
Cosmetics Toiletries Soaps & Detergents	1486	1.22
Crude Oil & Natural Gas	6 253	5.12
Diversified	4 238	3.47
Drugs & Pharmaceuticals	2 052	1.68
Electnc1tv Generation	2,884	2.36
Finished Steel	3795	3.11
Hotels	231	0.19
Housina Construction	3282	2.69
Housing Finance Services	2 013	1.65
Industrial Capital Goods	254	0.21
Media-Broadcastina	318	0.26
Natural Resources	486	0.40
Non Bankina Financial Comoanv	899	0.74
Other Financial Institutions	1,137	0.93
Other Metal Products	950	0.78
Pa.nts	343	0.28
Passenger Cars & Multi UtJiitv Veh1cles	1222	1.00
Petroleum Products CRefinerlesl	2 096	1.72
Power Generation	4,832	3.96

Lovelock & Lewes Chartered Accountants Mumbai

KHANDELWAL JAIN & CO. MUMBAI CHARTERED ACCOUNTANTS

Prime Movers	4 185	3.43
Refineries	10 260	8.40
Switchlnq Apparatus	1365	1.12
Teleohone Services	9 054	7.41
Tobacco Products	2 317	1.90
Tradina	1073	0.88
Transoortatlon	335	0.27
Turnkey Projects/Erection Contracts	2 644	2.16
Two & Three Wheelers	416	0.34
Current Asset	26 271	21.51
Grand Total	122 142	100.00

As of 31 March,2007

Save And Grow Money Fund		
Sector Name	Market Value of Assets In CRs'OOOl	(%)of Assets
Air Transport	10	0.12
Aluminium	57	0.69
Bankina Services	3,396	40.87
Cement	56	0.67
Commercial Vehicles	53	0.64
Computer Software	686	8.26
Cosmetics, Toiletries. Soaps & Detergents	101	1.22
Crude Oil & Natural Gas	356	4.28
Diversified	36	0.43
Drugs & Pharmaceuticals	137	1.65
Electricity Generation	39	0.47
Finished Steel	139	1.67
Housina Finance Services	71	0.85
Media-Broadcasting	21	0.25
Motion Picture Radio. Tv And Other Entertainment	8	0.10
PassenQer Cars & Multi Utility Vehides	81	0.97
Prime Movers	158	1.90
Refineries	397	4.78
Sovereign	1,460	17.57
Switchina Aooaratus	63	0.76
Telephone Services	475	5.72
Thermoplastics	15	0.18
Tobacco Products	107	1.29
Trading	42	0.51
Tumkev Proiects/Erection Contracts	86	1.04
Two & Three Wheelers	72	0.87
Net Current Assets / Other Sectors	187	2.25
Grand Total	8309	100.00

Lovelock & Lewes Chartered Accountants Mumbai

Khandelwal Jain & Co. Chartered Accountants Mumbai

Grow Monev Fund		
Sector	Market Value f Asse: in Rs'OOO	(%) of Assets
Aluminium	548	1.21
Banking Services	3,253	7.16
Cement	545	1.20
Commercial Vehicles	511	1.12
Comouter Software	6,618	14.56
Cosmetics Toiletries, Soaos & Deteraents	973	2.14
Crude Oil & Natural Gas	3,430	7.55
Diversified	358	0.79
Drugs & Pharmaceuticals	1,330	2.93
Electricv Generation	381	0.84
Finished Steel	1,336	2.94
Housina Finance Services	696	1.53
Media-BroadcastinQ	197	0.43
Motion Picture,Radio, Tv And Other Entertainment	32	0.07
Mutual Fund	1,824	4.01
Passenger Cars & Multi Utilitv Vehicles	777	1.71
Prime Movers	1,533	3.37
Refineries	3,823	8.41
Switchina Aooaratus	610	1.34
Telephone Services	4,575	10.07
Thermoplast cs	148	0.33
Tobacco Products	1,034	2.28
Tradinq	406	0.89
Turnkey Projects/Erection Contracts	831	1.83
Two & Three Wheelers	691	1.52
Other Sectors (Includina Net Current Asset	8.987	19.77
Grand Total	45,447	100.00

Steadv Monev Fund		
Sector	**Previous** Market Value of ssets Rs'OOO	(%) of Assets
Bankina Services	40	57.97
SovereiQn	21	30.43
Other Sectors (ncludina Net Current AssetS\	8	11.59
Grand Total	69	100.00

4. Unclaimed redemptions of units

There are no unclaimed redeemed units as on March 31, 2008 (Previous Year Nil).

Lovelock & Lewes Chartered Accountants Mumbai

Khandelwal Jain & Co. Mumbai Chartered Accountants

5. Net Asset Value (In INR) : Highest, Lowest and Closing

Unit Price during the current year	Save and Grow Money Fund	Grow Money Fund	Steady Money Fund	Save and Grow Money Pension Fund	Grow Money Pension Fund	Steady Money Pension Fund
Highest	13.99	18.46	11.41	10.17	10.09	10.13
Lowest	9.97	9.88	10.00	9.26	7.23	10.00
Closing	12.26	13.55	11.40	9.51	7.57	10.12

As of 31 March, 2007

Unit Price during the current year	Save and Grow Money	Grow Money	Steady Money	Protect Money
Highest	11.2022	12.468	10.2053	10.2383
Lowest	9.9744	9.8781	9.9993	10.0000
Close	10.7252	11.3344	10.2053	10.2383

6. Expenses charged to Fund (%)

Annualized expense ratio to average daily assets of the Fund

As of 31 March, 2008

Fund Name	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Save and Grow Money Pension Fund	Grow Money Pension Fund	Steady Money Pension Fund
Fund Management Charges	1.25%	1.00%	1.50%	1.25%	1.00%	1.50%

As of 31 March, 2007

Fund Name	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund
Fund Management Charges	1.25%	1.00%	1.50%	1.00%

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

As of 31 March, 2008

(Rs'OOO)

Particulars	**Save and Grow** Money Fund	**Grow** Money Fund	Steady Money Fund	**Save and** Grow Money Pension Fund	**Grow** Money **Pension** Fund	Steady Money Pension Fund
Gross Income	1,807	(22 202)	190	(4)	(986	1
Average Assets	17912	2 11676	2 160	294	62 436	1951
Ratoo of Income/Average Dallv Assets	1009%	(1049%)	880%	(1.36%)	(1580%)	0.05%

As of 31 March,2007

(Rs'OOO)

Particulars	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money Fund
Gross Income	572	1	(293)	
!Averag e Assets	7 722	35	8 199	58
Ratto of Income/Average Dall Assets	7.41%	2.86%	(3.57%)	3.45%

8. Provision for doubtful debts on assets of the respective fund is Nil (Previous Year Nil)

9. Fund-wise disclosure of appreciation/depreciation In value of Investments

As of 31 March, 2008

(Rs'OOO)

Particulars	Save and Grow Money Fund	Steady Money Fund	**Grow** Money Fund	**Save and Grow** Money Pension Fund	Steady Money **Pension** Fund	Grow Money Pension Fund
Unreallsed Appreclatlon/{Dep reclatlon) on Investments	467	1	(26,979)	(5)	(1)	{9,82i)

As of 31 March, 2007

(Rs'OOO)

Particulars	Save and Grow Money Fund	Steady Money Fund	Grow Money Fund	Protect Money F
Unrea h sed Appreciation/{Depreclatoon) on Investments	377	NIL	(868)	NIL

Lovelock & Lewes
Chartered Accountants
Mumbai

Khandelwal Jain & Co.
Mumbai
Chartered Accountants

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2. Cash and Cash equivalent at the end of the period comprise of the following Balance sheet amounts;

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Total	151,371	

This is the Receipts & Payments Account referred to in our report of even date

For and on behalf of the Board of Directors

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Prakash Nene
Director

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Nitin Chopra
Chief Executive Officer

V.Srinivasan
Chief Financial Officer

GLN Sarma
Appointed Actuary

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OMt :11AuguU 2008

BHARTI AXA LIFE INSURANCE COMPANY LIMITED
IRDA REGISTRATION NO: 130 DATED 14JULY, 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 1April, 2007 to 31 March, 2008. The Management of **the Company confirms, certifies and declares as below:**

1. **Certificate of Registration**

   The Certificate of Registration granted by the Insurance Regulatory and Development Authority to enable the Company to transact life insurance business continues to stand valid as at 31 March, 2008 and even as of the date of this Report.

2. **Statutory Dues**

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

3. **Shareholding Pattern**

   The Company confirms that the shareholding pattern is in accordance with the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development AuthQrlty (Registration of Indian Insurance Companies) Regulatiorl'!. 2000.

4. **Investment of Funds**

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

B

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 , "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 realzable or market value, except for "Investments" (excluding fixed income securities held in the Shareholders' account and non-linked Policyholders' account which are carried at amortised cost. Their realization value Is less by Rs.2,975('000) as at 31" March, 2008.

7. **Application of Life 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 been directly or indirectJy invested outside India.

8. **Risk Mitigation Strategies**

The key risks affecting the operations of the company are underwriting and Investing risks. Underwriting procedures have been enhanced and rules have been structured to enable the Company to strike a balance between mitigating risk, ensuring con!l:ol and providing better service. The underwriting risk is managed by adopting prudent underwriting policies and procedures. The Company seeks to reduce its risk exposure by reinsuring certain levels of risks with re-insurers.

The Company has a prudent policy in respect of Investments. Investment risks are managed by laying down appropriate guidelines in the Investment policy. The investment policy provides for an asset liability management framework to mitigate investment related risks. The Investment policy is approved and reviewed by the Board periodically.

g, **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. Claims

The average time taken by the Company for claims settlement from the date of submission of the final requirement by the claimant to dispatch of claim payment Is 7 days for the current year. (Previous Year NIL)

The ageing of claims registered but not settled as on March 31, 2008 is given below:

linked Business

(Rs.'OOO)

Period	Number of claims	Amount
Unto 30 Davs	4	2 477
30 Davs to 6 Months	2	420
6 Months to 1Year	-	-
1Year to 5 Years	-	-
5 Years and above	-	-

Traditional Business

(Rs.'OOO)

Period	Number of c:laims	Amount
Uoto 30 Davs	-	-
30 Davs to 6 Months	-	-
6 Months to 1Year	-	-
1Year to 5 Years	-	-
5 Years and above	-	-

11. Valuat on 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 market value. The above valuation basis is in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

In the case of unit-linked funds, the market value of Government Securities is valued 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 FIMMDA. The market value of corporate bonds and debentures has been determined on the basis of the benchmark yields and spreads published by FIMMOA. The market value of equity shares is the lower of the last quoted closing prices at the National Stock Exchange of India ltd. ('NSE') and The Mumbai Stock Exchange Limited, ('BSE'). Unlisted equity securities 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, 2008.

(c) the management has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the applicable provisions of the Insurance Act 1938 (4 of 1938) / Companies Act, 1956 (1of 1956), for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

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

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

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

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

For and on behalf of the Board of Directors

Sunil Bharti Mittal Chairman	Prakash Nene Director	Mark Pearson Director
Nitin Chopra Chief Executive Officer	V.Srinivasan Chief Financial Officer	GLN Sarma Appointed Actuary

Place : Mumbai
Date : 21 August 2008

Shirin Patel
Company Secretary