

The background features three large, overlapping blue circles of varying sizes. Two thin, light blue diagonal lines intersect to form a triangular shape in the upper right quadrant. The text is positioned in the lower left area.

ANNUAL REPORT

2006 - 07

BOARD OF DIRECTORS

Chairman

Mr. O. P. Bhatt

Managing Director and CEO

Mr. U. S. Roy

Directors

Mr. Y. Vijayanand

Mr. Yogesh Agarwal

Mr. Eric Lombard

Mr. Gerard Binet

Mr. R. S. Lodha

Mr. L. Ravi Sankar

Ms. Rajshree Pathy

Ms. Chitra Ramkrishna

Committees of the Board

Audit Committee

Mr. L. Ravi Sankar	Chairman
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Mr. U.S. Roy	Member
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Mr. Y. Vijayanand	Member
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Mr. Gerard Binet	Member
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Ms. Chitra Ramkrishna	Member
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Investment Committee

Mr. U. S. Roy	Chairman
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Mr. Y. Vijayanand	Member
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Mr. L. Ravi Sankar	Member
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Mr. I. Sambasiva Rao	Member
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Mr. Anuj Agarwal	Member
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Company Secretary

Mr. Parind Badshah

Statutory Auditors

M/s. B. K. Khare & Company

M/s. M. P. Chitale & Company

Internal Auditors

M/s Haribhakti & Co,

Chartered Accountants

Registered Office

State Bank Bhavan,
Madame Cama Road,
Nariman Point,
Mumbai – 400 021

Corporate Office

Turner Morrison Building,
G.N. Vaidya Marg,
Fort,
Mumbai – 400 023

SBI Life Corporate website: www.sbilife.co.in

SBI Life Insurance Company Limited

Regd Office : State Bank Bhavan, Madame Cama Road, Nariman Point,
Mumbai – 400 021, India

Corporate Office: 2nd Floor, Turner Morrison Building, G.N. Vaidya Marg, Fort,
Mumbai 400 023

NOTICE

Notice is hereby given that the Seventh Annual General Meeting of SBI Life Insurance Company Limited will be held at a shorter notice on Monday, April 30, 2007 at 1.15 p.m. at the Board Room, 18th Floor, State Bank Bhavan., Madame Cama Road, Nariman Point, Mumbai – 400 021, to transact the following business:

1. To consider, receive and adopt the Revenue Account for the year ended March 31, 2007, the Profit and Loss Account for the year ended March 31, 2007, the Balance Sheet as at that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in the place of, Mr. Gerard Binet, Director who retires by rotation as per the provisions of Section 256 of the Companies Act, 1956 and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of, Mr. R. S. Lodha, Director who retires by rotation as per the provisions of Section 256 of the Companies Act, 1956 and, being eligible, offers himself for re-appointment.
4. To appoint a Director in the place of, Mr. L. Ravi Sankar, Director who retires by rotation as per the provisions of Section 256 of the Companies Act, 1956 and, being eligible, offers himself for re-appointment.
5. To re-appoint M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, and M/s. M. P. Chitale & Co., Chartered Accountants, Joint Auditors of the Company, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

6. To consider, and, if thought fit, to pass, with or without modification, the following Resolution as an Ordinary Resolution:

“RESOLVED that Mr. Eric Lombard, who was appointed as an Additional Director in the meeting of the Board of Directors of the Company held on July 22, 2006, and who holds office upto the date of the Seventh Annual General Meeting, and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. Eric Lombard as a candidate for the office of Director of the Company, be and is hereby appointed as a Director of the Company.”

7. To consider, and, if thought fit, to pass, with or without modification, the following Resolution as a Special Resolution:

“RESOLVED that in terms of the IRDA notification dated March 23, 2004 on Preparation of Financial Statements of Life Insurers, a transfer of Rs. 43,74,69,304 from the Shareholders’ A/c to the Policyholders’ A/c for the Financial Year 2006-2007 be and is hereby approved.”

NOTES:

- 1) The Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of Item No. 6 and Item No. 7 is annexed hereto.
- 2) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, ON A POLL, TO VOTE INSTEAD OF HIMSELF, AND THE PROXY NEED NOT BE A MEMBER.

The instrument appointing a Proxy, to be effective, must be duly filled, stamped and signed and must reach the Company’s Registered Office not later than 48 hours before the commencement of the Meeting.

By order of the Board of Directors

Parind Badshah
Company Secretary

Registered Office:
State Bank of India,
Corporate Center,
Madame Cama Road,
Nariman Point,
Mumbai - 400 021

April 30, 2007

EXPLANATORY STATEMENT

In terms of Section 173 of the Companies Act, 1956, the following explanatory statement sets out all the material facts relating to Item No. 6 and Item No. 7 of the accompanying Notice dated April 30, 2007.

Item No. 6

Mr. Eric Lombard was appointed as Additional Director at the Meeting of the Board of Directors held on July 22, 2006. He will hold office as Additional Director upto the date of the Seventh Annual General Meeting of the Company.

The Company is in receipt of notice from a shareholder for appointment of Mr. Eric Lombard as Director liable to retire by rotation.

The shareholder has also paid Rs. 500/- (Rupees Five Hundred) as a deposit along with the notice.

The Directors recommend the Resolution set out in Item No. 6 of the accompanying Notice for the approval of the Members as an Ordinary Resolutions.

Except Mr. Eric Lombard, no other Director of the Company is concerned or interested in the passing of this Resolution.

Item No. 7

IRDA has, vide its notification on Preparation of Financial Statements of Life Insurers dated March 23, 2004 stated, inter alia, that where an insurer has transferred funds from the Shareholders' A/c to the Policyholders' Account to enable a declaration of bonus to participating policyholders, such transfer should be supported by a special resolution of the Shareholders at the General Meeting of the insurer.

Approval is sought for the transfer of Rs. 43,74,69,304 from the Shareholders' A/c to the Policyholders' A/c for the Financial Year 2006-07.

The Directors recommend the Resolution set out in Item No. 7 of the accompanying Notice for the approval of the Members as a Special Resolution.

None of the Directors of the Company is concerned or interested in the passing of this Resolution.

By order of the Board of Directors

Parind Badshah
Company Secretary
Registered Office:
State Bank of India,
Madame Cama Road,
Nariman Point,
Mumbai 400 021

April 30, 2007

SBI Life Insurance Company Limited

**Corporate Office: 2nd Floor, Turner Morrison Building, G.N. Vaidya Marg, Fort,
Mumbai 400 023**

PROXY FORM

I/We _____ of _____ being a member of SBI Life Insurance Company Limited hereby appoint _____ of _____, _____, _____ or _____ of _____, _____, _____ as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, April 30, 2007 at 1.15 p.m. at the Board Room, 18th Floor, State Bank Bhawan, Madame Cama Road, Nariman Point, Mumbai 400 021, and at any adjournment thereof.

As witness my/our hands this _____ day of _____, 2007.

Affix a Re. 1 Revenue Stamp

Folio No. _____

Signed by the said _____
for and on behalf of
(Authorised Signatory)

Note :

The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting.

SBI Life Insurance Company Limited

Regd Office : State Bank Bhavan, Madame Cama Road, Nariman Point,
Mumbai – 400 021, India

Corporate Office: Turner Morrison Building, G.N. Vaidya Marg, Fort,
Mumbai – 400 023, India

Director's Report

To
The Members
SBI Life Insurance Company Limited
Mumbai

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

Financial Highlights

Shareholders will be pleased to note that your Company was the first life insurance company in the Indian private sector to post a net profit last financial year 2005-2006. The Company's performance has been consistent and has posted a profit of Rs. 3.82 crores during the Financial year 2006-2007.

During the financial year the Company's gross premiums grew from Rs. 1,075 crores to Rs. 2,928 crores. The financial performance of the Company is summarized below:

Policyholder's Account

Particulars	Year ended March 31, 2007 (Rs.'000)	Year ended March 31, 2006 (Rs.'000)
a. Premiums earned (Net)	29,234,387	10,730,924
b. Contribution from Shareholders	437,469	455,921
c. Total Income (incl (a) & (b) (above)	31,885,828	12,503,726
d. Expenditure	52,06,439	2,614,500
e. Benefits paid	1,400,635	824,261
f. Bonus allocated to policyholders	371,166	285,702

Shareholder's Account

Particulars	Year ended March 31, 2007 (Rs.'000)	Year ended March 31, 2006 (Rs.'000)
a. Total Income	480,730	480,209
b. Total Expenditure	442,332	459,893
c. Profit/(Loss) after Tax	38,283	20,174
d. (Loss) carried to the Balance Sheet	(296,584)	(334,866)

In view of the accumulated losses brought forward from the previous year, your Directors do not recommend dividend for the current year.

Business

The Company witnessed a substantial growth in both the number of lives insured and premium income booked during the Financial Year 2006-07. The premium income during the year grew from about Rs. 1,075 crores in the previous year to Rs 2,928 crores during the period under consideration. 10,48,673 additional lives were insured during the year 2006-2007.

During the course of the year, the Company has successfully added Unit Linked Group Gratuity, and Immediate Annuity.

Total new business premium has shown a 172% increase since the last financial year. The Unit Linked portfolio of the Company has grown significantly in the period under consideration.

As at March 31, 2007, the Company had about 25,356 Insurance Advisors. Several competitions, special sales drives and promotional campaigns were launched to give further fillip to sales.

The Company created a new focus on procuring bulk business from the Corporate Sector by introducing Gratuity and Retirement funds management in a big way.

The Company continues to set standards in financial advertising and clocked an ABBY Award, the most coveted awards in the advertising industry.

This year the Company has started concentrating on group retirement funds category, wherein we solicit mandates from large employers for managing their Gratuity, Super Annuation and Leave Encashment liabilities, response to the same has been encouraging.

The Company has received IRDA approval for Group Unit Linked Gratuity Scheme, Group Immediate Annuity Scheme which will enhance our product portfolio.

The Company has also initiated Risk Management and has implemented a Risk Management Policy to identify and mitigate the risks faced by the Company.

Capital

During the period under review, the Company increased its Authorised Share Capital from Rs. 500 crores to Rs. 1,000 crores.

The existing shareholders of the Company, State Bank of India and Cardif S.A. continue to demonstrate their commitment to the operations of the Company by increasing the paid up capital of the Company from Rs. 425 crores to Rs. 500 crores.

Rural Social Sector Obligations

The Company has met its rural and social sector obligation for the year under review.

Licence

The Insurance Regulatory and Development Authority has renewed the licence of the Company to carry on Life Insurance Business for the Financial Year 2007-08.

Investments

The Company has invested the available corpus in various classes of investments comprising mainly of fixed income yielding instruments, equity and money market instruments. The debt instruments comprise securities issued by the Government of India and blue chip companies. The Investment activities of the Company are carried out in accordance with the Companies Investment Policy. The Investment Policy complies with the regulatory framework provided by Insurance Regulatory and Development Authority for Indian Life Insurance Companies.

The Company's Investment philosophy is to maintain an appropriate risk-return balance. The Asset Liability Committee (ALCO) plays a key role in risk management and minimizing the mismatches between assets and liabilities.

As on March 31, 2007, the total Assets Under Management of the Company stood at Rs. 4,741.70 crores. The equity markets were volatile during the year and interest rates in the market had risen significantly. Active funds management enabled the company to realise total capital gain of Rs.87.66 crore during the year.

The Company's Bond fund has consistently outperformed the bench mark since inception i.e. January 10, 2005. It has given a return of 6.80% p.a. since inception against CRISIL Composite Index return of 3.85% p.a.

The company's flagship Horizon Equity Fund performance is continuous to be good over the bench mark since inception i.e. January 10, 2005. It has given a return of 159.90% since inception against NIFTY return of 92.81%.

Operations and Information Technology

With the growth in business the Operations Team has completed the development and implementation of processes and procedures for complete decentralization of non medical underwriting, scanning of proposals and policy printing at branches.

The preliminary New Business process of inwarding, scrutiny and receipting has been implemented in all branches.

The High Net Worth Individuals (HNI) team at Central Processing Centre, Belapur has been set up for handling HNI cases in a much better and focused manner.

The Concurrent Audit team has been set up to monitor and manage the quality of decentralized work processes.

The Reinsurers audited the underwriting and claims department and they have enhanced our limits to Rs 75 lakhs and Rs 20 lakhs respectively, this has curtailed the turnaround time and also led to cost reduction. Technology has been harnessed and the company has developed an

inhouse Black Box through which automated underwriting upto certain limits for both individual business and home loan business is done.

Collection of renewal premium at all branch locations has now been facilitated through internet, drop boxes and through State Bank of India ATM Centre's.

Information Technology

We now have automated underwriting functionality at branches. Hub Branches can now scan proposals which has helped in handling large volumes and reduced turn around time. 129 branches have online access to the systems.

Banassurance online system provides information to customers through State Bank of India, update fund values and provide product related FAQ's to customers.

Separate employee portal called MySpace provides for interaction between Management and Employees. Online Premium collection is done through Bill Desk. Payment of commission to agents is through Electronic Fund Transfer and the company has developed a decentralized policy servicing module for branches for policy revival, change of details, fund switching, etc.

Personnel

During the year under review, the number of employees in the Company grew to 2,324 as on March 31, 2007. This was made possible by strengthening recruitment processes, internal referral schemes and through extensive print advertisement. A rigorous Campus Recruitment programme was also done through which 98 Management Trainees and 246 Executive Sales Trainees have been recruited for 2007-08.

A performance linked Variable Pay Plan was also implemented.

During the year, new training programmes were introduced. 998 employees were trained at Staff Training Centre, Hyderabad, 548 at Training Centre, Belapur. Besides, 104 employees were deputed to external training institutions.

Corporate Governance

Your Company believes in good corporate governance as a means of long-term value creation to its stakeholders. Your Company has consciously endeavoured to follow the policy of transparency, accountability and always held the interest of all its stakeholders to be of paramount importance.

BOARD OF DIRECTORS AND COMMITTEES

Directors

The Board of Directors consists of nine Directors, eight of whom are non-executive Directors. The Chairman of the Board is a non-executive Director.

Member of the Board of Directors		Audit Committee	Investment Committee
Mr. O. P. Bhatt	Chairman	-	-
Mr. U. S. Roy	Managing Director & CEO	Member	Chairman
Mr. Eric Lombard	Director	-	-
Mr. Yogesh Agarwal	Director	-	-
Mr. Y. Vijayanand	Director	Member	Member
Mr. Gerard Binet	Director	Member	-
Mr. L. Ravi Sankar	Independent Director	Chairman	Member
Mr. R. S. Lodha	Independent Director	-	-
Ms. Rajshree Pathy	Independent Director	-	-
Ms. Chitra Ramkrishna	Independent Director	Member	-

During the year under review Mr. A. K. Purwar, Mr. S. K. Hariharan, Mr. Paul Villemagne, and Mr. S. Krishnamurthy ceased to be Directors of the Company with effect from May 31, 2006, July 31, 2006, September 30, 2006 and January 31, 2007 respectively.

Mr. O. P. Bhatt succeeded Mr. A. K. Purwar as the Chairman of State Bank of India and accordingly as the Chairman of the Company w.e.f. July 1, 2006. Mr. Y. Vijayanand was appointed as a Director of the Company effective August 1, 2006 in place of Mr. S. K. Hariharan who ceased to be a Director w.e.f. July 31, 2006. Mr. Paul Villemagne was succeeded by Mr. Eric Lombard as the Chief Executive officer of Cardif S.A. Mr. Eric Lombard was appointed as an Additional Director of the Company w.e.f. July 22, 2006.

In accordance with the provisions of Section 260 of the Companies Act, 1956, Mr. Eric Lombard holds office as an Additional Director of the Company upto the Seventh Annual General Meeting of the Company and will be appointed as Director of the Company at the General Meeting.

Mr. Yogesh Agarwal was appointed as a Director of the Company w.e.f. October 23, 2006 vide circular resolution dated November 10, 2006. Mr. S. Krishnamurthy retired from the services of the Company on January 31, 2007. Mr. Uday Sankar Roy has been appointed as Managing Director and Chief Executive Officer of the Company with effect from February 1, 2007 in place of Mr. S. Krishnamurthy.

The Board places on record its sincere appreciation for invaluable service and guidance provided by Mr. A. K. Purwar, Mr. S. K. Hariharan, Mr. Paul Villemagne, and Mr. S. Krishnamurthy during their tenure.

As per Section 256 of the Companies Act, 1956, Mr. Gerard Binet, Mr. R. S. Lodha and Mr. L. Ravi Sankar are liable to retire by rotation at the ensuing Seventh Annual General Meeting and being eligible, have offered themselves for re-appointment.

The Model Code of Conduct approved by the Board of Directors at its meeting held on May 10, 2006 has been signed by all the Directors and the Senior Management Personnel of the Company.

Number of Meetings of the Board of Directors

During the year under review, the Board of Directors of the Company met five times. The Attendance of the Directors at the Meetings are as follows:

Board of Directors \ Board Meetings	30 th BM May 10, 2006	31 st BM July 22, 2006	32 nd BM August 29, 2006	33 rd BM October 16, 2006	34 th BM January 13, 2007
Mr. A. K. Purwar (Appointed by State Bank of India)	✓	(ceased to be a Director w.e.f. May 31, 2006)			
Mr. O. P. Bhatt (Appointed w.e.f. June 1, 2006 by State Bank of India)	-	✓	✓	✓	✓
Mr. S. Krishnamurthy (Appointed by State Bank of India) (ceased to be a Director w.e.f. January 31, 2007)	✓	✓	✓	✓	✓
Mr. U. S. Roy (Appointed w.e.f. February 1, 2007 by State Bank of India)*	-	-	-	-	✓
Mr. Paul Villemagne (Appointed by Cardif S.A.)	✓	-	-	(ceased to be a Director w.e.f. September 30, 2006)	
Mr. Eric Lombard (Appointed as an Additional Director w.e.f. July 22, 2006 by Cardif S.A.)	-	-	✓	✓	-
Mr. Gerard Binet (Appointed by Cardif S.A.)	✓	✓	✓	✓	✓
Mr. S. K. Hariharan (Appointed by State Bank of India)	-	✓	(ceased to be a Director w.e.f. July 31, 2006)		
Mr. Y. Vijayanand (Appointed w.e.f. August 1, 2006 by State Bank of India)	-	-	✓	✓	✓
Mr. L. Ravi Sankar (Independent Director)	✓	✓	✓	✓	✓
Mr. R. S. Lodha (Independent Director)	✓	✓	✓	✓	✓
Ms. Rajshree Pathy (Independent Director)	-	-	-	✓	-
Ms. Chitra Ramkrishna (Independent Director)	-	✓	-	✓	-

*Attended the Meeting as Designate MD & CEO

Audit Committee

The Audit Committee has been constituted pursuant to the provisions of Section 292A of the Companies Act, 1956. The Audit Committee comprises of Mr. L. Ravi Sankar, Chairman of

the Committee, Mr. U. S. Roy, Managing Director (w.e.f. February 1, 2007), Mr. Gerard Binet, Director, Mr. Y. Vijayanand, Director (w. e. f. August 1, 2006) and Ms. Chitra Ramkrishna.

Mr. Y. Vijayanand, Director was appointed as a member of the Audit Committee in place of Mr. S. K. Hariharan. The Statutory Auditors, Internal Auditors, Appointed Actuary, Chief Operating Officer, Chief Financial Officer, Chief Audit Officer and the VP-Risk Management attend the meetings of the Committee as invitees.

The Committee has gone through the audited financial statements and satisfied itself with the accuracy and correctness of these statements. During the year under review, the Audit Committee met seven times. The Attendance of the Directors at the Committee Meetings are as follows:

Audit Committee Meetings (ACM)	21st ACM May 10, 2006	22nd ACM June 19, 2006	23rd ACM July 22, 2006	24th ACM October 16, 2006	25th ACM November 22, 2006	26th ACM January 13, 2007	27th ACM March 28, 2007
Members of the Committee							
Mr. L. Ravi Sankar, Chairman	✓	✓	✓	✓	✓	✓	✓
Mr. S. Krishnamurthy, Member (ceased to be MD & CEO w.e.f. January 13, 2007)	✓	✓	✓	✓	✓	✓	-
Mr. U. S. Roy, Member (Appointed as MD & CEO w.e.f. February 1, 2007)	-	-	-	-	-	-	✓
Mr. Gerard Binet, Member,	✓	-	✓	✓	-	✓	✓
Mr. S. K. Hariharan, Member (ceased to be a Director w.e.f. July 31, 2006)	-	✓	✓	-	-	-	-
Mr. Y. Vijayanand, Member (Appointed as a Director w.e.f. August 1, 2006)	-	-	-	✓	✓	✓	-
Ms. Chitra Ramkrishna, Member	-	✓	✓	✓	✓	-	✓

Investment Committee

The Investment Committee has been constituted pursuant to Regulation 9 of the IRDA (Investment) Regulations 2000. The Company's Investment Committee consists of Managing

Director and CEO, Chairman of the Committee, Mr. L. Ravi Sankar, Director, Mr. Y. Vijayanand, Director, Appointed Actuary, Chief Financial Officer.

Mr. Anuj Agarwal has been appointed as the Chief Financial Officer in place of Mr. N. Subramanian. During the year under review, the Investment Committee met twice. The Attendance of the Directors at the Committee Meetings are as follows:

Investment Committee Meetings Members of Committee	12th IC Meeting June 19, 2006	13th IC Meeting November 22, 2006
Mr. S. Krishnamurthy, Chairman	✓	✓
Mr. L. Ravi Sankar, Member	✓	✓
Mr. S. K. Hariharan (ceased to be a Director w.e.f. July 31, 2006)	✓	-
Mr. Y. Vijayanand, Member (Appointed as a Director w.e.f. August 1, 2006)	-	✓
Appointed Actuary, Member	✓	✓
Chief Financial Officer, Member	✓	✓

General Meetings

The details of the last three Annual General Meetings held are given below:

Meeting	Location	Date	Time
6 th Annual General Meeting	State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai – 400 021	May 29, 2006	12.30 p.m.
5 th Annual General Meeting	Kapas Bhavan Plot No 3A, Sector 10 CBD Belapur Navi Mumbai – 400 614	June 17, 2005	3.30 p.m.
4 th Annual General Meeting	State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai – 400 021	July 6, 2004	2.30 p.m.

In addition, during the year two Extraordinary General Meetings of the Company were held on November 24, 2006 at 3.00 p.m. and January 13, 2007 at 6.00 p. m.

Attendance of Directors at Last AGM

Director	Attendance at last AGM
Mr. A. K. Purwar	No
Mr. O. P. Bhatt	-
Mr. S. Krishnamurthy	Yes
Mr. U. S. Roy	-
Mr. Paul Villemagne	No
Mr. Gerard Binet	No
Mr. S. K. Hariharan	Yes
Mr. Y. Vijayanand	-
Mr. L. Ravi Sankar	Yes
Mr. R. S. Lodha	No
Ms. Chitra Ramkrishna	No
Ms. Rajshree Pathy	No

Special Resolution at the last AGM

The shareholders had at its last AGM approved a special resolution for transfer of funds from Shareholders account to Policyholders Account pursuant to IRDA circular dated March 23, 2004.

Postal Ballot

No special resolution requiring a postal ballot was placed before the last AGM. Similarly, no special resolution requiring a postal ballot is being proposed for the ensuing AGM.

Management Report

Pursuant to the provisions of Regulation 3 of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2000, the Management Report forms a part of the financial statements.

Personnel

Details of Employees covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 is provided in the Annexure to the Director's Report.

Deposits

During the period under review, the Company has not accepted any deposits under Section 58A of the Companies Act, 1956 from the public.

During the year ended March 31, 2007, expenditure in foreign currencies amounted to Rs. 2.13 crore.

The other particulars prescribed under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are not applicable, since the Company is not a manufacturing Company.

Directors Responsibility Statement

In terms of Section 217 (2AA) of the Companies Act 1956 the Directors confirm that:

- a) in the preparation of the annual accounts for the year ended March 31, 2007, the applicable accounting standards have been followed and that no material departures have been made from the same;
- b) we have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year;
- c) we have taken proper and sufficient care for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d) we have prepared the accounts for the financial year ended March 31, 2007 on a going concern basis.

Auditors

M/s. M. P. Chitale & Company, Joint Auditors of the Company retire in accordance with the provisions of the Companies Act, 1956.

M/s. B. K. Khare, Joint Auditors of the Company retire in accordance with the provisions of the Companies Act, 1956.

The Company has obtained certificate as required under section 224(1B) of the Companies Act, 1956 to the effect that their re-appointment, if made would be in conformity with the limits specified in that section.

Future outlook

The Company has ambitious plans to accelerate growth in the coming period and be the number one Private Life Insurance Company. To achieve our growth the Company is also planning an organizational restructuring to facilitate decentralization of certain activities to facilitate better service to its client.

General Shareholder Information

Seventh Annual General Meeting

Date: April 30, 2007

Time: 1.15 p.m.

Venue: 18th Room,
State Bank of India
Madame Cama Road
Nariman Point,
Mumbai - 400021

Financial year: April to March

Distribution of Shareholding:

S. No.	Name of Shareholders	No. of Shares Held	% to paid up capital
1	State Bank of India	36,99,99,994	74%
2	Cardif S.A.	13,00,00,000	26%
3	Mr. U. S. Roy jointly with State Bank of India	1	-
4	Mr. Salil Saha jointly with State Bank of India	1	-
5	Mr. Nilesh Kothari jointly with State Bank of India	1	-
6	Mr. S. R. Muralidharan jointly with State Bank of India	1	-
7	Mr. Kiran Shah jointly with State Bank of India	1	-
8	Mr. Chandrajit Ranavade jointly with State Bank of India	1	-
		50,00,00,000	100%

Address for correspondence:

SBI Life Insurance Co. Ltd.
Turner Morrison Building
G. N. Vaidya Marg
Fort
Mumbai – 400 023

Acknowledgements

The Directors are grateful to the Insurance Regulatory and Development Authority for their continued support and guidance. The Directors would like to place on record their appreciation to State Bank of India and Cardif S.A., the Shareholders of the Company for their continued support. The Directors also acknowledge the support extended by its policyholders and employees.

For and on behalf of the Board of Directors

Mumbai
April 30, 2007

Sd/-
O. P. Bhatt
Chairman

ANNEXURE TO THE REPORT OF THE DIRECTORS

For the financial year ended March 31, 2007

Name	Age	Designation / Nature of Duties	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualifications	Experience (years)	Date of Commencement of employment	Previous Employment / Position Held
1	2	3	4	5	6	7	8	9
Employed throughout the financial year and in receipt of remuneration aggregating to Rs.24,00,000/- per annum.								
G. Murali	38	Head - IT	3,474,881	2,577,733	B.Sc	18	2-Jul-01	Allianz Bajaj Life Insurance Co. Ltd.
N. Subramanian *	40	Chief Financial Officer	2,540,771	1,938,638	B.Com, ICWAI	18	28-Nov-03	Finvest Capital Partners
Krishna Muralidhar	55	Chief Operating Officer	4,485,309	3,146,278	B.Sc. M.A.	31	15-Sep-04	Bajaj Allianz Life Insurance Co. Ltd.
Ravi Krishnamurthy	43	Senior Vice President-Operations	2,671,322	1,960,309	B.Sc, CAIB & DHRM	17	1-Nov-04	ICICI Bank
Rajiv Kumar Gupta	38	Senior Vice President-Agency Channel	3,000,243	2,168,031	B.Com	17	24-Nov-04	Bajaj Allianz Life Insurance Co. Ltd
Anandprasad Pejwar	42	Senior Vice President-Bancassurance (West)	3,236,105	2,292,098	B.Sc., PGDFM	9	11-Jan-05	Max New York Life Insurance Co.Ltd.
Malathi Narasimhan	55	Senior Vice President-Operations	2,784,429	2,007,446	M.Sc, LLB	34	13-Jul-05	Bajaj Allianz Life Insurance Co.Ltd
Nirmal Kumar Jain	44	Branch Sales Manager	2,930,647	2,020,524	M.Com, Licentiate	21	20-Jun-02	LIC of India
Rahul Rahi	33	Divisional Sales Manager	2,607,847	1,921,776	B.Sc, MBA	11	7-Nov-02	Reliance Telecom Ltd

Name	Age	Designation / Nature of Duties	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualifications	Experience (years)	Date of Commencement of employment	Previous Employment / Position Held
1	2	3	4	5	6	7	8	9
Employed throughout the financial year and in receipt of remuneration aggregating to Rs.24,00,000/- per annum.								
Dinesh Gupta	34	Divisional Sales Manager	3,134,809	2,221,604	B.Com, PGDBM	9	13-Jan-03	BPL Ltd
Arun Kumar R.	33	Branch Sales Manager	2,436,906	1,698,882	B.Sc, PGDMM	12	27-Jan-03	ICICI Home Finance Co. Ltd.
Rajiv Shrivastava	35	Divisional Sales Manager	4,375,119	3,046,611	B.A, MBA	14	17-Feb-03	Infres Methodex Ltd
Aseem Mishra	29	Divisional Sales Manager	4,287,936	2,951,378	B.B.A, MBA	5	29-Jun-05	Bajaj Allianz Life Insurance Co.Ltd
R. Murugesan	38	Asst Branch Sales Manager	3,365,133	2,345,830	B.A, MHM	12	1-Sep-05	Bajaj Allianz General Insurance Co. Ltd
Neeraj Lamba	32	Divisional Sales Manager	4,606,846	3,141,686	B.Com, PGDMSM	10	12-Sep-05	ICICI Prudential Life Insurance Co. Ltd
Deepak Nair	36	Divisional Sales Manager	3,567,596	2,501,255	B.Sc	13	12-Sep-05	Bajaj Allianz Life Insurance Co.Ltd.
Ganesh V	43	Divisional Sales Manager	3,373,024	2,351,977	B.Sc, Associateship	23	8-Oct-05	LIC Of India
Kunal Trivedi	32	Assistant Branch Sales Manager	2,797,030	1,926,724	B.Com, LLB	11	31-Oct-05	ICICI Prudential Life Insurance Co. Ltd.
Vineeth Bhaskar *	33	Unit Manager	332,761	282,886	B.Sc, PGDBM	13	13-Sep-04	HDFC Bank
Sudhir Kumar Srivastav *	34	Unit Manager	609,717	467,039	B.Sc, MBA	7	18-Aug-04	Bajaj Allianz Life Insurance Co. Ltd

* Resigned during the year.

Notes:

1. Gross remuneration comprises salary, allowances, medical reimbursement, leave travel assistance, Company's contribution to provident, pension and gratuity funds, monetary value of other perquisites computed on the basis of the Income-tax Act and Rules, leave encashment and performance bonus, where applicable. With respect to those employed for a part of the year, such remuneration also includes leave encashment upon separation.
2. Net Income comprises income less:
 - a) income tax and surcharge deducted at source.
 - b) managers' own contribution to Provident Fund.
3. All appointments are/were contractual in accordance with terms and conditions as per Company rules.
4. None of the above employees is a relative of any Director of the Company.

AUDITORS' REPORT TO THE MEMBERS OF SBI LIFE INSURANCE COMPANY LIMITED

1. We have audited the attached Balance Sheet of SBI Life Insurance Company Limited ('the Company') as at March 31, 2007, the related Revenue Account, the Profit & Loss Account and the Receipts and Payments Account of the Company for the year ended on that date, annexed thereto which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - (a) We have obtained all the information and explanation, which, to the best of our knowledge and belief were necessary for the purposes of our audit and have found them satisfactory;
 - (b) As the Company's accounting system is centralized, no returns relating to the financial statements are prepared at the branches of the Company;
 - (c) The Balance Sheet, Revenue Account, Profit and Loss Account and the Receipts and Payments Account referred to in this report are in agreement with the books of account;
 - (d) The actuarial valuation of liabilities for life policies in force is the responsibility of the Company's Appointed Actuary. The actuarial valuation of these liabilities as at March 31, 2007 has been certified by the Appointed Actuary, and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority (IRDA) and the Actuarial Society of India in concurrence with the Authority. We have relied upon the Appointed Actuary's certificate for forming our opinion on the financial statements of the Company;
 - (e) On the basis of written representations received from State Bank of India with regard to its nominee directors and also from other directors and taken on record by the Board of Directors of the Company, no Director is disqualified, as at March 31, 2007, from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;

- (f) In our opinion, and to the best of our information and according to the explanations given to us, proper books of account as required by law have been maintained by the Company so far as appears from our examination of those books;
 - (g) In our opinion, and to the best of our information and according to the explanations given to us, the investments have been valued in accordance with the provisions of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors Report of Insurance Companies) Regulations, 2002 ('the Regulations') and orders/directions issued by IRDA in this behalf;
 - (h) In our opinion, and to the best of our information and according to the explanations given to us, the accounting policies selected by the Company are appropriate and are in compliance with applicable accounting standards referred to under sub-section (3C) of Section 211 of the Companies Act, 1956 and with accounting principles as prescribed in the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 and orders/directions issued by Insurance Regulatory and Development Authority in this behalf;
 - (i) In our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Revenue Account, Profit and Loss Account and the Receipts and Payments Account together with the notes thereon and attached thereto are prepared in accordance with the provisions of the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations 2002, Insurance Act, 1938, the Insurance Regulatory and Development Act, 1999 and the Companies Act, 1956, to the extent applicable and in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India:
 - i. of the state of affairs of the Company in so far as it relates to the Balance Sheet as at March 31, 2007;
 - ii. of the results of activities in so far as it relates to the Revenue Account for the year ended March 31, 2007;
 - iii. of the profit in so far as it relates to the Profit and Loss Account for the year ended March 31, 2007;
 - iv. of the receipts and payments in so far as it relates to the Receipts and Payments Account for the year ended March 31, 2007.
4. Further, we certify to the best of our knowledge and belief that:
- 1. On the basis of our examination of books and records of the Company and according to the information and explanations given to us, we have reviewed

the management report and have found no apparent mistake or material inconsistencies with the financial statements;

2. On the basis of our audit procedure we certify that the Company has complied with the terms and conditions of registration as per subsection 4 of section 3 of the Insurance Act, 1938.
5. As required by the Regulations, we set out in the Annexure, a statement certifying the matters specified in paragraph 4 of Schedule C to the Regulations.

For B. K Khare & Co
Chartered Accountants

For M P Chitale & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
Membership No. 44784

Ashutosh Pednekar
Partner
Membership No. 41037

Mumbai
April 30, 2007

Annexure to the Auditors' Report

(Referred to in paragraph 5 of the Auditors' Report of even date to the members of SBI Life Insurance Company Limited on the financial statements for the year ended March 31, 2007)

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

1. We have verified the cash balances, to the extent considered necessary, and securities relating to the Company's investments as at March 31, 2007, by actual inspection or on the basis of certificates/confirmations received from the depository participant appointed by the Company, as the case may be. As at 31 March 2007, the Company had no secured loans, reversions and life interests;
2. The Company is not the trustee of any trust; and
3. No part of the assets of the policyholders' funds has been directly or indirectly applied in contravention to the provisions of the Insurance Act, 1938, relating to the application and investments of the policyholders funds.

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

For B K Khare & Co.
Chartered Accountants

For M P Chitale & Co.
Chartered Accountants

Padmini Khare Kaicker
Partner
Membership No. 44784

Ashutosh Pednekar
Partner
Membership No. 41037

Mumbai, April 30, 2007

FORM A-RA

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDA

REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

Policyholders' Account (Technical Account)

(Amount in Rs.'000)

Particulars	Schedule	Year ended March 31, 2007	Year ended March 31, 2006
Premiums earned - Net	1		
(a) Premium		29,284,856	10,753,219
(b) (Reinsurance ceded)		(50,469)	(22,295)
(c) Reinsurance accepted		-	-
		29,234,387	10,730,924
Income from Investments			
(a) Interest, Dividends & Rent - Net of Amortisation (Gross for year ended March 2007 Rs. 1,329,293 thousand, previous year ended March 2006 Rs.625,590 thousand)		1,260,250	576,022
(b) Profit on sale / redemption of investments		892,814	512,432
(c) (Loss on sale / redemption of investments)		(189,441)	(7,588)
(d) Transfer /Gain on revaluation / change in Fair value*		233,020	226,605
Other Income			
(a) Contribution from the Shareholders' A/c		437,469	455,921
(b) Others		17,329	8,718
- Miscellaneous Income			
		2,651,441	1,772,110
TOTAL (A)		31,885,828	12,503,034
Commission	2	2,028,102	696,890
Operating Expenses related to Insurance Business	3	3,155,520	1,899,648
Provision for doubtful debts		-	-
Bad debts written off		-	-
Provision for Tax		-	-
(a) Income Tax		-	-
(b) Fringe Benefit Tax		22,817	17,962
Provisions (other than taxation)		-	-
(a) For diminution in the value of investments (net)		-	-
(b) Others		-	-
TOTAL (B)		5,206,439	2,614,500
Benefits Paid (Net)	4	1,400,635	824,261
Interim Bonuses Paid		-	-
Change in valuation of liability against life policies			
(a) Gross * *		25,308,349	9,075,421
(b) (Amount ceded in Re-insurance)		(29,595)	(11,148)
(c) Amount accepted in Re-insurance		-	-
TOTAL (C)		26,679,389	9,888,534
SURPLUS/ (DEFICIT) (D) = (A) - (B) - (C)		-	-
APPROPRIATIONS			
Transfer to Shareholders' Account		-	-
Transfer to Other Reserves		-	-
Balance being Funds for Future Appropriations		-	-
Total (D)		-	-
a) Interim Bonuses Paid		-	-
b) Allocation of Bonus to policyholders'		371,166	285,702
c) Surplus shown in the revenue account		-	-
d) Total Surplus: [(a) + (b) + (c)]		371,166	285,702
* represents the deemed realised gain as per norms specified by the Authority			
** represents Mathematical Reserves after allocation of bonus			
Notes to Accounts	16		
Schedules referred to above form an integral part of the Revenue Account			

This is the Revenue Account referred to in our report of even date

We hereby certify that all expenses of management in respect of life insurance business transacted by the Company in India have been fully debited in this Revenue Account as expenses.

For and on behalf of
B.K. Khare & Co.
Chartered Accountants

For and on behalf of
M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Chairman

Director

Padmini Khare Kaicker
Partner
Membership No : 44784

Ashutosh Pednekar
Partner
Membership No : 41037

Managing Director &
Chief Executive Officer

Director

Chief Financial Officer

Appointed Actuary

Place: Mumbai
Dated : April 30, 2007

Company Secretary

Form A-PL

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDA

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

Shareholders' Account (Non-technical Account)

(Amount in Rs.'000)

Particulars	Schedule	Year ended March 31, 2007	Year ended March 31, 2006
Amounts transferred from the Policyholders' A/c (Technical Account)		-	-
Income from Investments			
(a) Interest, Dividend & Rent - Net of Amortisation (Gross for the year ended March 2007 Rs.332,295 thousand, previous year ended March 2006 Rs.224,690 thousand)		307,440	194,951
(b) Profit on sale / redemption of investments		183,596	285,492
(c) (Loss on sale / redemption of investments)		(10,306)	(234)
Other Income		-	-
TOTAL(A)		480,730	480,209
Expenses other than those directly related to the insurance business			
(a) Rates and Taxes		770	750
(b) Directors' Sitting Fees		135	145
(c) Board Meeting Related Expenses		1,720	2,111
(d) Other Expenses		2,238	966
Bad debts written off		-	-
Provisions (Other than taxation)			
(a) Contribution to the Policyholders' Fund		437,469	455,921
(b) For diminution in the value of investment (net)		-	-
(c) Provision for doubtful debts		-	-
TOTAL(B)		442,332	459,893
Profit / (Loss) before tax		38,399	20,316
Provision for Taxation			
(a) Income Tax		-	-
(b) Fringe Benefit Tax		116	142
Profit / (Loss) after tax		38,283	20,174
APPROPRIATIONS			
(a) Balance at the beginning of the period/year		(334,867)	(355,040)
(b) Interim dividends paid during the period/year		-	-
(c) Proposed final dividend		-	-
(d) Dividend distribution tax		-	-
(e) Transfer to reserves / other accounts		-	-
Profit / (Loss) carried to the Balance Sheet		(296,584)	(334,866)
EARNINGS PER EQUITY SHARE (in Rs.) (Face Value Rs 10/- per share)			
Basic		0.09	0.06
Diluted		0.09	0.06
Notes to Accounts	16		
Schedule referred to above forms 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 and on behalf of
B.K. Khare & Co.
Chartered Accountants

For and on behalf of
M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Chairman

Director

Padmini Khare Kaicker
Partner
Membership No : 44784

Ashutosh Pednekar
Partner
Membership No : 41037

Managing Director &
Chief Executive Officer

Director

Chief Financial Officer

Appointed Actuary

Place : Mumbai
Dated : April 30, 2007

Company Secretary

Form A-BS

Name of the Insurer: SBI LIFE INSURANCE COMPANY LIMITED

Registration Number : 111 dated 29th March, 2001 with the IRDA

BALANCE SHEET AS AT MARCH 31,2007

(Amount in Rs.'000)

Particulars	Schedule	As at March 31, 2007	As at March 31,2006
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	5	5,000,000	4,250,000
Reserves and Surplus	6	-	-
Credit/(Debit) Fair Value Change Account		(93,579)	70,388
Sub-total		4,906,421	4,320,388
Borrowings	7	-	-
Policyholders' Funds			
Credit/(Debit) Fair Value Change Account		(207,914)	314,551
Policy Liabilities		24,135,912	13,912,751
Insurance Reserves		-	-
Provision for Linked Liabilities		17,495,356	2,439,763
Sub-total		41,423,354	16,667,065
Funds for Future Appropriation		-	-
TOTAL		46,329,775	20,987,453
APPLICATION OF FUNDS			
Investments			
- Shareholders'	8	5,915,180	4,407,489
- Policyholders'	8A	22,271,297	13,613,316
Assets Held to Cover Linked Liabilities	8B	17,495,356	2,439,763
Loans	9	-	-
Fixed Assets	10	378,917	288,487
Current Assets			
Cash and Bank Balances	11	1,615,090	976,765
Advances and Other Assets	12	1,473,887	1,195,044
Sub-total (A)		3,088,977	2,171,809
Current Liabilities			
Provisions	13	3,101,533	2,258,747
Sub-total (B)	14	15,003	9,530
		3,116,536	2,268,277
Net Current Assets (C) = (A - B)		(27,559)	(96,468)
Miscellaneous Expenditure (to the extent not written off or adjusted)	15	-	-
Debit Balance in Profit and Loss Account (Shareholders' Account)		296,584	334,866
TOTAL		46,329,775	20,987,453
Notes to Accounts	16		
Schedules referred to above form an integral part			

This is the Balance Sheet referred to in our report of even date

For and on behalf of
B.K. Khare & Co.
Chartered Accountants

For and on behalf of
M.P.Chitale & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Chairman

Director

Padmini Khare Kaicker
Partner
Membership No : 44784

Ashutosh Pednekar
Partner
Membership No : 41037

Managing Director &
Chief Executive Officer

Director

Chief Financial Officer

Appointed Actuary

Place : Mumbai
Dated : April 30, 2007

Company Secretary

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 1
PREMIUM

(Amount in Rs.'000)

	PARTICULARS	Year ended March 31, 2007	Year ended March 31,2006
1	First year Premiums	17,175,719	4,577,207
2	Renewal Premiums	3,646,437	2,475,004
3	Single Premiums	8,462,700	3,701,008
	TOTAL PREMIUM	29,284,856	10,753,219

Note :- All the premium income relates to business in India.

SCHEDULE - 2
COMMISSION EXPENSES

(Amount in Rs.'000)

PARTICULARS	Year ended March 31, 2007	Year ended March 31,2006
Commission Paid		
Direct - First year premiums	1,828,156	618,112
- Renewal premiums	121,903	60,352
- Single premiums	83,851	18,426
TOTAL (A)	2,033,910	696,890
Add: Commission on Re-insurance Accepted	-	-
Less: Commission on Re-insurance Ceded	5,808	-
NET COMMISSION	2,028,102	696,890
Break-up of the Commission expenses (Gross) incurred to procure business:		
Agents	1,667,989	521,605
Brokers	4,392	1,505
Corporate Agency	42,275	33,205
Bancassurance	319,212	140,575
Referral	42	-
TOTAL (B)	2,033,910	696,890

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE -3
OPERATING EXPENSES RELATED TO INSURANCE BUSINESS

(Amount in Rs.'000)

	Particulars	Year ended March 31, 2007	Year ended March 31,2006
1	Employees' remuneration & welfare benefits	1,002,779	345,321
2	Travel, conveyance and vehicle running expenses	102,578	45,915
3	Training expenses	81,061	29,207
4	Rent, rates & taxes	108,882	70,612
5	Repairs	23,647	9,439
6	Printing & Stationery	58,540	29,690
7	Communication expenses	111,815	49,831
8	Legal & professional charges	53,156	47,345
9	Medical Fees	42,108	28,076
10	Auditors' Fees,expenses,etc.		
	(a) as auditor	1,100	1,100
	(b) as adviser or in any other capacity,in respect of		
	(i) Taxation Matters	-	150
	(ii) Insurance Matters	-	-
	(iii)Management Services - Certification	25	-
	(c) in any other capacity	1,000	1,000
	(d) Out of pocket expenses	79	23
11	Advertisement, Publicity and Marketing	324,315	383,584
12	Interest & Bank Charges	16,042	7,725
13	Recruitment expenses (including for Agents' recruitment for the year ended March 2007 Rs.3,106 thousand, previous year ended March 2006 Rs. 544 thousand)	14,670	9,208
14	Information Technology expenses	101,727	89,287
15	Service Tax on Premium A/c	5,976	2,463
16	Administration Fees for Group Insurance	765,394	563,461
17	Stamp Duty on Policies	107,606	37,858
18	Depreciation	151,945	102,307
19	Miscellaneous expenses	81,075	46,045
	TOTAL	3,155,520	1,899,648

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 4
BENEFITS PAID (NET)

(Amount in Rs.'000)

	Particulars	Year ended March 31, 2007	Year ended March 31, 2006
	1. Insurance Claims		
	(a) Claims by Death	1,118,482	776,431
	(b) Claims by Maturity	155,112	20,668
	(c) Annuities / Pension payment	525	13
	(d) Others		
	- Survival	1,325	720
	- Surrender	143,816	25,648
	- Others	3,669	3,342
	2. (Amount ceded in reinsurance)		
	(a) Claims by Death	(22,294)	(2,561)
	(b) Claims by Maturity		-
	(c) Annuities / Pension payment	-	-
	(d) Other Benefits	-	-
	3. Amount accepted in reinsurance		
	(a) Claims by Death	-	-
	(b) Claims by Maturity	-	-
	(c) Annuities / Pension payment	-	-
	(d) Other Benefits	-	-
	Total	1,400,635	824,261

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 5
SHARE CAPITAL

		(Amount in Rs.'000)	
	PARTICULARS	As at March 31, 2007	As at March 31, 2006
1	Authorised Capital 1,000,000,000 (Previous year - 500,000,000) Equity Shares of Rs. 10/- each	10,000,000	5,000,000
2	Issued Capital 500,000,000 (Previous year - 425,000,000) Equity Shares of Rs. 10/- each	5,000,000	4,250,000
3	Subscribed Capital 500,000,000 (Previous year - 425,000,000) Equity Shares of Rs. 10/- each	5,000,000	4,250,000
4	Called-up Capital 500,000,000 (Previous year - 425,000,000) Equity Shares of Rs. 10/- each	5,000,000	4,250,000
	Less : Calls unpaid	-	-
	Add : Shares forfeited (Amount Originally paid up)	-	-
	Less : Par value of Equity Shares bought back	-	-
	Less : Preliminary Expenses	-	-
	Expenses including commission or brokerage on Underwriting or subscription of shares	-	-
	Total	5,000,000	4,250,000

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

	Shareholder	As at March 31, 2007		As at March 31, 2006	
		Number of Shares	% of Holding	Number of Shares	% of Holding
	Promoters :				
	Indian - State Bank of India (Holding Company and its Nominees)	370,000,000	74	314,500,000	74
	Foreign - Cardif S.A.	130,000,000	26	110,500,000	26
	Others	-	-	-	-
	TOTAL	500,000,000	100	425,000,000	100

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 6
RESERVES AND SURPLUS

(Amount in Rs.'000)

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

SCHEDULE - 7
BORROWINGS

(Amount in Rs.'000)

	Particulars	As at March 31, 2007	As at March 31, 2006
1	Debentures / Bonds	-	-
2	Banks	-	-
3	Financial Institutions	-	-
4	Others	-	-
	TOTAL	-	-

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8
INVESTMENTS - SHAREHOLDERS'

(Amount in Rs.'000)			
	Particulars	As at March 31, 2007	As at March 31, 2006
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds	2,300,624	1,919,623
2	Other Approved Securities	589,323	50,000
3	Other Investments	-	-
	(a) Shares		
	(aa) Equity	601,665	403,795
	(bb) Preference	-	-
	(b) Mutual fund	-	-
	(c) Derivative instruments	-	-
	(d) Debentures / Bonds	238,185	84,946
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	663,599	635,879
5	Other than Approved Investments	418,098	145,075
		4,811,494	3,239,318
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	396,516	100,143
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	193,751	782,337
	(c) Derivative instruments	-	-
	(d) Debenture / Bonds	49,190	-
	(e) Other Securities	304,862	218,356
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investment in Infrastructure and Social Sector	159,367	47,191
5	Other than Approved Investments	-	20,144
		1,103,686	1,168,171
	TOTAL	5,915,180	4,407,489

Notes :

a) Aggregate cost of investments other than listed equity securities as at March 31,2007 was Rs. 4,925,963 thousand (Previous year Rs. 3,844,116 thousand).

b) Aggregate market value of investments other than listed equity securities as at March 31,2007 was Rs. 4,718,688 thousand (Previous year Rs.3,729,756 thousand).

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8A
INVESTMENTS - POLICYHOLDERS'

(Amount in Rs.'000)			
	Particulars	As at March 31, 2007	As at March 31, 2006
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds	8,916,950	6,371,878
2	Other Approved Securities	2,047,911	431,916
3	Other Investments	-	-
	(a) Shares		
	(aa) Equity	2,145,010	1,281,010
	(bb) Preference	-	-
	(b) Mutual fund	-	-
	(c) Derivative Instruments	-	-
	(c) Debentures / Bonds	2,435,389	949,509
	(e) Other Securities	-	-
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	3,473,483	1,845,527
5	Other than Approved Investments	664,670	535,912
		19,683,413	11,415,752
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	2,922	-
2	Other Approved Securities	-	-
3	Other Investments	-	-
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual Funds	379,825	149,435
	(c) Derivative Instruments	-	-
	(d) Debenture / Bonds	456,754	59,097
	(e) Other Securities	1,531,491	1,610,132
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	216,893	303,302
5	Other than Approved Investments	-	75,598
		2,587,884	2,197,564
	TOTAL	22,271,297	13,613,316

Notes :

a) Aggregate cost of investments other than listed equity securities as at March 31,2007 was Rs. 19.810.532 thousand (Previous year Rs. 12,110,526 thousand).

b) Aggregate market value of investments other than listed equity securities as at March 31,2007 was Rs. 19,003,390 thousand (Previous year Rs. 11,717,974 thousand).

c) Aggregate cost of Investments in Debentures issued by State Bank of India (Holding Company) is Rs. 400,000 thousand (Previous year Rs. Nil).

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 8B
ASSETS HELD TO COVER LINKED LIABILITIES

(Amount in Rs.'000)

	Particulars	As at March 31, 2007	As at March 31, 2006
	LONG TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds	100,192	6,580
2	Other Approved Securities	243,822	-
3	Other Investments	-	-
	(a) Shares		
	(aa) Equity	9,550,493	1,317,964
	(bb) Preference	-	-
	(b) Mutual fund	-	-
	(c) Derivative Instruments	-	-
	(d) Debentures / Bonds	189,128	12,727
	(e) Other Securities (represents Fixed Deposit with a Scheduled Bank)	-	20,000
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	869,109	110,074
5	Other than Approved Investments	3,184,308	213,668
		14,137,052	1,681,013
	SHORT TERM INVESTMENTS		
1	Government securities and Government guaranteed bonds including Treasury Bills	3,565	-
2	Other Approved Securities	-	-
3	Other Investments		
	(a) Shares		
	(aa) Equity	-	-
	(bb) Preference	-	-
	(b) Mutual fund	426,524	-
	(c) Derivative Instruments	-	-
	(d) Debentures / Bonds	-	-
	(e) Other Securities (includes Fixed Deposit with Scheduled Bank)	2,250,537	649,427
	(f) Subsidiaries	-	-
	(g) Investment Properties - Real Estate	-	-
4	Investments in Infrastructure and Social Sector	99,411	5,040
5	Other than Approved Investments	-	4,418
6	Net Current Assets [Refer Note 23 - Schedule16]	578,267	99,865
		3,358,304	758,750
	TOTAL	17,495,356	2,439,763

Notes :

a) Aggregate cost of investments other than listed equity securities as at March 31,2007 was Rs. 3,447,002 (Previous year Rs. 698,511 thousand).

b) Aggregate market value of investments other than listed equity securities as at March 31,2007 was Rs. 3,443,660 thousand (Previous year Rs. 698,200 thousand).

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 9
LOANS

(Amount in Rs.'000)

	Particulars	As at March 31, 2007	As at March 31, 2006
1	SECURITY WISE CLASSIFICATION		
	<i>Secured</i>		
	(a) On mortgage of property		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) On Shares, Bonds, Govt Securities etc	-	-
	(c) Loans against policies	-	-
	(d) Others	-	-
	<i>Unsecured</i>	-	-
	TOTAL	-	-
2	BORROWER - WISE CLASSIFICATION		
	(a) Central and State Governments	-	-
	(b) Banks and Financial institutions	-	-
	(c) Subsidiaries	-	-
	(d) Companies	-	-
	(e) Loans against policies	-	-
	(f) Others	-	-
	TOTAL	-	-
3	PERFORMANCE - WISE CLASSIFICATION		
	(a) Loans classified as standard		
	(aa) In India	-	-
	(bb) Outside India	-	-
	(b) Non - standard loans less provisions		
	(aa) In India	-	-
	(bb) Outside India	-	-
	TOTAL	-	-
4	MATURITY - WISE CLASSIFICATION		
	(a) Short Term	-	-
	(b) Long Term	-	-
	TOTAL	-	-

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 10
FIXED ASSETS

(Amount in Rs.'000)

Particulars	Cost / Gross Block				Depreciation / Amortisation				Net Block	
	As at 1st April 2006	Additions	Deductions	As at March 31,2007	As at 1st April 2006	For the year	On Sales / adjustments	As at March 31,2007	As at March 31,2007	As at March 31, 2006
Goodwill	-	-	-	-	-	-	-	-	-	-
Intangibles - Software	194,291	29,270	3,436	220,125	75,959	58,215	-	134,174	85,951	118,332
Land-Freehold	-	-	-	-	-	-	-	-	-	-
Leasehold Property	-	-	-	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	35,339	39,190	2,188	72,341	8,570	11,724	124	20,170	52,171	26,769
Information Technology Equipment	172,098	121,962	376	293,684	67,316	65,202	42	132,476	161,208	104,782
Vehicles	617	1,000	617	1,000	570	186	615	141	859	47
Office Equipment	18,304	15,627	511	33,420	6,276	5,515	199	11,592	21,828	12,028
Leasehold Improvements	53,567	4,409	874	57,102	31,736	11,103	-	42,839	14,263	21,831
Total	474,216	211,458	8,002	677,672	190,427	151,945	980	341,392	336,280	283,789
Capital Work in Progress and Capital Advances	-	-	-	-	-	-	-	-	42,637	4,698
Grand Total	474,216	211,458	8,002	677,672	190,427	151,945	980	341,392	378,917	288,487
Previous year ended March 31, 2006	221,210	253,040	34	474,216	88,123	102,307	3	190,427	283,789	

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 11
CASH AND BANK BALANCES

(Amount in Rs.'000)

	Particulars	As at March 31, 2007	As at March 31, 2006
1	Cash (including cheques, drafts and stamps)	623,123	363,468
2	Bank Balances		
	(a) Deposit Accounts		
	(aa) Short-term (due within 12 months of the date of Balance Sheet)	110,805	420,000
	(bb) Others	-	79,800
	(b) Current Accounts	881,162	113,497
	(c) Others	-	-
3	Money at call and short notice		
	(a) With banks	-	-
	(b) With other Institutions	-	-
4	Others	-	-
	Total	1,615,090	976,765
	Balances with non-scheduled banks included in 2 and 3 above	Nil	Nil
	Cash and Bank Balances		
1	In India	1,615,090	976,765
2	Outside India	-	-
	Total	1,615,090	976,765

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE - 12
ADVANCES AND OTHER ASSETS

(Amount in Rs.'000)

	Particulars	As at March 31, 2007	As at March 31, 2006
	ADVANCES		
1	Reserve deposits with ceding companies	-	-
2	Application money for investments	21,294	-
3	Prepayments	25,439	12,695
4	Advances to Directors / Officers	-	-
5	Advance tax paid and taxes deducted at source (Net of provision for taxation and Fringe Benefit Tax)	3,767	17,865
6	Advances to Suppliers	454	1,960
7	Advances to Employees	1,368	1,145
	Total (A)	52,322	33,665
	OTHER ASSETS		
1	Income accrued on Investments		
	a) Shareholders'	95,846	73,055
	b) Policyholders	399,861	258,006
2	Outstanding Premiums	149,456	216,004
3	Agents' Balances	1,339	902
4	Foreign Agents' Balances	-	-
5	Due from other entities carrying on insurance business (including reinsurers)	22,802	507
6	Due from subsidiaries/holding company	-	-
7	Deposit with Reserve Bank of India [Pursuant to section 7 of Insurance Act, 1938] (Refer Note - 16 of Schedule 16)	100,748	100,809
8	Security Deposit	51,961	31,415
9	Interest receivable on Income-tax refund	-	-
10	Receivables [Refer Note 21(a) - Schedule 16]	487,558	426,914
11	Service tax unutilized credit	111,994	53,767
	Total (B)	1,421,565	1,161,379
	Total (A + B)	1,473,887	1,195,044

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULES FORMING PART OF FINANCIAL STATEMENTS

SCHEDULE -13
CURRENT LIABILITIES

(Amount in Rs.'000)			
	Particulars	As at March 31, 2007	As at March 31, 2006
1	Agents' Balances	319,339	210,535
2	Balances due to other insurance companies	63,803	19,142
3	Deposits held on re-insurance ceded	-	-
4	Premium received in advance	6,996	12,821
5	Unallocated Premium	-	-
6	Sundry Creditors	1,904,223	1,276,009
7	Due to subsidiaries/holding companies	77,885	72,707
8	Claims Outstanding	244,051	262,551
9	Annuities Due	-	8
10	Due to Officers/Directors	9	4
11	Others [Refer Note 21(b) - Schedule 16]	485,227	404,970
	TOTAL	3,101,533	2,258,747

SCHEDULE 14
PROVISIONS

(Amount in Rs.'000)			
	Particulars	As at March 31, 2007	As at March 31, 2006
1	For taxation [less payments and taxes deducted at source]	-	4,397
2	For proposed dividends	-	-
3	For dividend distribution tax	-	-
4	For gratuity	8,503	5,133
5	For leave encashment	6,500	-
	TOTAL	15,003	9,530

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

(Amount in Rs.'000)			
	Particulars	As at March 31, 2007	As at March 31, 2006
1	Discount allowed in issue of shares / debentures	-	-
2	Others	-	-
	TOTAL	-	-

SBI LIFE INSURANCE COMPANY LIMITED

SCHEDULE 16

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

1. Nature of Operations

The Company is registered with the Insurance Regulatory and Development Authority ('IRDA') and is in the business of underwriting life insurance policies. The Company's life insurance business comprises of individual life and group business, including participating, non-participating, pension, group gratuity, group leave encashment, group superannuation, group immediate annuity and unit-linked insurance products. Some of these policies have riders such as accident and disability benefit, level term and critical illness.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The financial statements are prepared under the historical cost convention on accrual basis of accounting to comply in all material aspects with the applicable accounting standards issued by the Institute of Chartered Accountants of India, Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditors' Report of Insurance Companies) Regulations, 2002 ('the Accounting Regulations') and relevant regulations notified by the Insurance Regulatory and Development Authority, the Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and the Companies Act, 1956 of India, to the extent applicable. The significant accounting policies followed are consistent with those followed in the previous year.

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses and disclosure of contingent liabilities as of the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Difference between the actual and estimates are recognised in the period in which the actual materialise or are known.

b) Revenue Recognition

- (i) Premium (net of service tax) is recognised as income when due from policyholders. Uncollected premium from lapsed policies is not recognised as income until such policies are revived. In respect of linked business, premium income is recognised when the associated units are allotted.
- (ii) Dividend income is recognised when the right to receive dividend is established.
- (iii) Interest income is recognised on accrual basis. Accretion of discount and amortisation of premium in respect of debt securities is effected over the remaining term of such instruments on the basis of the related Yield-to-Maturity. Interest income is reflected after amortisation of premium/ accretion of discount.

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

c) Reinsurance premium ceded

Premium ceded on Re-insurance is accounted in accordance with the terms of the treaty or in-principle arrangement with the Re-Insurer.

d) Claims

Claims by death are accounted when intimated. Intimations up to the end of the period are considered for accounting of such claims. Claims by maturity are accounted on the policy maturity date. Annuity benefits are accounted when due. Surrenders are accounted as and when notified. Claims cost consist of the policy benefit amounts and claims settlement costs, where applicable. Amounts recoverable from Re-insurers are accounted for in the same period as the related claim and are reduced from claims.

e) Acquisition costs

Acquisition costs such as commission, medical fees etc. are costs that are primarily related to the acquisition of new and renewal insurance contracts and are expensed as and when incurred.

f) Liability for Life Policies (Policy Liabilities)

The estimation of liability against life policies is determined by the Appointed Actuary pursuant to an annual review of the life insurance business of the Company.

g) Fixed Assets

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

h) Intangibles

Expenditure incurred on major application software and their customisation/further development is recognised as an intangible asset and capitalised under fixed assets if such expenditure results in a benefit of enduring nature. Other software expenses are expensed as incurred. Intangible assets are stated at cost less accumulated amortisation.

i) Depreciation

Depreciation is provided pro-rata to the period of use, under the Straight Line Method, over the useful life of the assets determined as follows:

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

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

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

j) Foreign Currency Transactions

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

Exchange differences either on settlement or on translation are recognised in the Revenue Account or Profit and Loss Account.

k) Investments

Investments are made in accordance with the Insurance Act, 1938, the Insurance Regulatory and Development Authority (Investment) Regulations, 2000, as amended and circulars / notifications issued by IRDA from time to time.

Investments are recorded on the trade date at cost, which includes brokerage, security transaction tax, education cess and stamp duty, wherever applicable and excludes interest paid, if any, on purchase.

Classification

Investments intended to be held for a period of less than twelve months or those maturing within twelve months are classified as "Short Term Investments". Long Term Investments are those investments, which are not Short Term Investments.

Amortisation of fixed income security premiums and discounts

The premium or discount, which is paid or availed respectively, at the time of purchase of a fixed income security, is amortised over the life of the instrument on a Yield to Maturity (YTM) basis.

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

Debt securities, including government securities are considered as "held to maturity" and are stated at historical cost subject to amortisation.

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

Valuation – Linked Business

Government securities with remaining maturity of more than one year are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Debt securities other than Government securities with remaining maturity of more than one year are valued on the basis of CRISIL Bond Valuer. The amortised/average cost of Government and other debt securities with remaining maturity of one year or less are amortised over the remaining life of the securities. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing price at the National Stock Exchange of India Ltd. ('NSE') is considered. Unrealised gains and losses are recognised in the scheme's Revenue Account.

Transfer of investments

Transfer of debt securities from shareholders' to policyholders' / unit-linked fund is done at the lower of net amortised cost and market value on the date of transfer. In the case of equity securities, such transfers are effected at lower of cost and market value on the date of transfer.

l) Employee Retirement Benefits

Contributions to Provident Fund, a Defined Contribution Scheme, are made to a recognised Trust and are charged to Revenue Account as incurred. Provision for Gratuity and Leave Encashment to employees is made on the basis of an actuarial valuation carried out as at the year end.

m) Accounting for Operating Leases

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

n) Taxation

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

Deferred income tax is recognised for future tax consequences attributable to timing differences between income as determined by the financial statements and the recognition for tax purposes. The effect of deferred tax asset/ liability of a change in the tax rates are 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 virtual 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 reasonably or virtually certain to be realised.

o) Impairment of Assets

The carrying values of assets at each balance sheet date are reviewed for impairment. If any indication of such impairment exists, the recoverable amount of those assets are estimated and impairment is recognized, if the carrying amount of those assets exceeds their recoverable amount. The recoverable amount is the

greater of the net selling price and their value in use. Value in use is arrived by discounting the estimated future cash flows to their present value based on an appropriate discount factor.

p) Provisions and contingent liabilities

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

3. Actuarial Assumptions

The actuarial assumptions certified by the Appointed Actuary are as under:

a. In the actuarial valuation all the policies, which were in the books of the Company as on March 31, 2007, have been taken into account.

The total portfolio is divided into two broad categories, namely Individual contracts and Group contracts. In respect of Individual contracts, further classification was done as Participating, Non-Participating, Individual Pension and Unit-linked products. Group contracts were classified as Non-Participating and Group Pension.

b. The following parametric values are used to carry out the actuarial valuation:

For mortality, mortality table viz. Indian Assured Lives Mortality (1994-96) Modified Ultimate has been used.

The Morbidity Table provided by re-insurer has been used for reinsurance.

The interest rate for valuation lies in the range of 5% to 8% per annum except for Pension products where an interest rate of 4% per annum has been assumed.

While allocating expenses for the current year, the entire policyholders' expenses have been allocated product-wise.

As regard expenses for future, on the basis of experience available, fixed expenses are considered separately for single premium products and regular premium products.

An expense inflation rate of 5.75% per annum has been assumed while estimating future expenses.

Vested bonuses are those which were distributed by the company consequent to last five annual actuarial valuations dated March 31, 2002 to March 31, 2006. For pension product, special one-time bonus declared during financial year 2003-04 and 2004-05 have been taken into account in current valuation.

Regarding the declared bonus rates and provision for future bonuses, the bonus earning capacity (BEC) has been estimated for participating products.

In accordance with the actuarial valuations in earlier years, Provision for Adverse Deviation (PAD) has been separately provided for traditional assurance products under Individual business. The PAD is calculated by assuming Margin for Adverse Deviation in the parameter values for mortality, expenses and interest rates, i.e. considering a scenario where future interest rates fall by a certain percentage points, future expenses increase by a certain percentage of the base expenses and future mortality increases by a certain percentage of the base mortality.

In the case of Group products, provisions are made for un-expired premium and claim reserves.

The above parameters have been observed to ensure prudence and are in accordance with rules and regulations issued by Insurance Regulatory and Development Authority (IRDA) from time to time and guidelines issued by Actuarial Society of India.

4. Contingent Liabilities:

SI No	Particulars	Rs. ('000)	
		As at March 31, 2007	As at March 31, 2006
1	Partly paid – up investments	---	3,132
2	Claims, other than against policies, not acknowledged as debts by the Company	1,802	525
3	Underwriting commitments outstanding (in respect of shares and securities)	---	---
4	Guarantees given by or on behalf of the Company	---	---
5	Statutory demands/ liabilities in dispute, not provided:	122,674	9,607
	<div style="text-align: right;">31.03.07 31.3.06</div> <div>for : Service Tax demands Rs. 96,386 9,597</div> <div>Income Tax demands Rs. 26,288 10</div>		
6	Reinsurance obligations to the extent not provided for in accounts	----	---
7	Insurance claims disputed by the Company, to the extent not provided / reserved	53,333	24,365
	TOTAL	177,809	37,629

5. Encumbrances on Assets

There are no encumbrances on the assets of the Company, within and outside India, as at the Balance Sheet date.

6. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account, to the extent not provided for (net of advances): Rs. 38,257 thousand (Previous year ended March 31, 2006 Rs. 17,928 thousand).

7. Claims

- i. Claims intimated to the Company and outstanding as at March 31, 2007 aggregate to Rs. 244,051 thousand (Previous Year ended March 31, 2006 Rs. 262,551 thousand).

- 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. All the investments of the Company are performing investments.
- iii. Value of contracts in relation to investments for:

SI No	Particulars	Year Ended March 31, 2007 Rs.('000)	Year Ended March 31, 2006 Rs.('000)
1	Purchases where Deliveries are pending	1,755,177	1,002,432
2	Sales where payments are overdue	Nil	Nil

- iv. As at March 31, 2007, the aggregate cost and market value of investments, which are valued at fair value was Rs.18,751,178 thousand (Previous year ended March 31,2006 Rs. 4,157,129 thousand) and Rs.18,909,289 thousand (Previous year ended March 31,2006 Rs. 4,768,673 thousand) respectively.
- v. The Company has not made any investments in the Social Sector, since the securities of acceptable grade were not available in this category.

9. Managerial Remuneration

The Managing Director has been deputed from State Bank of India and his remuneration is included under "Employees remuneration and welfare benefits" under "Operating Expenses Related to Insurance business".

SI No	Particulars	Year Ended March 31, 2007 Rs.('000)		Year Ended March 31, 2006 Rs.('000)
		Mr. S.Krishnamurthy	Mr. U.S Roy	Mr. S.Krishnamurthy
1	Salary	512	151	565
2	Contribution to provident & pension funds	65	18	76
3	Perquisites	1,634	243	1,137
	Total	2,211	412	1,778

- Notes:
- 1. The remuneration excludes gratuity, leave encashment and leave travel allowance which would have been accrued in the books of / funded by State Bank of India.
 - 2. Effective February 1, 2007 Mr. Uday Sankar Roy was deputed from State Bank of India as the Managing Director and CEO of the Company. IRDA has accorded its approval to this appointment.

10. Percentage of business sector wise:

Sectors	Year ended March 31, 2007			Year ended March 31, 2006		
	Ordinary Life		Group Life	Ordinary Life		Group Life
	Number of Policies	% Of Policies	No. Of Lives	Number of Policies	% Of Policies	No. Of Lives
Social (for Group Life)	-	-	28,397	-	-	65,176
Rural	118,262	20.92	-	55,555	19.60	-
Others	447,127	79.08	2,089,513	227,942	80.40	1,004,061
Total	565,389	100.00	2,117,910	283,497	100.00	1,069,237

11. Investments of Funds and Assets Pertaining to Policyholders' Liabilities**(a) Allocation of Investments between Policyholders' Funds and Shareholders' Funds**

Investments made out of the Shareholders' and Policyholders' Funds are tracked from inception and income accordingly 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 income is allocated from the date of transfer.

(b) Policyholders' Liabilities adequately backed by Assets

The Policyholders' Liabilities aggregating Rs. 41,631,268 thousand (Previous Year Ended March 31, 2006 – Rs. 16,352,514 thousand) as at 31st March 2007 are adequately backed by the following assets as at 31st March 2007.

- i. Investments aggregating Rs.22,271,298 thousand (Previous Year Ended March 31, 2006 Rs. 13,613,316 thousand) under Schedule 8A representing "Policyholders' Investments".
- ii. Investments and Net Current Assets aggregating Rs. 17,495,356 thousand (Previous Year Ended March 31, 2006 – Rs. 2,439,763 thousand) under Schedule 8B representing "Assets Held to Cover Linked Liabilities".
- iii. Income accrued on Policyholders' Investments and Outstanding Premiums aggregating Rs. 549,317 thousand (Previous Year Ended March 31, 2006 – Rs. 474,010 thousand)) under Schedule 12 representing "Advances and Other Assets".
- iv. Deposit with the Reserve Bank of India, Rs.100,748 thousand (Previous Year Ended March 31, 2006 – Rs. 100,809 thousand) under Schedule 12 representing "Advances and Other Assets."
- v. Fixed Deposits, Bank Balances, and Cheques on hand aggregating Rs.1,246,468 thousand (Previous Year ended March 31, 2006 – Rs. 992,759 thousand) under Schedule 11 representing "Cash and Bank Balances" on policies issued.
- vi. Fixed Assets aggregating Rs. 378,918 thousand (Previous Year ended March 31, 2006 - Rs.288,487 Thousand) under Schedule 10 representing "Fixed Assets".

12. a) **Policy Liabilities**

(Forming part of Policyholders' Funds)

Rs. ('000)

Particulars	<u>Year Ended March 31, 2007</u>							
	Par	Non Par		Pension	Group Gratuity/Leave Encashment/Sup erannuation/Ann uity	Unit Linked		Total
		Individual	Group			Unit	Non Unit	
At start of the year	2,752,521	1,677,567	6,275,956	1,807,313	1,399,171	2,439,763	10,223	16,352,514
Add: Change in valuation against policies in force (Net) [Refer (b) below]	1,646,578*	216,594	2,584,518	759,469*	4,902,987	15,055,593	113,016	25,278,754
At end of the year	4,399,099	1,884,161	8,860,474	2,566,782	6,302,158	17,495,356	123,239	41,631,268

* Includes Reversionary Bonus of Rs.371,166 thousand.

Particulars	<u>Year Ended March 31, 2006</u>							
	Par	Non Par		Pension	Group Gratuity	Unit Linked	Total	
		Individual	Group					
At start of the year	1,506,976	1,037,343	3,611,326	987,960	123,666	20,970	7,288,241	
Add: Change in valuation against policies in force (Net) [Refer (b) below]	1,245,545*	640,447	2,664,630	819,353*	1,275,505	2,418,793	9,064,273	
At end of the year	2,752,521	1,677,790	6,275,956	1,807,313	1,399,171	2,439,763	16,352,514	

* Includes Reversionary Bonus of Rs.285,702 thousand.

(b) **Accumulated Fund Addition to Participating Policyholders' and Pension Policyholders'**

During the year ended 31st March, 2007 the Board of Directors have declared a reversionary bonus of Rs. 278,334 thousand (previous year – Rs. 225,428 thousand) on Participating Policyholders' accumulated fund and Rs. 92,832 thousand (previous year – Rs. 60,274 thousand) on Pension Policyholders' accumulated fund. The change in valuation against policies in force, as on year ended March 31, 2007 includes Rs. 278,334 thousand (previous year – Rs.225,428) and Rs. 92,832 thousand (previous year – Rs. 60,274) towards reversionary bonus being accumulated fund addition to the Participating Policyholders' liability and Pension Policyholders' liability respectively.

13. **Share Capital**

Pursuant to the resolutions passed in the Extraordinary General Meetings held on December 26, 2006, the Company has further allotted 5,55,00,000 Equity Shares of Rs.10 each at par to State Bank of India (the Holding Company) and 1,95,00,000 Equity Shares of Rs. 10 each at par to Cardif S.A. This has resulted in the increase in the Paid-up Equity Share Capital during the year by Rs. 750,000 thousand to Rs. 5,000,000 thousand.

14. Reinsurance / Risk Retention

In the normal course of its business, the Company seeks to reduce risk exposure by reinsuring certain levels of risk in various areas of exposure with re-insurers. An asset or liability is recorded in the Balance Sheet representing premiums due to or payments due from re-insurers and share of claims recoverable from re- insurers. Extent of risk retained and reinsured is given below:

Particulars	Year Ended March 31, 2007	Year Ended March 31, 2006
Risk Retained	97.4%	98.6%
Risk Reinsured	2.6%	1.4%

15. Taxation

The Company carries on life 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.

16. Assets required to be deposited under Section 7 of the Insurance Act, 1938

The Company has earmarked 10.47% Government of India, 2015 Inscribed stock amounting to Rs. 100,748 thousand (Previous Year Ended March 31,2006 – Rs. 100,809 thousand) towards deposit with the Reserve Bank of India, pursuant to Section 7 of the Insurance Act, 1938, and has accordingly intimated to the Insurance Regulatory and Development Authority.

17. Operating Lease Commitments

The Company has entered into agreements in the nature of lease/leave and licence with different lessors /licensors for residential premises and office premises. These are in the nature of operating lease. Some of these lease arrangements contain provisions for renewal and escalation. Lease payments aggregating Rs.96,707 thousand (Previous year ended March 31, 2006 - Rs.61,168 thousand) are recognised in the Revenue Account under 'Rent, Rates and Taxes' and 'Employees' remuneration & welfare benefits'. The future minimum lease payments under non – cancellable operating leases as at the Balance Sheet date are as follows:

Particulars	Year Ended March 31, 2007 (Rs. '000)	Year Ended March 31, 2006 (Rs. '000)
Not later than 1 year	107,456	69,271
Later then 1 year and not later than 5 years	156,788	89,095
Later than 5 years	47,050	6,802

18. Segment Reporting

In accordance with the Accounting Regulations read with Accounting Standard – 17 on “Segment Reporting” issued by the Institute of Chartered Accountants of India, life insurance companies are required to prepare Segmental Revenue Account and Segmental Balance Sheet. The Company's business is segmented into Par business, Non- Par business, Pension business, Group Gratuity business and Unit-Linked business. Since the Company has conducted business only in India, the same is considered as one geographical segment. The accounting policies used in segmental reporting are same as those used in the preparation of the financial statements.

(a) Segmental Revenue Account

The methodology for determining segmental revenue and expenses adopted in the current period is described below:

Premium income, commission, investment income and profit/ loss on sale/ disposal of investments are directly allocated to the respective segments to which they relate. Within the Non-Participating segment, investment income and profit/ loss on sale/ disposal of investments are directly allocated if a segregated investment portfolio is maintained. The remaining investment income and profit/ loss on sale of investments are apportioned on the basis of the average policy liabilities in the individual business and the group business.

Operating expenses that are directly attributable and identifiable to the business segments are allocated on actual basis. Other operating expenses, which are not directly identifiable and attributable, are allocated after considering the following:

- i. Channels used for the business segments
- ii. Cost centres identified by the Management
- iii. Gross Premium ,New Business Premium and Renewal Premium
- iv. New lives added during the year
- v. Total number of lives covered as at the end of the year
- vi. Average number of employees in the Company

(b) Balance Sheet

Investments are effected from the respective funds and have been reflected accordingly. Fixed Assets have been allocated to Life business and Pension business in the ratio of respective policy liabilities as at the year-end. Where specifically identifiable, Net Current Assets have been directly allocated among Shareholders, Life Business, Pension Business, Group Gratuity, and Unit – Linked Business segments. Other Net Current Assets have been allocated to Life Business and Pension Business in the ratio of the respective policy liabilities as at the year-end.

Within Life business, certain assets and liabilities have been directly identified to the respective segments. Other assets and liabilities under Life business have been allocated in the ratio of the respective policy liabilities as at the year-end.

19. Related Party Transactions

A. Related Parties where control exists

Holding Company	State Bank of India
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B. Related Parties where transactions have taken place during the year

(i) Holding Company	State Bank of India
(ii) Investing Partner	Cardif S. A. (Joint Venture Partner)
	BNP Paribas (Holding Company of Cardif S.A.)
(iii) Fellow Subsidiaries	State Bank of Bikaner & Jaipur
	State Bank of Hyderabad
	State Bank of Indore (SBOI)
	State Bank of Mysore
	State Bank of Patiala
	State Bank of Saurashtra
	State Bank of Travancore
	SBI DFHI Limited (SBI DFHI)
	SBI Funds Management (P) Limited
	SBI Securities Limited
	SBI Cards & Payment Services Limited (SBI cards)
	SBI Capital Markets Limited
(iv) Key Management Personnel	Mr. S. Krishnamurthy – Managing Director & CEO till January 31, 2007.
	Mr. U.S. Roy – Managing Director & CEO since February 01, 2007.

C. The following are transactions and year-end outstanding balances of related parties in the ordinary course of business:

20. Earnings Per Share

Earnings per share is calculated by dividing the profit/loss in the Shareholders' Account by the weighted average number of equity shares outstanding during the year. The computation is set out below:

Particulars	As at March 31, 2007 Rs. ('000)	As at March 31, 2006 Rs. ('000)
Profit for the period (Rs. '000)	38,283	20,174
Weighted average number of equity shares	444,726,027	350,205,480
Earnings per share (Basic and Diluted)	Re. 0.09	Re. 0.06
Face Value per share	Rs. 10	Rs. 10

21. (a) 'Receivables' under Advances and Other Assets

'Receivables' under Advances and Other Assets (Schedule 12) comprise of:

Particulars	As at March 31, 2007 Rs. ('000)	As at March 31, 2006 Rs. ('000)
Dividend	4,393	917
Proceeds from Sale of Investments	483,165	425,997
Total	487,558	426,914

(b) 'Others' under Current Liabilities

'Others' under Current Liabilities (Schedule 13) comprise of:

Particulars	As at March 31, 2007 Rs. ('000)	As at March 31, 2006 Rs. ('000)
Proposals Pending for Underwriting & Other requirements	383,023	357,865
Statutory liabilities	102,204	47,105
Total	485,227	404,970

22. Loans

SI No	Particulars	As at March 31, 2007 Rs. ('000)	As at March 31, 2006 Rs. ('000)
a)	Loan assets subject to restructuring	-	-
b)	Standard assets subject to restructuring	-	-
c)	Sub-standard assets subject to restructuring	-	-
d)	Doubtful assets subject to restructuring	-	-

23. Break-up of Net Current Assets included in Schedule 8B – “Assets Held To Cover Linked Liabilities”

SI No	Particulars	As at March 31, 2007 Rs. ('000)	As at March 31, 2006 Rs. ('000)
a)	Interest accrued and not due	17,180	1,401
b)	Bank Balance	533,724	308,517
c)	Cheques on hand	1132831	471,981
d)	Deposits	(732,448)	(444,050)
e)	Outstanding purchase payables (Net)	(379,105)	(238,679)
f)	Others	6,086	695
	Total	578,267	99,865

24. Contribution made by the Shareholders' to the Policyholders' Account

The Contribution of Rs. 437,469 thousand made by the Shareholders' to the Policyholders' Account is irreversible in nature, and shall not be recouped to the Shareholders' Account at any point of time. Approval from the Shareholders will be obtained for such contribution at the ensuing Annual General Meeting of the Company.

25. Prior Year Comparatives

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

SBI LIFE INSURANCE COMPANY LIMITED

SEGMENTAL REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

(Amount in Rs.'000)										
Particulars	Participating Individual	Individual	Non Participating Group	Total	Pension	Group Gratuity/Leave Enc./Super ann/Imm Annuity	Unit	Unit Linked Non-Unit	Total	Total
Premiums earned - Net										
(a) Premium										
Direct - First year premiums	585,708	63,196	790,886	854,082	122,636	4,418,948	8,904,304	2,290,042	11,194,346	17,175,720
- Renewal premiums	1,276,661	65,369	1,195,776	1,261,145	472,776	65,640	519,294	50,920	570,214	3,646,436
- Single premiums	63,955	82,708	2,786,057	2,868,765	53,241	-	5,368,039	108,700	5,476,739	8,462,700
(b) Reinsurance ceded	(2,802)	(10,366)	(21,813)	(32,179)	-	-	-	(15,488)	(15,488)	(50,469)
(c) Reinsurance accepted	-	-	-	-	-	-	-	-	-	-
	1,923,522	200,907	4,750,906	4,951,813	648,653	4,484,588	14,791,637	2,434,174	17,225,811	29,234,387
Income from Investments										
(a) Interest, Dividends & Rent - Net of amortisation	189,079	172,394	391,794	564,188	134,183	170,277	197,220	5,303	202,523	1,260,250
(b) Profit on sale / redemption of investments	86,285	56,595	169,170	225,765	41,230	68,088	471,425	21	471,446	892,814
(c) (Loss on sale / redemption of investments)	(1,162)	(1,660)	(6,725)	(8,385)	(1,375)	(5,143)	(173,376)	-	(173,376)	(189,441)
(d) Transfer /Gain on revaluation / change in fair value*	-	114	-	114	-	-	232,906	-	232,906	233,020
Other Income	-	-	-	-	-	-	-	-	-	-
Contribution from the Shareholders' A/c	50,162	58,878	(343,436)	(284,558)	59,865	327,995	-	284,005	284,005	437,469
Others (Refer Note 1 below)	4,084	2,856	8,643	11,499	2,498	-	-	442,822	442,822	460,903
	328,448	289,177	219,446	508,623	236,401	561,217	728,175	732,151	1,460,326	3,095,015
Total (A)	2,251,970	490,084	4,970,352	5,460,436	885,054	5,045,805	15,519,812	3,166,325	18,686,137	32,329,402
Commission										
Direct - First year premiums	185,967	10,842	-	10,842	4,785	1,613	-	1,624,949	1,624,949	1,828,156
- Renewal premiums	76,498	3,221	-	3,221	8,455	-	-	33,729	33,729	121,903
- Single premiums	1,400	1,418	-	1,418	927	-	-	80,106	80,106	83,851
Less: Commission on Re-insurance Ceded	(357)	(2,275)	(3,176)	(5,451)	-	-	-	-	-	(5,808)
Operating Expenses related to Insurance Business (Refer Note 1 & 2 below)	277,881	153,097	1,380,895	1,533,992	50,812	61,340	406,803	1,268,265	1,675,068	3,599,093
Provision for doubtful debts	-	-	-	-	-	-	-	-	-	-
Bad debts written off	-	-	-	-	-	-	-	-	-	-
Provision for Tax	2,009	841	9,985	10,826	367	444	-	9,171	9,171	22,817
Provisions (other than taxation)	-	-	-	-	-	-	-	-	-	-
(a) For diminution in the value of investments (net)	-	-	-	-	-	-	-	-	-	-
(b) Others	-	-	-	-	-	-	-	-	-	-
	543,399	167,144	1,387,704	1,554,848	65,346	63,397	406,803	3,016,220	3,423,023	5,650,013
Benefits Paid (Net)	61,993	106,346	998,130	1,104,476	60,239	79,421	57,416	37,090	94,506	1,400,635
Interim Bonuses Paid	-	-	-	-	-	-	-	-	-	-
Change in valuation of liability in respect of life policies	-	-	-	-	-	-	-	-	-	-
(a) Gross**	1,648,361	230,425	2,598,499	2,828,924	759,469	4,902,987	15,055,593	113,015	15,168,608	25,308,349
(b) Amount ceded in Re-insurance	(1,783)	(13,831)	(13,981)	(27,812)	-	-	-	-	-	(29,595)
(c) Amount accepted in Re-insurance	-	-	-	-	-	-	-	-	-	-
	1,708,571	322,940	3,582,648	3,905,588	819,708	4,982,408	15,113,009	150,105	15,263,114	26,679,389
SURPLUS/ (DEFICIT) (D) = [(A)-(B)-(C)]	-	-	-	-	-	-	-	-	-	-
Amount transferred from Shareholder's Account	-	-	-	-	-	-	-	-	-	-
APPROPRIATIONS										
Transfer to Shareholders' Account	-	-	-	-	-	-	-	-	-	-
Transfer to Other Reserves	-	-	-	-	-	-	-	-	-	-
Balance being Funds for Future Appropriations	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
Total (D)	-	-	-	-	-	-	-	-	-	-
a) Interim Bonuses Paid	-	-	-	-	-	-	-	-	-	-
b) Allocation of Bonus to policyholders	278,334	-	-	-	92,832	-	-	-	-	371,166
c) Surplus shown in the revenue account	-	-	-	-	-	-	-	-	-	-
d) Total Surplus: [(a) + (b) + (c)]	278,334	-	-	-	92,832	-	-	-	-	371,166

* represents the deemed realised gain as per norms specified by the Authority

** represents Mathematical Reserves after allocation of bonus

Note 1: Mortality and other charges are appearing as income in non-unit portion of the unit linked and as expense in unit portion of the unit linked as required by IRDA ULIP disclosure circular.

SEGMENTAL REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

Particulars	Participating Individual	Non Participating			Pension	Group Gratuity	Unit Linked	Total
		Individual	Group	Total				
Premiums earned - Net								
(a) Premium								
Direct - First year premiums	777,981	80,397	274,486	354,883	144,463	1,211,210	2,088,670	4,577,207
- Renewal premiums	789,194	31,839	1,120,092	1,151,931	488,207	32,041	13,631	2,475,004
- Single premiums	211,292	457,983	2,417,784	2,875,767	126,934	-	487,015	3,701,008
(b) Reinsurance ceded	(1,642)	(4,913)	(15,740)	(20,653)	-	-	-	(22,295)
(c) Reinsurance accepted	-	-	-	-	-	-	-	-
	1,776,825	565,306	3,796,622	4,361,928	759,604	1,243,251	2,589,316	10,730,924
Income from Investments								
(a) Interest, Dividends & Rent - Net of amortisation	98,121	133,015	244,500	377,515	69,193	21,936	9,257	576,022
(b) Profit on sale / redemption of investments	91,179	67,123	242,199	309,322	50,166	25,479	36,286	512,432
(c) (Loss on sale / redemption of investments)	(421)	(35)	(126)	(161)	(276)	(5,671)	(1,059)	(7,588)
(d) Transfer /Gain on revaluation / change in fair value*	-	-	-	-	-	-	226,605	226,605
Other Income								
Contribution from the Shareholders' A/c	5,337	4,327	100,749	105,076	98,463	18,140	228,905	455,921
Others	1,889	1,204	4,385	5,589	1,240	-	-	8,718
	196,105	205,634	591,707	797,341	218,786	59,884	499,994	1,772,110
Total (A)	1,972,930	770,940	4,388,329	5,159,269	978,390	1,303,135	3,089,310	12,503,034
Commission								
Direct - First year premiums	239,106	10,448	56	10,504	6,756	213	361,533	618,112
- Renewal premiums	49,122	1,539	1	1,540	8,456	-	1,234	60,352
- Single premiums	4,168	6,489	-	6,489	2,378	-	5,391	18,426
Operating Expenses related to Insurance Business (Refer Note 1)	401,382	98,335	969,552	1,067,887	120,357	13,359	296,663	1,899,648
Provision for doubtful debts	-	-	-	-	-	-	-	-
Bad debts written off	-	-	-	-	-	-	-	-
Provision for Tax	3,822	937	9,232	10,169	1,147	-	2,824	17,962
Provisions (other than taxation)								
(a) For diminution in the value of investments (net)	-	-	-	-	-	-	-	-
(b) Others	-	-	-	-	-	-	-	-
	697,600	117,748	978,841	1,096,589	139,094	13,572	667,645	2,614,500
Benefits Paid (Net)	29,785	12,867	744,858	757,725	19,943	14,058	2,750	824,261
Interim Bonuses Paid	-	-	-	-	-	-	-	-
Change in valuation of liability in respect of life policies								
(a) Gross**	1,246,366	642,782	2,672,500	3,315,282	819,353	1,275,505	2,418,915	9,075,421
(b) Amount ceded in Re-insurance	(821)	(2,457)	(7,870)	(10,327)	-	-	-	(11,148)
(c) Amount accepted in Re-insurance	-	-	-	-	-	-	-	-
	1,275,330	653,192	3,409,488	4,062,680	839,296	1,289,563	2,421,665	9,888,534
SURPLUS/ (DEFICIT) (D) = [(A)-(B)-(C)]	-	-	-	-	-	-	-	-
Amount transferred from Shareholder's Account	-	-	-	-	-	-	-	-
APPROPRIATIONS								
Transfer to Shareholders' Account	-	-	-	-	-	-	-	-
Transfer to Other Reserves	-	-	-	-	-	-	-	-
Balance being Funds for Future Appropriations	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
a) Interim Bonuses Paid	-	-	-	-	-	-	-	-
b) Allocation of Bonus to policyholders								

SBI LIFE INSURANCE COMPANY LIMITED

SEGMENTAL BALANCE SHEET AS AT MARCH 31, 2007

(Amount in Rs.'000)

Particulars	Shareholders' Funds	Participating Individual	Policyholders' Fund			Pension	Group Gratuity/Leave Enc/Super ann/Imm Annuity	Unit Linked			Total
			Individual	Non-Participating Groups	Total			Unit	Non-Unit	Total	
SOURCES OF FUNDS											
<i>SHAREHOLDERS' FUNDS</i>											
SHARE CAPITAL	5,000,000	-	-	-	-	-	-	-	-	-	5,000,000
RESERVES AND SURPLUS	-	-	-	-	-	-	-	-	-	-	-
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	(93,579)	-	-	-	-	-	-	-	-	-	(93,579)
Sub-total	4,906,421	-	-	-	-	-	-	-	-	-	4,906,421
<i>BORROWINGS</i>	-	-	-	-	-	-	-	-	-	-	-
<i>POLICYHOLDERS' FUNDS</i>											
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	-	(30,422)	4,675	(134,213)	(129,538)	(6,924)	(40,998)	-	(32)	(32)	(207,914)
POLICY LIABILITIES	-	4,399,099	1,884,161	8,860,474	10,744,635	2,566,782	6,302,158	-	123,238	123,238	24,135,912
INSURANCE RESERVES	-	-	-	-	-	-	-	-	-	-	-
PROVISION FOR LINKED LIABILITIES	-	-	-	-	-	-	-	17,495,356	-	17,495,356	17,495,356
Sub-total	-	4,368,677	1,888,836	8,726,261	10,615,097	2,559,858	6,261,160	17,495,356	123,206	17,618,562	41,423,354
FUNDS FOR FUTURE APPROPRIATIONS											
TOTAL	4,906,421	4,368,677	1,888,836	8,726,261	10,615,097	2,559,858	6,261,160	17,495,356	123,206	17,618,562	46,329,775
APPLICATION OF FUNDS											
<i>INVESTMENTS</i>											
Shareholders'	5,915,180	-	-	-	-	-	-	-	-	-	5,915,180
Policyholders'	-	3,845,330	1,876,743	8,783,698	10,660,441	2,394,770	5,151,901	-	218,855	218,855	22,271,297
<i>ASSETS HELD TO COVER LINKED LIABILITIES</i>	-	-	-	-	-	-	-	17,495,356	-	17,495,356	17,495,356
<i>LOANS</i>	-	-	-	-	-	-	-	-	-	-	-
<i>FIXED ASSETS (Refer Note 2 below)</i>	-	94,117	40,312	189,571	229,883	54,917	-	-	-	-	378,917
<i>CURRENT ASSETS</i>	-	-	-	-	-	-	-	-	-	-	-
Cash and Bank Balances	6	149,126	58,008	435,209	493,217	79,813	892,928	-	-	-	1,615,090
Advances and Other Assets	143,459	425,742	52,729	296,923	349,652	130,955	422,291	-	1,788	1,788	1,473,887
Sub-total (A)	143,465	574,868	110,737	732,132	842,869	210,768	1,315,219	-	1,788	1,788	3,088,977
<i>CURRENT LIABILITIES</i>	1,448,808	141,911	137,360	971,634	1,108,994	98,423	205,960	-	97,437	97,437	3,101,533
<i>PROVISIONS</i>	-	3,727	1,596	7,506	9,102	2,174	-	-	-	-	15,003
Sub-total (B)	1,448,808	145,638	138,956	979,140	1,118,096	100,597	205,960	-	97,437	97,437	3,116,536
NET CURRENT ASSETS (C) = (A - B)	(1,305,343)	429,230	(28,219)	(247,008)	(275,227)	110,171	1,109,259	-	(95,649)	(95,649)	(27,559)
<i>MISCELLANEOUS EXPENDITURE (to the extent not written off or adjusted)</i>	-	-	-	-	-	-	-	-	-	-	-
<i>DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)</i>	296,584	-	-	-	-	-	-	-	-	-	296,584
TOTAL	4,906,421	4,368,677	1,888,836	8,726,261	10,615,097	2,559,858	6,261,160	17,495,356	123,206	17,618,562	46,329,775
Net Capital Employed	4,609,837	-	-	-	-	-	-	-	-	-	4,609,837
Note 2:											
Cost incurred during the period to acquire the Fixed Assets:											
- Tangible	-	45,254	19,383	91,149	110,532	26,405	-	-	-	-	182,191
- Intangible	-	7,270	3,114	14,644	17,758	4,242	-	-	-	-	29,270
Depreciation and Amortisation included in operating expense related to insurance business	-	11,731	6,463	58,298	64,761	2,145	2,590	17,174	-	17,174	151,944

SBI LIFE INSURANCE COMPANY LIMITED

SEGMENTAL BALANCE SHEET AS AT MARCH 31, 2006

(Amount in Rs.'000)

Particulars	Shareholders' Funds	Policyholders' Fund						Unit Linked	Total
		Participating Individual	Non-Participating			Pension	Group Gratuity		
			Individual	Groups	Total				
SOURCES OF FUNDS									
SHAREHOLDERS' FUNDS									
SHARE CAPITAL	4,250,000	-	-	-	-	-	-	-	4,250,000
RESERVES AND SURPLUS	-	-	-	-	-	-	-	-	-
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	70,388	-	-	-	-	-	-	-	70,388
Sub-total	4,320,388	-	-	-	-	-	-	-	4,320,388
BORROWINGS	-	-	-	-	-	-	-	-	-
POLICYHOLDERS' FUNDS									
CREDIT/(DEBIT) FAIR VALUE CHANGE ACCOUNT	-	75,546	19,724	160,003	179,727	46,399	12,879	-	314,551
POLICY LIABILITIES	-	2,752,521	1,677,790	6,275,956	7,953,746	1,807,313	1,399,171	-	13,912,751
INSURANCE RESERVES	-	-	-	-	-	-	-	-	-
PROVISION FOR LINKED LIABILITIES	-	-	-	-	-	-	-	2,439,763	2,439,763
Sub-total	-	2,828,067	1,697,514	6,435,959	8,133,473	1,853,712	1,412,050	2,439,763	16,667,065
FUNDS FOR FUTURE APPROPRIATIONS									
TOTAL	4,320,388	2,828,067	1,697,514	6,435,959	8,133,473	1,853,712	1,412,050	2,439,763	20,987,453
APPLICATION OF FUNDS									
INVESTMENTS									
Shareholders'	4,407,489	-	-	-	-	-	-	-	4,407,489
Policyholders'	-	2,416,263	1,721,427	6,808,871	8,530,298	1,656,165	1,010,590	-	13,613,316
ASSETS HELD TO COVER LINKED LIABILITIES	-	-	-	-	-	-	-	2,439,763	2,439,763
LOANS	-	-	-	-	-	-	-	-	-
FIXED ASSETS (Refer Note 1 below)	-	63,456	38,680	144,685	183,365	41,666	-	-	288,487
CURRENT ASSETS									
Cash and Bank Balances	57,304	183,693	69,373	351,893	421,266	73,711	240,791	-	976,765
Advances and Other Assets	264,733	234,387	198,885	141,303	340,188	194,436	161,300	-	1,195,044
Sub-total (A)	322,037	418,080	268,258	493,196	761,454	268,147	402,091	-	2,171,809
CURRENT LIABILITIES									
PROVISIONS	744,004	67,636	329,573	1,006,013	1,335,586	110,890	631	-	2,258,747
Sub-total (B)	-	2,096	1,278	4,780	6,058	1,376	-	-	9,530
	744,004	69,732	330,851	1,010,793	1,341,644	112,266	631	-	2,268,277
NET CURRENT ASSETS (C) = (A - B)	(421,967)	348,348	(62,593)	(517,597)	(580,190)	155,881	401,460	-	(96,468)
MISCELLANEOUS EXPENDITURE(to the extent not written off or adjusted)	-	-	-	-	-	-	-	-	-
DEBIT BALANCE IN PROFIT & LOSS ACCOUNT (Shareholders' Account)	334,866	-	-	-	-	-	-	-	334,866
TOTAL	4,320,388	2,828,067	1,697,514	6,435,959	8,133,473	1,853,712	1,412,050	2,439,763	20,987,453
Note 1:									
Cost incurred during the period to acquire the Fixed Assets:									
- Tangible	-	33,103	20,178	75,477	95,655	21,735	-	-	150,493
- Intangible	-	22,557	13,749	51,430	65,179	14,811	-	-	102,547
Depreciation and Amortisation included in operating expense related to insurance business	-	21,617	5,299	52,228	57,527	6,472	719	15,972	102,307

ANNEXURE TO REVENUE ACCOUNT-Break up of Unit Linked Business (UL)											
Name of the Insurer: SBI Life Insurance Co. Ltd.											
Registration No. 111											
Date of Registration with IRDA: 29th March, 2001											
REVENUE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007											
Policyholders' Account (Technical Account)											(Rs. In '000)
Particulars	Schedule	Linked Life			Linked Pension			Linked Group			Total Unit Linked (10)=(3)+(6)+(9)
		Non-Unit	Unit	Total	Non-Unit	Unit	Total	Non-Unit	Unit	Total	
		(1)	(2)	(3)=(1) + (2)	(4)	(5)	(6)=(4) + (5)	(7)	(8)	(9)= (7) + (8)	
Premiums earned – net											
(a) Premium		2,075,636	11,686,542	13,762,177	374,027	3,105,095	3,479,122	-	-	-	17,241,299
(b) Reinsurance ceded		(15,487)	-	(15,487)	-	-	-	-	-	-	(15,487)
Income from Investments											
(a) Interest, Dividend & Rent - Gross		5,272	188,774	194,046	31	8,446	8,477	-	-	-	202,523
(b) Profit on sale/redemption of investments		21	450,052	450,073	-	21,373	21,373	-	-	-	471,446
(c) Loss on sale/redemption of investments		-	(169,042)	(169,042)	-	(4,334)	(4,334)	-	-	-	(173,376)
(d) Unrealised gain/(loss)		-	258,794	258,794	-	(25,888)	(25,888)	-	-	-	232,906
Other income:											
(a) Linked Income	UL1	430,242	-	430,242	12,580	-	12,580	-	-	-	442,822
(b.) Contribution from the Shareholders' a/c		240,597	-	240,597	43,408	-	43,408	-	-	-	284,005
TOTAL (A)		2,736,282	12,415,119	15,151,401	430,046	3,104,692	3,534,738	-	-	-	18,686,138
Commission		1,563,037	-	1,563,037	175,748	-	175,748	-	-	-	1,738,785
Operating Expenses related to Insurance Business		1,027,096	392,902	1,419,998	241,171	13,901	255,072	-	-	-	1,675,070
Provision for Taxation		7,427	-	7,427	1,744	-	1,744	-	-	-	9,171
TOTAL (B)		2,597,560	392,902	2,990,462	418,663	13,901	432,563	-	-	-	3,423,026
Benefits Paid (Net)	UL2	37,090	57,410	94,500	-	5	5	-	-	-	94,505
Interim Bonus Paid		-	-	-	-	-	-	-	-	-	-
Change in Valuation Liability		101,632	11,964,806	12,066,438	11,383	3,090,786	3,102,169	-	-	-	15,168,608
TOTAL (C)		138,722	12,022,217	12,160,938	11,383	3,090,791	3,102,174	-	-	-	15,263,113
SURPLUS/ (DEFICIT) (D) =(A)-(B)-(C)		-	-	-	-	-	-	-	-	-	-
APPROPRIATIONS											
Transfer to Shareholders' a/c		-	-	-	-	-	-	-	-	-	-
Funds available for future appropriations		-	-	-	-	-	-	-	-	-	-
Total (D)		-	-	-	-	-	-	-	-	-	-

Note: Previous Year figures are not comparable.

Schedules to Annexure to Revenue Account (UL) forming part of Financial Statements				
Name of the Insurer: SBI Life Insurance Co. Ltd.				
Registration No. 111				
Date of Registration with IRDA: 29th March, 2001				
Schedule-UL1				
Linked Income (recovered from linked funds)*				
	(Rs. In '000)			
Particulars	Life Linked Unit	Pension Linked Unit	Linked Group Unit	Total
	(1)	(2)	(3)	(4)= (1)+(2)+(3)
Fund Administration charges	-	-	-	-
Fund Management charge	95,117	2,373	-	97,490
Policy Administration charge	165,398	9,231	-	174,629
Surrender charge	1,519	-	-	1,519
Switching charge	17	-	-	17
Mortality charge	168,163	976	-	169,139
Rider Premium charge	29	-	-	29
Partial withdrawal charge	-	-	-	-
Miscellaneous charge	-	-	-	-
			-	-
TOTAL (UL-1)	430,242	12,580	-	442,822
* (net of service tax, if any)				

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111
Date of Registration with IRDA: 29th March, 2001

Schedule-UL2
BENEFITS PAID [NET]

(Rs. In '000)

Sl. No.	Particulars	Linked Life			Linked Pension			Linked Group			Total Unit Linked
		Non Unit	Unit	Linked Life	Non-Unit	Unit	Linked Pension	Non-Unit	Unit	Linked Group	
		(1)	(2)	(3)=(1)+(2)	(4)	(5)	(6)=(4)+(5)	(7)	(8)	(9)=(7)+(8)	
1	Insurance Claims										
(a)	Claims by Death	40,240	6,243	46,482	-	5	5	-	-	-	46,487
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits										
	- Surrender	-	51,168	51,168	-	-	-	-	-	-	51,168
	- Survival	-	-	-	-	-	-	-	-	-	-
	Sub Total (A)	40,240	57,410	97,650	-	5	5	-	-	-	97,655
2	Amount Ceded in reinsurance										
(a)	Claims by Death	3,150	-	3,150	-	-	-	-	-	-	3,150.00
(b)	Claims by Maturity	-	-	-	-	-	-	-	-	-	-
(c)	Annuities / Pension payment	-	-	-	-	-	-	-	-	-	-
(d)	Other benefits										
	- Surrender	-	-	-	-	-	-	-	-	-	-
	- Survival	-	-	-	-	-	-	-	-	-	-
	Sub Total (B)	3,150	-	3,150	-	-	-	-	-	-	3,150
	TOTAL (A) - (B)	37,090	57,410	94,500	-	5	5	-	-	-	94,505
	Benefits paid to claimants:										
	In India	37,090	57,410	94,500.01	-	5	5	-	-	-	94,505.05
	Outside India	-	-	-	-	-	-	-	-	-	-
	TOTAL (UL2)	37,090	57,410	94,500	-	5	5	-	-	-	94,505

Form A-BS(UL)

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111
Date of Registration with IRDA: 29th March, 2001

Fund Balance Sheet as at 31st March 2007

Particulars	Schedule	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
		Current year	Current year	Current year	Current year	Current year	Current year	Current year	Current year	Current year	Current year
Sources of Funds											
Policyholders' Funds:											
Policyholder contribution	F-1	6,662,481	796,293	3,914	353,360	6,062,703	2,297,721	179,212	42,542	584,275	16,982,501
Revenue Account		322,018	(2,242)	(38)	12,431	193,650	(19,108)	405	889	4,850	512,855
Total		6,984,499	794,051	3,875	365,790	6,256,354	2,278,613	179,617	43,431	589,125	17,495,356
Application of Funds											
Investments	F-2	6,456,789	740,861	2,831	347,359	5,971,076	1,833,731	144,457	37,103	473,528	16,007,736
Current Assets	F-3	582,437	53,237	1,045	18,456	357,830	612,453	35,172	12,135	218,994	1,891,758
Less: Current Liabilities and Provisions	F-4	54,727	47	-	25	72,552	167,571	13	5,807	103,396	404,138
Net current assets		527,710	53,190	1,045	18,432	285,277	444,882	35,160	6,327	115,598	1,487,620
Total		6,984,499	794,051	3,875	365,790	6,256,354	2,278,613	179,617	43,431	589,125	17,495,356

Net Asset Value (NAV) per Unit:

(a) Net Asset as per Balance Sheet (Total Assets less Current Liabilities and Provisions) (Rs. In '000)		6,984,499	794,051	3,875	365,790	6,256,354	2,278,613	179,617	43,431	589,125	17,495,356
(b) Number of Units outstanding		268776430	68990138	360768	28889318	376745814	235677762	17643683	4207256	56116307	
(c) NAV per Unit (a)/(b) (Rs.)		25.99	11.51	10.74	12.66	16.61	9.67	10.18	10.32	10.50	

Note: Previous Year figures are not comparable.

Form A-RA(UL)

Name of the Insurer: SBI Life Insurance Co. Ltd.

Registration No. 111

Date of Registration with IRDA: 29th March, 2001

Fund Revenue Account for the year ended 31st March 2007

Particulars	Schedule	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
		Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
Income from investments											
Interest income		11,666	29,721	68	5,788	14,186	2,929	1,119	58	463	65,998
Dividend income		41,455	-	-	1,614	39,057	1,932	-	63	312	84,431
Profit/loss on sale of investment		207,260	5,521	-	15,520	52,709	14,628	274	-	2,137	298,049
Profit/loss on inter fund transfer/ sale of investment		-	-	-	-	-	-	-	-	-	-
Miscellaneous Income		12,798	1,526	-	735	11,898	1,498	170	-	85	28,710
Unrealised Gain/loss*		86,512	(3,778)	-	(6,917)	182,959	(29,616)	48	820	2,859	232,887
Total (A)		359,691	32,990	68	16,740	300,809	(8,629)	1,611	940	5,855	710,074
Fund management expenses		46,849	3,893	2	2,134	42,238	2,001	141	12	219	97,490
Fund administration expenses		-	-	-	-	-	-	-	-	-	-
Other charges:	F-5	181,746	32,599	104	5,386	136,773	8,478	1,065	39	786	366,976
Total (B)		228,595	36,492	106	7,520	179,011	10,480	1,206	51	1,005	464,466
Net Income for the year (A-B)		131,096	(3,503)	(38)	9,220	121,798	(19,108)	405	889	4,850	245,609
Add: Fund revenue account at the beginning of the year		190,922	1,261	0	3,211	71,852	-	-	-	-	267,246
Fund revenue account at the end of the year		322,018	(2,242)	(38)	12,431	193,650	(19,108)	405	889	4,850	512,855

* Net change in mark to market value of investments

Note: Previous Year figures are not comparable.

Schedules to Fund Revenue Account**Name of the Insurer: SBI Life Insurance Co. Ltd.****Registration No. 111****Date of Registration with IRDA: 29th March, 2001****Schedule: F-1****POLICYHOLDERS' CONTRIBUTION****(Rs. in '000)**

	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
Particulars	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
Opening balance	1,028,892	124,585	161	55,886	963,737	-	-	-	-	2,173,261
Add: Additions during the year*	5,611,873	1,001,939	3,660	314,050	5,257,739	2,289,268	178,154	42,503	583,492	15,282,678
Less: Deductions during the year*	159,921	362,748	11	21,936	295,446	5	-	-	-	840,067
Closing balance	6,662,481	796,293	3,914	353,360	6,062,703	2,297,721	179,212	42,542	584,275	16,982,501

* Additions represents units creation and deductions represent unit cancellations

Schedules to Fund Revenue Account

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111
Date of Registration with IRDA: 29th March, 2001

Schedule: F-2

INVESTMENTS

(Rs. in '000)

	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
Particulars	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
Approved Investments										
Government Bonds	-	264,707	-	58,500	-	-	24,374	-	-	347,580
Corporate Bonds	-	64,128	-	40,000	-	-	75,000	10,000	-	189,128
Infrastructure Bonds	-	169,659	-	-	-	-	39,830	-	-	209,489
Equity	4,495,817	-	-	177,780	4,330,771	1,038,335	-	14,654	252,166	10,309,523
Money Market	513,725	232,874	2,831	53,920	356,795	456,900	5,253	12,449	132,962	1,767,707
Mutual Funds	-	-	-	-	-	-	-	-	-	-
Total	5,009,541	731,367	2,831	330,199	4,687,566	1,495,235	144,457	37,103	385,128	12,823,428
Other Investments										
Corporate Bonds	-	9,494	-	-	-	-	-	-	-	9,494
Infrastructure Bonds	-	-	-	-	-	-	-	-	-	-
Equity	1,447,247	-	-	17,160	1,283,511	338,497	-	-	88,400	3,174,814
Money Market	-	-	-	-	-	-	-	-	-	-
Mutual Funds	-	-	-	-	-	-	-	-	-	-
Total	1,447,247	9,494	-	17,160	1,283,511	338,497	-	-	88,400	3,184,308
GRAND TOTAL	6,456,789	740,861	2,831	347,359	5,971,076	1,833,731	144,457	37,103	473,528	16,007,736
% of Approved Investments to Total	78%	99%	100%	95%	79%	82%	100%	100%	81%	80%
% of Other Investments to Total	22%	1%	0%	5%	21%	18%	0%	0%	19%	20%

Schedule: F - 3

CURRENT ASSETS

(Rs. In '000)

	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
Particulars	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
Accrued Interest	390	10,173	2	1,975	262	331	1,857	15	92	15,096
Cash & Bank Balance	495,838	43,065	1,043	16,134	346,824	611,584	33,316	12,057	218,834	1,778,694
Dividend Receivable	5,313	-	-	347	4,680	538	-	63	68	11,007
Receivable for Sale of Investments	17,015	(0)	-	(0)	6,064	-	-	-	-	23,079
Unit Collection A/c#	-	-	-	-	-	-	-	-	-	-
Other Current Assets (for Investments)	63,882	-	-	-	-	-	-	-	-	63,882
Total	582,437	53,237	1,045	18,456	357,830	612,453	35,172	12,135	218,994	1,891,758

Schedule: F - 4

CURRENT LIABILITIES

(Rs. In '000)

	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
Particulars	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
Payable for Purchase of Investments	54,176	(0)	-	(0)	72,104	167,411	0	5,805	103,362	402,858
Other Current Liabilities	551	47	-	25	449	159	13	2	35	1,280
Unit Payable a/c#	-	-	-	-	-	-	-	-	-	-
Total	54,727	47	-	25	72,552	167,571	13	5,807	103,396	404,138

BREAK UP OF OTHER EXPENSES UNDER ULIP

Schedule: F - 5

OTHER EXPENSES*

(Rs. In '000)

	Equity Fund	Bond Fund	MMF Fund	Balanced Fund	Growth Fund	Pension Equity Fund	Pension Bond Fund	Pension Balanced Fund	Pension Growth Fund	Total
Particulars	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year	Current Year
Policy Administration charge	91,410	16,418	49	2,457	55,064	7,583	900	37	712	174,629
Surrender charge	811	175	0	39	493	-	-	-	-	1,519
Switching charge	5	8	-	-	4	-	-	-	-	17
Mortality charge	89,397	15,914	54	2,862	81,101	876	159	2	71	190,436
Rider Premium charge	14	2	-	0	12	-	-	-	-	29
Partial withdrawal charge	-	-	-	-	-	-	-	-	-	-
Miscellaneous charge	109	82	0	26	99	20	7	0	3	347
Total	181,746	32,599	104	5,386	136,773	8,478	1,065	39	786	366,976

* Represents inter fund receivables or payables, if any

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111

Rs. '000

Expenses Charged to Funds							
As on 31.03.2007						Ratios	
Sl. No.	Fund Name	Avg Investements	Fund Management Charges	Investment expenses	Total Expenses	Excluding Investment Expenses	Including Investment Expenses
1	Horizon - Equity Fund	2,614,558.29	46,849.07	109.01	46,958.08	1.79	1.80
2	Horizon - Bond Fund	377,790.97	3,893.25	82.19	3,975.44	1.03	1.05
3	Horizon - Money Market Fund	945.77	2.46	0.38	2.84	0.26	0.30
4	ULIP Growth Fund	2,685,616.45	42,238.10	98.90	42,337.00	1.57	1.58
5	ULIP Balanced Fund	161,772.48	2,134.01	26.30	2,160.31	1.32	1.34
6	Equity Pension Fund	662,267.62	2,001.33	19.98	2,021.31	0.30	0.31
7	Bond Pension Fund	68,131.60	140.79	6.67	147.46	0.21	0.22
8	Growth Pension Fund	148,796.46	218.90	3.00	221.90	0.15	0.15
9	Balanced Pension Fund	9,175.02	12.13	0.36	12.49	0.13	0.14

Gross Income to Funds							
As on 31.03.2007							
Sl. No.	Fund Name	Avg Investements	Realised Income	Ratio	Unrealised	Gross Income	Ratio
(A)	(B)	(C)	(D)	(E)	(F)	(G=D+F)	(G/C*100)
1	Horizon - Equity Fund	2,614,558.29	281,414.50	10.76	247,005.92	528,420.43	20.21
2	Horizon - Bond Fund	377,790.97	36,722.05	9.72	(4,083.43)	32,638.62	8.64
3	Horizon - Money Market Fund	945.77	68.24	7.21	-	68.24	7.21
4	ULIP Growth Fund	2,685,616.45	127,236.14	4.74	246,834.66	374,070.80	13.93
5	ULIP Balanced Fund	161,772.48	24,342.41	15.05	(4,379.19)	19,963.22	12.34
6	Equity Pension Fund	662,267.62	19,830.20	2.99	(29,615.72)	(9,785.52)	(1.48)
7	Bond Pension Fund	68,131.60	1,623.75	2.38	48.30	1,672.04	2.45
8	Growth Pension Fund	148,796.46	3,755.60	2.52	2,859.45	6,615.05	4.45
9	Balanced Pension Fund	9,175.02	275.52	3.00	819.68	1,095.20	11.94

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111

Performance of the Fund (Absolute Growth %)

Sl. No.	Fund Name	Financial Year of Inception	Year			Since inception
			Current Year (2006-07)	2005-06	2004-05	
1	Horizon - Equity Fund	2004-05	10.13	115.72	9.94	159.90
2	Horizon - Bond Fund	2004-05	7.67	5.63	9.12	15.10
3	Horizon - Money Market Fund	2005-06	6.34	1.00	NA	7.40
4	ULIP Growth Fund	2005-06	6.00	56.70	NA	66.10
5	ULIP Balanced Fund	2005-06	4.71	20.90	NA	26.60
6	Equity Pension Fund	2006-07	(3.30)	NA	NA	(3.30)
7	Bond Pension Fund	2006-07	1.80	NA	NA	1.80
8	Growth Pension Fund	2006-07	5.00	NA	NA	5.00
9	Balanced Pension Fund	2006-07	3.20	NA	NA	3.20

Appreciation/Depreciation in value of investment of segregated Ulip Funds as at 31st March 2007

Rs. '000

Fund Name	Total
Balanced Pension Fund	819.68
Bond Pension Fund	48.30
Equity Pension Fund	(29,615.72)
Growth Pension Fund	2,859.45
Horizon - Equity Fund	247,005.92
Horizon- Bond Fund	(4,083.43)
Horizon- Money Market Fund	-
ULIP Balance Fund	(4,379.19)
ULIP Growth Fund	246,834.66
Grand Total	459,489.67

Net Asset Value per unit (NAV) - Fund Wise

As on 31.03.2007

Sl. No.	Fund Name	Highest	Lowest	Closing
1	Horizon - Equity Fund	28.73	18.09	25.99
2	Horizon - Bond Fund	11.51	10.69	11.51
3	Horizon - Money Market Fund	10.74	10.1	10.74
4	ULIP Growth Fund	18.43	12.13	16.61
5	ULIP Balanced Fund	13.42	9.88	12.66
6	Equity Pension Fund	10.44	9.22	9.67
7	Bond Pension Fund	10.18	10	10.18
8	Growth Pension Fund	10.64	9.68	10.5
9	Balanced Pension Fund	10.38	9.45	10.32

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111

1 Investment Management

Particulars	
Activities Outsourced	---NIL---
Fee Paid for various activities charged to Policy Holders' Account	---NIL---
Basis of payment of fees	---NIL---

2 Unclaimed redemption of Units

---NIL---

3 Provision for doubtful debts on assets

---NIL---

Name of the Insurer: SBI Life Insurance Co. Ltd
Registration No. 111

Fellow Subsidiaries

Related Party Transactions

The following are the transactions of related parties in the ordinary course of business

Twelve Months Ended March 31, 2007										
Nature of Transactions	Fund Name	Fellow Subsidiaries								Total
		SBI Capital Markets	SBI DFHI Ltd.	SBI Mutual Fund	SBP	SBM	SBH	SBBJ	SBS	
Brokerage & Custodial Charges	Horizon - Equity Fund	1,734.10	11.96	-	-	-	-	-	-	1,746.06
	Horizon - Bond Fund	-	11.73	-	-	-	-	-	-	11.73
	Horizon - Money Market Fund	-	0.06	-	-	-	-	-	-	0.06
	ULIP Growth Fund	1,709.66	13.85	-	-	-	-	-	-	1,723.51
	ULIP Balanced Fund	68.63	3.87	-	-	-	-	-	-	72.49
	Equity Pension Fund	367.89	3.10	-	-	-	-	-	-	370.99
	Bond Pension Fund	-	1.00	-	-	-	-	-	-	1.00
	Growth Pension Fund	52.68	0.47	-	-	-	-	-	-	53.15
	Balanced Pension Fund	-	0.05	-	-	-	-	-	-	0.05
	Sub Total (A)	3,932.95	46.09	-	-	-	-	-	-	3,979.04
Purchases / Placed	Horizon - Equity Fund	-	82.88	-	-	-	-	-	-	82.88
	Horizon - Bond Fund	-	196,763.50	19,527.00	-	46,296.30	24,040.18	46,349.25	47,046.65	380,022.88
	Horizon - Money Market Fund	-	-	-	-	462.96	-	-	-	462.96
	ULIP Growth Fund	-	82.58	-	-	-	-	-	-	82.58
	ULIP Balanced Fund	-	10,338.50	-	-	9,259.26	-	-	-	19,597.76
	Equity Pension Fund	-	-	-	-	-	-	-	-	-
	Bond Pension Fund	-	-	-	-	-	-	-	-	-
	Growth Pension Fund	-	-	-	-	-	-	-	-	-
	Balanced Pension Fund	-	-	-	-	-	-	-	-	-
	Sub Total (C)	-	207,267.46	19,527.00	-	56,018.52	24,040.18	46,349.25	47,046.65	400,249.06
Sales / Maturity	Horizon - Equity Fund	-	82.88	-	-	-	-	-	-	82.88
	Horizon - Bond Fund	-	4,122.50	51,297.50	-	-	570.28	47,053.80	669.45	103,713.53
	Horizon - Money Market Fund	-	-	-	-	-	-	-	-	-
	ULIP Growth Fund	-	82.58	-	-	-	-	-	-	82.58
	ULIP Balanced Fund	-	379.50	-	-	-	-	-	-	379.50
	Equity Pension Fund	-	-	-	-	-	-	-	-	-
	Bond Pension Fund	-	-	-	-	-	-	-	-	-
	Growth Pension Fund	-	-	-	-	-	-	-	-	-
	Balanced Pension Fund	-	-	-	-	-	-	-	-	-
	Sub Total (D)	-	4,667.46	51,297.50	-	-	570.28	47,053.80	669.45	104,258.49
Interest / Discount Income	Horizon - Equity Fund	-	0.13	-	-	-	-	-	-	0.13
	Horizon - Bond Fund	-	6.32	-	-	1,553.73	-	-	-	1,560.05
	Horizon - Money Market Fund	-	-	-	-	15.54	-	-	-	15.54
	ULIP Growth Fund	-	0.13	-	-	-	-	-	-	0.13
	ULIP Balanced Fund	-	0.58	-	-	310.75	-	-	-	311.33
	Equity Pension Fund	-	-	-	-	-	-	-	-	-
	Bond Pension Fund	-	-	-	-	-	-	-	-	-
	Growth Pension Fund	-	-	-	-	-	-	-	-	-
	Balanced Pension Fund	-	-	-	-	-	-	-	-	-
	Sub Total (D)	-	7.16	-	-	1,880.01	-	-	-	1,887.17

Name of the Insurer: SBI Life Insurance Co. Ltd.
Registration No. 111

Industry Wise Investment Exposure																				Rs. '000
Industry	Issuer Name	Equity Fund		Growth Fund		Equity Pension Fund		Growth Pension Fund		Balanced Fund		Balanced Pension Fund		Bond Fund		Bond Pension Fund		Money Market Fund		Grand Total
		Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.	%	Amount Rs.
	I C I C I Bank Ltd.	239,617.27	3.71	143,533.47	2.40	42,495.98	2.32	-	-	41,922.27	12.07	-	-	78,188.26	10.55	-	-	-	-	545,757.25
	Karnataka Bank	-	-	-	-	-	-	-	-	-	-	-	-	49,532.85	6.69	-	-	-	-	49,532.85
	State Bank Of Mysore	-	-	-	-	-	-	-	-	9,570.01	2.76	-	-	47,850.03	6.46	-	-	478.50	16.90	67,898.53
Computer software	Infosys Technologies Ltd.	467,614.22	7.24	445,578.63	7.46	119,100.35	6.49	16,149.20	3.41	21,195.83	6.10	-	-	-	-	-	-	-	-	1,069,638.22
	Tata Consultancy Services Ltd.	365,157.91	5.66	357,508.04	5.99	68,478.68	3.73	8,020.03	1.69	-	-	-	-	-	-	-	-	-	-	789,164.65
Cosmetics, toiletries, soaps & detergents	Hindustan Lever Ltd.	92,545.20	1.43	104,652.00	1.75	-	-	-	-	5,130.00	1.48	2,052.00	5.53	-	-	-	-	-	-	204,379.20
Financial Institution	Infra Development Finance Co. Ltd.	-	-	-	-	16,740.00	0.91	-	-	-	-	-	-	169,658.91	22.90	39,830.49	27.57	-	-	238,229.40
Minerals	Sesa Goa Ltd.	123,244.61	1.91	29,725.20	0.50	21,293.13	1.16	34,665.21	7.32	2,127.61	0.61	3,662.42	9.87	-	-	-	-	-	-	214,718.17
Other financial institutions	NABARD	-	-	-	-	-	-	-	-	40,000.00	11.52	10,000.00	26.95	15,000.00	2.02	75,000.00	51.92	-	-	140,000.00
Telephone Services	Reliance Industries Ltd.	410,017.06	6.35	407,869.80	6.83	75,366.50	4.11	19,184.20	4.05	7,125.56	2.05	-	-	-	-	-	-	-	-	919,563.11
	Bharti Airtel Ltd.	402,624.95	6.24	348,919.73	5.84	83,704.34	4.56	26,736.50	5.65	7,639.00	2.20	-	-	-	-	-	-	-	-	869,624.52
Thermoplastics	Indian Petrochemicals Corpn. Ltd.	2,035.87	0.03	-	-	13,540.00	0.74	27,060.00	5.72	-	-	-	-	-	-	-	-	-	-	42,655.87
Turnkey projects/erection contracts	Larsen & Toubro Ltd.	284,826.54	4.41	247,826.70	4.15	50,671.14	2.77	-	-	6,966.43	2.01	8,100.50	21.83	-	-	-	-	-	-	598,581.31
Total		2,387,683.62	36.98	2,085,513.56	34.33	491,590.11	26.81	131,835.13	27.84	141,675.70	40.79	23,814.92	64.19	360,230.04	48.62	114,830.49	79.49	478.50	16.90	5,737,753.98
Others (not exceeding 5%)		4,069,105.26	63.02	3,885,462.75	65.07	1,342,141.14	73.19	341,692.50	72.16	205,682.20	59.21	13,288.55	35.81	380,630.92	51.38	29,626.82	20.51	2,352.37	83.10	10,269,982.51
Grand Total		6,456,788.88	100.00	5,971,076.31	100.00	1,833,731.25	100.00	473,527.63	100.00	347,358.91	100.00	37,103.47	100.00	740,860.97	100.00	144,457.31	100.00	2,830.87	100.00	16,007,735.60

SBI Life Insurance Company Limited						
Revenue Account for Linked Business for the year ended March 31, 2006						
Particulars	Equity Fund	Growth Fund	Balanced Fund	Bond Fund	Money Market Fund	Total
	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	(Rs.'000)	
Income						
Dividends	1,986	529	16	0	0	2,531
Interest (Net of Amortisation)	539	367	141	1,764	1	2,812
Net realised gain (loss) on investments	28,478	6,158	495	95	0	35,226
Unrealised gain (loss) on investments	160,494	63,876	2,538	(305)	0	226,603
Other Income	2,052	1,783	80	17		3,932
Total (A)	193,549	72,713	3,270	1,571	1	271,104
						0
Expenses						0
Management Fees	2,936	861	60	254	0	4,111
Total (B)	2,936	861	60	254	0	4,111
						0
Net Investment income	190,613	71,852	3,210	1,317	1	266,993

SBI Life Insurance Company Limited
Balance sheet of Linked Business as at March 31, 2006

Particulars	Equity Fund (Rs.'000)	Growth Fund (Rs.'000)	Balanced Fund (Rs.'000)	Bond Fund (Rs.'000)	Money Market Fund (Rs.'000)	Total (Rs.'000)
Assets						
Investments						
Equity Shares	943,354	681,565	16,786	-	-	1,641,705
Mutual Fund	-	-	-	-	-	-
Corp. Debentures	-	-	-	22,185	-	22,185
Fixed Deposit	-	-	-	20,000	-	20,000
Certificate of Deposits	-	-	-	18,513	-	18,513
Government Securities	-	-	-	6,580	-	6,580
Repo	246,606	284,413	42,338	57,392	162	630,911
Current Assets						-
Cash & Bank Balance	152,459	186,338	-	-	-	338,797
Accrued Income	43	50	8	1,300	-	1,401
Other Receivables	423	264	9	-	-	696
Total Assets	1,342,885	1,152,630	59,141	125,970	162	2,680,788
						-
Liabilities						-
Unit Capital & Premium	1,028,892	963,737	55,886	124,585	161	2,173,261
Reserves & Surplus	190,848	71,852	3,210	1,326	1	267,237
Accrued Expenses	847	662	45	59	-	1,613
Other Payables	122,298	116,379	-	-	-	238,677
Total Liabilities	1,342,885	1,152,630	59,141	125,970	162	2,680,788

c) The following are the transactions and year-end outstanding balances of related parties in the ordinary course of business

Rs. ('000)

Year Ended March 31, 2007													
Nature of Transactions	Holding Company	Investment Partner		Fellow Subsidiaries									
		BNP Paribas	Cardif S.A.	SBI Cards	SBI Capital Markets	SBI DHFI	SBI Mutual Fund	SBP	SBOI	SBBJ	SBT	SBH	Others
Expenses / Reimbursement for Services rendered:													
Salary	24,555	2,000	-	-	-	-	-	218	558	1,562	2,398	2,688	4,638
Rent paid for Premises	9,167	-	-	-	-	1,400	-	-	-	128	120	-	-
Refund of Premium	-	-	-	12,390	-	-	-	-	-	-	-	-	-
Custodial Charges	-	-	-	-	-	245	-	-	-	-	-	-	-
Brokerage	-	-	-	-	6,145	-	-	-	-	-	-	-	-
Administration Fees for group insurance	340,612	-	-	-	-	-	-	24,645	10,719	-	-	-	144,879
Commission	268,747	42	-	-	-	-	-	-	-	-	-	-	46,081
Premium Income	-	-	-	-	-	-	-	30,514	-	14,678	12,254	39,988	9,903
Increase in Share Capital	555,000	-	195,000	-	-	-	-	-	-	-	-	-	-
Investment:													
Purchases / Placed	500,000	515,000	-	-	-	3,637,394	1,857,818	50,018	-	-	-	-	340,671
Sales / Maturity	-	515,000	-	-	-	818,723	1,867,091	48,485	50,000	-	-	-	144,100
Interest / Discount Income	27,183	990	-	-	-	958	-	1,915	632	-	-	-	8,061
Outstanding Balance as at Year End Payables/(Receivables)	91,978	-	-	-	-	(7,030)	-	6,890	2,348	4,900	6,528	8,009	7,881

Year Ended March 31, 2006													
Nature of Transactions	Holding Company	Investment Partner		Fellow Subsidiaries									
		BNP Paribas	Cardif S.A.	SBI Cards	SBI Capital Markets	SBI DHFI	SBI Mutual Fund	SBP	SBOI	SBBJ	SBT	SBH	Others
1 Expenses / Reimbursement for Services rendered:													
a Salary	19,983	2,000	-	-	-	-	-	-	-	-	-	-	7,233
b Rent paid for Premises	4,955	-	-	-	-	-	-	-	-	-	-	-	-
c Marketing Expenses	-	-	-	74,689	-	-	-	-	-	-	-	-	-
d Custodial Charges	-	-	-	-	-	103	-	-	-	-	-	-	-
e Brokerage	-	-	-	-	1,731	-	-	-	-	-	-	-	-
f Administration Fees for group insurance	378,553	-	-	-	-	-	-	-	-	-	-	-	143,189
2 Commission	115,272	-	-	-	-	-	-	-	-	-	-	-	21,983
3 Premium Income	-	-	-	-	-	-	-	19,282	-	12,218	12,290	45,335	23,991
4 Increase in Share Capital	555,000	-	195,000	-	-	-	-	-	-	-	-	-	-
5 Investment:													
a Purchases / Placed	489,168	-	-	-	-	1,481,031	214,235	-	-	-	-	-	210,917
b Sales / Maturity	342,751	-	-	-	-	1,435,274	198,700	-	-	-	-	-	269,900
c Interest / Discount Income	-	-	-	-	-	1,264	-	252	199	-	-	-	2,842
6 Outstanding Balance as at Year End Payables/(Receivables)	72,707	1,000	-	-	-	(51,679)	-	674	-	-	-	-	3,508

Refer note (9) above for details of remuneration to Managing Director & CEO.

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE 16 - CONTINUED

26

Summary of Financial Statements

(Rs. in '000)

Sr.no	Particulars	Year Ended				
		2006-07	2005-06	2004-05	2003-04	2002-03
	POLICYHOLDERS' A/C					
1	Gross premium income	29,284,856	10,753,219	6,011,845	2,256,659	723,854
2	Net premium income #	29,234,387	10,730,924	5,992,990	2,255,248	723,854
3	Income from investments @	2,196,642	1,307,471	390,732	118,739	50,213
4	Other income	17,329	465,331	239,701	269,865	208,003
5	Total income	31,448,358	12,503,726	6,623,423	2,643,852	982,071
6	Commissions	2,033,910	696,890	233,944	94,457	18,690
7	Brokerage	-	-	-	-	-
8	Operating Expenses related to insurance business	3,155,520	1,900,340	1,245,613	573,485	233,000
9	Fringe Benefit Tax	38,283	17,962	-	-	-
10	Total Expenses	5,227,713	2,615,192	1,479,557	667,942	251,690
11	Payment to policyholders	1,400,635	824,261	463,568	214,488	27,435
12	Increase in actuarial liability #	25,308,349	9,064,273	4,680,298	1,761,422	702,945
13	Surplus / (Deficit) from operations	-	-	-	-	-
	SHAREHOLDERS' A/C					
14	Total income under Shareholder's Account*	480,729	480,209	115,172	107,489	141,615
15	Profit / (loss) before tax	38,399	20,316	(115,020)	(164,096)	(74,851)
16	Provision for tax - Fringe Benefit Tax	-	142	-	-	-
17	Profit / (loss) after tax	38,283	20,174	(115,020)	(164,096)	(74,851)
18	Profit / (loss) carried to Balance Sheet	(296,584)	(334,866)	(355,040)	(240,020)	(75,924)
	MISCELLANEOUS					
19	(A) Policyholders' account					
	Total Funds [Refer note (a) below]	41,423,354	16,667,065	7,318,140	2,631,830	846,535
	Total investments [Refer note (b) below]	39,867,400	16,153,888	7,143,708	2,412,484	823,954
	Yield on investments (%) [Refer note (c) below]	6%	8%	5%	5%	6%
	(B) Shareholders' account					
	Total Funds [Refer note (d) below]	4,609,837	3,985,522	3,160,967	1,517,442	1,172,967
	Total investments	5,915,180	4,407,489	3,383,744	1,480,620	1,085,146
	Yield on investments (%) [Refer note (e) below]	8%	11%	3%	7%	13%
20	Yield on total investments [Refer note (f) below]	6%	9%	5%	6%	10%
21	Paid up equity capital	5,000,000	4,250,000	3,500,000	1,750,000	1,250,000
22	Net worth [Refer note (g) below]	4,609,837	3,985,522	3,160,967	1,517,442	1,172,967
23	Total Assets [Refer note (h) below]	46,033,191	20,652,587	10,479,107	4,149,272	2,019,502
24	Earnings per share (Rs.)	0.09	0.06	(0.64)	(1.30)	(0.60)
25	Book value per share (Rs.)	9.22	9.38	9.03	8.67	9.38

Net of reinsurance

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

* This amount excludes contribution to Policyholder's fund

Notes:-

(a) Total Funds under Policyholders' Account = Credit / (Debit) Fair Value Change Account + Policyholders' Liabilities + Insurance Reserves

(b) Total investments under Policyholders' include amounts invested in 10.47% Government of India, 2015 earmarked as deposit with the Reserve Bank of India under Schedule 12 - 'Advances and Other Assets'

(c) Yield on Policyholders' Investments = Income from Policyholders' Investments / Total Policyholders' Investments

(d) Total Funds = Share Capital + Reserves and Surplus + Credit / (Debit) Fair Value Change Account - Debit Balance in Profit and Loss Account

(e) Yield on Shareholders' Investments = Total Income under Shareholders' Account / Total Shareholders' Investments

(f) Yield on total investments = (Income from Policyholders' Investments + Total Income under Shareholders' Account) / (Total Shareholders' Investments + Total Policyholders' Investments)

(g) Net Worth = Share Capital + Reserves and Surplus + Credit / (Debit) Fair Value Change Account - Debit Balance in Profit and Loss Account

(h) Total Assets = Total Application of Funds - Debit Balance in Profit and Loss Account

SBI LIFE INSURANCE COMPANY LIMITED
SCHEDULE 16 - CONTINUED

27 Ratios as prescribed by IRDA

		Grand Total	
		2006-07	2005-06
1	New business premium income growth (segment-wise) (New business premium for current year divided by new business premium for previous year)	3.11	1.71
2	Net retention ratio (Net premium divided by gross premium)	1.00	1.00
3	Ratio of expenses of management [Refer notes (a) below] (Expenses of management divided by the total net direct premium)	0.18	0.24
4	Commission ratio (Net Commission paid divided by Net Premium)	0.07	0.06
5	Ratio of policyholders' liabilities to shareholders' funds [Refer note (b) below]	8.99	4.18
6	Growth rate of shareholders' funds [Refer note (b) below]	0.16	0.26
7	Ratio of surplus / (deficit) to policy holders' liability [Refer note (e) below]	-	-
8	Change in net worth [Refer note (b) below]	0.16	0.26
9	Profit after tax / Total income	0.00	0.00
10	(Total Real Estate+ Loans) / Cash and invested assets	-	-
11	Total Investments / (Capital + Surplus) [Refer notes (c) & (d) below]	9.16	4.84
12	Total affiliated Investments / (Capital + Surplus)		

Notes:-

(a) Expenses of Management = Operating Expenses + Commission

(b) Policyholders' Liabilities = Policy Liabilities + Credit / (Debit) Fair Value Change Account

Shareholders' Funds = Share Capital + Reserves and Surplus + Credit / (Debit) Fair Value Change Account -
Debit Balance in Profit and Loss Account

Net Worth = Share Capital + Reserves and Surplus + Credit / (Debit) Fair Value Change Account - Debit Balance in
Profit and Loss Account

(c) Capital + Surplus = Share Capital + Reserves and Surplus

Total Investments = Shareholders' Investments + Policyholders' Investments

(d) Total investments under Policyholders' includes amounts invested in 10.47% Government of India, 2015 earmarked
as deposit with the Reserve Bank of India under Schedule 12 - 'Advances and Other Assets'

(e) As at 31/03/2006, since the deficit in Revenue Account was funded by the contribution from shareholders, there was
no resultant surplus / deficit in the Revenue Account and therefore the ratio could not be determined.

SBI LIFE INSURANCE COMPANY LIMITED

IRDA Registration No. : 111

Date of Registration with IRDA : March 29, 2001

RECEIPTS AND PAYMENTS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	(Figures in bracket indicate cash outgo)	
	Year ended 31st March, 2007 (Rs. in '000)	Year ended 31st March, 2006 (Rs. in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Premium Collection (including Service Tax collected & monies pending billing)	30,275,658	11,315,951
Cash paid to suppliers and employees	(2,845,521)	(1,647,498)
Cash paid towards Fringe Benefit Tax	(29,141)	(13,707)
Cash paid towards Service Tax	(248,167)	(410,887)
Commission Paid	(1,763,084)	(459,997)
Benefits Paid (Net of Reinsurance)	(1,429,283)	(804,258)
Other Income	17,329	7,150
Net cash from Operating activities	23,977,791	7,986,754
CASH FLOW FROM INVESTING ACTIVITIES		
Cost of purchase of investments	(565,634,904)	(140,417,389)
Proceeds from sale of investments	541,353,912	132,313,172
Interest received	1,217,174	753,902
Dividend received	118,707	23,380
Purchase of fixed assets	(197,874)	(217,143)
Proceeds from sale of fixed assets	222	31
Security deposit for the office premises	(20,546)	(2,654)
Net cash used in Investing activities	(23,163,309)	(7,546,701)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital	750,000	750,000
Proceeds from short term borrowing	-	-
Repayment of short term borrowing	-	-
Net cash from Financing activities	750,000	750,000
Net increase in cash and cash equivalents	1,564,482	1,190,053
Cash and cash equivalents at beginning of year	1,757,263	567,210
Cash and cash equivalents at end of period	3,321,745	1,757,263

Notes :

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

2. Cash and cash equivalents at the end of the period comprise of the following balance sheet amounts :

Cash (including cheques, drafts and stamps)	1,755,953	835,449
Bank Balances (includes bank balances in unit linked funds)	1,565,792	921,814
Total	3,321,745	1,757,263

This is the Receipts and Payments account referred to in our report of even date

For and on behalf of
B. K. KHARE & CO.
Chartered Accountants

For and on behalf of
M. P. CHITALE & CO.
Chartered Accountants

For and on behalf of the Board of Directors

Padmini Khare Kaicker
Partner

Ashutosh Pednekar
Partner

Chairman

Director

Membership No. 44784

Membership No.41037

Managing Director &
Chief Executive Officer

Director

Chief Financial Officer

Appointed Actuary

Place: Mumbai
Dated : April 30, 2007

Company Secretary

SBI LIFE INSURANCE COMPANY LIMITED

Additional Information as required under Part IV of Schedule VI to the Companies Act, 1956.

Balance Sheet Abstract and Company's General Business Profile

I. Registration details :

Registration No. :

1	1	-	1	2	9	1	1	3
---	---	---	---	---	---	---	---	---

 State Code :

1	1
---	---

Balance Sheet Date :

3	1
---	---

0	3
---	---

2	0	0	7
---	---	---	---

II. Capital raised during the year : (Amount in Rs. Thousands)

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Rights Issue

			7	5	0	0	0	0
--	--	--	---	---	---	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

 Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds : (Amount in Rs. Thousands)

Total Liabilities

4	6	3	2	9	7	7	5
---	---	---	---	---	---	---	---

 Total Assets

4	6	3	2	9	7	7	5
---	---	---	---	---	---	---	---

Sources of Funds : Application of Funds :

Shareholders' Funds

		4	9	0	6	4	2	1
--	--	---	---	---	---	---	---	---

 Investments

		4	5	6	8	1	8	3	3
--	--	---	---	---	---	---	---	---	---

Policyholders' Funds

		4	1	4	2	3	3	5	4
--	--	---	---	---	---	---	---	---	---

 Net Fixed Assets

			3	7	8	9	1	7
--	--	--	---	---	---	---	---	---

Net Current Assets

		(2	7	5	5	9)
--	--	---	---	---	---	---	---	---

 Misc. Expenditure

						-	-	-
--	--	--	--	--	--	---	---	---

Profit & Loss Account

		(2	9	6	5	8	4)
--	--	---	---	---	---	---	---	---	---

IV. Performance of Company : (Amount in Rs. Thousands)

Total Income

	3	2	3	6	6	5	5	8
--	---	---	---	---	---	---	---	---

 Total Expenditure

	3	2	3	2	8	1	6	0
--	---	---	---	---	---	---	---	---

Profit/(Loss) before Tax

				3	8	3	9	9
--	--	--	--	---	---	---	---	---

 Profit/(Loss) after Tax

				3	8	2	8	3
--	--	--	--	---	---	---	---	---

Earnings per share in Rs.

		0	.	0	9
--	--	---	---	---	---

 Dividend Rate %

-	-
---	---

V. Generic name of the principal product of the Company :

Item Code No. :

--	--	--	--	--	--	--	--	--	--

Product Description : Insurance and Pension Products

Signatures to Schedules 1 to 16**For and on behalf of the Board of Directors**

Chairman Director

Managing Director &
Chief Executive Officer Director

Chief Financial Officer Appointed Actuary

Place: Mumbai
Dated : April 30, 2007

SBI LIFE INSURANCE COMPANY LIMITED

REGISTRATION NO. : (111) DATED MARCH 29, 2001

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 for the accounting year ended March 31, 2007. 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 was valid as at March 31, 2007 and is in force as on the date of this Report.

2. Statutory Dues

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

3. Shareholding Pattern

The Company confirms that the shareholding pattern of the Company is in accordance with the requirements of the Insurance Act, 1938 and the Insurance Regulatory and Development Authority (Registration of Indian Insurance Companies) Regulations, 2000 and that there have been no significant transfer of shares during the year.

4. Investment of Funds

The Company has not invested the funds of the holders of the policies issued in India in any securities outside India either directly or indirectly.

5. Solvency Margin

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

6. Valuation of Assets

The Company certifies that the amounts reflected under "Loans", "Investments" (excluding fixed income securities held in the Shareholders' account and non-linked Policyholders'

account which are carried at amortised cost), "Agents balances", "Outstanding Premium", "Interest, Dividend and Rents outstanding", "Interest, Dividends and Rents accruing but not due", "Amount due from other persons or Bodies carrying on insurance business", "Sundry Debtors", "Bills Receivable", "Cash" and the several items specified under "Other Accounts" did not exceed their respective realizable or market value.

7. Investment Pattern

The Controlled Fund of the Company have 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.

8. Risk Minimisation Strategies

Underwriting procedures have been enhanced and rules have been structured to enable the Company to strike a balance between mitigating risk, ensuring control and providing better service. The Company seeks to reduce its risk exposure by reinsuring certain levels of risks with re-insurers.

The Company continues to adopt a prudent policy in respect of Investments. The investments are mainly in Government Securities. Non-Government Debt Instruments carrying a credit rating of AA+ and above only are considered for investment purposes.

9. Country Risk

The Company is operating in India only and hence has no exposure to either other country risk or currency fluctuation risks.

10. Ageing of Claims

Claims are settled on an average basis within thirty days from the date of receipt of all relevant papers. Where clarification/documents are pending, follow-up activities are undertaken. This trend has been maintained by the Company over the last five years.

11. Valuation of Investments

The Company certifies that the investments made, out of Shareholders' funds and non-linked Policyholders' funds, in Government Securities, Treasury Bills, Bonds and Debentures have been valued at amortised cost. However, in the unit-linked funds, such investments

are carried at market value. Inter corporate deposits have been stated at original cost. Investments in mutual funds and listed equity securities are recorded at fair value. The above valuation basis is in accordance with the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002.

In case of unit-linked Policyholders' funds, Government securities with remaining maturity of more than one year are valued at prices obtained from Credit Rating Information Services of India Ltd. ('CRISIL'). Debt securities other than Government securities with remaining maturity of more than one year are valued on the basis of CRISIL Bond Valuer. The amortised/average cost of Government and other debt securities with remaining maturity of one year or less are amortised over the remaining life of the securities. Listed equity securities are measured at fair value on the Balance Sheet date. For the purpose of determining fair value, the last quoted closing price at the National Stock Exchange of India Ltd. ('NSE') is considered. Unrealised gains and losses are recognised in the scheme's Revenue Account.

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 have been determined on the basis of the benchmark yields and spreads published by FIMMDA. The market value of equity shares is the lower of the last quoted closing prices at the National Stock Exchange of India Ltd. ('NSE') and the Stock Exchange, Mumbai ('BSE'). Unlisted equity securities are measured at historical cost.

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

12. Review of Asset Quality

All investments as at the year end are performing investments.

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 judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the operating loss and of the profit of the company for the year;
- (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 (1 of 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. Related Party Transactions

The Schedule of transactions and year-end outstanding balances of related parties in the ordinary course of business are indicated in Note No. 19C of the Notes to Accounts in Schedule 16 of the Financial Statements.

For and on behalf of the Board of Directors

Chairman

Director

Managing Director & Chief Executive Officer

Director

Chief Financial Officer

Appointed Actuary

Company Secretary

Place : Mumbai

Dated : April 30, 2007