



K. K. SONI & CO.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE ADMINISTRATOR,

**SPECIFIED UNDERTAKING
OF UNIT TRUST OF INDIA (SUUTI),
MUMBAI**

We have audited the attached Balance Sheets of Schemes/Funds (enumerated as per Annexure-'A') of Specified Undertaking of Unit Trust of India (SUUTI) as at 31st March 2006 and also the related Revenue Accounts for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the Management and have been prepared by the Management, which are centralized at the corporate office, Mumbai, on the basis of financial data/ information of 68 Branches and four Main Offices (including those of the erstwhile UTI, since converted into UTI Financial Centres). Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the audit indicated herein, and as required by The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, and subject to the limitations of disclosure required therein, we report that:

1. The Unit Trust of India Act, 1963 was repealed by the Government of India viz. "The Unit Trust of India (Transfer of Undertaking and Repeal) Act 2002. In exercise of the powers conferred under the Act, the Central Government vide its notification dated 15th January 2003 had notified 1st February 2003 as the "Appointed Day" for the purpose of transfer and vesting the undertaking of the erstwhile UTI into two entities viz. Specified Undertaking of Unit Trust of India (SUUTI) and UTI Mutual Fund. The accounts of SUUTI, therefore, relating to the above mentioned Schemes/Funds have been drawn up pursuant to the said Repeal Act.

(Refer Note 1 in Schedule 'M')

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2. SUUTI has various matured/terminated schemes and live schemes/funds. The residual amounts in the matured schemes are deployed in money market instruments. At the year end on 31st March 2006 SUUTI has merged the various matured/terminated schemes and have broadly categorized them (mentioned in Annexure 'A') for administrative convenience to have their consolidated accounts. As a result thereof, the figures of the current year in respect of certain merged schemes are not comparable with those of the previous year.

(Refer Note No. 2 in Schedule 'M')

3. The Government of India approved limited repurchase facility of 3000/5000 units 'per investor' at assured price of US-64, and extended financial support to compensate the difference between the net asset value and the assured repurchase price per unit. Cases have, however, been noticed where units in excess of the prescribed limits have been repurchased. The number of units so repurchased in excess and the amount of excess payments involved therein could not be fully ascertained. However, such units repurchased in excess of the eligible limits arrived at by SUUTI amounted to Rs.3.27 crore, out of which Rs. 2.41 crore remaining to be recovered have been written off through Revenue Account by way of netting.

(Refer Note Nos. 3 and 7 in Schedule 'M')

- 4(a) The accounts of 'US 64 Bonds' consist of all the Assets and Liabilities of terminated US 64 Scheme as well as current transactions under US 64 Bonds. The Book Value of Initial Capital holders of US 64 as on 01.02.03 ("Appointed Day" on which Transfer of Undertaking and Repeal Act 2002 came in force) amounting to Rs. 8.55 crore shown as Sundry Creditors last year have since been refunded to them on 24th and 25th August 2006.

- (b) US - 64 Bonds and ARS Bonds amounting to Rs.1.96 crore and Rs. 0.089 crore respectively relating to objection cases of US-64 scheme and seven schemes of CGGF-86, RUP 94, CGGF 99, RUP 99, BGVMIP, MIP 98(V) and MIP99 have not been issued, though the schemes stand already terminated/foreclosed, for want of certain information/ formalities, required to be completed by the respective unit-holders.

In the case of CGGF-86 Scheme Rs.42.10 crore, though accounted for as repurchase amount payable to the unit-holders on foreclosure of the scheme, have remained unclaimed by the unit-holder, for want of completion of certain formalities by them.

- (c) The application money amounting to Rs.2.31 crore received from the investors, pertaining to previous years has not been fully capitalized.



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(Refer Note No. 4 (a), (b) & (c) in Schedule 'M')

5. The unlisted/ non-traded preference shares costing Rs.45.45 crore would have been valued as per accounting policy No. F (VII), which in the opinion of 'the Valuation Committee' being of negligible residual value, have been valued and taken at 'NIL'.

(Refer Note No 5 (a) in Schedule 'M')

6. Reconciliation of investments as per Trust records with the Custodian Certificates has revealed certain differences, which are very old and need rectification/ adjustments. SUUTI has made efforts to determine the differences, which were persisting in the Reconciliation Statement with the custodian (SHCIL). These are:
- Debtures and Bonds of the face value of Rs.931.01 crore.
 - Preference Shares costing Rs.1.11 crore, out of which for Rs.0.94 crore, the redemption proceeds are yet to be received.
 - Equity Shares of the face value of Rs.5.23 crore costing Rs.5.23 crore, out of which share certificates of Rs 5.22 have been subsequently received.

(Refer Note No. 5(b) Schedule 'M')

7. Investments in Debtures and Bonds including term loans (relating to debt portfolio) include a large number of cases sanctioned during the past many years, where complete security has not been created, although the stipulated period had since elapsed. As per the information made available (a): in 76 cases totaling Rs.533.09 crore, security was not created at all, and (b) in 57 cases totaling Rs.246.63 crore, security was not fully created. In the absence of complete data/ information, the realisability of the debt portfolio cannot be commented upon.
8. Out of the total amount of investment in equity shares costing Rs.3.23 crore written off during the previous years, SUUTI during the current year, has been able to restore transfer of equity shares costing Rs.1.05 crores. The remaining equity shares costing Rs.2.18 crore requiring transfer are still pending with the Stock Exchange/ Office of the Custodian, appointed under the Special Court (TORTS) Act, 1992 and for which petition has been filed in Special Court Mumbai, for the remaining cases.

(Refer Note No.6 (i) in Schedule 'M')

9. Reconciliation of Bank accounts revealed sizeable entries/ items involving large amounts pertaining to past many years, which had remained unadjusted/



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unidentified, for want of full details/ particulars from the concerned bankers. During the year SUUTI undertook a complete exercise for adjustment of the old items, which were continuing to persist in the various bank reconciliation statements. On completion of the exercise the final position emerged is as under:

- a) There were 695 inoperative bank accounts as on 31.03.2006 showing debit/credit balances, containing amounts debited/credited by Trust not responded by banks and vice versa. On the basis of the information furnished by SUUTI, after taking into consideration the total quantum for write off/write back the Net Effect of unreconciled entries/items in bank accounts comes to Rs 106759682. This effect pertaining to various schemes has been adjusted by SUUTI in the following manner by way of netting:

Set off against Stale Cheque Account	Net Debit Rs.112041890
Set off against Unclaimed Income	
Distribution Account	Net Debit Rs. 60509831
Total	Rs. 172551721
Less: Net Write back through	Rs. 65792039
Revenue Account	
Net Effect (Debit)	Rs. 106759682

- b) There were 26 inoperative General Fund bank accounts containing old entries/items pertaining to past many years remaining unadjusted/unidentified for want of certain details/information. The amount involved in such accounts determined by SUUTI amounting to Rs.6.80 lakhs (Debit Rs25.11 lakhs less Credit Rs.18.31 lakhs) has been written off through Revenue Account by way of netting.

(Refer Note No. 7 in Schedule 'M')

10. There are 113 operative bank accounts with debit/credit balances as on 31.03.06. We have observed that entries/items for the past four years have also accumulated in these accounts which have remained unadjusted due to mismatch for want of complete details. SUUTI has to reconcile these accounts in all manifestation by collecting/collating the requisite data/information and also to make necessary adjustments wherever called for.
11. (i) SUUTI had maintained cash management system through various banks, which at the end of the day should show zero balance. We have, however, noticed that in certain cases CMS bank accounts show debit/ credit balances of Rs.1.59 crores and Rs.7.33 crores respectively pertaining to various schemes as on 31.03.2006. SUUTI has determined these balances to be written off/ written back since their requisite details are not available.





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Accordingly, such balances have been adjusted through Revenue Account by way of netting.

(Refer Note No.7 in Schedule 'M')

- (ii) SUUTI has determined that certain accounts in respect of Sundry/Suspense/Miscellaneous deposits/Creditors/Transit Funds/Inter office accounts, etc remaining no longer receivable/payable, are lying outstanding for the past many years which need to be adjusted in the accounts, since their requisite data/details/information are not available. Accordingly, such accounts have been adjusted by way of netting through: (i). existing Provision Account Rs. 3119359 and Revenue Account Rs. 30872400.

(Refer Note No 7 in Schedule 'M')

12. The write off/write back of certain long outstanding balances shown under advances, debtors, creditors, sundries, suspense, deposits, transit funds, inter office accounts and bank reconciliations pertaining to various schemes, the adjustment of which have been carried out during the year by SUUTI, are subject to confirmation/reconciliation and consequential adjustments, if any.
13. In the case of rescheduling of loans, SUUTI has exhibited the entire existing provision as write-back, simultaneously, making a charge against the revenue, based on agreed parameters of rescheduling. The correct practice should have been to show the net addition/ write back in provision in the Revenue Accounts. As a result thereof, the provision written back and provision charged have been shown at higher values in the Revenue Accounts without affecting the net excess of income over expenditure. Necessary exercise in this regard is required to be conducted on a case-to-case basis.

(Refer Note No12 in Schedule 'M')

14. The work relating to management and maintenance of properties belonging to SUUTI and related matters has been outsourced to 'UTI Infrastructure and Services Limited' (UTI-IASL), a wholly owned subsidiary of SUUTI. This arrangement together with its documents, records etc has revealed the following inadequacies/ deficiencies:
- (a) Agreement relating to the scope of work and the services rendered by UTI IASL, and the terms with regard to commission, service charges, incomes, expenses, etc to be charged for has not yet been executed between SUUTI & UTI IASL.
- (b) Documentation/ conveyancing of the title of various properties under the ownership/ possession of SUUTI has still to be completed, the amount of which is not ascertainable.



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- (c) SUUTI has given certain properties on lease to various companies, the necessary agreements with lessees specifying the period of lease, rent to be charged, other terms etc. have not been entered.
- (d) There have been Instances of incomplete records at UTI IASL, non availability of sale deed in certain cases of property sold, lack of internal control system and mechanism, under/over/incorrect charging of lease rent/ expenses/ commission, service charges, inadequate insurance of properties, non-adherence of some of the stipulations laid down in tenders. In view of the above shortcomings, we are unable to comment on the correctness of the transactions/ matters relating to estate and property.

(Refer Note No 13 in Schedule 'M')

15. SUUTI has generally maintained proper records, showing full particulars including quantitative details and situation/ location of fixed assets. Physical verification of the fixed assets has not been carried out fully and the reconciliation of physically verified assets with book records is still in progress. Obsolete /discarded/dead items of fixed assets are yet to be determined.

16. The erstwhile UTI had received notices under the Wealth Tax Act relating to past years and raised demand for Rs. 3.84 crore for which an appeal with Commissioner of Wealth Tax was preferred that was allowed by him. Subsequent appeal by the department with Income Tax Appellate Tribunal was dismissed as Income Tax Authorities had filed the appeal without obtaining mandatory permission of the department. Subsequently, the Wealth Tax Authorities have got the necessary permission for restoration of Appeal. However pending receipt of fresh notice, liability arising therefor, if any, could not be ascertained.

(Refer Note No. 9 in Schedule 'M')

17. Under the provisions of Interest Tax Act 1974, the Trust received notices under section 10A in respect of chargeable interest tax for the assessment years 1992-93 and for subsequent assessment years up to 1999-2000. The Trust filed a Writ petition against the levy of interest tax before the Hon'ble Bombay High Court. The Hon'ble High Court under its order dated set aside the same. Subsequently, the central Board of Direct Taxes filed Special Leave Petition before the Hon'ble Supreme Court of India against the orders of the Hon'ble High Court of Bombay. Although Special Leave Petition was admitted, but no interim relief was granted to CBDT. Since the matter is still pending before the Hon'ble Supreme Court, Liability, if any, arising on account of chargeable interest tax cannot be determined.

(Refer Note No. 10 in Schedule 'M')



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18. A fire had accrued in the premises of zonal and Branch offices at Kolkatta on 7/11/1998 resulting in total damage of property, furniture, fixtures etc. Against this loss UTI preferred a total claim of Rs. 10.75 crore against National Insurance Company Ltd by filing a suit for decree before the Hon'ble High Court in Kolkatta in the year 2001. The insurer paid a sum of Rs. 3.03 crore in full and final settlement of the claim on the basis of the interim order. Pending final adjudication of the matter by the Hon'ble High Court of Kolkatta, necessary adjustment entries for the outstanding amount of Rs. 8.12 crore shown in suspense account and depreciation already charged on dead stock damaged in fire for Rs.5.41crore, are yet to be carried out

(Refer Note No. 11 in Schedule 'M')

19. In our opinion, the overall internal control system & procedures, particularly in areas of Unit applications remaining unprocessed, Investors servicing, Registrar's services, Utilization of properties, Income tax deducted at source, Unpaid dividend, monitoring of investments, legal affairs etc. need to be further improved and strengthened.

We are unable to express our opinion on the quantum and financial impact thereof on the accounts of SUUTI in respect of the items referred to in paragraphs 4(b) & (c), 6 to 18.

20. Subject to our observations referred to in paragraphs 1 to 19 above, we further report that:

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Balance Sheets and related Revenue Accounts are in agreement with the books of accounts;
- (c) In our opinion and to the best of our knowledge and according to the information and explanations given to us and read with the Notes as per Schedule 'M' and the Statement of Significant Accounting policies:
 - (i) the said Balance Sheets are full and fair containing all the necessary particulars and are properly drawn up in accordance with The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002, so as to exhibit a true and fair view of affairs of the various Schemes/funds of SUUTI as on 31st March, 2006.





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- (ii) the said Revenue Accounts of the Schemes/Funds (enumerated as per Annexure 'A') show a true and fair view of the Excess of Income over Expenditure.

For K K SONI & CO.
CHARTERED ACCOUNTANTS


K. K. SONI
PARTNER
Date: 21.12.2006
Place: Mumbai





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ANNEXURE A

Sr. No.	SCH CODE	SCHEME NAME	NEW SCHEMES FORMED BY MERGING CERTAIN EXISTING SCHEMES
1	1	US 64	US 64 Tax Free Bonds
2	152	US 64 BONDS	
3	15	CGGF 86	ARS Tax Free Bonds
4	51	BGVMIP	
5	61	RUP 94	
6	111	MIP 98 V	
7	113	CGGF 99	
8	114	RUP 99	
9	115	MIP 99	
10	158	ARS BONDS	
11	32	UGS 2000	MATNAV MIP
12	33	MEP 91	
13	37	UGS 5000	
14	41	MEP 92	
15	63	MIP 94 III	
16	70	MIP 95 II	
17	72	DIUP 95	
18	74	MIP 95 III	
19	75	MIP 96	
20	76	MIP 96 II	
21	7	EOF 96	
22	79	MIP 96 III	
23	130	MIP 2000 III	
24	36	OMNI	MATFV MIP
25	71	IISFUS 95	
26	81	IISFUS 96	
27	89	IISFUS 97	
28	98	IISFUS 97 II	
29	100	IISFUS 98	
30	1	IISFUS 98 II	
31	48	RUS 92	
32	86	MIP 97	
33	88	MIP 97 II	
34	91	MIP 97 III	
35	84	MIP 97 IV	
36	96	MIP 97 V	
37	99	MIP 98	
38	102	NRI FUND	
39	104	MIP 98 II	
40	108	MIP 98 III	
41	109	MIP 98 IV	
42	124	MIP 99 II	
43	126	MIP-2000	
44	129	MIP 2000 II	
45	68	MIP 95	MIP 95
46	80	DIP 91	DIP 91
47	82	MIP 96 IV	MIP 96 IV
48	28	VECAUS I	VECAUS I
49	30	VECAUS II	VECAUS II
50	40	VECAUS III	VECAUS III
51	122	SUS-99	SUS-99
52	131	MIP 2001	MIP 2001



SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA

SIGNIFICANT ACCOUNTING POLICIES

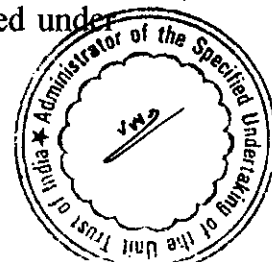
A. Income Recognition:

- I. Dividend income is recognised on the following basis:
 - a. In respect of listed equity shares, dividend income is accrued on the “ex-dividend” date.
 - b. In respect of unlisted equity shares, dividend income is accrued on date of declaration.
 - c. In respect of preference shares, dividend income is accrued on the date of receipt.
- II. Interest on debenture and other fixed income investments is recognised as income on accrual basis.

Income is not recognised once an asset is classified as non-performing (NPA) and income accrued on such assets is provided for.
- III. Profit or loss on sale of investments is recognised on the trade dates on the basis of weighted average cost. Profit or loss and premium receivable on redemption of debentures/bonds are recognized on the due dates.
- IV. The difference between carrying cost and the maturity value in respect of the investments in Zero Coupon Bond, Deep Discount Bond and other long-term discounted securities is amortized over remaining life of the instrument on YTM basis.
- V. Unit Scheme 1964 Bonds , which owns the fixed assets, recovers service charges on mutually agreed basis approved by the Board of Advisors , from UTI AMC Pvt. Ltd. for the usage of the said assets.

B. Unit Premium Reserve:

In respect of US64, where units are repurchased at a premium over the face value under the special package announced by Government of India, the premium is charged to Unit Premium Reserve. Wherever US 64 units are repurchased under



the net asset value (NAV) related prices, the discount is credited to unit premium reserve.

C. Expenses:

These are accounted for on accrual basis.

D. Deferred Revenue Expenditure:

- i. Initial issue expenses incurred and commission payable to agents are written off over the period as per the scheme provisions.
- ii. When the units are repurchased, the deferred revenue expenditure to be charged in that year, as also for the unexpired period, is suitably adjusted.

E. Investments

- i. Investments are stated at cost or written down cost.
- ii. Purchase and Sale of Securities in Secondary market are accounted on trade dates.
- iii. The cost of investment includes brokerage, service tax and stamp charges
- iv. Subscription in primary market is accounted as Investments, upon allotment.
- v. Right entitlements are recognised as Investment on "ex-right" dates.
- vi. Bonus entitlements are recognised as Investment on "ex-bonus" dates.
- vii. Investments in debenture / bonds , loans and deposits are treated and disclosed as current assets from the redemption/due date.

F. Valuation for Performing Investments

I. Equity and Equity related Securities:

a. Traded Securities

When a security is traded on any stock exchange within a period of 30 days (including the valuation date) and the aggregate volume of trade during such



period is more than 50,000 or if the trade value is greater than Rs.5,00,000 the security is treated as traded security. These are valued at the closing prices on BSE in absence of which closing price of NSE is taken.

b. Non traded / Thinly traded / Unlisted securities:

Investments in securities, which have not been traded on any stock exchange in the aforesaid manner, are stated at fair value as determined in accordance with SEBI Regulations.

II. Debentures , bonds, term loans and transferable notes - Debt Securities:

a. Traded Securities:

Investment in debentures and bonds are valued at the closing market rate as on the date of valuation and, in its absence, at the latest quote available during a period of fifteen days prior to the valuation date provided there is an individual trade in that security in marketable lot (presently Rs.5 Crore) on the Principal Stock Exchange or any other Stock Exchange.

b. Non-traded / Thinly traded securities:

Investment in non traded / thinly traded securities is valued as under:

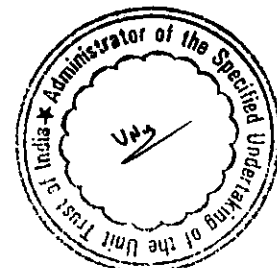
i) Rated Debt Securities:

Debt securities with residual maturity of greater than 182 days:

Investment in securities with residual maturity period of greater than 182 days are valued at Yield to Maturity (YTM) based on the matrix provided by CRISIL. The yield to maturity is marked up or down for illiquidity risk, in accordance with SEBI Regulations.

Debt securities with residual maturity of up to 182 days:

Investment in debt securities with residual maturity of up to 182 days are valued as on the valuation date on the basis of amortisation.



Debt security with put/call options:

Securities with call options are valued at the worst (lowest) of the call and securities with put options are valued at best (highest) of the put. Securities with both put and call options on the day are deemed to mature on the put/call day and are valued accordingly.

Fully / Partly / Optionally Fully Convertible Debentures:

i. Convertible portion of debentures, where the terms of conversion are available, is valued as equity at the closing market price or fair value applicable for, traded and thinly / non traded equity respectively less a discount of 10% towards liquidity.

ii. Non Convertible portion of Convertible debentures and the entire amount of convertible debentures where the terms of conversion are not available, are valued as per the norms applicable for non-convertible debentures as per para F(II)

ii) Unrated/ non investment grade Debt Securities:

Investments in unrated / non investment grade debt securities are valued at a discount of 25 percent to face value while deep discount bonds are valued at a discount of 25 percent to carrying cost.

III. Government Securities:

Investment in Government securities are valued as on the valuation date at the prices released by CRISIL an agency notified by AMFI. For the securities whose prices are not provided by CRISIL the yield curve given by FIMMDA is used.

IV. Unquoted warrants:

Unquoted warrants are valued at the market rate of the underlying equity shares discounted for dividend element, if any, and reduced by the exercise



price payable. In cases where the exercise price payable is higher than the value so derived, the value of warrants is taken as nil and where the exercise price is not available or the underlying equity is non traded/unlisted, such warrants are valued at cost.

V. Rights entitlements:

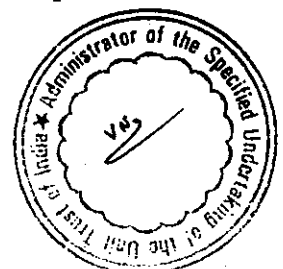
Rights entitlements for the shares are valued at the market price of the share, reduced by the exercise price payable, further discounted for dividend element, whenever applicable.

VI. Money Market Instruments:

Investments in Money Market Instruments are valued at cost plus accrued interest up to the valuation date.

VII. Unquoted / thinly traded Preference shares:

- i. In the absence of rating for Preference share, the ratings available for the debt instruments of a company is used for valuation.
- ii. Investment grade which are BBB – and above, are valued on Yield to Maturity (YTM) as per the rated given in CRISIL matrix / other rating agencies, with appropriate mark-up.
- iii. 'Unrated' and 'Below investment grade', preference shares are valued at a discount of 25% to the face value.
- iv. The cumulative convertible preference shares are valued as per the norms applicable for valuation of fully convertible debentures. If the details of conversion are not available, they are considered as ordinary preference shares and are valued accordingly.
- v. In case, dividend on preference is not received within 90 days, a discount of 15% is applied in the valuation. If the arrears continue for more than 1 year, the discount applied is 20%.
- vi. If the redemption value is not received within 90 days, 100% provision of the redemption receivable is made. If the redemption is



in parts and proceeds are not received within 90 days, in addition to the provision for redemption receivable, the discount as given above is applied on the balance.

- vii. If there exists provision against a preference share and any other asset issued by the company is NPA such preference shares are valued at zero.

VIII. Index / Stock Futures:

Investments in Index/ Stock Futures are valued at settlement price declared by the relevant Stock Exchange as on the valuation date.

IX. Index / Stock Options:

Investment in Index/ Stock Options are valued at the closing premium quote declared by the relevant Stock Exchange as on the valuation date.

G. Provision and Depreciation :

I. Provisions against the income considered doubtful :

- i. Provision is made in respect of outstanding interest income of the period prior to the date on which asset is classified as non-performing (NPA).
- ii. Income is not recognised once an asset is classified as non-performing (NPA) and income accrued on such assets is provided for.
- iii. Provision is made in respect of dividend, where it remains outstanding for more than 120 days from the ex-dividend date.

II. Depreciation in the value of investments:

The aggregate value of investments as computed in accordance with norms above is compared to the aggregate cost of such investments and the resultant depreciation, if any is charged to revenue account. In case such aggregate value exceeds the aggregate cost or the aggregate value as at the end of the previous year,



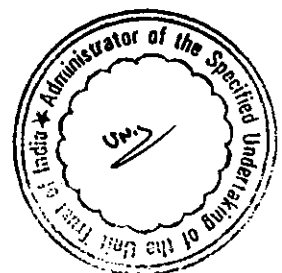
the appreciation is credited to revenue account to the extent depreciation was previously adjusted.

III. Provisions for non performing asset: (NPA)

- i. An "asset" is classified as non-performing, if the interest and/or principal amount have not been received or remained outstanding for one quarter, i.e. 90 days or more from the day such income/ installment has fallen due. Provision for such assets is made individually as stated in the table below from the date the asset is classified as NPA. Such provisions are not made for other performing assets of the same company.

<u>Asset remains NPA for More than or equal to</u>	<u>Percentage of Provision on cost</u>
90 days	10%
180 days	30%
270 days	50%
360 days	75%
450 days	100%

- ii. Principal repayment remaining outstanding on NPA is provided in full.
- iii. Provision for NPA is charged to Revenue Account
- iv. Provision made under Accounting Policy under G(I) is written back on receipt. Investment Provision made due to interest default and on first re-schedulement is written back after a period of two quarters. Investment provision made due to interest and principal default and on first re-schedulement is written back after a period of four quarters even though the asset is serviced regularly. Investment Provision on subsequent re-schedulement or restructuring (issue of a new paper) is written back after a period of eight quarters though asset is serviced regularly.



H. Inter scheme transactions (ISTs):

i. **Traded equity shares:** ISTs of traded securities are effected at the intra-day (spot price) as on the IST date and in its absence, at the latest closing market price available during the last 30 days.

ii. **Non-traded/Thinly traded/unlisted equity shares:**

ISTs in respect of these securities in case of a maturing scheme (i.e., scheme maturing within a period of 45 days from the date of IST) are effected at the transfer price arrived at by the following methods:

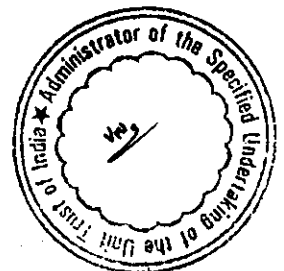
- a) If market quote is available in any recognised stock exchange for such equity, during a period of past 90 days as on IST date, the latest such market quote, discounted by 25% for illiquidity, is considered.
- b) Unquoted equity is valued at the fair value as per the methodology approved by the erstwhile Board of Trustees. The IST of unquoted equity is done at the fair value less discount of 50%.
- c) By calling for bids from other schemes and the IST is effected at the highest bid.
- d) If no scheme is willing to take, then the security is transferred to DRF at Re.0.01 per share.

Transfer of these securities in case of a non-maturing scheme are effected at Re.0.01 to DRF per share.

iii. **Debentures/bonds:**

- a) ISTs of traded debentures and bonds are effected as per Policy F II (a).
- b) ISTs of thinly traded/non-traded debentures, bonds, term loans and transferable notes are effected as per Policy F II (b).
- c) Transfer of NPA securities to DRF are effected at Rs.1.00 per security.

iv. ISTs of Government securities are effected as per policy F (III).



- v. Other investments- ISTs of other investments/assets are effected at the carrying cost of such investment.
- vi. Schemes borrowing funds, if any, internally pay interest at the approved rate.

I. Custodian:

Stock Holding Corporation of India (SHCIL) provides custodial services and their fees are accounted for on accrual basis.

J. Fixed Assets :

- i. Fixed Assets are stated at historical cost less accumulated depreciation, except in respect of land, buildings, premises and building improvements which are stated at revalued cost less accumulated depreciation. In the event of revaluation, the resultant surplus on revaluation is shown as revaluation reserve. Depreciation on the appreciated amount on account of revaluation is charged to Revaluation Reserve.
- ii. Depreciation is provided on the written down value method at the under mentioned rates except on those assets held for less than six months in the accounting year, where depreciation is provided at half the said rates:-

Building and ownership premises	5%
Furniture and Fixtures	10%
Office equipments, Building Improvements, Software, Computers & Motor Vehicles	33.33%
- iii. Leasehold land and premises are amortised equally over the period of lease.
- iv. Building improvements in leased premises are depreciated at 33.33% in case the lease period exceeds eight years. However, in case the lease period does not exceed eight years, the same is amortised over the period of lease and in case the lease is not renewed within the period of eight years, the balance unamortised amount is charged in the last year of lease.



- v. Fixed assets, which are installed and put to use, pending final settlement of liabilities are stated on an estimated basis. On final settlement depreciation is adjusted, from the date the asset is put to use.
- vi. On sale of Fixed Assets, the profit / loss arrived at after reducing the written down value of cost and appreciation of fixed asset on revaluation has been accounted in the Revenue account. The balance outstanding in revaluation reserve for assets sold has been transferred to General Reserve.

K. Reserve funds:

In accordance with the provisions of Section 25 B (1) of the erstwhile Unit Trust of India Act, 1963 the following funds had been created, which, though belonging to the ASUUTI, are accounted under the Unit Scheme 1964 Bonds as a matter of administrative convenience.

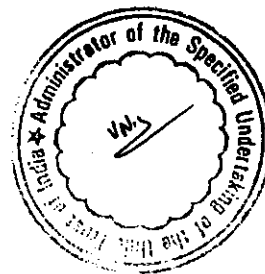
Development Reserve Fund (DRF):

A. Constitution:

The Fund was set up for developmental, research, promotional and any other activities of the Trust. The fund provides guarantee in respect of return/capital under certain schemes.

The Fund is built up by: -

- i. Contributions from
- schemes launched from 1st July, 1994 onwards, as per the respective scheme provisions.
 - for all other schemes, at the rates approved by the Board of Trustees of erstwhile UTI.
- ii. Management fees received from VECAUS III and accounted as income.



B. Operation:

- i. Income and expenses of the fund are accounted for on accrual basis.
 - ii. Investments are stated as per policy stated in E above.
 - iii. The fund mainly invest in the equity shares of companies promoted/co-promoted by the Trust.
 - iv. Two Years after closure of a scheme, at the end of the accounting year the residual assets are valued on the basis of market price, if available, otherwise as per the approved rates. The value so arrived at is adjusted against liabilities/provisions and the resultant net surplus/deficit is transferred to DRF. In case of pooled schemes this practice is followed two years after closure of the last scheme. Any claims in future against these schemes are charged to DRF. This policy is followed till 30/06/2002.
- C. The balances of Post redemption schemes where strategic equity is held on behalf of Government Of India , are shown under DRF, duly matched assets and liabilities.


D. Other Funds:-

Over the years, the Trust has established the following funds through contribution from the Development Reserve Fund:-

- i. Rajlakshmi Womens' Welfare Fund,
- ii. Senior Citizens' Welfare Fund,
- iii. Childrens' Welfare Fund,
- iv. Investors' Protection Fund.
- v. Asset Reconstruction Fund
- vi. General Fund
- vii. Staff Welfare Fund

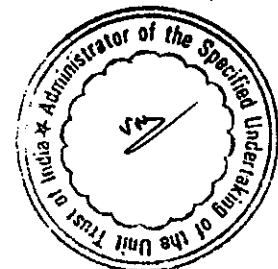
M. Income Distribution :

- i. Provision for income distribution on unit capital is made at rates approved by the Scheme Provisions/ Administrator.

For K. K. SONI & CO

Partner

11

21 DEC 2006



SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA

NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2006

Schedule "M"

1. The Unit Trust of India Act, 1963 has been repealed by the Government of India viz. "The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002". In exercise of the powers conferred under the Repeal Act, the Central Government vide its notification dated 15th January 2003 had notified 1st February 2003 as the "Appointed day" for the purpose of transfer and vesting the undertaking of the erstwhile UTI into two entities viz Specified Undertaking of Unit Trust Of India (SUUTI) and UTI Mutual Fund. These financial statements are drawn up for SUUTI, pursuant to the said Repeal Act.
2. The Books of Accounts of various matured / terminated schemes have been consolidated and merged into two separate schemes as per list attached at Annexure A. This consolidation has been done for administrative convenience, wherein 21 schemes where face value has been paid at the time of maturity has been merged into the scheme 'MATFV MIP' (including IISFUS and OMNI Schemes) and 13 schemes where maturity price was not the face value have been merged into 'MATNAV MIP'.
3. The Government of India announced limited repurchase facility at the specified assured prices for US 64 and financial package for assured return schemes. The difference between the net asset value (NAV) and the applicable repurchase / assured price has been compensated by the Government. This deficit has been accounted for as 'Inflow from GOI Special Packages' under the Unit Premium Reserve and the amount received in advance in respect of short fall is accounted under the head 'Sundry Creditors' in the case of US 64 and for other schemes the deficit shown under 'General Reserve' has been made up by the DRF which has accounted for all Govt. grant received as 'Grant Received from GOI'.
- 4.a. The accounts of 'US 64 Bonds' would consist of all the Assets and Liabilities of terminated US64 scheme as well as current transactions under US 64 Bonds. The Initial capital amounting to Rs. 5 crore and General Reserve of Rs. 3.55 crore shown in Sundry Creditors has been repaid to the Initial capital holders in August 2006. US 64 Bond capital includes Rs.1.96 crore of objection cases.



- b. The accounts of 'ARS Bonds' consists of all the Assets , Liabilities of foreclosed seven schemes CGGF 86, RUP 94, CGGF 99, RUP 99, BGVMIP, MIP 98 , MIP 99 and current transactions under ARS Bonds. ARS Bond includes Rs. 0.089 crore of objection cases. In case of CGGF -86 an amount of Rs. 42.10 crore has been accounted as 'repurchase payable to unitholders' representing the units, which though matured till the foreclosure date but not claimed by the unit holder.
- c. The application money received from the investors under various schemes amounting to Rs. 2.31 crore is yet to be capitalized. The application money is pertaining to previous years and is pending capitalization for want of investor details. During the year no fresh sales were open in any of the schemes.
- d. The Trust has provided collateral securities towards initial margin for trading in index future & option segment of NSE to National Securities Clearing Corporation Limited (NSCCL) comprised of equity shares of Rs. 15.52 crore (market value of Rs. 43.86 crore) as on 31.03.06. (previous year market value Rs. 28.76 crore) .
5. a. The unlisted /non traded preference shares costing Rs.45.45 crore have been valued at NIL which is not exactly in conformity with the accounting policy no. VII as in the opinion of the 'valuation committee' the said preference shares have very negligible residual value.
- b. The reconciliation of our Books of Accounts with the custodian (SHCIL) has revealed the following difference:-
- (i) Rs. 5.23 crore(cost) in equity shares, out of which for Rs.5.22 crore the share certificates have been received subsequently.
 - (ii) Rs. 1.11 crore(cost) in preference shares, out of which for Rs. 0.94 crore, the redemption proceeds are yet to be received.
 - (iii) Difference of Rs. 931.01 crore of face value in debentures and Bonds. Out of this for Rs. 577.49 crore the legal action is taken for recovery of dues and for Rs. 86.59 crore the confirmation/letter evidencing servicing of dues from company is available. Further for Rs. 157.42 crore, the companies have not issued security subsequent to restructuring and for Rs. 62.86 crore the redemption amount is not received. Other differences of Rs.46.65 crore are on account of



redemption proceeds not received, redemption receipts accounted subsequently in books or the companies are sick/liquidated etc.

6. Investments include,:

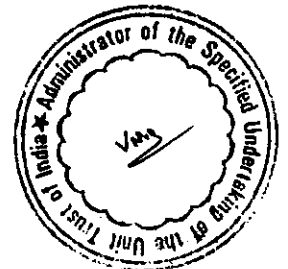
i) Shares costing Rs.2.18 crore (previous year Rs.2.99 crore) which were notified by the custodian appointed under the Special Court (TORTS) Act, 1992. Though the necessary formalities required for transfer of these shares have been completed by the Trust, the matter is still pending with the Stock Exchange/Office of the custodian; however petition has been filed in Special Court Mumbai for all the cases.

ii) Unsecured advances and loans extended from time to time as provided under sub section (3) of section 19 of the erstwhile UTI Act 1963;

iii) Equities and debts where the certificates are yet to be issued by the companies;

iv) Debt exposure in respect of which security creation is in process.

7. The reconciliation of Bank Accounts and Sundry, Suspense, Inter Office, Income Distribution, Repurchase accounts had revealed a large number of unreconciled entries in various schemes, outstanding in the books of account since the past many years. A provision of Rs 94.85 crores was made in the past after an exercise was done to identify the total unreconciled items outstanding in the bank reconciliation and sundry / suspense / other accounts. Subsequently, a task force was formed which visited most of the UFCs and put in best efforts to obtain necessary data from branches / banks / registrars etc. and clear the outstanding items in various accounts over a period of over two years. Although, the team was able to clear substantial number of entries there still remained a large number of entries, which could not be reconciled. Considering the time and efforts put in by the management and the fact that most of the outstanding entries were very old for which no data was available at the banks, registrars etc. the management has adjusted / written off / written back various outstanding entries, in Bank Accounts with Stale Cheque account, Unclaimed Income Distribution account and Profit & Loss Account and in the Sundry, Suspense and other accounts with the Provision and Profit & Loss Account, in various schemes as given in the tables below:



DETAILS OF ADJUSTMENT OF UNRECONCILED BANK ENTRIES			
SCHEME NAME	STALE CHEQUE ACCOUNT	UNCLAIMED ID ACCOUNT	WRITE OFF / (WRITE BACK)
US 64	21,011,644.81	38,642,138.53	
CGGF 86	19,278,828.11		
RUP-94	359,815.85		
MIP 95			(11,291,123.17)
DIP 91			(2,905,930.49)
MIP 96 (IV)		161,183.18	(13,575,294.45)
MIP 98 (V)	624,981.71	244,980.74	
CGGF 99	16,295,254.42		
RUP 99	723,298.25		
MIP 99 (1)	958,913.25		(1,001,367.33)
MIP 2001		68,055.94	1,348,934.01
MATNAV		21,070,377.41	(38,367,257.41)
MATFV	52,789,153.50	323,095.13	
total	112,041,889.90	60,509,830.93	(65,792,038.84)

DETAILS OF ADJUSTMENT OF SUNDRY / SUSPENSE ACCOUNT		
SCHEME NAME	WRITE OFF / (WRITE BACK) - PROVISION	REVENUE A/C
US 64		(3647688.69)
CGGF 86	195397.97	
RUP-94		(944867.53)
MIP 95		8455772.90
DIP 91		(6443695.27)
MIP 96(IV)	2516308.89	
MIP 98 (V)	282258.42	
CGGF 99		(77625.60)
RUP 99		(48653.37)
MIP 99 (I)		(2826938.93)
MIP 2001	125393.53	
MATNAV		(391361.70)
MATFV		(24081033.50)
GENERAL FUND		2532123.36
SWF		(3398432.10)
TOTAL	3119358.81	(30872400.43)

The management has also written off an amount of Rs 2.41 crores recoverable from unit holders relating to excess repurchase allowed under the Limited Repurchase Package announced for US 64. The management is in the process to obtain the data and reconcile the balance bank accounts and has retained the provision of Rs 94.56



crore (after adjusting balances in Sundry and Suspense accounts) in the accounts pending such reconciliation.

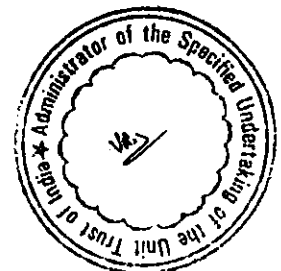
8. Following are the companies where SUUTI has substantial holding.

Name of the Company	% holding of SUUTI
UTI Securities Exchange Ltd.	sold in March 06,
UTI Technology Services Ltd.	100%
UTI Investment Advisory Services Ltd.	78.70%
UTI Bank Ltd.	27.72%
ASREC (India) Ltd.	39.29%
UTI Infrastructure And Services Ltd.	100%

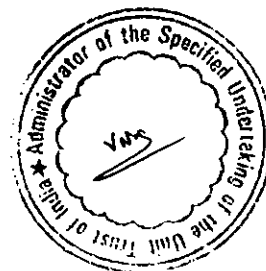
9. The Trust had received notices under the Wealth Tax Act relating to past years and raised demand for Rs. 3.84 crore for which the erstwhile Trust preferred an appeal with Commissioner of wealth Tax that was allowed by him. Subsequent appeal by the department with Income Tax Appellate Tribunal was dismissed as the appeals had been filed by the Wealth Tax Authorities without obtaining permission of their department (which is mandatory). Subsequently, the Wealth Tax Authorities have got the permission, however, no fresh notice for restoration of Appeals has either been received by us or by Advocate.

10. Under the provisions of Interest Tax Act 1974, the Trust received notices under section 10A in respect of chargeable interest tax for the assessment years 1992-93 and for subsequent assessment years up to 1999-2000. The Trust filed a Writ Petition against the levy of interest tax before the Hon'ble Bombay High Court. The Hon'ble High Court under its order dated 19th April 2001 held these notices as invalid and accordingly set aside the same.

Subsequently, the central Board of Direct taxes filed Special Leave Petition before the Hon'ble Supreme Court of India against the orders of the Hon'ble High Court of Bombay. Although Special Leave Petition was admitted, but no interim relief was granted to CBDT. Since the matter is still pending before the Hon'ble supreme Court the liability arising on account of chargeable interest tax can not be determined.



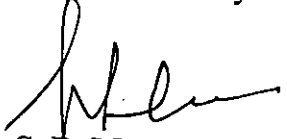
11. A fire had occurred in the premises of Zonal and Branch offices of Erstwhile UTI at Calcutta on 07/11/1998, resulting in total damage of property, furniture, fixtures etc. Against this loss UTI preferred a total claim of Rs. 10.75 crore against National Insurance Company Ltd. by filing a suit for decree before the Hon'ble High Court of Calcutta in the year 2001. The insurer paid a sum of Rs. 3.03 crore indicating full and final settlement on the basis of the interim order. The matter is still pending final adjudication before the Hon'ble High Court. The outstanding amount of Rs. 8.12 crore is shown under Suspense a/c – Dead stock damaged in fire and Rs.5.41 crore representing the depreciation on the above is lying under 'Sundry deposit a/c depreciation on dead stock damaged in fire'.
12. The Trust in the case of reschedulement of loans has depicted the entire existing provision as write back. Simultaneously, a charge has been made against the revenue based on agreed parameters of reschedulement. The correct practice would depict the net addition / write back in provision in the Revenue Accounts. Necessary exercise will be carried out on a case to case basis. However, there is no financial impact on the net excess / deficit of income over expenditure.
13. The work relating to management and maintenance of property belonging to SUUTI and related matters has been outsourced to UTI Infrastructure and Services Limited (Company), a 100% subsidiary of SUUTI. The company is yet to enter into formal agreement with SUUTI relating to the scope of work and related services.
- The formalities relating to documentation for various properties under the ownership/ possession of SUUTI is yet to be completed, the amount of which is not ascertainable at this stage. It is in the process to update & reconcile its records and books relating to properties under possession and ownership of SUUTI and for expenses and income accrued on such.
 - SUUTI has given the properties on lease to various companies, however the formal agreements with lessees are yet to be entered, and accrue & recover rent/ other expenses from various associates/ subsidiaries and other parties for which details are being compiled.
 - During the year, SUUTI has sold various properties, formalities relating to transfer/ sale of properties in few cases, is yet to be completed.



14. Contingent Liabilities not provided for cases pending with Consumer Forum is Rs.9.41 crore.

15. The figures are regrouped / reclassified wherever necessary.


IMTAIYAZUR RAHMAN
Chief Finance Officer


S. B. MATHUR
Administrator

For and on behalf of
K K SONI & Co.
CHARTERED ACCOUNTANTS


K K SONI
Partner

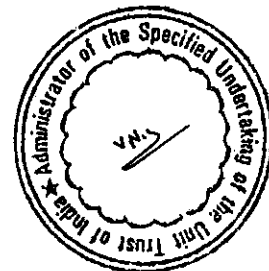
MUMBAI
DATED : 21 DEC 2006



Annexure - A

	New Scheme Name-MATNAVMIP
	schemes merged
1	UGS 2000
2	MEP 91
3	UGS 5000
4	MEP 92
5	MIP 94 III
6	MIP 95 II
7	DIUP 95
8	MIP 95 III
9	MIP 96
10	MIP 96 II
11	EOF 96
12	MIP 96 III
13	MIP 2000 III

	New Scheme Name- MATFVMIP
	schemes merged
1	OMNI
2	IISFUS 95
3	IISFUS 96
4	IISFUS 97
5	IISFUS 97 II
6	IISFUS 98
7	IISFUS 98 II
8	RUS 92
9	MIP 97
10	MIP 97 II
11	MIP 97 III
12	MIP 97 IV
13	MIP 97 V
14	MIP 98
15	NRI FUND
16	MIP 98 II
17	MIP 98 III
18	MIP 98 IV
19	MIP 99 II
20	MIP-2000
21	MIP 2000 II



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
BALANCE SHEETS AS AT 31ST MARCH, 2006

	Rupees in Lakhs	
	31.03.2006	31.03.2005
UNIT SCHEME 64 BONDS		
LIABILITIES		
CAPITAL.....'A'	848,702.09	848,745.02
RESERVES AND SURPLUS.....'B'	250,333.93	156,492.76
CURRENT LIABILITIES AND PROVISIONS.....'C'	70,018.84	125,904.12
SIZE OF DEVELOPMENT RESERVE FUND	292,659.90	94,318.27
CURRENT LIABILITIES AND PROVISIONS OF DRF	8,673.61	36,699.20
LIABILITIES OF POST REDEMPTION SCHEMES UNDER DRF	68,420.06	73,235.70
DEVELOPMENT RESERVE FUND.....'D'	369,763.57	204,254.17
SIZE OF OTHER FUNDS	70,101.19	71,206.83
CURRENT LIABILITIES AND PROVISIONS OF OTHER FUNDS	3,477.59	2,499.46
OTHER FUNDS.....'E'	73,578.78	73,706.09
TOTAL LIABILITIES	1,612,397.21	1,409,102.16
ASSETS		
INVESTMENTS.....'F'	438,340.64	662,891.37
DEPOSITS.....'G'	487,761.73	192,406.88
CURRENT ASSETS.....'H'	217,536.46	211,606.27
FIXED ASSETS.....'I'	45,426.03	64,239.38
ASSETS OF DEVELOPMENT RESERVE FUND	301,333.51	131,018.47
ASSETS OF POST REDEMPTION SCHEMES UNDER DRF	68,420.06	73,235.70
TOTAL ASSETS OF DEVELOPMENT RESERVE FUND.....'J'	369,763.57	204,254.17
ASSETS OF OTHER FUNDS.....'K'	73,578.78	73,706.09
DEFERRED REVENUE EXPENDITURE.....'L'		
TOTAL ASSETS	1,612,397.21	1,409,102.16

NOTES TO ACCOUNTS.....'M'

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants



K K SONI
Partner

Mumbai
Dated :

10 DEC 2006

(Signature)
S.B. MATHUR
Administrator



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
 REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	CURRENT YEAR	PREVIOUS YEAR
INCOME		
DIVIDEND	9,390.01	18,046.92
INTEREST	75,815.48	31,404.01
PROFIT ON INTER SCHEME SALE OF INVESTMENTS	128,876.30	4.43
PROFIT ON SALE/REDEM. OF INV'T OTHER THAN 1ST OTHER INCOME	-	165,612.83
PRIOR PERIOD ADJUSTMENTS - INCOME	5,908.66	2,222.56
PROV FOR DOUBTFUL INCOME PR YR WRITTEN BACK	598.14	264.96
PROV TOWARDS DOUBTFUL INV'T. & DEP WRITTEN BACK	4.17	3,916.17
COST OF INVESTMENTS WRITTEN BACK DURING YR	189.40	3,747.36
PROV FOR DEPR IN VALUE OF INV WRITTEN BACK	73.24	20.73
PROV FOR O/S ITEM RECO WRITTEN BACK	102.74	7,578.22
PROV TOWARDS DOUBTFUL INV & DEP WRITTEN BACK	-	425.26
SUB TOTAL (A)	220,947.17	233,243.45
LESS:PROV FOR INCOME CONSIDERED DOUBTFUL	182.74	725.90
LESS:PROV TOWARDS DOUBTFUL INV'T. & DEP.	216.71	3,730.27
LESS:COST OF INV'TS WRITTEN DOWN/OFF DURING YR	0.11	0.01
LESS:PROV FOR DEPR IN THE VALUE OF INVESTMENT	-	-
SUB TOTAL (B)	378.56	4,486.18
TOTAL (A-B)	220,568.61	228,757.27



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2004 TO 31ST MARCH, 2006 (Contd.)

		UNIT SCHEME 64 BONDS	
		CURRENT YEAR	PREVIOUS YEAR
EXPENDITURE			
SALARIES/ALLOWANCES, CONTR TO PF & GRATUITY		4.91	
OFFICE EXPENSES		5,900.17	2,841.70
PUBLICITY EXPENSES		166.56	207.76
COMMISSION TO AGENTS		(5.06)	0.04
STAMP FEES, CUSTODIAL, REGISTRAR & BANK CHGS		1,870.10	1,558.48
AUDITORS' FEES (ALLOCATED)		25.24	
DEFERRED REVENUE EXPENSES WRITTENOFF			
CONTRIBUTION TO DEVELOPMENT RESERVE FUND			
CONTRIBUTION FOR STAFF WELFARE FUND			
CONTRIBUTION TO GENERAL FUND			
AMC FEES			
DEPRECIATION ON FIXED ASSETS		9,083.11	
PRIOR PERIOD ADJUSTMENTS - EXPENSES		1,232.93	7,383.02
LESS: SERVICE CHARGES RECOVERED		(120.44)	1,884.21
SUB TOTAL (A)		18,167.82	(5.51)
ADD : INTEREST PAID		1,320.19	13,878.72
ADD : LOSS ON INTER SCHEME SALE OF INVTS		1,320.19	1,592.12
ADD: LOSS ON SALE/REDEM OF INVTS OTHER THAN 1ST		1,735.97	1,692.12
ADD : PROVISION FOR OUTSTANDING ITEMS IN REGOS.		47,279.75	2,198.01
SUB TOTAL (B)		51,418.80	101.21
SUB TOTAL (C)		2,403.08	66,690.17
TOTAL (A+B+C)		88,286.13	1,600.86
EXCESS OF INCOME OVER EXPENDITURE		182,301.48	70,590.25
TOTAL		220,587.61	82,647.86
		146,939.42	228,787.27

Rupees in Lakhs



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE APPROPRIATION ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	CURRENT YEAR	PREVIOUS YEAR
REVENUE APPROPRIATION ACCOUNT		
BALANCE AS PER LAST BALANCE SHEET		
EXCESS OF INCOME OVER EXPENDITURE	152,301.48	145,038.42
ADD/LESS: PRIOR PERIOD PREMIUM / ADJUSTMENTS	2.08	1.35
TOTAL	152,303.56	145,040.77
INCOME DISTRIBUTION FOR THE YEAR		
INCOME DISTRIBUTION FOR PRIOR YEARS	57,284.83	77,295.64
APPRECIATION PAID ON PREMATURE WITHDRAWAL	0.01	0.16
PREMIUM COLLECTED/PAID ON SALE/REPURCHASE	-	-
BALANCE TRANSFERRED TO G RESERVE-1 CAPITAL	-	-
BALANCE TRANSFERRED TO GENERAL RESERVE	95,018.70	68,644.97
TOTAL	152,303.54	145,940.77

Statement of Significant Accounting Policies forms an Integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner

Mumbai
Dated: 21 DEC 2006

IMTAJAZUR RAHMAN
Chief Finance Officer

S.B. MATHUR
Administrator



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

Rupees In Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'A'			
CAPITAL			
INITIAL CAPITAL(1000 CERTIFICATE OF RS 50000)			
BOND CAPITAL		848,702.09	848,745.02
APPLICATION MONEY ON SALE OF UNITS			
TOTAL		848,702.09	848,745.02
SCHEDULE 'B'			
RESERVES AND SURPLUS			
UNIT PREMIUM RESERVE			
BALANCE AS PER THE LAST BALANCE SHEET (UPR)		(279,478.25)	(279,505.60)
PREM COLLECTED/(PAID) DURING THE YEAR(NET)		76.75	30.20
INFLOW FROM GOI SPECIAL PACKAGES		(74.19)	(2.89)
SUB TOTAL (A)		(279,475.69)	(279,478.29)
LESS: TRANSFERRED TO US 2002			
SUB TOTAL (B)			
TOTAL (A - B)		(279,475.69)	(279,478.29)
FIXED ASSETS REVALUATION RESERVE			
BAL AS PER LAST B. SHEET (REVALUATION RESERVE)		41,102.36	43,835.64
LESS: TRANSFERRED TO DEPRECIATION ON FIXED ASSETS		1,374.48	1,780.82
LESS: TRANSFERRED TO GENERAL RESERVE		8,735.28	1,289.02
ADD: PRIOR YEARS' ADJUSTMENT		194.39	336.56
TOTAL		33,186.99	41,102.38



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		31.03.2006	31.03.2005
		UNIT SCHEME 84 BONDS	
SCHEDULE 'B' (Contd.)			
GENERAL RESERVE			
GENERAL RESERVE RELATING TO INITIAL CAPITAL			
BALANCE AS PER LAST BALANCE SHEET (G.R.-I CAP)			
TRANSFERRED FROM REVENUE APPROPRIATION ACT			
TOTAL(A)			
GENERAL RESERVE ON UNIT CAPITAL			
BALANCE AS PER LAST BALANCE SHEET:		394,888.65	324,834.83
TRANSFERRED FROM REVENUE APPROPRIATION ACT		95,018.70	68,644.97
PREMIUM COLLECTED/(PAID) DURING THE YEAR(NET)			
TRANSFERRED FROM FIXED ASSET REVALUATION RES.		6,735.28	1,289.02
SUB TOTAL (B)		496,622.63	394,888.82
LESS:ADJUSTMENT/ALLOTMENT OF BONUS UNITS			(0.03)
SUB TOTAL (B)			(0.03)
TOTAL (B) = (A - B)		496,622.63	394,888.85
TOTAL (A+B)		250,333.93	156,492.76
GRAND TOTAL			
SCHEDULE 'C'			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
SUNDRY CREDITORS-OTHERS		16,189.74	36,887.76
SHORTFALL AMOUNT PAYABLE TO UNITHOLDERS		-	-
APPLICATION MONEY PENDING SCRUTINY		61.17	74.89
CONTRACTS FOR PURCHASE OF INVESTMENTS		187.49	-
BANK BALANCES		14.43	1,888.54
BANK BORROWING		-	-
UNCLAIMED INCOME DISTRIBUTION		8,917.21	9,400.79
DIFFERENCE IN INTER OFFICE BALANCE(NET)		-	-
DUES TO OTHER SCHEMES(NET)		-	-
PAYABLE TO DEVELOPMENT RESERVE FUND		-	-
TOTAL (A)		25,389.04	37,421.13
			85,773.20

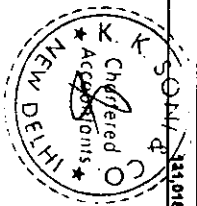


ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'C' (Contd.)			
PROVISIONS			
PROV FOR OS & ACC INCOME CONSIDERED DOUBTFUL		324.24	165.67
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS		3,428.55	3,401.23
PROV FOR DEPN IN THE VALUE OF INVESTMENTS			
PROVISION FOR OUTSTANDING ITEMS IN RECONCILIATI		13,211.64	10,960.16
PROVISION FOR INCOME DISTRIBUTION		27,674.37	25,703.66
	TOTAL (B)	44,638.80	40,130.32
	TOTAL (A)+(B)	70,018.84	125,804.12
SCHEDULE 'D'			
DEVELOPMENT RESERVE FUND			
BALANCE AS PER LAST BALANCE SHEET		94,319.27	2,514.75
CONTRIBUTION / ADJUSTMENT DURING THE YEAR		244.48	454.77
MANAGEMENT / PERFORMANCE FEES RECEIVED FROM VEC/CAUS		68.10	32.50
MANAGEMENT FEES RECEIVED FROM OFFSHORE FUNDS			
INCOME/INTEREST RECEIVED DURING THE YEAR		198,916.28	91,595.78
	SUB TOTAL 'A'	293,648.13	94,697.80
LESS: UTILISATION DURING THE YEAR		888.23	278.53
	SUB TOTAL 'B'	888.23	278.53
	SIZE OF DEVELOPMENT RESERVE FUND SUB TOTAL C=A-B	292,759.90	94,419.27
CURRENT LIABILITIES & PROVISIONS			
CURRENT LIABILITIES			5,985.95
BANK BALANCES		6,481.46	0.42
PAYABLE TO SCHEMES FOR SHORTFALL AMOUNT		0.61	3,334.17
BANK BORROWING.			6,631.96
GRANT RECEIVED FROM GOI		2,174.97	
GOI SPECIAL BONDS			20,525.30
DUES TO OTHER SCHEMES		16.54	21.40
PROVISION FOR OUTSTANDING ITEMS IN RECO			
	CURRENT LIAB. AND PROVN. OF DRP-SUB TOTAL 'D'	8,673.61	35,659.20
	TOTAL X = (C+D)	301,333.61	341,018.47



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
Rupees in Lakhs		
SCHEDULE 'D' (Contd.)		
LIABILITIES OF POST REDEMPTION SCHEMES UNDER DRP		
(1) POST REDEMPTION MIP 97 IV		
GENERAL RESERVE AS PER LAST BALANCE SHEET	2,777.21	2,072.54
GENERAL RESERVE TRANSFER - PARENT SCHEME	525.84	705.42
INCOME/INTEREST RECEIVED DURING THE YEAR	(118.49)	(0.75)
UTILISATION OF FUND		
SUB TOTAL (a)	3,184.56	2,777.21
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.17	0.05
DUES TO OTHER SCHEMES	282.69	0
PAYABLE TO GOVERNMENT OF INDIA	4058.18	4058.18
PAYABLE TO DEVELOPMENT RESERVE FUND		942.48
SUB TOTAL (b)	4,361.04	5,010.71
TOTAL '1' = (a+b)	7,536.60	7,787.92
(2) POST REDEMPTION MIP 97 V		
GENERAL RESERVE AS PER LAST BALANCE SHEET	1,596.43	1,428.98
GENERAL RESERVE TRANSFER - PARENT SCHEME	341.52	167.73
INCOME/INTEREST RECEIVED DURING THE YEAR	(32.00)	(0.16)
UTILISATION OF FUND		
SUB TOTAL (a)	1,905.95	1,596.43
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.00	0
PAYABLE TO GOVERNMENT OF INDIA	1179.37	1179.37
PAYABLE TO DEVELOPMENT RESERVE FUND	0.00	273.22
SUB TOTAL (b)	1,179.37	1,452.59
TOTAL '2' = (a+b)	3,085.32	3,049.02



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME #4 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'D' (Contd.)		
(3) POST REDEMPTION NIP #4 IV		
GENERAL RESERVE AS PER LAST BALANCE SHEET	714.48	468.11
GENERAL RESERVE TRANSFER - PARENT SCHEME	-	-
INCOME/INTEREST RECEIVED DURING THE YEAR	109.58	247.72
UTILISATION OF FUND	(7.67)	(1.35)
SUB TOTAL (a)	816.39	714.48
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.23	0.11
PROV FOR OS & ACC INCOME CONSIDERED DOUBTFUL	193.45	198.17
PROV FOR DEPN IN THE VALUE OF INVESTMENTS	0.04	0.04
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	2742.20	2743.61
SUB TOTAL (b)	2,936.92	2,942.93
TOTAL '3' = (a+b)	3,752.31	3,657.41
(4) POST REDEMPTION DIP #1		
GENERAL RESERVE AS PER LAST BALANCE SHEET	2,176.16	2,082.72
GENERAL RESERVE TRANSFER - PARENT SCHEME	(1,095.28)	-
INCOME/INTEREST RECEIVED DURING THE YEAR	816.27	93.82
UTILISATION OF FUND	(20.05)	(0.36)
SUB TOTAL (a)	1,877.09	2,176.16
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.03	0.02
PROV FOR OS & ACC INCOME CONSIDERED DOUBTFUL	53.08	69.26
PROVISION FOR OUTSTANDING ITEMS IN RECONCILIATIONS	0.08	0.08
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	1064.74	1107.49
SUB TOTAL (b)	1,117.93	1,176.86
TOTAL '4' = (a+b)	3,095.02	3,353.01



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'D' (Contd.)		
(9) POST REDEMPTION IISFUS #7 (II)		
GENERAL RESERVE AS PER LAST BALANCE SHEET	323.89	84.45
INCOME/INTEREST RECEIVED DURING THE YEAR	172.82	240.10
UTILISATION OF FUND	(90.53)	(0.86)
SUB TOTAL (a)	406.18	323.69
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.28	0.09
DUES TO OTHER SCHEMES	38.31	
PAYABLE TO GOVERNMENT OF INDIA	2,291.85	2,281.85
PAYABLE TO DEVELOPMENT RESERVE FUND		530.94
SUB TOTAL (b)	2,331.45	2,822.88
TOTAL 'c' = (a+b)	2,737.63	3,146.57
(9) POST REDEMPTION MIP #6		
GENERAL RESERVE AS PER LAST BALANCE SHEET	3,337.28	2,392.44
INCOME/INTEREST RECEIVED DURING THE YEAR	712.23	947.24
UTILISATION OF FUND	(170.89)	(2.40)
SUB TOTAL (c)	3,878.63	3,337.28
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.27	0.08
DUES TO OTHER SCHEMES	938.71	
PAYABLE TO GOVERNMENT OF INDIA	5907.04	5907.04
PAYABLE TO DEVELOPMENT RESERVE FUND	0.00	1,298.99
SUB TOTAL (d)	6,547.02	6,906.11
TOTAL 'e' = (c+d)	10,426.86	10,243.59



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	31.03.2006	31.03.2005
UNIT SCHEME 64 BONDS		
SCHEDULE 'D' (Contd.)		
(7) POST REDEMPTION IISFUS 98		
GENERAL RESERVE AS PER LAST BALANCE SHEET	1,437.17	689.03
INCOME/INTEREST RECEIVED DURING THE YEAR	827.21	771.07
UTILISATION OF FUND	(177.77)	(2.83)
SUB TOTAL (a)	2,086.61	1,457.17
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.35	0.09
PAYABLE TO GOVERNMENT OF INDIA	3,750.87	3,750.87
PAYABLE TO DEVELOPMENT RESERVE FUND	-	898.87
SUB TOTAL (b)	3,751.22	4,619.83
TOTAL 7* = (a+b)	5,837.83	6,087.10
(8) POST REDEMPTION IISFUS 98 II		
GENERAL RESERVE AS PER LAST BALANCE SHEET	465.96	214.98
INCOME/INTEREST RECEIVED DURING THE YEAR	828.16	252.75
UTILISATION OF FUND	(96.57)	(1.77)
SUB TOTAL (c)	1,207.55	466.96
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.23	0.07
PAYABLE TO GOVERNMENT OF INDIA	2,837.35	2,837.35
PAYABLE TO DEVELOPMENT RESERVE FUND	-	657.33
SUB TOTAL (d)	2,837.58	3,494.75
TOTAL 8* = (c+d)	4,045.13	3,960.71

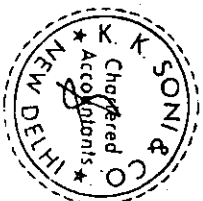


ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	31.03.2006	31.03.2005
UNIT SCHEME 64 BONDS		
SCHEDULE 'D' (Contd.)		
(9) POST REDEMPTION MIP 98 III		
GENERAL RESERVE AS PER LAST BALANCE SHEET	1,149.14	164.44
INCOME/INTEREST RECEIVED DURING THE YEAR	372.98	996.89
UTILISATION OF FUND	(164.71)	(1.99)
SUB TOTAL (a)	1,357.41	1,149.34
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.38	0.1
PAYABLE TO GOVERNMENT OF INDIA	4,664.19	4,664.19
PAYABLE TO DEVELOPMENT RESERVE FUND		1,090.56
SUB TOTAL (b)	4,664.57	5,754.85
TOTAL 'D' = (a+b)	6,021.98	6,893.99
(10) POST REDEMPTION MIP 98 IV		
GENERAL RESERVE AS PER LAST BALANCE SHEET	470.79	(172.33)
INCOME/INTEREST RECEIVED DURING THE YEAR	(436.90)	646.24
UTILISATION OF FUND	(134.32)	(3.12)
SUB TOTAL (a)	(100.43)	470.79
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	0.30	0.16
PAYABLE TO GOVERNMENT OF INDIA	5,629.96	5,629.96
PAYABLE TO DEVELOPMENT RESERVE FUND		1,304.30
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	245.52	505.31
SUB TOTAL (b)	6,875.78	7,439.73
TOTAL 'D' = (a+b)	5,775.35	7,910.52



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'D' (Contd.)		
(11) POST REDEMPTION NRI FUND		
GENERAL RESERVE AS PER LAST BALANCE SHEET	1.46	(0.20)
INCOME/INTEREST RECEIVED DURING THE YEAR	3.97	1.75
UTILISATION OF FUND	(1.10)	(0.09)
SUB TOTAL (a)	4.33	1.46
CURRENT LIABILITIES & PROVISIONS		
DUES TO OTHER SCHEMES:		
SUNDRY CREDITORS-OTHERS	9.31	-
PAYABLE TO GOVERNMENT OF INDIA	58.88	58.88
PAYABLE TO DEVELOPMENT RESERVE FUND		13.64
SUB TOTAL (b)	68.19	72.52
TOTAL '11' = (a+b)	72.52	73.98
(12) POST REDEMPTION RSFUS 98 II		
GENERAL RESERVE AS PER LAST BALANCE SHEET	142.98	(4.11)
INCOME/INTEREST RECEIVED DURING THE YEAR	1,069.17	150.82
UTILISATION OF FUND	(107.38)	(3.73)
SUB TOTAL (b)	1,104.77	142.98
CURRENT LIABILITIES & PROVISIONS		
DUES TO OTHER SCHEMES:		
SUNDRY CREDITORS-OTHERS	0.31	0.09
PAYABLE TO GOVERNMENT OF INDIA	5,835.42	5,835.41
PAYABLE TO DEVELOPMENT RESERVE FUND		1,351.80
SUB TOTAL (b)	5,835.73	7,187.40
TOTAL '12' = (a+b)	6,940.50	7,330.38



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	31.03.2006	31.03.2005
SCHEDULE 'D' (Contd.)		
(19) POST REDEMPTION MIP 99 (U)		
GENERAL RESERVE AS PER LAST BALANCE SHEET	64.43	-
INCOME/INTEREST RECEIVED DURING THE YEAR	140.78	64.98
UTILISATION OF FUND	(49.48)	(0.55)
SUB TOTAL (a)	155.73	64.43
CURRENT LIABILITIES & PROVISIONS		
DUES TO OTHER SCHEMES..	496.18	-
SUNDRY CREDITORS-OTHERS	0.19	0.05
PROVISION FOR OUTSTANDING & ACCRUED INCOME CONSIDERED DOUBTFUL	-	0.17
PAYABLE TO GOVERNMENT OF INDIA	3,882.34	3,882.34
PAYABLE TO DEVELOPMENT RESERVE FUND	-	899.42
SUB TOTAL (b)	4,378.71	4,781.98
TOTAL '19' = (a+b)	4,534.44	4,846.41
(14) POST REDEMPTION MIP 2000		
GENERAL RESERVE AS PER LAST BALANCE SHEET	75.21	-
INCOME/INTEREST RECEIVED DURING THE YEAR	147.92	78.08
UTILISATION OF FUND	(96.04)	(0.87)
SUB TOTAL (a)	187.09	78.21
CURRENT LIABILITIES & PROVISIONS		
DUES TO OTHER SCHEMES..	436.05	-
SUNDRY CREDITORS-OTHERS	0.28	0.07
PAYABLE TO GOVERNMENT OF INDIA	3,937.75	3,937.75
PAYABLE TO DEVELOPMENT RESERVE FUND	-	812.26
SUB TOTAL (b)	4,374.09	4,860.08
TOTAL '14' = (a+b)	4,561.18	4,926.29
Liab. of Post Redemption Schemes Under Div. Y Total '1' to '14'		
	66,420.06	79,256.70
Development Reserve Fund		
	389,733.67	204,264.17



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 1E		
OTHER FUNDS		
(A) RAJLAKSHMI WOMEN'S WELFARE FUND(RWFF)		
BALANCE AS PER LAST BALANCE SHEET	500.95	451.28
TRANSFERRED FROM DRF	25.00	25.00
INCOME EARNED DURING THE YEAR	31.77	24.71
UTILISATION OF FUND		(0.02)
SIZE OF THE FUND - SUB TOTAL (a)	587.72	600.98
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	-	-
PROV FOR OS & ACC INCOME CONSIDERED DOUBTFUL	-	-
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	9.34	9.34
SUB TOTAL (b)	9.34	9.34
TOTAL 'A' = (a+b)	597.06	610.32
(B) SENIOR CITIZENS' WELFARE FUND (SCWF)		
BALANCE AS PER LAST BALANCE SHEET	457.20	409.78
TRANSFERRED FROM DRF	25.00	25.00
INCOME EARNED DURING THE YEAR	28.90	22.44
UTILISATION OF FUND		(0.02)
SIZE OF THE FUND - SUB TOTAL (a)	511.10	457.20
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	-	-
PROV FOR OS & ACC INCOME CONSIDERED DOUBTFUL	-	-
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	8.33	8.32
SUB TOTAL (b)	8.33	8.32
TOTAL 'B' = (a+b)	519.43	465.52

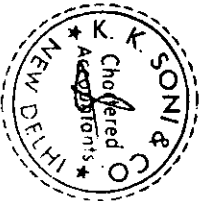


ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		31.03.2006	31.03.2005
UNIT SCHEME 64 BONDS			
SCHEDULE 'E' (Contd.)			
(C) CHILDREN'S WELFARE FUND (CWF)			
BALANCE AS PER LAST BALANCE SHEET		397.26	382.59
TRANSFERRED FROM DRF		25.00	25.00
INCOME EARNED DURING THE YEAR		58.67	(10.31)
UTILISATION OF FUND		-	(0.02)
	SIZE OF THE FUND - SUB TOTAL (a)	478.93	397.26
CURRENT LIABILITIES & PROVISIONS			
SUNDRY CREDITORS-OTHERS		-	-
PROV FOR O/S & ACC INCOME CONSIDERED DOUBTFUL		7.65	-
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS		7.65	30.60
	SUB TOTAL (b)	7.65	30.60
	TOTAL 'C' = (a+b)	486.58	427.86
(D) INVESTORS' PROTECTION FUND (IPF)			
BALANCE AS PER LAST BALANCE SHEET		254.66	255.13
TRANSFERRED FROM DRF		-	-
INCOME EARNED DURING THE YEAR		15.99	13.57
UTILISATION OF FUND		(29.50)	(14.04)
	SIZE OF THE FUND - SUB TOTAL (a)	241.15	254.66
CURRENT LIABILITIES & PROVISIONS			
SUNDRY CREDITORS-OTHERS		-	-
PROV FOR O/S & ACC INCOME CONSIDERED DOUBTFUL		-	-
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS		-	-
	SUB TOTAL (b)	-	-
	TOTAL 'D' = (a+b)	241.15	254.66

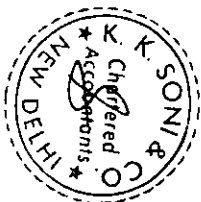


ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'E' (Contd.)		
(E) STAFF WELFARE FUND (SWF)		
BALANCE AS PER LAST BALANCE SHEET	18,018.16	17,724.27
CONTRIBUTION RECEIVED DURING THE YEAR	293.67	985.96
NET INCOME DURING THE YEAR	101.33	695.07
UTILISATION DURING THE YEAR		
SIZE OF THE FUND - SUB TOTAL (E)	19,210.60	18,018.16
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS	109.20	756.31
BANK BALANCES	1,155.27	501.09
PROV FOR DEPN IN THE VALUE OF INVESTMENTS		
SUB TOTAL (E)	1,264.47	1,257.40
TOTAL 'E' = (E++)	19,475.87	19,275.66
(F) ASSET RECONSTRUCTION FUND (ARF)		
BALANCE AS PER LAST BALANCE SHEET	51,578.40	29,288.55
INCOME EARNED DURING THE YEAR	(1,287.05)	22,406.63
TRANSFERRED TO DRF		
UTILISATION OF FUND	(179.59)	(116.79)
SIZE OF THE FUND - SUB TOTAL (F)	50,109.79	51,578.40
CURRENT LIABILITIES & PROVISIONS		
SUNDRY CREDITORS-OTHERS	1,807.33	(71.55)
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	94.48	187.45
PROVISION FOR OUTSTANDING ITEMS IN RECONCILIATIONS	101.14	113.25
SUB TOTAL (F)	2,102.95	229.15
TOTAL 'F' = (F++)	62,204.74	61,807.65



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		UNIT SCHEME 14 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'E' (Contd.)			
(g) EMPLOYEES' MEDICAL ASSISTANCE FUND (EMAF)			
BALANCE AS PER LAST BALANCE SHEET (M.A.F)		-	5.18
CONTRIBUTION TO EMP. MEDICAL ASSISTANCE FUND		-	1.82
LESS: UTILISATION DURING THE YEAR - E.M.A.F.		-	6.80
SIZE OF THE FUND - TOTAL 'G'			
(h) GENERAL FUND			
BALANCE AS PER LAST BALANCE SHEET		-	-
CONTRIBUTION RECEIVED DURING THE YEAR		-	-
INCOME/INTEREST RECEIVED DURING THE YEAR		(79.04)	(132.39)
UTILISATION OF FUND		0.46	(9.63)
EXPENSES CHARGED TO STAFF WELFARE FUND		78.58	142.02
SIZE OF THE FUND - SUB TOTAL 'H'			
CURRENT LIABILITIES & PROVISIONS			
BANK BALANCES		-	6.35
DUES TO OTHER SCHEMES.		65.94	846.15
SUNDRY CREDITORS-OTHERS		17.13	22.15
EMPLOYEES' VOLUNTARY HEALTH SCHEME		0.78	59.45
DIFFERENCE IN INTER OFFICE BALANCES		-	30.55
PROVISION FOR GRATUITY		-	-
PROVISION FOR LEAVE ENCASHMENT		-	-
PROVISION FOR PENSION		-	-
SUB TOTAL 'B'		83.85	964.65
TOTAL 'H' = (G+H)		83.85	964.65
SIZE OF OTHER FUNDS - TOTAL 'I'		70,101.19	71,206.53
CURRENT LIAB. & PROVN. OF OTHER FUNDS-TOTAL 'I'		3,477.59	2,499.46
OTHER FUNDS TOTAL (A+B+C+D+E+F+G+H+I)		73,578.78	73,706.09

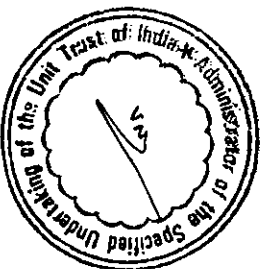


ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'F'			
INVESTMENTS			
CENTRAL/STATE GOVT SECURITIES/CERTIFICATES		11,584.71	109.02
DEBENTURES AND BONDS		84,859.18	79,571.05
PREFERENCE SHARES		1,955.40	2,191.43
EQUITY SHARES		339,931.35	580,935.23
TERM LOANS			84.64
TOTAL		438,340.64	662,891.37
QUOTED (AT COST)		284,748.29	433,932.70
UNQUOTED (AT COST)		153,592.35	228,958.67
	A	438,340.64	662,891.37
QUOTED (MARKET VALUE)		898,248.31	814,418.87
UNQUOTED (AT VALUATION)		89,730.75	169,008.16
	B	987,979.06	783,426.03
APPRECIATION/(DEPRECIATION) IN VALUE OF INVESTMENT			
TOTAL (B - A)		559,638.42	120,534.66



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'G'		
DEPOSITS		
MONEY MARKET OBLIGATIONS	22,298.73	108,325.88
DEPOSITS WITH COMPANIES/INSTITUTIONS	445,453.00	87,080.00
TOTAL	467,751.73	192,405.88
SCHEDULE 'H'		
CURRENT ASSETS		
BALANCE WITH BANKS IN CURRENT ACCOUNTS	5,553.15	9,123.89
CASH ON HAND	-	-
SUNDRY DEBTORS	5,694.31	7,049.13
CONTRACTS FOR SALE OF INVESTMENTS	3,026.52	9,879.48
RECEIVABLE FROM DRF FOR SHORTFALL AMOUNT	-	-
OUTSTANDING AND ACCRUED INCOME	26,495.20	3,478.18
ADVANCES, DEPOSITS ETC	954.29	961.89
SHARES/DEBENTURES APPLICATION MONEY	822.89	-
DUES FROM OTHER SCHEMES(NET)	-	6,000.74
DIFFERENCE IN INTER OFFICE BALANCES(NET)	-	114.96
REMITTANCE TO GOVERNMENT OF INDIA	175,000.00	175,000.00
TOTAL	217,636.46	211,806.27



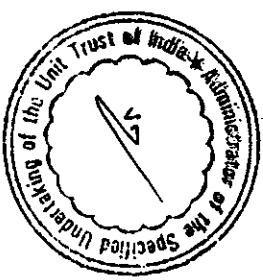
SCHEDULE 'I'
FIXED ASSETS

U S 64 BONDS

(RUPEES IN LAKHS)

	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK		
	AS ON 31st MARCH, 2005	ADDITIONS/ADJUSTMENTS	DEDUCTIONS/ADJUSTMENTS	TOTAL AS ON 31st MARCH, 2006	AS ON 31st MARCH, 2005	DEDUCTIONS/ADJUSTMENTS	DEP. ON COST FOR 1.4.05 to 31.3.2006	DEP. ON REVALUED COST 1.4.06 TO 31.3.06	TRANSFERRED FROM REVALUATION RESERVE	TOTAL AS ON 31st MARCH, 2006	AS ON 31st MARCH, 2006
LAND (LEASEHOLD)	6812.83	28.15	80.24	6760.74	8.50	21.79	92.62	70.83	777.48	5963.28	6119.49
LAND (FREEHOLD)	3119.75	0.00	468.05	2821.70	-	-	-	-	-	2821.70	3119.75
BUILDINGS	19303.49	16.13	4112.81	15206.81	803.49	104.19	557.87	453.68	4615.28	10591.52	14442.58
OFFICE PREMISES (LEASEHOLD)	10638.45	-	182.35	10448.10	23.32	37.46	358.47	321.01	2516.18	7929.92	8457.42
OWNERSHIP PREMISES	42094.08	0.00	16668.86	25417.22	4883.04	511.73	1040.89	528.86	9194.44	16222.78	29067.29
BUILDING IMPROVEMENTS	903.86	56.49	113.03	847.32	79.80	49.42	49.42	-	799.35	88.97	115.33
FURNITURE & FIXTURE	3651.85	0.00	272.02	3379.83	189.26	142.01	142.01	-	2163.67	1216.16	1440.93
OFFICE EQUIPMENTS	5308.44	40.59	213.87	5135.36	199.21	165.06	165.06	-	4815.46	319.90	458.83
MOTOR VEHICLES	82.57	-	0.00	82.57	73.44	3.04	3.04	-	78.48	6.09	9.13
COMPUTERS	6315.51	37.00	1530.87	4821.54	1418.72	172.46	172.46	-	4538.41	283.13	530.84
ADVANCE TOWARDS PURCHASE OF CAPITAL ASSETS	98220.83	178.36	23680.00	74719.19	7585.14	1207.16	2581.64	1374.48	28455.74	45263.45	63761.59
	477.79	24.05	339.28	162.56	-	-	-	-	-	162.56	477.79
TOTAL	98698.62	202.41	24018.26	74881.77	7595.14	1207.16	2581.64	1374.48	28455.74	45426.03	64239.38

* Includes Rs. 256.25 lakhs represented by equity shares in Prashadani Properties & Trading Co. Ltd.



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'J'		
ASSETS OF DEVELOPMENT RESERVE FUND		
EQUITY SHARES	119,483.87	64,276.29
DEBENTURES AND BONDS	3,729.68	9,917.48
DEPOSITS- COMPANIES / BANKS / TERM LOANS	168,224.90	-
GOI SPECIAL BONDS	300.00	300.00
INVESTMENT AT COST	291,718.45	74,493.77
SUB TOTAL (A)		
CURRENT ASSETS		
SUNDRY DEBTORS	6,563.19	5,128.10
OUTSTANDING AND ACCRUED INCOME	1,651.13	722.56
SHARES / DEBENTURES APPLICATION MONEY	-	2,915.00
RECEIVABLE FROM US64	-	37,421.13
RECEIVABLE FROM POST REDEMPTION SCHEMES	-	10,134.00
BANK BALANCES	28.50	178.51
CONTRACT FOR SALE OF INVESTMENTS	-	25.38
DUES FROM OTHER SCHEMES	1,372.24	-
SUB TOTAL (B)	9,616.06	66,624.70
ASSETS OF DEVELOPMENT RESERVE FUND TOTAL P-A-8	301,334.51	131,018.47



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees In Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'J' (Contd.)		
ASSETS OF POST REDEMPTION SCHEMES UNDER DRP		
(1) POST REDEMPTION MIP 87 IV		
EQUITY SHARES	1,513.65	1,541.78
DEPOSITS WITH COMPANIES / INSTITUTIONS	6,000.00	
MONEY MARKET OBLIGATIONS		5,981.75
	INVESTMENT AT COST	SUB TOTAL (A)
		7,513.65
CURRENT ASSETS		
SUNDRY DEBTORS		
OUTSTANDING AND ACQUIRED INCOME		
DUES FROM OTHER SCHEMES	21.95	15.64
	SUB TOTAL (B)	348.74
		21.95
	TOTAL '1' = (A+B)	7,782.82
(2) POST REDEMPTION MIP 87 V		
EQUITY SHARES		
DEPOSITS WITH COMPANIES / INSTITUTIONS	2,500.00	10.40
MONEY MARKET OBLIGATIONS	547.49	2,961.35
	INVESTMENT AT COST	SUB TOTAL (A)
		3,047.49
CURRENT ASSETS		
SUNDRY DEBTORS		
OUTSTANDING AND ACQUIRED INCOME	10.87	7.62
DUES FROM OTHER SCHEMES	6.75	
	SUB TOTAL (B)	169.65
		20.21
	TOTAL '2' = (A+B)	3,049.02
		37.83
	SUB TOTAL (B)	177.27
		3,086.32
	TOTAL '3' = (A+B)	3,049.02



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		31.03.2006	31.03.2005
SCHEDULE 'J' (Contd.)			
(3) POST REDEMPTION MIP 96 IV			
DEBENTURES AND BONDS			
DEBENTURES AND BONDS		584.91	918.76
EQUITY SHARES		0.04	0.04
MONEY MARKET OBLIGATIONS		772.76	672.91
	INVESTMENT AT COST		
	SUB TOTAL (a)	1,357.71	1,591.71
CURRENT ASSETS			
SUNDRY DEBTORS		2,172.63	1,826.63
OUTSTANDING AND ACCRUED INCOME		193.45	199.17
DUES FROM OTHER SCHEMES		28.52	39.90
	SUB TOTAL (b)	2,394.60	2,065.70
	TOTAL '3' = (a+b)	3,752.31	3,657.41
(4) POST REDEMPTION DIP 91			
DEBENTURES AND BONDS			
DEBENTURES AND BONDS		44.66	270.00
EQUITY SHARES		0.01	0.02
PREFERENCE SHARES			0.04
MONEY MARKET OBLIGATIONS		1,492.41	1,017.76
	INVESTMENT AT COST		
	SUB TOTAL (a)	1,537.08	1,287.84
CURRENT ASSETS			
SUNDRY DEBTORS		1,449.98	840.53
OUTSTANDING AND ACCRUED INCOME		52.86	69.01
DUES FROM OTHER SCHEMES		55.08	1,155.63
	SUB TOTAL (b)	1,557.94	2,065.17
	TOTAL '4' = (a+b)	3,096.02	3,353.01



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'J' (Contd.)			
(6) POST REDEMPTION RESERVE 97 (B)			
EQUITY SHARES		2,737.53	2,737.53
MONEY MARKET OBLIGATIONS			385.18
	INVESTMENT AT COST	2,737.53	3,122.71
CURRENT ASSETS	SUB TOTAL (a)		
SUNDRY DEBTORS			1.02
DUES FROM OTHER SCHEMES			22.84
	SUB TOTAL (b)		23.86
	TOTAL 'c' = (a+b)	2,737.53	3,146.57
(6) POST REDEMPTION IMP 88			
EQUITY SHARES		2,386.39	2,418.84
DEPOSITS WITH COMPANIES / INSTITUTIONS		8,000.00	
MONEY MARKET OBLIGATIONS			7,368.09
	INVESTMENT AT COST	10,386.39	9,786.93
CURRENT ASSETS	SUB TOTAL (a)		
SUNDRY DEBTORS			19.60
OUTSTANDING AND ACCRUED INCOME		29.26	
DUES FROM OTHER SCHEMES			436.86
	SUB TOTAL (b)	29.26	466.46
	TOTAL 'c' = (a+b)	10,426.65	10,243.39



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'J' (Contd.)		
(7) POST REDEMPTION IISFUS 98		
EQUITY SHARES	3,270.33	3,333.15
MONEY MARKET OBLIGATIONS	2,429.61	2,565.04
	5,699.94	5,898.19
INVESTMENT AT COST	SUB TOTAL (a)	
CURRENT ASSETS		
SUNDRY DEBTORS	48.22	0.82
DUES FROM OTHER SCHEMES	89.67	152.08
	137.89	158.90
SUB TOTAL (b)		
TOTAL 7' = (a+b)	5,837.83	6,057.09
(8) POST REDEMPTION IIP 98 II		
EQUITY SHARES	2,660.46	3,139.51
MONEY MARKET OBLIGATIONS	1,308.41	773.29
	3,968.87	3,912.80
INVESTMENT AT COST	SUB TOTAL (a)	
CURRENT ASSETS		
SUNDRY DEBTORS	25.97	2.06
OUTSTANDING AND ACCRUED INCOME	2.00	45.85
DUES FROM OTHER SCHEMES	48.28	47.91
	76.25	95.82
SUB TOTAL (b)		
TOTAL 8' = (a+b)	4,045.13	3,960.71



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		31.03.2006	31.03.2005
SCHEDULE 'J' (Contd.)		UNIT SCHEME 64 BONDS	
(9) POST REDEMPTION MIP 66 III			
EQUITY SHARES		4,022.80	4,073.05
MONEY MARKET OBLIGATIONS		1,891.53	2,656.38
	INVESTMENT AT COST	5,914.33	6,729.43
CURRENT ASSETS			
SUNDRY DEBTORS		37.54	7.06
DUES FROM OTHER SCHEMES		89.81	157.50
	SUB TOTAL (a)	107.35	164.56
	TOTAL '9' = (a+b)	6,021.68	6,893.99
(10) POST REDEMPTION MIP 68 IV			
EQUITY SHARES		3,091.75	4,008.10
PREFERENCE SHARES		2,092.64	962.21
MONEY MARKET OBLIGATIONS		5,164.39	2,128.80
	INVESTMENT AT COST	10,348.78	7,099.11
CURRENT ASSETS			
DUES FROM OTHER SCHEMES		77.23	126.10
SUNDRY DEBTORS		513.73	686.31
	SUB TOTAL (b)	601.96	812.41
	TOTAL '10' = (c+d)	6,776.35	7,910.52



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
 SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)
 Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'J' (Contd.)			
(11) POST REDEMPTION NRI FUND			
EQUITY SHARES		72.52	72.52
MONEY MARKET OBLIGATIONS		72.52	1.38
	INVESTMENT AT COST	SUB TOTAL (a)	73.90
CURRENT ASSETS			
DUES FROM OTHER SCHEMES			0.08
	SUB TOTAL (b)	72.52	73.88
	TOTAL '11' = (a+b)		
(12) POST REDEMPTION NSFUS 96 II			
EQUITY SHARES		5,564.38	7,082.93
MONEY MARKET OBLIGATIONS		1,302.22	251.86
	INVESTMENT AT COST	SUB TOTAL (a)	7,314.79
CURRENT ASSETS			
SUNDRY DEBTORS		25.84	0.67
DUES FROM OTHER SCHEMES		48.06	14.93
	SUB TOTAL (b)	73.90	16.60
	TOTAL '12' = (a+b)	6,940.60	7,330.39



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		31.03.2006	31.03.2005
UNIT SCHEME 64 BONDS			
SCHEDULE 'J' (Contd.)			
(13) POST REDEMPTION MIP 99 II			
EQUITY SHARES		4,534.44	4,781.76
MONEY MARKET OBLIGATIONS		-	60.88
	INVESTMENT AT COST	4,534.44	4,842.64
CURRENT ASSETS			
SUNDRY DEBTORS		-	0.16
DUES FROM OTHER SCHEMES		-	3.61
	SUB TOTAL (B)	-	3.77
	TOTAL *13* = (a+b)	4,534.44	4,846.41
(14) POST REDEMPTION MIP 2000			
EQUITY SHARES		4,561.18	4,890.01
MONEY MARKET OBLIGATIONS		-	70.89
	INVESTMENT AT COST	4,561.18	4,920.80
CURRENT ASSETS			
SUNDRY DEBTORS		-	0.19
DUES FROM OTHER SCHEMES		-	4.20
	SUB TOTAL (B)	-	4.39
	TOTAL *14* = (a+b)	4,561.18	4,925.29
	ASSETS OF POST REDEM. SCHEMES UNDER DFR Q *TOTAL 1 TO 14	89,420.06	73,236.70
	TOTAL ASSETS OF DEVELOPMENT RESERVE FUND R * P * Q	389,763.57	204,264.17



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
 SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)
 Rupees in Lakhs

	UNIT SCHEME 64 BONDS	
	31.03.2006	31.03.2005
SCHEDULE 'K'		
ASSETS OF OTHER FUNDS		
(A) ASSETS OF RAJLAKSHMI WOMEN'S WELFARE FUND		
TERM LOANS	9.34	9.34
CENTRAL GOVERNMENT SECURITIES	527.77	448.19
MONEY MARKET OBLIGATIONS	637.11	467.63
SUB TOTAL (a)		
CURRENT ASSETS		
REDEMPTION RECEIVABLE	10.47	1.19
SUNDRY DEBTORS	19.48	51.57
OUTSTANDING AND ACCRUED INCOME	28.86	62.76
DUES FROM OTHER SCHEMES	667.06	610.29
SUB TOTAL (b)		
TOTAL A = (a+b)		
(B) ASSETS OF SENIOR CITIZENS' WELFARE FUND		
TERM LOANS	9.32	8.32
CENTRAL GOVERNMENT SECURITIES	483.66	406.89
MONEY MARKET OBLIGATIONS	491.88	416.31
SUB TOTAL (c)		
CURRENT ASSETS		
REDEMPTION RECEIVABLE	9.60	1.08
SUNDRY DEBTORS	17.95	49.13
OUTSTANDING AND ACCRUED INCOME	27.46	60.21
DUES FROM OTHER SCHEMES	619.43	466.62
SUB TOTAL (d)		
TOTAL B = (c+d)		



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)
 Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'K' (Contd.)			
(C) ASSETS OF CHILDREN'S WELFARE FUND			
TERM LOANS		7.55	30.61
CENTRAL GOVERNMENT SECURITIES		453.21	350.54
MONEY MARKET OBLIGATIONS	INVESTMENT AT COST	460.86	381.16
	SUB TOTAL (A)		
CURRENT ASSETS			
REDEMPTION RECEIVABLE			0.93
SUNDRY DEBTORS		8.99	
OUTSTANDING AND ACCRUED INCOME		16.73	45.78
DUES FROM OTHER SCHEMES			
	SUB TOTAL (B)	26.72	46.71
	TOTAL C = (A+B)	486.83	427.86
(D) ASSETS OF INVESTORS' PROTECTION FUND (IPF)			
TERM LOANS		228.20	239.94
MONEY MARKET OBLIGATIONS	INVESTMENT AT COST	228.20	239.94
	SUB TOTAL (A)		
CURRENT ASSETS			
REDEMPTION RECEIVABLE			0.03
BANK BALANCES		4.53	0.64
SUNDRY DEBTORS			
OUTSTANDING AND ACCRUED INCOME		8.42	14.05
DUES FROM OTHER SCHEMES			
	SUB TOTAL (B)	12.96	14.72
	TOTAL D = (A+B)	241.16	254.66



SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'K' (Contd.)			
(E) ASSETS OF STAFF WELFARE FUND (SWF)			
CENTRAL/STATE GOVT SECURITIES/CERTIFICATES		7,935.90	7,935.90
EQUITY SHARES		3,791.68	7,035.67
DEBENTURES AND BONDS		6,152.35	2,155.12
DEPOSITS WITH COMPANIES/INSTITUTIONS		1,210.95	-
MONEY MARKET OBLIGATIONS		19,090.89	17,125.59
SUB TOTAL (E)	INVESTMENT AT COST		
CURRENT ASSETS			
OUTSTANDING AND ACCRUED INCOME		284.94	283.03
BANK BALANCES		0.34	233.05
SUNDRY DEBTORS		40.81	27.14
DUES FROM OTHER SCHEMES		44.69	-
ADVANCES, DEPOSITS ETC.		14.30	1,805.65
SUB TOTAL (F)		386.08	2,148.87
TOTAL E = (E+F)		19,476.87	19,274.46
(F) ASSETS OF ASSET RECONSTRUCTION FUND (ARF)			
DEBENTURES AND BONDS		2,176.66	309.10
EQUITY SHARES		14,247.54	13,426.24
TERM LOANS		-	(15.80)
MONEY MARKET OBLIGATIONS		12,438.04	35,280.02
DEPOSITS WITH COMPANIES/INSTITUTIONS		22,300.00	-
SUB TOTAL (G)	INVESTMENT AT COST	51,162.28	49,009.56
CURRENT ASSETS			
REDEMPTION RECEIVABLE		19.74	51.17
OUTSTANDING AND ACCRUED INCOME		462.20	558.67
DUES FROM OTHER SCHEMES		459.06	2,088.37
SUNDRY DEBTORS		101.48	101.48
SUB TOTAL (H)		1,042.48	2,797.99
TOTAL F = (G+H)		52,204.76	51,807.55





ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)
Rupees in Lakhs

		UNIT SCHEME 64 BONDS	
		31.03.2006	31.03.2005
SCHEDULE 'K' (Contd.)			
(9) ASSETS OF EMPLOYEES' MEDICAL ASSISTANCE FUND			
ASSETS OF EMPLOYEES' MEDICAL ASSISTANCE FUND			
TOTAL 'G'		-	-
(H) ASSETS OF GENERAL FUND			
MONEY MARKET OBLIGATIONS			
INVESTMENT AT COST			
SUB TOTAL (H)		-	-
CURRENT ASSETS			
SUNDRY DEBTORS:		78.89	944.65
BANK BALANCES:		4.96	20.00
DIFFERENCE IN INTER OFFICE BALANCE (NET)		-	-
CASH ON HAND		-	-
OUTSTANDING AND ACCRUED INCOME		-	-
ADVANCES/ DEPOSITS ETC.		-	-
DUES FROM OTHER SCHEMES		-	-
SUB TOTAL (B)		83.86	964.65
TOTAL I = (A+B)		83.86	964.65
ASSETS OF OTHER FUNDS TOTAL (A+B+C+D+E+F+G+H)			
		73,578.78	73,706.09
SCHEDULE 'L'			
DEFERRED REVENUE EXPENDITURE			
BALANCE AS PER LAST BALANCE SHEET		-	-
LESS: AMOUNT WRITTEN OFF DURING THE YEAR		-	-
TOTAL		-	-



**ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
BALANCE SHEETS AS AT 31ST MARCH, 2006**

Rupees in Lakhs

	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
LIABILITIES						
CAPITAL..... 'A'	592,856.37	592,855.13	-	-	-	-
RESERVES AND SURPLUS..... 'B'	(147,067.94)	(194,402.76)	6,177.76	-	15,330.97	-
CURRENT LIABILITIES AND PROVISIONS..... 'C'	47,378.77	37,101.10	15,810.80	-	16,078.93	-
TOTAL LIABILITIES	493,167.20	435,553.47	21,988.56	-	31,409.90	-
ASSETS						
INVESTMENTS..... 'D'	371,213.10	294,054.91	-	-	20,102.69	-
DEPOSITS..... 'E'	87,346.02	97,968.17	19,808.14	-	7,557.16	-
CURRENT ASSETS..... 'F'	34,608.08	43,530.38	2,180.42	-	3,750.05	-
DEFERRED REVENUE EXPENDITURE..... 'G'	-	-	-	-	-	-
TOTAL ASSETS	493,167.20	435,553.47	21,988.56	-	31,409.90	-

NOTES TO ACCOUNTS..... 'M'

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner

INTAYAZUR RAHIMAN
Chief Finance Officer

S.B. MATHUR
Administrator

Mumbai
Dated :

21 DEC 2006



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME						
DIVIDEND	1,942.15	3,849.62	71.56	-	-	-
INTEREST	74,720.57	27,894.21	4,211.35	-	535.83	-
PROFIT ON INTER SCHEME SALE OF INVESTMENTS			2,881.79	-	-	-
PROFIT ON SALE/REDEM. OF INVT OTHER THAN IST	20,887.41	67,669.79	757.17	-	2.60	-
OTHER INCOME	56.87	106.73	387.82	-	243.66	-
PRIOR PERIOD ADJUSTMENTS - INCOME	(0.76)	70.16	(213.81)	-	38.99	-
PROV FOR DOUBTFUL INCOME PR YR WRITTEN BACK	49.03	18,940.62	111.19	-	-	-
PROV TOWARDS DOUBTFUL INV & DEP WRITTEN BACK	98.02	12,799.35	3,478.85	-	50.00	-
PROV FOR DEPR IN VALUE OF INV WRITTEN BACK	-	-	-	-	-	-
PROV FOR OS ITEM RECO WRITTEN BACK	21.76	169.01	-	-	-	-
SUB TOTAL (A)	97,775.05	131,599.49	11,696.92	-	871.08	-
LESS:PROV FOR INCOME CONSIDERED DOUBTFUL	103.45	2,878.63	166.01	-	0.03	-
LESS:PROVISION TOWARDS DOUBTFUL INV & DEP	3,263.34	9,230.80	1,766.18	-	16.70	-
SUB TOTAL (B)	3,366.79	12,109.73	1,932.19	-	16.73	-
TOTAL (A-B)	94,408.26	119,489.76	9,764.73	-	854.35	-

Rupees in Lakhs



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006 (Contd.)

	ARS BONDS		MAT NAV MIP		MAT FV MIP		Rupees in Lakhs
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	
EXPENDITURE							
OFFICE EXPENSES	627.67	1,705.73	69.36	-	12.22	-	
COMMISSION TO AGENTS	-	-	67.10	-	16.15	-	
STAMP FEES, CUSTODIAL, REGISTRAR & BANK CHGS	777.16	770.97	178.64	-	60.65	-	
AUDITORS FEES (ALLOCATED)	15.25	-	3.37	-	7.02	-	
DEFERRED REVENUE EXPENSES WRITTENOFF	-	-	122.31	-	-	-	
CONTRIBUTION TO DEVELOPMENT RESERVE FUND	-	-	80.54	-	-	-	
AMC FEES	3,693.56	2,956.40	344.55	-	58.75	-	
PRIOR PERIOD ADJUSTMENTS - EXPENSES	(32.59)	2.57	9.89	-	(687.62)	-	
	SUB TOTAL (A)	5,081.05	885.76	-	(532.83)	-	
ADD : INTEREST PAID	0.20	346.63	0.01	-	26.37	-	
ADD : LOSS ON INTER SCHEME SALE OF INVTs	-	81.33	558.58	-	-	-	
ADD: LOSS ON SALE/REDEM OF INVT OTHER THAN IST	2,755.60	7,348.69	524.60	-	1.86	-	
ADD : PROVISION FOR OLD ITEMS IN RECOS.	149.78	81.88	-	-	-	-	
	SUB TOTAL (B)	2,905.58	1,083.19	-	28.23	-	
	TOTAL (A) + (B)	7,986.63	13,294.20	1,969.95	(504.60)	-	
EXCESS OF INCOME OVER EXPENDITURE	86,421.53	106,195.56	7,795.78	-	1,358.95	-	
	TOTAL	94,408.26	119,489.76	9,764.73	854.35	-	



REVENUE APPROPRIATION ACCOUNTS FOR THE PERIOD 1ST AF JUNE 2005 TO 31ST MARCH, 2006

Rupees in Lakhs

	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
REVENUE APPROPRIATION ACCOUNT						
BALANCE AS PER LAST BALANCE SHEET						
EXCESS OF INCOME OVER EXPENDITURE	86,421.63	106,195.56	7,795.79	-	1,358.95	-
ADD/(LESS) PRIOR PERIOD PREMIUM / ADJUSTMENTS	(0.05)	(0.04)	-	-	-	-
TOTAL	86,421.58	106,195.52	7,795.78	-	1,358.95	-
INCOME DISTRIBUTION FOR THE YEAR						
INCOME DISTRIBUTION FOR PRIOR YEARS	39,130.10	39,128.94	1,967.92	-	12.14	-
TAX ON INCOME DISTRIBUTION	0.70	1.17	3.10	-	-	-
APPRECIATION PAID ON PREMATURE WITHDRAWAL						
	0.28	5,348.73	-	-	(0.01)	-
BALANCE TRANSFERRED TO GENERAL RESERVE	47,290.50	61,717.68	5,824.76	-	1,346.82	-
TOTAL	86,421.58	106,195.52	7,795.78	-	1,358.95	-

Statement of Significant Accounting Policies forms an Integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner

IMTAYAZUR RAHMAN
Chief Finance Officer

S.B. MATHUR
Administrator

Mumbai
Dated :

22nd DEC 2006



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ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

Rupees in Lakhs

	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'A'						
CAPITAL						
UNIT / BOND CAPITAL	592,856.37	592,855.13	-	-	-	-
APPLICATION MONEY ON SALE OF UNITS	-	-	-	-	-	-
TOTAL	592,856.37	592,855.13	-	-	-	-
SCHEDULE 'B'						
RESERVES AND SURPLUS						
GENERAL RESERVE						
BALANCE AS PER LAST BALANCE SHEET.	(194,402.76)	(369,872.20)	2,351.54	-	10,652.38	-
BALANCE TRANSFERRED FROM REVENUE A/C	47,290.50	61,717.68	5,824.76	-	1,346.82	-
INFLOW FROM DEVELOPMENT RESERVE FUND	(2.01)	180,518.64	-	-	3,334.17	-
PREM COLLECTED/(PAID) DURING THE YEAR(NET)	46.33	(76,767.88)	-	-	-	-
PREMIUM ON SALE/REPURCHASE/REDEMPTION	-	-	(1,998.54)	-	(2.40)	-
TOTAL	(147,067.94)	(194,402.76)	6,177.76	-	15,330.97	-



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNION TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'C'						
CURRENT LIABILITIES AND PROVISIONS						
CURRENT LIABILITIES						
SUNDRY CREDITORS-OTHERS	5,892.85	10,595.77	14,233.50	-	12,376.64	-
BANK BALANCES	1,426.78	5,132.91	200.69	-	1,612.23	-
UNCLAIMED INCOME DISTRIBUTION	282.32	294.67	257.76	-	1,685.76	-
PAYABLE TO GOVT. OF INDIA	-	-	-	-	(0.09)	-
DIFFERENCE IN INTER OFFICE BALANCE	-	18.30	-	-	-	-
DUES TO OTHER SCHEMES	2,021.80	-	-	-	-	-
SUB TOTAL (A)	9,623.55	16,032.65	14,691.95	-	15,674.54	-
PROVISIONS						
PROV FOR O/S & ACC INCOME CONSIDERED DOUBTFUL	121.19	66.77	3.88	-	0.21	-
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	4,526.10	1,360.78	-	-	0.01	-
PROV FOR DEPN IN THE VALUE OF INVESTMENTS	-	-	-	-	-	-
PROVISION FOR OLD ITEMS IN RECONCILIATIONS	640.90	545.26	1,114.97	-	404.17	-
PROVISION FOR INCOME DISTRIBUTION	32,487.03	19,095.64	-	-	-	-
SUB TOTAL (B)	37,756.22	21,068.45	1,118.85	-	404.39	-
TOTAL (A + B)	47,379.77	37,101.10	15,810.80	-	16,078.93	-



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ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
 SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

SCHEDULE 'D' INVESTMENTS INVESTMENTS (AT OR WRITTEN DOWN COST) CENTRAL&STATE GOVT SECURITIES/CERTIFICATES DEBENTURES AND BONDS PREFERENCE SHARES EQUITY SHARES	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
	173,791.44	37,764.69	-	-	-	-
	146,191.88	164,705.87	-	-	-	-
	1,710.38	4,895.63	-	-	-	-
	49,519.40	86,888.72	-	-	20,102.69	-
TOTAL	371,213.10	294,054.91	-	-	20,102.69	-
QUOTED (AT COST)	43,171.14	79,660.72	-	-	20,102.69	-
UNQUOTED (AT COST)	328,041.96	214,394.18	-	-	20,102.69	-
	371,213.10	294,054.91	-	-	-	-
QUOTED (MARKET VALUE)	161,385.23	124,941.90	-	-	21,601.43	-
UNQUOTED (AT VALUATION)	315,441.09	209,221.71	-	-	21,601.43	-
	476,826.32	334,163.60	-	-	21,601.43	-
APPRECIATION/(DEPRECIATION) IN VALUE OF INVT. (B-A)	105,613.22	40,108.69	-	-	1,498.74	-



11/15/06

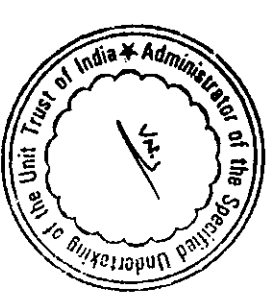
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ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	ARS BONDS		MAT NAV MIP		MAT FV MIP	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'E'						
DEPOSITS						
DEPOSITS WITH COMPANIES/INSTITUTIONS	66,908.12	53,500.00	-	-	-	-
MONEY MARKET OBLIGATIONS	20,437.90	44,488.17	19,808.14	-	7,557.18	-
TOTAL	87,346.02	97,988.17	19,808.14	-	7,557.16	-
SCHEDULE 'F'						
CURRENT ASSETS						
BALANCE WITH BANKS IN CURRENT ACCOUNTS	21,840.68	21,938.87	987.68	-	2,890.81	-
SUNDRY DEBTORS	4,444.09	1,394.58	64.69	-	427.36	-
CONTRACTS FOR SALE OF INVESTMENTS	-	2,754.39	-	-	-	-
OUTSTANDING AND ACCRUED INCOME	8,323.31	6,682.35	396.98	-	152.96	-
DUES FROM OTHER SCHEMES(NET)	-	10,760.20	731.07	-	278.92	-
TOTAL	34,608.08	43,530.39	2,180.42	-	3,750.05	-
SCHEDULE 'G'						
DEFERRED REVENUE EXPENDITURE	-	-	122.31	-	-	-
BALANCE AS PER LAST BALANCE SHEET	-	-	122.31	-	-	-
LESS:AMOUNT WRITTEN OFF DURING THE YEAR	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE TRUST OF INDIA

BALANCE SHEETS AS AT 31ST MARCH, 2006

Rupees in Lakhs

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
LIABILITIES								
CAPITAL..... 'A'	-	-	-	-	-	-	45,831.22	53,523.97
RESERVES AND SURPLUS..... 'B'	5,798.52	518.69	756.72	583.78	1,432.09	1,143.87	4,601.86	2,183.68
CURRENT LIABILITIES AND PROVISIONS..... 'C'	7,644.54	10,375.60	602.12	755.67	1,576.24	1,910.31	3,610.33	4,706.95
TOTAL LIABILITIES	13,443.06	10,894.29	1,358.84	1,339.45	3,008.33	3,054.28	54,043.41	60,414.60
ASSETS								
INVESTMENTS..... 'D'	541.98	3,738.31	-	-	-	-	25,810.10	45,469.23
DEPOSITS..... 'E'	5,847.85	642.96	1,194.43	1,142.85	2,615.30	2,558.04	25,740.01	10,942.89
CURRENT ASSETS..... 'F'	7,053.43	6,513.02	164.41	196.60	393.03	496.24	2,493.30	3,809.85
DEFERRED REVENUE EXPENDITURE..... 'G'	-	-	-	-	-	-	-	192.63
TOTAL ASSETS	13,443.06	10,894.29	1,358.84	1,339.45	3,008.33	3,054.28	54,043.41	60,414.60

NOTES TO ACCOUNTS..... 'M'

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner

IMTIAZUR RAHMAN
Chief Finance Officer

S.B. MATHUR
Administrator



Mumbai
Dated: 21 DEC 2006

ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME								
DIVIDEND	-	-	-	-	-	-	131.85	192.00
INTEREST	2,452.68	(18.53)	78.29	69.91	173.75	145.83	5,613.54	3,781.48
PROFIT ON INTER SCHEME SALE OF INVESTMENTS	-	-	-	-	-	-	-	-
PROFIT ON SALE/REDEM. OF INV/ OTHER THAN IST	7.20	1,927.06	-	-	-	-	425.23	4,012.16
OTHER INCOME	28.36	0.17	93.50	6.84	135.76	0.80	3.02	0.19
PRIOR PERIOD ADJUSTMENTS - INCOME	(97.34)	(59.46)	-	0.01	(0.04)	-	(63.54)	(86.14)
PROV FOR DOUBTFUL INCOME PR YR WRITTEN BACK	78.68	1,104.53	0.07	0.09	0.01	0.01	4.96	1,203.97
PROV TOWARDS DOUBTFUL INV & DEP WRITTEN BACK	3,864.35	6,274.11	-	-	-	-	3,182.49	2,948.67
PROV FOR DEPR IN VALUE OF INV WRITTEN BACK	42.45	0.36	-	-	-	-	-	-
COST OF INVESTMENTS WRITTEN BACK DURING YR	-	-	-	-	-	-	-	-
PROV FOR O/S ITEM RECO WRITTEN BACK	-	-	-	-	-	-	3.41	9.47
SUB TOTAL (A)	6,374.38	9,228.26	171.86	76.65	309.47	146.64	9,280.96	12,061.80
LESS:PROV FOR INCOME CONSIDERED DOUBTFUL	48.21	398.03	0.07	4.45	-	-	0.23	555.93
LESS:PROVISION TOWARDS DOUBTFUL INV & DEP	1,030.78	1,557.89	-	-	-	-	474.17	1,738.99
LESS:PROV FOR DEPR IN THE VALUE OF INVESTMENT	-	-	-	-	-	-	-	-
LESS:COST OF INVTs WRITTEN DOWN/OFF DURING YR	-	-	-	-	-	-	-	-
SUB TOTAL (B)	1,078.99	1,955.92	0.07	4.45	-	-	474.40	2,294.92
TOTAL (A-B)	5,294.39	7,272.34	171.79	72.20	309.47	146.64	8,806.56	9,766.88

Rupees In Lakhs



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006 (Contd.)

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
EXPENDITURE								
OFFICE EXPENSES	2.44	14.10	0.97	4.88	1.37	3.00	54.83	46.75
COMMISSION TO AGENTS	-	-	-	-	-	-	78.60	-
STAMP FEES, CUSTODIAL, REGISTRAR & BANK CHGS	12.02	7.74	1.70	3.24	3.77	3.35	93.18	89.12
AUDITORS FEES (ALLOCATED)	0.10	-	0.10	-	0.10	-	1.58	-
DEFERRED REVENUE EXPENSES WRITTENOFF	-	-	-	-	-	-	192.61	192.61
CONTRIBUTION TO DEVELOPMENT RESERVE FUND	-	-	-	-	-	-	297.33	-
AMC FEES	-	6.92	4.38	9.84	9.60	11.33	461.82	427.49
PRIOR PERIOD ADJUSTMENTS - EXPENSES	-	(0.03)	(11.80)	0.10	(3.40)	0.05	-	3.38
SUB TOTAL (A)	14.56	28.73	(4.65)	18.06	11.44	17.73	1,179.95	759.35
ADD : INTEREST PAID	-	-	-	-	-	-	-	-
ADD : LOSS ON INTER SCHEME SALE OF INVTs	-	-	-	-	-	-	-	-
ADD : LOSS ON SALE/REDEM OF INVT OTHER THAN IST	-	1,392.57	-	-	-	-	987.02	1,350.93
ADD : PROVISION FOR OLD ITEMS IN RECOS.	-	-	-	-	-	-	18.83	5.19
SUB TOTAL (B)	-	1,392.57	-	-	-	-	1,005.85	1,356.12
TOTAL (A) + (B)	14.56	1,421.30	(4.65)	18.06	11.44	17.73	2,185.80	2,115.47
EXCESS OF INCOME OVER EXPENDITURE	5,279.83	5,851.04	176.44	64.14	298.03	128.91	6,620.76	7,651.41
TOTAL	5,294.39	7,272.34	171.79	72.20	309.47	146.64	8,806.56	9,766.88

Rupees in Lakhs



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE APPROPRIATION ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

Rupees in Lakhs

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
REVENUE APPROPRIATION ACCOUNT								
BALANCE AS PER LAST BALANCE SHEET	-	-	-	-	-	-	-	-
EXCESS OF INCOME OVER EXPENDITURE	5,279.83	5,851.04	176.44	54.14	298.03	128.91	6,620.76	7,651.41
ADD/(LESS): PRIOR PERIOD PREMIUM/ADJUSTMENTS	-	-	-	-	-	-	-	-
TOTAL	5,279.83	5,851.04	176.44	54.14	298.03	128.91	6,620.76	7,651.41
INCOME DISTRIBUTION FOR THE YEAR	-	-	-	-	-	-	2,945.03	3,287.83
INCOME DISTRIBUTION FOR PRIOR YEARS	-	-	-	-	-	-	-	-
TAX ON INCOME DISTRIBUTION	-	-	-	-	-	-	-	-
PREMIUM COLLECTED/PAID ON SALE/REPURCHASE	-	-	-	-	-	-	-	-
CLOSING BALANCE OF OMNI TRANSFERRED TO DRP	-	-	-	-	-	-	-	-
BALANCE TRANSFERRED TO GENERAL RESERVE	5,279.83	5,851.04	176.44	54.14	298.03	128.91	3,675.73	4,363.58
TOTAL	5,279.83	5,851.04	176.44	54.14	298.03	128.91	6,620.76	7,651.41

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K Soni
K K SONI
Partner

Mumbai
Dated :

21 DEC 2006

Imtiazur Rahman
IMTAIAZUR RAHMAN
Chief Finance Officer

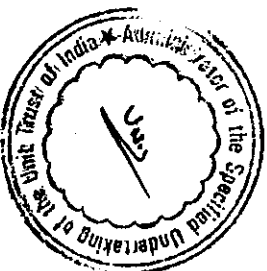
S.B. Mathur
S.B. MATHUR
Administrator



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'A'								
CAPITAL								
UNIT CAPITAL	-	-	-	-	-	-	45,827.54	53,520.29
APPLICATION MONEY ON SALE OF UNITS	-	-	-	-	-	-	3.68	3.68
TOTAL	-	-	-	-	-	-	45,831.22	53,523.97
SCHEDULE 'B'								
RESERVES AND SURPLUS								
GENERAL RESERVE								
BALANCE AS PER LAST BALANCE SHEET.	518.69	1,513.86	583.78	536.73	1,143.97	1,033.65	2,183.68	(2,118.53)
BALANCE TRANSFERRED FROM REVENUE A/C	5,279.83	5,851.04	176.44	54.14	298.03	128.91	3,675.73	4,363.58
INFLOW FROM DEVELOPMENT RESERVE FUND	-	-	-	-	-	-	-	-
GENERAL RESERVE TRF POST REDEMPTION SCHEME	-	-	-	-	-	-	-	-
PREM COLLECTED/(PAID) DURING THE YEAR(NET)	-	-	-	-	-	-	-	-
PREMIUM ON SALE/REPURCHASE/REDEMPTION	-	-	-	-	-	-	-	-
LESS:ADJUSTMENT/ALLOTMENT OF BONUS UNITS	-	(6,846.21)	(3.50)	(7.09)	(9.91)	(18.79)	(1,257.55)	(61.37)
TOTAL	5,798.52	518.69	756.72	583.78	1,432.09	1,143.97	4,601.86	2,183.68

Rupees in Lakhs



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

SCHEDULE 'C' CURRENT LIABILITIES AND PROVISIONS CURRENT LIABILITIES	MIP 95		DIP 94		MIP 96 (IV)		MIP 2001	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SUNDRY CREDITORS-OTHERS	490.24	184.73	538.29	641.24	1,437.86	1,521.25	373.53	37.15
PAYABLE TO GOVERNMENT OF INDIA	-	-	-	-	-	-	-	-
CONTRACTS FOR PURCHASE OF INVESTMENTS	-	-	-	-	-	-	-	-
BANK BALANCES	-	132.68	-	50.59	-	223.88	1,766.64	69.59
UNCLAIMED INCOME DISTRIBUTION	66.81	67.01	52.57	52.58	107.03	108.66	301.22	738.54
DIFFERENCE IN INTER OFFICE BALANCE	-	0.06	-	-	-	-	-	0.01
DUES TO OTHER SCHEMES	-	-	-	-	-	-	-	-
SUB TOTAL (A)	557.05	384.48	590.86	744.41	1,544.89	1,853.79	2,441.39	845.29
PROVISIONS								
PROV FOR O/S & ACC INCOME CONSIDERED DOUBTFUL	185.71	223.18	0.26	0.26	1.81	1.81	4.78	9.50
PROV FOR DOUBTFUL INVESTMENTS & DEPOSITS	6,790.40	9,623.87	-	-	-	-	1,148.97	3,837.30
PROV FOR DEPN IN THE VALUE OF INVESTMENTS	85.04	127.49	-	-	-	-	-	-
PROVISION FOR OLD ITEMS IN RECONCILIATIONS	16.34	16.48	11.00	11.00	29.54	54.71	15.19	14.86
SUB TOTAL (B)	7,087.49	9,991.12	11.26	11.26	31.35	56.52	1,168.94	3,861.66
TOTAL (A + B)	7,644.54	10,375.60	602.12	755.67	1,576.24	1,910.31	3,610.33	4,706.95



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001		Rupees in Lakhs
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	
SCHEDULE 'D'									
INVESTMENTS									
INVESTMENTS (AT OR WRITTEN DOWN COST)									
CENTRAL & STATE GOVT SECURITIES/CERTIFICATES	-	-	-	-	-	-	-	-	2,334.64
DEBENTURES AND BONDS	456.94	3,610.82	-	-	-	-	23,274.25	36,380.80	36,380.80
PREFERENCE SHARES	85.04	127.48	-	-	-	-	263.47	727.74	727.74
EQUITY SHARES	-	-	-	-	-	-	2,272.38	6,026.05	6,026.05
TOTAL	541.98	3,738.31	-	-	-	-	25,810.10	45,469.23	45,469.23
QUOTED (AT COST)	-	-	-	-	-	-	2,177.50	5,908.91	5,908.91
UNQUOTED (AT COST)	541.98	3,738.31	-	-	-	-	23,632.60	39,560.32	39,560.32
QUOTED (MARKET VALUE)	-	-	-	-	-	-	25,810.10	45,469.23	45,469.23
UNQUOTED (AT VALUATION)	456.94	3,610.82	-	-	-	-	8925.24	7,599.48	7,599.48
	456.94	3,610.82	-	-	-	-	22,518.61	38,506.27	38,506.27
APPRECIATION/DEPRECIATION IN VALUE OF INVT. (B-A)	(85.04)	(127.48)	-	-	-	-	31,444.85	46,105.75	46,105.75
							5,634.75	636.52	636.52



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	MIP 95		DIP 91		MIP 96 (IV)		MIP 2001	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'E'								
DEPOSITS								
DEPOSITS WITH COMPANIES/INSTITUTIONS	-	-	-	-	-	-	19,386.86	8,500.00
MONEY MARKET OBLIGATIONS	5,847.65	642.98	1,194.43	1,142.85	2,615.30	2,558.04	6,353.15	2,442.89
TOTAL	5,847.65	642.98	1,194.43	1,142.85	2,615.30	2,558.04	25,740.01	10,942.89
SCHEDULE 'F'								
CURRENT ASSETS								
BALANCE WITH BANKS IN CURRENT ACCOUNTS	181.28	207.97	96.29	126.47	228.74	323.15	346.39	688.03
SUNDRY DEBTORS	6,346.10	6,040.97	0.07	2.08	14.05	19.60	843.11	1,716.14
CONTRACTS FOR SALE OF INVESTMENTS	-	-	-	-	-	-	-	117.30
OUTSTANDING AND ACCRUED INCOME	310.23	227.25	23.97	0.26	53.72	1.85	1,068.32	1,143.54
SHARES/DEBENTURES APPLICATION MONEY	-	-	-	-	-	-	-	-
DUES FROM OTHER SCHEMES(NET)	215.82	36.83	44.08	67.81	96.52	151.64	234.48	144.84
DIFFERENCE IN INTER OFFICE BALANCES(NET)	-	-	-	-	-	-	-	-
TOTAL	7,053.43	6,513.02	164.41	196.60	393.03	496.24	2,493.30	3,809.85
SCHEDULE 'G'								
DEFERRED REVENUE EXPENDITURE	-	-	-	-	-	-	192.63	385.24
BALANCE AS PER LAST BALANCE SHEET	-	-	-	-	-	-	192.63	192.61
LESS:AMOUNT WRITTEN OFF DURING THE YEAR	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	192.61





K. K. SONI & CO.

CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE ADMINISTRATOR,

**SPECIFIED UNDERTAKING
OF UNIT TRUST OF INDIA (SUUTI),
MUMBAI**

We have audited the attached Balance Sheet of Special Unit Scheme 1999 (SUS 1999) of Specified Undertaking of Unit Trust of India (SUUTI) as at 31st March 2006 and also the related Revenue Account for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the audit indicated herein, and as required by the 'The Unit Trust of India (Transfer of Undertaking and Repeal) Act', 2002, and subject to the limitations of disclosure required therein, we report that:

1. The Unit Trust of India Act, 1963 has been repealed by the Government of India viz. "The Unit Trust of India (Transfer of Undertaking and Repeal) Act 2002. In exercise of the powers conferred under the said Act, the Central Government vide its notification dated 15th January 2003 had notified 1st February 2003 as the "Appointed Day" for the purpose of transfer and vesting the undertaking of the erstwhile UTI into two entities viz. Specified Undertaking of Unit Trust of India (SUUTI) and UTI Mutual Fund. (Refer Note 1 Schedule 'H').
2. Subject to our observation referred to in paragraph 1 above, we further report that:





K. K. SONI & CO.

CHARTERED ACCOUNTANTS

- (d) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- (e) The Balance Sheet and related Revenue Account is in agreement with the books of accounts;
- (f) In our opinion and to the best of our knowledge and according to the information and explanations given to us and read with the notes as per Schedule 'H' and the statement of Significant Accounting policies:
- (iii) the said Balance Sheet is a full and fair balance sheet containing all the necessary particulars and is properly drawn up in accordance with 'The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002', so as to exhibit a true and fair view of affairs of the Scheme as on 31st March 2006.
- (iv) the said Revenue Account shows a true and fair view of the excess of Income over Expenditure for the period ended on that date.

For K K SONI & CO.
CHARTERED ACCOUNTANTS


K. K. SONI
PARTNER

Date: 21.12.2006
Place: Mumbai



SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA

SPECIAL UNIT SCHEME 1999

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

1. INCOME RECOGNITION:

- i. Dividend income on listed equity shares is recognised on the ex-dividend date. Dividend income on unlisted equity shares is recognised on the date of declaration of dividend.
- ii. Profit or loss on sale of investments is recognised on the trade dates on the basis of weighted average cost.

EXPENSES:

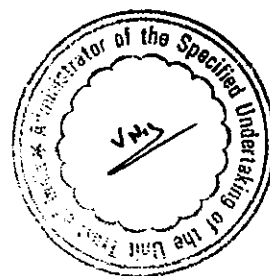
- i. Expenses are accounted for on accrual basis.

3. DEFERRED REVENUE EXPENDITURE:

In accordance with the provisions of Section 25 (3) of the Unit Trust of India Act, 1963, the initial issue expenses are written off equally over the tenure of the scheme.

4. INVESTMENTS:

- i. Investments are stated at cost or written down cost.
- ii. In case of secondary market transactions, investments are recognised on trade dates.
- iii. Subscription to primary market issues is accounted as investments, on allotment.
- iv. Bonus/right entitlements are recognised on ex-bonus/ex-right dates.
- v. Investments in deposits are treated and disclosed as current assets from the redemption/due date.
- vi. The carrying cost of investments includes brokerage, service tax and stamp fees.



5. VALUATION OF INVESTMENTS:

I. Equity and Equity related Securities:

a. Traded Securities

When a security is traded on any stock exchange within a period of 30 days (including the valuation date) and the aggregate volume of trade during such period is more than 50,000 or if the trade value is greater than Rs.5,00,000 the security is treated as traded security. These are valued at the closing prices on BSE and in the absence at the closing price of NSE.

b. Non traded / Thinly traded / Unlisted securities:

Investments in securities, which have not been traded on any stock exchange in the aforesaid manner, are stated at fair value as determined in accordance with SEBI Regulations.

II Rights entitlements:

Rights entitlements for shares are valued at the market price of the share, reduced by the exercise price payable, further discounted for dividend element, wherever applicable.

III. Money Market instruments:

Investments in Money Market Instruments are valued at cost plus accrued interest up to the valuation date.

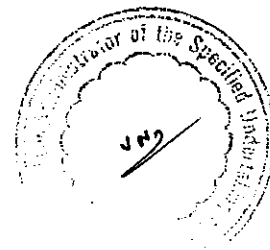
8. PROVISION AND DEPRECIATION:

A. Provisions against the income considered doubtful:

- i. Provision is made in respect of dividend, where it remains outstanding for more than 120 days from the ex-dividend date.

B. Depreciation in the value of investments:

- i. The aggregate value of investments as computed in accordance with paragraph 5 above is compared to the aggregate cost of such investments and the resultant depreciation, if any is charged to revenue account. In case such aggregate value exceeds the aggregate cost or the aggregate value as at the end of the previous year, the appreciation is credited back to revenue account to the extent depreciation was previously adjusted.



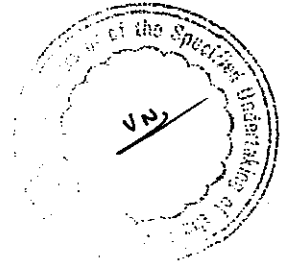
- ii. In cases where unquoted equity or preference shares were written off in the earlier years, such investments are written back to their cost as and when a quote or fair value is available.

9. **INTER-SCHEME TRANSACTIONS(ISTs):**

- i. **Traded equity shares:** ISTs of traded securities are effected at the intra-day (spot price) as on the IST date and in its absence, at the latest closing market price available during the last 30 days.

For K. K. SONI & CO.
[Signature]
Partner

12th DEC 2006



SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA

SPECIAL UNIT SCHEME 1999

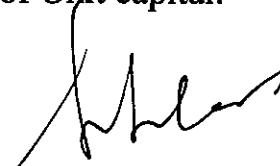
**NOTES FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2006**

Schedule "H"

1. The Unit Trust of India Act, 1963 has been repealed by the Government of India viz. "The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002". In exercise of the powers conferred under the Repeal Act, the Central Government vide its notification dated 15th January 2003 had notified 1st February 2003 as the "Appointed day" for the purpose of transfer and vesting the undertaking of the erstwhile UTI into two entities viz. Specified Undertaking of Unit Trust of India (SUUTI) and UTI Mutual Fund.
2. As authorized by Government Of India, the Administrator Of Specified Undertaking of Unit Trust Of India, repurchased the entire unit capital of SUS 1999 in phased manner, during the period July 2003 to March 2005. Thus the scheme was terminated on 30.03.2005 by repurchasing final balance of Unit capital.



IMTAIYAZUR RAHMAN
Chief Finance Officer



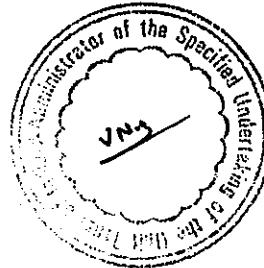
S. B. MATHUR
Administrator

**For and on behalf of
K K SONI & Co.
CHARTERED ACCOUNTANTS**



K K SONI
Partner
MUMBAI
DATED:

12TH DEC 2006



ADM. STRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

BALANCE SHEETS AS AT 31ST MARCH, 2006

Rupees in Lakhs

	SPECIAL UNIT SCHEME 99	
	31.03.2006	31.03.2005
LIABILITIES		
CAPITAL.....'A'	-	-
RESERVES AND SURPLUS.....'B'	8.43	6.47
CURRENT LIABILITIES AND PROVISIONS.....'C'	1.67	3.59
TOTAL LIABILITIES	10.10	10.06
ASSETS		
INVESTMENTS.....'D'	0.03	-
DEPOSITS.....'E'	8.81	8.73
CURRENT ASSETS.....'F'	1.26	1.33
DEFERRED REVENUE EXPENDITURE.....'G'	-	-
TOTAL ASSETS	10.10	10.06

NOTES TO ACCOUNTS.....'H'

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner



IMTAIYAZUR RAHMAN
Chief Finance Officer



S.B. MATHUR
Administrator

Mumbai
Dated : 21 DEC 2006

OR

ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
 REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2006 TO 31ST MARCH, 2006

Rupees in Lakhs

	SPECIAL UNIT SCHEME 99	
	CURRENT YEAR	PREVIOUS YEAR
INCOME		
DIVIDEND	-	6,813.92
INTEREST	0.58	1,554.46
PROFIT ON INTER SCHEME SALE OF INVESTMENTS	-	1,548.09
PROFIT ON SALE/REDEM. OF INVLT OTHER THAN IST	0.09	141,793.83
OTHER INCOME	0.01	-
PRIOR PERIOD ADJUSTMENTS - INCOME	0.62	131.64
PROV FOR DOUBTFUL INCOME PR YR WRITTEN BACK	0.93	28.04
COST OF INVESTMENTS WRITTEN BACK DURING YR	0.03	-
PROV FOR O/S ITEM RECO WRITTEN BACK	-	0.01
	SUB TOTAL (A)	151,869.99
	SUB TOTAL (B)	28.06
LESS: PROV FOR INCOME CONSIDERED DOUBTFUL	-	28.06
	TOTAL (A-B)	151,841.93

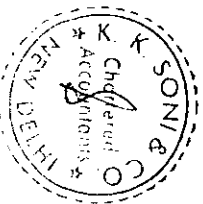




ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	SPECIAL UNIT SCHEME 99	
	CURRENT YEAR	PREVIOUS YEAR
EXPENDITURE		
OFFICE EXPENSES	0.13	0.13
STAMP FEES, CUSTODIAL, REGISTRAR & BANK CHGS	0.07	56.72
AUDITORS FEES (ALLOCATED)	0.10	-
DEFERRED REVENUE EXPENSES WRITTENOFF	-	0.04
SUB TOTAL (A)	0.30	56.89
ADD : LOSS ON INTER SCHEME SALE OF INVTs	-	5,175.85
ADD: LOSS ON SALE/REDEM OF INVT OTHER THAN 1ST	-	3,340.59
SUB TOTAL (B)	-	8,516.44
TOTAL (A) + (B)	0.30	8,573.33
EXCESS OF INCOME OVER EXPENDITURE	1.96	143,268.60
TOTAL	2.26	151,841.93





**ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE APPROPRIATION ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006**

Rupees in Lakhs

	SPECIAL UNIT SCHEME 99	
	CURRENT YEAR	PREVIOUS YEAR
REVENUE APPROPRIATION ACCOUNT		
EXCESS OF INCOME OVER EXPENDITURE	1.96	
TOTAL	1.96	143,268.60
BALANCE TRANSFERRED TO GENERAL RESERVE	1.96	
TOTAL	1.96	143,268.60

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

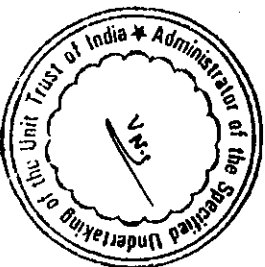
K K SONI
Partner

IMTAIYAZUR RAHMAN
Chief Finance Officer

S.B. MATHUR
Administrator

Mumbai
Dated :

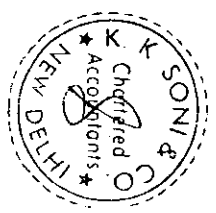
21 DEC 2006



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
 SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

Rupees in Lakhs

		SPECIAL UNIT SCHEME 99	
		31.03.2006	31.03.2005
SCHEDULE 'A'			
CAPITAL			
UNIT CAPITAL			
SCHEDULE 'B'			
RESERVES AND SURPLUS			
GENERAL RESERVE			
BALANCE AS PER LAST BALANCE SHEET.		6.47	29,597.47
BALANCE TRANSFERRED FROM REVENUE AC		1.96	143,268.80
PREM COLLECTED/(PAID) DURING THE YEAR(NET)			(172,959.60)
TOTAL		8.43	6.47





ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

		SPECIAL UNIT SCHEME 99	
		31.03.2006	31.03.2005
SCHEDULE 'C'			
CURRENT LIABILITIES AND PROVISIONS			
CURRENT LIABILITIES			
SUNDRY CREDITORS-OTHERS		0.91	1.90
	SUB TOTAL (A)	0.91	1.90
PROVISIONS			
PROV FOR O/S & ACC INCOME CONSIDERED DOUBTFUL		0.76	1.69
	SUB TOTAL (B)	0.76	1.69
	TOTAL (A + B)	1.67	3.59



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ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

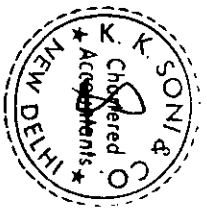
Rupees in Lakhs

		SPECIAL UNIT SCHEME 99	
		31.03.2006	31.03.2005
SCHEDULE 'D'			
INVESTMENTS			
INVESTMENTS (AT OR WRITTEN DOWN COST)			
EQUITY SHARES			
TOTAL		0.03	-
QUOTED (AT COST)		0.03	-
UNQUOTED (AT COST)		-	-
QUOTED (MARKET VALUE)	A'	0.03	-
UNQUOTED (AT VALUATION)		0.21	-
	B'	0.21	-
APPRECIATION/(DEPRECIATION) IN VALUE OF INVT.	(B-A)	0.18	-



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)
 Rupees in Lakhs

SPECIAL UNIT SCHEME 99		
	31.03.2006	31.03.2005
SCHEDULE 'E'		
DEPOSITS	8.81	8.73
DEPOSITS WITH COMPANIES/INSTITUTIONS		
MONEY MARKET OBLIGATIONS	8.81	8.73
TOTAL		
SCHEDULE 'F'		
CURRENT ASSETS	0.93	0.81
OUTSTANDING AND ACCRUED INCOME	0.33	0.52
DUES FROM OTHER SCHEMES(NET)		
DIFFERENCE IN INTER OFFICE BALANCES(NET)	1.26	1.33
TOTAL		
SCHEDULE 'G'		
DEFERRED REVENUE EXPENDITURE	0.04	0.04
BALANCE AS PER LAST BALANCE SHEET	0.04	0.04
LESS:AMOUNT WRITTEN OFF DURING THE YEAR		
TOTAL		





K. K. SONI & CO.
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

TO THE ADMINISTRATOR,

**SPECIFIED UNDERTAKING
OF UNIT TRUST OF INDIA (SUUTI),
MUMBAI**

We have audited the attached Balance Sheets of 3 Schemes viz. VENTURE CAPITAL UNIT SCHEME 1989 (VECAUS I), VENTURE CAPITAL UNIT SCHEME 1990 (VECAUS II) and VENTURE CAPITAL UNIT SCHEME 1991 (VECAUS III) of Specified Undertaking of Unit Trust of India (SUUTI) as at 31st March 2006 and also the related Revenue Accounts for the year ended on that date, annexed thereto. These financial statements are the responsibility of the management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

On the basis of the audit indicated herein, and as required by the 'The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002', and subject to the limitations of disclosure required therein, we report that:

1. The Unit Trust of India Act, 1963 has been repealed by the Government of India viz. "The Unit Trust of India (Transfer of Undertaking and Repeal) Act 2002. In exercise of the powers conferred under the Act, the Central Government vide its notification dated 15th January 2003 had notified 1st February 2003 as the "Appointed Day" for the purpose of transfer and vesting the undertaking of the erstwhile UTI into two entities viz. Specified Undertaking of Unit Trust of India (SUUTI) and UTI Mutual Fund.

1





K. K. SONI & CO.

CHARTERED ACCOUNTANTS

(Refer Note 1 & 2 in Schedule H).

2. The investments are stated "At Valuation" basis. The valuation of the investments has been made by ICICI Venture Funds Management Company Limited/ IFCI Venture Funds Management Company Limited as managers and this has been carried out on the basis of valuation indicated in the statement of Significant Accounting Policies. We have reviewed the procedures applied in valuing such investments, and have inspected the underlying documentation. While the procedures appear to be reasonable and the documentation appropriate, however the valuation involve subjective judgement, which are not susceptible to substantiation by auditing procedures.
3. The post balance sheet events, including the application of appropriate price earning multiple, have been considered and factored upto the date on which these statements have been prepared in assessing the fair value of the unquoted investments as at 31st March, 2006. Consequently the valuation of the investment in this report may not reflect the valuation of investment as at 31st March 2006 had such valuation been undertaken at or near 31st March 2006.
4. The procedure of sale/disposal of unquoted investment for funds that are to be closed needs to be strengthened.
5. VECAUS-I has holding of 2,00,000 shares of Freshtrop Fruits Ltd which were written off during early years now having a market value of Rs. 1.75 crore have not been considered as Investment.

(Refer Note No. 4 in Schedule 'H')

6. Pending final negotiation/settlement with Sri Renuga Spin-Tex Fabrics Ltd, advance of Rs. 96 lakhs received towards buy back of Equity Shares have not so far been appropriated/adjusted in the accounts. After Balance Sheet date a revised offer for Rs. 1.71 crore has been received, the matter is pending with the VECAUS Committe and the investment are still being shown at Rs. 96 lakhs.

(Refer Note No. 5 in Schedule 'H')





K. K. SONI & CO.

CHARTERED ACCOUNTANTS

7. Claims for refund of Rs. 2.24 Lacs pertaining to Tax Deducted at Source on Interest/Dividend received, in our opinion, appears to be unrecoverable, as the same have become time barred.

(Refer Note No. 7 in Schedule 'H')

8. VECAUS III had exercised its option for conversion of Cumulative Convertible Debentures (CCDs) of Rs. 100 lakhs into equity and had opted for conversion of minimum portion of CCDs i.e. Re.0.01 per debenture aggregating of Rs. 1,000/- into equity shares of company. The unconverted portion of debentures together with interest up to 30th September, 2004 i.e. Rs. 165,24,886/- thereon was converted into loan payable as per terms of investment.

4Cplus had however, unilaterally decided to convert debenture into equity and allotted 379320 shares of the company at a price of Rs. 34.60 per share. IVCF has filed legal suit against 4C Plus in the High Court of Delhi for maintaining status quo ante position as existed prior to conversion of debentures. The matter is pending in the High Court.

(Refer Note No. 9 in Schedule 'H')

9. The Auditors of ICICI Venture Funds, Bangalore (VECAUS-1) in their report dated 27.11.2006 have drawn reference to note 6.b.ii of the Summary of Significant Accounting Policies of the Fund, wherein it is stated the post balance sheet events, including the application of appropriate price earning multiple, have been considered and factored upto the date on which these statements have been prepared in assessing the fair value of the unquoted investments as at 31st March, 2006. Consequently, the valuation of the investments of VECAUS-1 may not reflect the valuation of investments as at 31st March, 2006 had such valuations been undertaken or near March 31st, 2006.

- 10. Subject to our observations referred to in paragraph 1 to 9 above and consequential effect on the accounts of Venture Funds stated in paragraphs 5, 6, 7, 8 & 9 above, we further report that:**

- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;





K. K. SONI & CO.

CHARTERED ACCOUNTANTS

- (b) The Balance Sheets and related Revenue Accounts are in agreement with the books of accounts;
- (c) In our opinion and to the best of our knowledge and according to the information and explanations given to us and read with the notes as per Schedule 'H' and the statement of Significant Accounting policies:
- (i) the said Balance Sheets are full and fair containing all the necessary particulars and are properly drawn up in accordance with 'The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002', so as to exhibit a true and fair view of affairs of the Scheme as on 31st March 2006,
 - (ii) the said Revenue Accounts of the Schemes show a true and fair view of the Excess of Income over Expenditure for the year ended on that date.

For K K SONI & CO.
CHARTERED ACCOUNTANTS

K. K. SONI
PARTNER
Date: 21.12.2006
Place: Mumbai



SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA
VENTURE CAPITAL UNIT SCHEMES

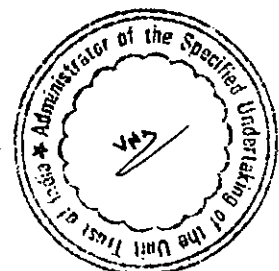
STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES FORMING
PART OF THE ACCOUNTS FOR THE PERIOD ENDED 31ST MARCH
2006

1. BASIS OF PRESENTATION:

The accounts have been prepared under the historical cost convention as adjusted where appropriate for the revaluation of investments. The accrual method of accounting is followed, except where otherwise stated.

2. INCOME RECOGNITION:

- (a) Dividend on equity shares is recognised on ex-dividend dates in respect of quoted companies and on the respective dates of the shareholders' resolution in the case of unquoted companies. Dividend on preference shares is recognised on receipt basis.
- (b) Interest is recognised on accrual basis except where collectibility is in doubt. Charge on sales is recognised on accrual basis to the extent it can be ascertained and considered recoverable with reasonable certainty. Revenue recognition on loans placed in non-accrual status may be resumed and suspended income recognised when investments becomes contractually current or collection of suspended incomes is assured. Premiums on loan prepayment are recognised as income when received.
- (c) Interest Income on debenture is not accrued/ accounted once an asset is classified as Non Performing (NPA). However, for administrative purpose and better control the interest amount is calculated and the same is provided for as memoranda entries in the system without impacting the profit and loss account.
- (d) Appraisal fee is recorded as income on accrual basis.
- (e) Front-End fees relating to loans are recognised as Revenue in the year of first disbursement. The Front End Fees relating to other investments are reduced from the cost of such investments.



- (f) Realised gains and losses (including permanent impairment) on investments are dealt with in the Revenue Account. The cost of long-term investments sold is determined on an average basis for the purpose of calculating gains or losses on sale. The cost of short term investments sold is determined on FIFO basis for the purpose determining gains or loss on sale.
- (g) Provisions are made in respect of accrued income on Investments considered doubtful by the Fund Manager. Such Provisions as well as any subsequent recoveries are accounted through the Revenue Account.

3. EXPENSES :

All expenses are accounted for on accrual basis.

4. INVESTMENTS:

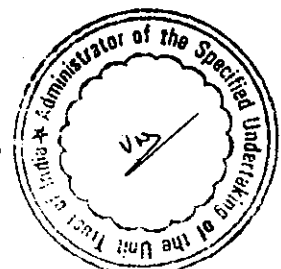
- a) Investments are stated at their aggregate fair value category-wise as determined by the Fund Manager.
- b) Money paid towards equity subscription and awaiting allotment, which is reasonably certain are accounted for as investments.
- c) The fair value of investments is determined as follows:
- (i) Quoted investments are valued at the closing market price as on date of valuation and in the absence at the latest available quote within a period of two months prior to the valuation date. An appropriate discount is applied where the fund manager considers it necessary to reflect restrictions on disposal. Quoted investments not traded in the two months' prior to the valuation day are treated as unquoted.
- (ii) Unquoted equity investments in respect of which third party transactions at arm's length have taken place or terms for which have been agreed to are valued on the basis of such transactions less discount where applicable to reflect their illiquidity:

In the absence of such third party transactions:

- Equity investments in start-up or development stage companies are generally valued at cost. If in the Fund Manager's opinion there is a diminution in the value of any such investment, the investment is written down to its estimated net realisable value.



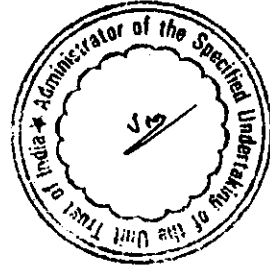
- Equity investments in profitable companies are generally valued by reference to a price based on the maintainable earnings by applying an appropriate price earnings multiple less discount to reflect their illiquidity.
 - Equity investments in other companies are generally valued at cost. If in the Fund Manager's opinion there is a diminution in the value of any such investment, the investment is written down to its estimated net realisable value.
 - The post balance sheet events, including the application of appropriate price earning multiples, have been considered and factored upto the date of on which these statements have been prepared in assessing the fair value of the unquoted investments as at 31st March 2006.
- (iii) Preference shares are valued at the lower of cost or recoverable amount.
- (iv) Fully convertible Bonds (FCB) are generally carried at the principal amounts outstanding and are written down where in the Fund Manager's opinion there is diminution in value.
- (v) Normal loans, Bridge loans, Conditional loans and Convertible loans are generally carried at the principal amounts outstanding and are written down where in the Fund Manager's opinion there is diminution in value. Where the principal component of conditional loans are substantially recovered, the present values of expected future charge on sales are included in the valuation, Premium, if any, payable on conversion of loans is included in the valuation if the collectibility of these premiums is reasonable certain.
- (vi) Fully Convertible Debentures are valued either at cost or on the basis adopted for the underlying equity share.
- (vii) Investments in units of Mutual Funds, which are available for sale, are valued at Net Asset Value (NAV) as on Balance sheet data. Realised gains / losses have been taken to revenue and unrealized gains and temporary losses are recognized as components of Investor's equity and are dealt with under Unrealised Investment reserve.



5. UNREALISED INVESTMENT RESERVE:

Unrealised gains and temporary losses are recognized as components of Investors' equity and are dealt with under Unrealised Investment Reserve.

For K. K. SONI & CO.
K. K. Soni
Partner



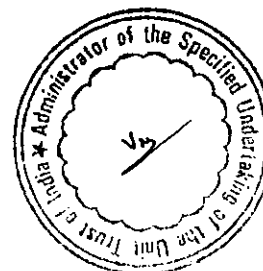
21 DEC 2006

**SPECIFIED UNDERTAKING OF UNIT TRUST OF INDIA
VENTURE CAPITAL UNIT SCHEMES**

SCHEDULE H

**NOTES FORMING PART OF THE ACCOUNTS
FOR THE PERIOD ENDED 31ST MARCH, 2006**


1. The Unit Trust of India Act, 1963 has been repealed by the Government of India viz. "The Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002". In exercise of the powers conferred under the Repeal Act, the Central Government vide its notification dated 15th January 2003 had notified 1st February 2003 as the "Appointed day" for the purpose of transfer and vesting the undertaking of the erstwhile UTI into two entities viz. Specified Undertaking of Unit Trust of India (SUUTI) and UTI Mutual Fund.
2. Investments under VECAUS schemes are held either jointly in the names of the Unit Trust of India (UTI) and ICICI Venture Funds Management Company Limited / IFCI Venture Capital Funds Limited or singly in the name of the Unit Trust of India.
3. VECAUS-I scheme was launched in 1994. The scheme was to be closed/ terminated in October 2004. However extension has been granted for the further period upto 31st march 2006 and it has not so far been terminated.
4. As on March 31, 2006, VECAUS- I is holding 2,00,000 shares of Freshtrop Fruits Ltd., which were fully written off during earlier years. Based on Market price as on 31 March 2006, value of investment of Rs 1.75 crores is not considered.
5. VECAUS - I had received Rs. 96 lakhs from Sri Renuga Spin-Tex Fabrics Ltd. towards buy back of Equity Shares during previous periods. As the transaction of sale was not completed, the receipt was shown as "amount received in advance". Accordingly, Investment was also valued at Rs 96 lakhs. After the Balance Sheet date, the fund has received revised offer for Rs 1.71 crores. As the revised offer is pending for approval from Vecaus Committee, Investment is retained at Rs 96 lakhs.
6. During the year 1997-98, VECAUS – I had entered into an agreement with the promoter of Datar Switchgear Limited for sale of 1,59,000 shares of the company for consideration of Rs. 95.40 lakhs, payable in 6 equal quarterly installments from April 1998 to July 1999. Towards this agreement the Fund has received Rs. 30 lakhs. Post March 31, 2006, this advance has been adjusted towards transfer of 50,000 shares of Mr. Rajan datar, the promoter of the Datar Switch Gear Ltd. The transfer has been appropriately reflected in the financial statements.
7. Sundry Debtors totaling to Rs. 2.24 lakhs relating to VECAUS III represent the following amounts recoverable pertaining to Tax Deducted at Source on interest/dividend received:




Date	Name of TDS Deductor	Amount
30.11.1995	Jamshedpur Metal Ltd.	344
15.11.1996	Jamshedpur Metal Ltd.	445
13.12.1995	Herren Drugs Ltd.	1,575
30.06.2001	HDFC Bank	2,21,806
	Total	2,24,170


Necessary Income Tax Return claiming the above refunds has been filed with the Income Tax Department on 28.10.2005 and efforts for their recovery are still in progress.

8. In March 2002, VECAUS III had restructured the terms for repayment of Optionally Convertible Debentures (OCDs) held in M/s Nitya Laboratories Limited by inter alia reducing the rate of interest w.e.f. 1st April, 2002 and rate of penal interest from date of disbursement i.e. 29th October, 1998. Upon restructuring the terms of repayment of OCD's, an amount of Rs. 55,18,137/- was determined towards interest dues till 31st December, 2001. The revised interest and repayment of OCDs was envisaged to be paid in 12 quarterly installments of Rs. 4.20 lakhs each starting from May, 2002 to April, 2003 and down payment of Rs. 4,78,137/-. The Fund has, since then been treating the amount of OCD's and funded amount of interest of Rs. 55,18,137/- as company's debt obligation.
9. VECAUS III had exercised its option for conversion of Cumulative Convertible Debentures (CCDs) of Rs. 100 lakhs into equity and had opted for conversion minimum portion of CCDs i.e. Re.0.01 per debenture aggregating of Rs. 1,000/- into equity shares of company. The unconverted portion of debentures together with interest upto 30th September, 2004 i.e. Rs. 165,24,886/- thereon was converted into loan payable in 6 quarterly installments from November, 2004 to February, 2006 as per terms of investment. The Fund, accordingly treating investment in 4Cplus on company's debt obligation.
- 4Cplus had however, unilaterally decided to convert debenture into equity and allotted 379320 shares of the company at a price of Rs. 34.60 per share, including premium of Rs. 24.60 per share. As 4Cplus had acted unilaterally in the matter disregarding the Funds conversion option, IVCF had filed legal suit against 4C Plus in the High Court of Delhi for maintaining status quo ante position as existed prior to conversion of debentures. The matter is pending in the High Court.


IMTAIYAZUR RAHMAN
CHIEF FINANCE OFFICER

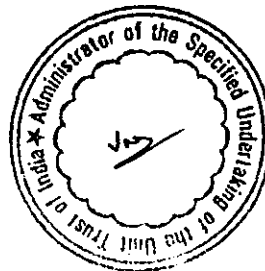

S. B. MATHUR
ADMINISTRATOR

For and on behalf of
K K SONI & CO.
CHARTERED ACCOUNTANTS


K. K. SONI
PARTNER

MUMBAI
DATED :

12.11.2006



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

BALANCE SHEETS AS AT 31ST MARCH, 2006

Rupees in Lakhs

	VECAUS I		VECAUS II		VECAUS III	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
ASSETS						
INVESTMENTS..... 'A'	1,063.81	6,070.87	12.16	24.81	2,148.24	2,903.28
DEPOSITS..... 'B'	7.54	45.37	68.76	54.18	42.35	974.22
OTHER CURRENT ASSETS..... 'C'	1.42	43.39	1.73	4.34	9.15	71.90
TOTAL	1,072.77	6,159.63	82.65	83.33	2,199.74	3,949.40
LESS : CURRENT LIABILITIES & PROVISIONS..... 'D'	98.15	168.65	23.64	25.25	62.44	104.93
NET ASSETS	974.62	5,990.98	59.01	58.08	2,137.30	3,844.47
REPRESENTED BY LIABILITIES						
CAPITAL..... 'E'	1.00	1,912.12	-	-	2,400.00	4,200.00
RESERVES & SURPLUS..... 'F'	924.05	(1,135.08)	58.91	57.20	(262.70)	(355.53)
UNREALISED INVESTMENT RESERVE..... 'G'	49.57	5,213.94	0.10	0.88	-	-
TOTAL	974.62	5,990.98	59.01	58.08	2,137.30	3,844.47

NOTES TO ACCOUNTS..... 'H'

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner

21 DEC 2006

Mumbai
Dated :



IMTAJIAZUR RAHMAN
Chief Finance Officer

S.B. MATHUR
Administrator



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA
REVENUE ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

Rupees in Lakhs

	VECAUS I		VECAUS II		VECAUS III	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
INCOME						
DIVIDEND	38.45	38.93	-	-	12.52	11.41
INTEREST	415.83	554.84	4.39	3.95	48.39	145.94
PROFIT ON SALE OF INVESTMENTS	5,178.67	240.00	2.13	0.98	398.57	440.61
PROV FOR DOUBTFUL INCOME PR YR WRITTEN BACK	-	-	-	-	-	-
PROV FOR DEPR IN VALUE OF INV WRITTEN BACK	-	-	-	1.48	-	62.00
SUB TOTAL (A)	5,633.95	833.77	6.52	6.41	459.48	659.96
LESS: INVESTMENT LOSSES	-	8.63	-	-	2.38	23.24
LESS: PROV FOR INCOME CONSIDERED DOUBTFUL	-	-	-	1.48	-	-
LESS: PROV FOR DEPRECIATION IN VALUE OF INVT	-	-	-	-	245.48	448.77
SUB TOTAL (B)	-	8.63	-	1.48	247.86	472.01
EXPENDITURE						
MANAGEMENT/PERFORMANCE FEES	-	27.67	-	-	115.71	140.40
LEGAL AND PROFESSIONAL CHARGES	118.99	1.11	-	-	2.65	1.17
OTHER EXPENDITURE	1.42	1.04	0.13	0.16	0.43	0.27
TOTAL (A-B)	5,633.95	826.14	6.52	4.93	211.62	187.95
EXCESS OF INCOME OVER EXPENDITURE						
TOTAL	5,633.95	826.14	6.52	4.93	211.62	187.95



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

REVENUE APPROPRIATION ACCOUNTS FOR THE PERIOD 1ST APRIL, 2005 TO 31ST MARCH, 2006

Rupees in Lakhs

	VECAUS I		VECAUS II		VECAUS III	
	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR	CURRENT YEAR	PREVIOUS YEAR
BALANCE AS PER LAST BALANCE SHEET	(1,135.08)	(4,357.35)	57.20	52.43	(355.53)	(437.74)
BALANCE TRANSFERRED FROM REVENUE ACCOUNT	5,513.54	795.32	6.39	4.77	92.83	46.11
ADD/(LESS):PRIOR PERIOD ADJUSTMENTS						
TOTAL	4,378.46	(3,562.03)	63.59	57.20	(262.70)	(391.63)
PREMIUM PAID ON REDEMPTION	3,454.41	(2,428.89)	4.68	-	-	(36.10)
BALANCE CARRIED TO BALANCE SHEET	924.05	(1,135.08)	58.91	57.20	(262.70)	(355.53)
TOTAL	4,378.46	(3,562.03)	63.59	57.20	(262.70)	(391.63)

Statement of Significant Accounting Policies forms an integral part of the Accounts.

As per our attached report of even date
For and on behalf of
K K SONI & CO.
Chartered Accountants

K K SONI
Partner

IMTAYAZUR RAHMAN
Chief Finance Officer

S.B. MATHUR
Administrator

Mumbai
Dated :

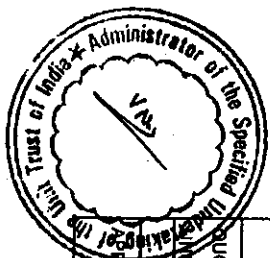
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SCHEDULES A TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006

Rupees in Lakhs

SCHEDULE 'A' INVESTMENTS AT VALUATION	VECAUS I		VECAUS II		VECAUS III	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
EQUITY SHARES	96.00	5,338.06	-	-	1,808.78	2,412.37
PREFERENCE SHARES	-	-	-	-	-	-
DEBENTURES AND BONDS	-	-	-	-	146.21	299.26
CONDITIONAL LOANS	-	-	-	-	159.25	120.65
NORMAL LOANS	-	-	-	-	-	-
BRIDGE LOANS	-	-	-	-	-	-
CONVERTIBLE LOANS	-	-	-	-	34.00	71.00
FUNDED INTEREST	-	-	-	-	-	-
MUTUAL FUND UNITS	967.81	234.81	12.16	24.81	-	-
TOTAL	1,063.81	6,070.87	12.16	24.81	2,148.24	2,903.28
INVESTMENTS AT COST						
QUOTED						
EQUITY SHARES	-	-	-	-	89.35	314.99
UNQUOTED	-	-	-	-	-	-
EQUITY SHARES	74.65	622.79	-	-	3,961.64	4,531.90
PREFERENCE SHARES	-	-	-	-	-	-
DEBENTURES AND BONDS	-	-	-	-	472.21	476.71
CONDITIONAL LOANS	-	-	-	-	515.89	830.38
NORMAL LOANS	-	-	-	-	-	-
BRIDGE LOANS	-	-	-	-	-	-
CONVERTIBLE LOANS	-	-	-	-	96.00	96.00
FUNDED INTEREST	-	-	-	-	-	-
MUTUAL FUND UNITS	839.59	234.14	12.06	23.93	55.18	55.18
TOTAL COST 'A'	1,014.24	866.93	12.06	23.93	6,090.27	6,305.16
QUOTED(MARKET VALUE)	967.81	-	12.16	-	178.32	307.88
UNQUOTED(AT VALUATION)	96.00	6,070.87	-	24.81	1,969.92	2,595.40
FAIR VALUE 'B'	1,063.81	6,070.87	12.16	24.81	2,148.24	2,903.28
PROVISION FOR DEPRECIATION/DEPRECIATION) IN THE VALUE OF INVESTMENTS.						
TOTAL ('B' - 'A')	49.57	5,213.94	0.10	0.88	(2,942.03)	(3,401.88)

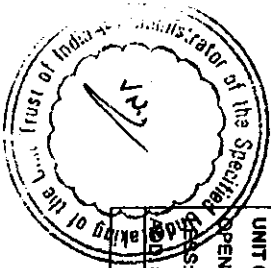


ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	VECAUS I		VECAUS II		VECAUS III	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'B'						
DEPOSITS						
MONEY MARKET OBLIGATIONS	7.54	45.37	68.76	54.18	42.35	42.95
DEPOSITS WITH COMPANIES/INSTITUTION						931.27
TOTAL	7.54	45.37	68.76	54.18	42.35	974.22
SCHEDULE 'C'						
OTHER CURRENT ASSETS						
BALANCE WITH BANKS IN CURRENT ACCOUNTS	1.28	40.53	0.41	-	5.23	4.50
SUNDRY DEBTORS	0.14	2.86	1.32	4.34	2.26	2.35
OUTSTANDING AND ACCRUED INCOME					1.66	65.05
TOTAL	1.42	43.39	1.73	4.34	9.15	71.90
SCHEDULE 'D'						
CURRENT LIABILITIES AND PROVISIONS						
CURRENT LIABILITIES						
SUNDRY CREDITORS	2.15	42.65	23.64	25.25	62.44	104.93
INCOME RECEIVED IN ADVANCE	96.00	126.00	-	-	-	-
DUES TO OTHER SCHEMES(NET)						
SUB TOTAL (A)	98.15	168.65	23.64	25.25	62.44	104.93
PROVISIONS						
PROVISION FOR DOUBTFUL INVESTMENTS						
SUB TOTAL (B)	-	-	-	-	-	-
TOTAL (A+B)	98.15	168.65	23.64	25.25	62.44	104.93
SCHEDULE 'E'						
UNIT CAPITAL						
OPENING BALANCE	1,912.12	10,139.07	-	-	4,200.00	5,200.00
ISSUES/REDEEMED DURING THE YEAR	1,911.12	8,226.95	-	-	1,800.00	1,000.00
NET SALES DURING THE YEAR						
TOTAL	1.00	1,912.12	-	-	2,400.00	4,200.00



ADMINISTRATOR OF THE SPECIFIED UNDERTAKING OF THE UNIT TRUST OF INDIA

SCHEDULES ANNEXED TO AND FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 2006 (Contd.)

Rupees in Lakhs

	VECAUS I		VECAUS II		VECAUS III	
	31.03.2006	31.03.2005	31.03.2006	31.03.2005	31.03.2006	31.03.2005
SCHEDULE 'F'						
RESERVES AND SURPLUS						
REVENUE APPROPRIATION ACCOUNT						
BALANCE AS PER ACCOUNT	924.05	(1,135.08)	58.91	57.20	(262.70)	(355.53)
TOTAL	924.05	(1,135.08)	58.91	57.20	(262.70)	(355.53)
SCHEDULE 'G'						
UNREALISED INVESTMENT RESERVE						
UNREALISED GAINS AS PER LAST BALANCE SHEET ...	5,213.94	2,579.46	0.88	0.78	-	-
APPRECIATION/(DEPRECIATION) DURING THE PERIOD.....	(5,164.37)	2,634.48	(0.78)	0.10	-	-
TOTAL	49.57	5,213.94	0.10	0.88	-	-

