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AUDITORS' REPORT

TO THE MEMBERS OF AXA BUSINESS SERVICES PRIVATE LIMITED

1. We have audited the attached Balance Sheet of AXA Business Services Private Limited as at December 31, 2008 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that:
 - 3.1 As explained in Note 23 on Schedule 16, the leasehold rent is consistently being expensed in the accounts, based on the terms of the lease agreement instead of following the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India (ICAI) on "Accounting for Scheduled Rent Increases in case of an Operating Lease", i.e., the rent payable over the total lease period be charged on a straight line basis. Had the method prescribed by the ICAI been followed the leasehold rental charge for the year would be lower by Rs.4,369,753, which cumulatively aggregates to an under charge of leasehold rentals by Rs.53,897,581 having consequential effect on the profits for the year, profit carried forward to next year and the net worth of the Company.
 - 3.2 We draw attention to Note 24 on Schedule 16 regarding accrual of dividend income aggregating to Rs.8,396,254 where right to receive the payment is not established as required under the provisions of Accounting Standards 9 - Revenue Recognition, having consequent effect on the profits for the year and net worth of the Company.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, (together the 'Order'), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
5. Further to our comments in paragraph 4 above, we report that:
 - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

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- (d) *Subject to our remarks in paragraph 3.1 and 3.2 above*, in our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on December 31, 2008, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2008 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements, together with the notes thereon and attached thereto, give, in the prescribed manner, the information required by the Act and *subject to our remarks in paragraph 3.1 and 3.2 above*, also give, a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at December 31, 2008;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Place: Bangalore
Date: February 4, 2009



S. Dutta
Partner
Membership No. F 50081
For and on behalf of
Price Waterhouse & Co.
Chartered Accountants

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 4 of the Auditors' Report of even date to the members of AXA Business Services Private Limited on the financial statements for the year ended December 31, 2008]

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.
- (c) During the year, the Company has not disposed off a substantial part of its fixed assets.
- (ii) The Company has not granted or taken any loans, secured or unsecured, to/ from companies, firms or other parties listed in the register maintained under Section 301 of the Act and accordingly clauses (iii)(b), (iii)(c), (iii)(d), (iii)(f) and (iii)(g) of the Order are not applicable.
- (iii) In our opinion, having regard to the information and explanations given to us that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, we have neither come across nor have been informed of any major weaknesses in the internal control procedures of the aforesaid areas.
- (iv) In our opinion and according to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register maintained under that Section. Accordingly, clause (v)(b) of the Order is not applicable.
- (v) The Company has not accepted any deposits from the public.
- (vi) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.



(vii)(a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess, as may be applicable and other material statutory dues with the appropriate authorities in India.

(b) As at the year end, disputed dues on account of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess, as may be applicable, that have not been deposited on account of a dispute is as follows:

	<u>Rs.</u>
Income tax matters:	
(i) Demands arising out of order for assessment under Section 143(3) of the Income Tax Act for assessment year 2003-04 against which the Company has filed an appeal with the Income Tax Appellate Tribunal, Bangalore.	2,874,193
(ii) Demands arising out of order for assessment under Section 143(3) of the Income Tax Act for assessment year 2004-05 against which the Company has filed an appeal with the Income Tax Appellate Tribunal, Bangalore.	5,742,390
(iii) Demands arising out of order for assessment under Section 143(3) of the Income Tax Act for assessment year 2005-06 against which the Company has filed an appeal with the Commissioner of Income Tax (Appeals) I, Bangalore.	14,122,762
	<u>22,739,345*</u>

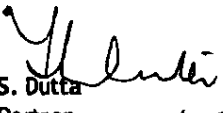
* Includes Rs.12,174,322 paid under protest.

- (viii) The Company has neither accumulated losses as at December 31, 2008 nor has it incurred any cash loss either during the financial year ended on that date or in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the Balance Sheet date.
- (x) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xi) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by employees from banks or financial institutions during the year, are not prejudicial to the interest of the Company.
- (xii) In our opinion, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- (xiii) On the basis of an overall examination, in our opinion, there are no funds raised on a short term basis, which have been used for long term investment, which has also been confirmed by the management.



- (xiv) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, no fraud on or by the Company has been noticed or reported during the year, nor have we been informed of such case by the management.
- (xv) The other clauses of the Order namely clauses (ii), (viii), (xiii), (xiv), (xviii), (xix) and (xx) were not applicable to the Company during the year.

Place: Bangalore
Date: February 4, 2009


S. Dutta
Partner
Membership No. F 50081
For and on behalf of
Price Waterhouse & Co.
Chartered Accountants

AXA BUSINESS SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2008

	Schedule	2008 Rs.	2007 Rs.
SOURCES OF FUNDS			
Shareholders' Funds:			
Capital	1	263,240,100	263,240,100
Reserves and Surplus	2	2,199,184,870	1,796,209,757
		<u>2,462,424,970</u>	<u>2,059,449,857</u>
Loan Funds:			
Secured Loans	3	54,822,513	116,269,861
Unsecured Loan	4	34,721,245	13,478,744
		<u>89,543,758</u>	<u>129,748,605</u>
		<u>2,551,968,728</u>	<u>2,189,198,462</u>
APPLICATION OF FUNDS			
Fixed Assets:			
Gross Block	5	1,000,635,182	992,474,583
Less: Depreciation		591,157,080	495,232,158
Net Block		<u>409,478,102</u>	<u>497,242,425</u>
Capital Work-in-Progress		5,713,560	25,815,947
		<u>415,191,662</u>	<u>523,058,372</u>
Investments	6	1,248,516,032	508,805,263
Deferred Tax Asset [Schedule 16 Note 11(c)]		24,316,371	12,727,459
Current Assets, Loans and Advances:			
Sundry Debtors	7	241,027,776	250,721,257
Cash and Bank Balances	8	587,643,390	913,581,052
Other Current Assets	9	110,392,833	100,853,490
Loans and Advances	10	563,111,311	469,941,404
		<u>1,502,175,310</u>	<u>1,735,097,203</u>
Less: Current Liabilities and Provisions:			
Liabilities	11	574,918,257	549,010,123
Provisions		63,312,390	41,479,712
		<u>638,230,647</u>	<u>590,489,835</u>
Net Current Assets		<u>863,944,663</u>	<u>1,144,607,368</u>
		<u>2,551,968,728</u>	<u>2,189,198,462</u>
Notes on Accounts	16		

The Schedules referred to above and the notes thereon form an integral part of the Accounts.

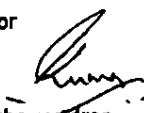
This is the Balance Sheet referred to in our report of even date


S. Dutta
Partner

For and on behalf of
Price Waterhouse & Co.
Chartered Accountants
Place: Bangalore
Date: February 4, 2009


C. Buch
Director


S. Banerjee
Director


U. Raghavendran
Company Secretary
Place: Pune
Date: February 2, 2009

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AXA BUSINESS SERVICES PRIVATE LIMITED

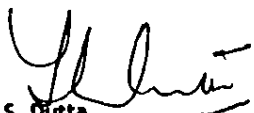
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2008

	Schedule	2008 Rs.	2007 Rs.
INCOME			
Services	12	2,651,323,380	2,280,470,740
Other Income	13	109,558,850	164,319,781
		<u>2,760,882,230</u>	<u>2,444,790,521</u>
EXPENDITURE			
Operating and Other Expenses	14	2,176,268,562	1,915,028,073
Depreciation		161,692,950	160,730,232
Interest	15	5,965,873	6,834,230
		<u>2,343,927,385</u>	<u>2,082,592,535</u>
Profit before Taxation		416,954,845	362,197,986
(Less)/ Add: Provision for Taxation (Schedule 16 Note 11):			
Current Tax		(9,026,644)	(8,901,617)
Deferred Tax		11,588,912	12,727,459
Fringe Benefit Tax		<u>(16,542,000)</u>	<u>(11,019,447)</u>
Profit after Taxation		402,975,113	355,004,381
Profit brought forward from previous year		1,614,526,757	1,441,205,376
Profit available for appropriation		<u>2,017,501,870</u>	<u>1,796,209,757</u>
Appropriations:			
Transfer to Capital Redemption Reserve		-	(181,683,000)
Balance carried to the Balance Sheet		<u>2,017,501,870</u>	<u>1,614,526,757</u>
Earnings Per Share (Schedule 16 Note 21):			
Basic and Diluted		15.31	13.49

Notes on Accounts 16


The Schedules referred to above and the notes thereon form an integral part of the accounts.

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


S. Dutta
 Partner
 For and on behalf of
Price Waterhouse & Co.
 Chartered Accountants
 Place: Bangalore
 Date: February 4, 2009


C. Bueh
 Director


S. Banerjee
 Director


U. Raghavendran
 Company Secretary
 Place: Pune
 Date: February 2, 2009

AXA BUSINESS SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2008

	2008		2007
	Rs.		Rs.
A. Cash flow from Operating Activities			
Profit before Taxation	416,954,845		362,197,986
Adjustments for:			
Depreciation	161,692,950		160,730,232
Interest on Fixed Loans	5,965,873		6,834,230
Interest Income *	(5,884,638)		(4,003,694)
Dividend	(75,228,992)		(46,095,913)
Loss/ on Sale/ Scrapping of Fixed Assets	120,448		7,861,403
Unrealised Foreign Exchange Loss/ (Gain)	(32,302,678)		2,506,290
(Profit)/ Loss on Sale/ Restatement of Investments	(1,835,200)		(6,793,565)
Operating profit before working capital changes	469,482,608		483,236,969
Adjustments for:			
Trade and Other Receivables	(86,421,156)	(46,261,798)	
Current Liabilities and Provisions	46,873,211	86,416,104	
	<u>(39,547,945)</u>	<u>40,154,306</u>	
Adjustment for Unrealised Foreign Exchange (Loss)/ Gain	(507,699)	(40,055,644)	8,558,211
		<u>8,558,211</u>	48,712,517
Cash generated from operations	429,426,964		531,949,486
Income tax payments net of refunds	(15,256,041)	2,888,082	
Fringe benefit tax payments	(16,595,857)	(31,851,898)	(15,519,447)
		<u>(15,519,447)</u>	(12,631,365)
Net Cash from/ (used in) Operating Activities	397,575,066		519,318,121
B. Cash flow from Investing Activities			
Purchase of Fixed Assets	(52,965,896)		(99,213,172)
Sale of Fixed Assets	5,361,811		9,786,160
Investments made	(3,817,529,937)		(2,100,056,597)
Sale of Investments	3,079,654,368		2,358,929,695
Interest Received	5,627,136		4,134,011
Dividend Income	75,228,992		46,095,913
Finance Lease payments	(59,792,733)		(69,128,099)
Net Cash from/ (used in) Investing Activities	(764,416,259)		150,547,911
Total - carried forward	(366,841,193)		669,866,032

* Excludes Interest Income on Income Tax Refund: NIL (2007: Rs.1,188,492).



AXA BUSINESS SERVICES PRIVATE LIMITED

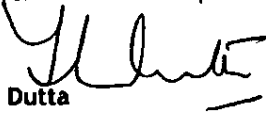
CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2008 - Contd.

	2008		2007
	Rs.		Rs.
Total - brought forward	(366,841,193)		669,866,032
C. Cash flow from Financing Activities			
Proceeds from Borrowings	17,184,574		30,810,612
Repayments of Borrowings	(25,181,792)		(15,472,418)
Interest Paid [including on Finance Lease]	(5,152,129)		(6,074,190)
Redemption of Preference Shares			(181,683,000)
Net Cash from/ (used in) Financing Activities	(13,149,347)		(172,418,996)
Adjustment for Unrealised Foreign Exchange (Loss)/ Gain on Cash and Cash Equivalents	32,810,377		(11,064,501)
Net Increase/ (Decrease) in Cash and Cash Equivalents	(347,180,163)		486,382,535
Cash and cash equivalents as at January 1, 2007:			
Cash and Bank Balances	913,581,052	429,229,365	
Book Overdraft	(13,478,744)	900,102,308	(15,509,592)
			413,719,773
Cash and cash equivalents as at December 31, 2008:			
Cash and Bank Balances	587,643,390	913,581,052	
Book Overdraft	(34,721,245)	552,922,145	(13,478,744)
			900,102,308

Notes:


1. The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at December 31, 2008 and the relative Profit and Loss Account for the year ended on that date.
2. The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India and the reallocations required for the purpose are as made by the Company.
3. Previous year's figures have been regrouped/ reclassified wherever necessary to confirm with current year's classification.

This is the Cash Flow Statement referred to in our report of even date


S. Dutta
 Partner
 For and on behalf of
Price Waterhouse & Co.
 Chartered Accountants
 Place: Bangalore
 Date: February 4, 2009


C. Buch
 Director


S. Banerjee
 Director


U. Raghavendran
 Company Secretary
 Place: Pune
 Date: February 2, 2009

AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
1. CAPITAL		
Authorised:		
52,500,000 (2007: 52,500,000) 5% Redeemable Non-Cumulative Preference Shares of Rs.10/- each	525,000,000	525,000,000
10,000,000 (2007: 10,000,000) 10% Redeemable Non-Cumulative Preference Shares of Rs.10/- each	100,000,000	100,000,000
37,500,000 (2007: 37,500,000) Equity Shares of Rs.10/- each	375,000,000	375,000,000
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, Subscribed and Paid-up:		
26,324,010 (2007: 26,324,010) Equity Shares of Rs.10/- each fully paid up in cash (Schedule 16 Note 9)	263,240,100	263,240,100
	<u>263,240,100</u>	<u>263,240,100</u>
2. RESERVES AND SURPLUS		
Capital Redemption Reserve:		
As per last Balance Sheet	181,683,000	
Add: Transferred from Profit and Loss Account	181,683,000	181,683,000
Profit and Loss Account balance	2,017,501,870	1,614,526,757
	<u>2,199,184,870</u>	<u>1,796,209,757</u>
3. SECURED LOANS		
From a Financial Institution:		
Hire Purchase Loans [Note (i)]	27,112,823	35,110,041
Finance Lease Obligation [Note (ii)]	27,709,690	81,159,820
	<u>54,822,513</u>	<u>116,269,861</u>
Notes:		
(i) Secured by way of a charge on fixed assets acquired out of the loans [Schedule 16 Note 16(b)].		
(ii) Represents principal portion of minimum lease payments payable for assets acquired on finance lease from a fellow subsidiary [Schedule 16 Note 16(b)].		
4. UNSECURED LOANS		
From Bank - Book Overdraft	34,721,245	13,478,744
	<u>34,721,245</u>	<u>13,478,744</u>

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

5. FIXED ASSETS [Schedule 16 Note 1(ii)]

	Gross Block (at cost)				Depreciation		Net Block			
	2007		2008		2007		2008			
	Additions	Deletions	Additions	Deletions	Additions	Deletions	2008	2007		
Leasehold Improvements	258,481,878	27,610,202	537,237	285,554,843	85,125,921	38,565,997	116,020	123,575,898	161,978,945	173,355,957
Plant and Machinery	49,655,440	1,602,719	-	51,258,159	8,791,000	2,390,445	-	11,181,445	40,076,714	40,864,440
Computer Systems	167,785,368	13,472,313	-	181,257,681	165,074,498	14,733,378	-	179,807,876	1,449,805	2,710,870
Computer Software	18,190,312	920,875	-	19,111,187	8,319,836	6,191,976	-	14,511,812	4,599,375	9,870,476
Office Equipment	154,218,669	5,762,994	414,302	159,567,361	64,890,604	12,830,193	269,705	77,451,092	82,116,269	89,328,065
Furniture and Fixtures	71,914,152	6,514,606	4,350,301	74,078,457	27,767,121	7,515,043	3,855,591	31,426,573	42,651,884	44,147,031
Vehicles (Note 1)	64,036,921	17,184,574	11,245,966	69,975,529	19,209,812	16,728,487	6,824,231	29,114,068	40,861,461	44,827,109
Assets acquired on Finance Lease (Note 2):	784,282,740	73,068,283	16,547,806	840,803,217	379,178,792	98,955,519	11,065,547	467,068,764	373,734,453	405,103,948
Computer Systems	127,144,140	3,119,056	49,608,017	80,655,179	77,496,790	46,759,152	49,608,017	74,647,925	6,007,254	49,647,350
Office Equipment	81,047,703	3,223,547	5,094,464	79,176,786	38,556,576	15,978,279	5,094,464	49,440,391	29,736,395	42,491,127
	992,474,583	79,410,886	71,250,287	1,000,635,182	495,232,158	161,692,950	65,768,028	591,157,080	409,478,102	497,242,425
2007	901,296,631	148,197,517	57,019,565	992,474,583	351,810,105	160,730,232	17,308,179	495,232,158		

Capital Work-in-Progress [including Capital Advances: Rs.5,713,560 (2007: Rs.22,995,367)]

5,713,560 25,815,947
415,191,662 523,058,372

Notes:

1. Includes Rs.69,975,529 (2007: Rs.64,036,921) acquired on hire purchase.
2. Represents assets acquired from a fellow subsidiary.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)]		
Current, Quoted		
Other than Trade		
Standard Chartered-IDFC Liquid Plus Fund Treasury Plan 16,416,888 (2007: Nil) units of Rs.10 each fully paid [16,245,790 (2007: Nil) units purchased during the year and 171,098 (2007: Nil) units accrued during the year under dividend reinvestment plan]	165,323,028	-
Standard Chartered-Fixed Maturity Plan YS 22 10,000,000 (2007: Nil) units of Rs.10 each fully paid [10,000,000 (2007: Nil) units purchased during the year]	100,000,000	-
Deutsche Bank-DWS Fixed Term Fund Series 49 5,100,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	51,000,000	-
Citibank-Redeemable Non Convertible Debentures-Series 167 51 (2007: 51) debentures of Rs.1,000,000 each [Note (i)]	51,000,000	51,000,000
Deutsche Bank-DWS Fixed Term Fund Series 51 5,000,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	50,000,000	-
Deutsche Bank-DB MF-HDFC Arbitrage Fund 5,236,524 (2007: Nil) units of Rs.10 each fully paid [4,984,051 (2007: Nil) units purchased during the year and 252,473 (2007: Nil) units accrued during the year under dividend reinvestment plan]	52,401,897	-
Standard Chartered-IDFC Dynamic Bond Fund 3,766,159 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	40,000,000	-
Deutsche Bank-DWS Credit Oppourtunties Cash Fund-15 days Plan 4,194,014 (2007: Nil) units of Rs.10 each fully paid [4,166,874 (2007: Nil) units purchased during the year and 27,140 (2007: Nil) units accrued during the year under dividend reinvestment plan]	42,016,171	-
<i>Carry forward</i>	551,741,096	51,000,000
		Contd.

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd.		
Current, Quoted		
<i>Brought forward</i>	551,741,096	51,000,000
Deutsche Bank-DWS Credit Opportunities Cash Fund 4,146,711 (2007: Nil) units of Rs.10 each fully paid [3,992,013 (2007: Nil) units purchased during the year and 154,698 (2007: Nil) units accrued during the year under dividend reinvestment plan]	41,550,050	-
Standard Chartered-ANZ ABN Amro Fixed Term Plan Series 12 Plan B 4,000,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	40,000,000	-
Deutsche Bank-DWS Fixed Term Fund Series-55 3,790,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	37,900,000	-
Deutsche Bank-DWS Insta Cash Fund 3,752,609 (2007: Nil) units of Rs.10 each fully paid [3,688,962 (2007: Nil) units purchased during the year and 63,647 (2007: Nil) units accrued during the year under dividend reinvestment plan]	38,655,628	-
Deutsche Bank-DWS Liquid Plus Fund 3,613,891 (2007: Nil) units of Rs.10 each fully paid 3,567,044 (2007: Nil) units purchased during the year and 46,847 (2007: Nil) units accrued during the year under dividend reinvestment plan]	36,200,937	-
Deutsche Bank-DWS Fixed Term Fund Series 52 3,250,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	32,500,000	-
Deutsche Bank-DWS Premier Bond Fund 2,501,247 (2007: Nil) units of Rs.10 each fully paid [2,485,110 (2007: Nil) units of Rs.10 each purchased during the year and 16,137 (2007: Nil) units accrued during the year under dividend reinvestment plan]	32,119,524	-
<i>Carry forward</i>	810,667,235	51,000,000

Contd.

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd.		
Current, Quoted		
<i>Brought forward</i>	810,667,235	51,000,000
Standard Chartered-IDFC Liquid Plus Fund 3,549,039 (2007: Nil) units of Rs.10 each fully paid [3,475,566 (2007: Nil) units purchased during the year and 73,473 (2007: Nil) units accrued during the year under dividend reinvestment plan]	35,739,897	-
Standard Chartered-ANZ Templeton Fixed Horizon Plan E Growth 3,250,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	32,500,000	-
Standard Chartered-IDFC Fixed Maturity Plan Quaterly Series 44 3,000,000 (2007: Nil) units of Rs.10 each fully paid [2,979,057 (2007: Nil) units purchased during the year and 20,943 (2007: Nil) units accrued during the year under dividend reinvestment plan]	30,858,600	-
Deutsche Bank-Prudential ICICI-Blended Plan A-Fixed Maturity Plan 2,885,725 (2007: 2,885,725) units of Rs.10 each fully paid	30,000,000	30,000,000
Citi Bank-Franklin Templeton Fixed Horizon Fund Series VIII 3,006,565 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	30,065,651	-
Deutsche Bank-DWS Credit Opportunities Cash Fund 1,984,596 (2007: 1,856,783) units of Rs.10 each fully paid [Nil (2007: 1,800,000) units purchased during the year and 127,813 (2007: 56,783) units accrued during the year under dividend reinvestment plan]	20,194,855	18,715,626
Standard Chartered-IDFC Government Securiry Fund 2,500,000 (2007: Nil) units of Rs.10 each fully paid [2,461,527 (2007: Nil) units purchased during the year and 38,473 (2007: Nil) units accrued during the year under dividend reinvestment plan]	27,902,500	-
Citi Bank - AIG Quarterly Interval Fund Series II 27,621 (2007: Nil) units of Rs.1,000 each fully paid (purchased during the year) -	27,859,298	-
<i>Carry forward</i>	<u>1,045,788,036</u>	<u>99,715,626</u>

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd.		
Current, Quoted		
Other than Trade		
<i>Brought forward</i>	1,045,788,036	99,715,626
Standard Chartered-IDFC Dynamic Bond Fund 2,482,350 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	25,000,000	-
Standard Chartered-IDFC Fixed Maturity Plan QS 46 2,500,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	25,000,000	-
Deutsche Bank-DWS Money Plus Advantage Fund 2,075,814 (2007: Nil) units of Rs.10 each fully paid [1,978,806 (2007: Nil) units purchased during the year and 97,008 (2007: Nil) units accrued during the year under dividend reinvestment plan]	21,738,765	-
Citi Bank-Principal Floating Rate Fund-Flexible Maturity Plan 2,053,696 (2007: Nil) units of Rs.10 each fully paid [1,997,543 (2007: Nil) units purchased during the year and 56,153 (2007: Nil) units accrued during the year under dividend reinvestment plan]	20,562,221	-
Deutsche Bank-DWS Fixed Maturity Plan Series 61 2,000,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	20,000,000	-
Citi Bank-HDFC CMF Saving Plus Account-Dividend 1,531,602 (2007: Nil) units of Rs.10 each fully paid [1,445,446 (2007: Nil) units purchased during the year and 86,156 (2007: Nil) units accrued during the year under dividend reinvestment plan]	15,364,274	-
Citi Bank-Birla Sunlife Liquid Plus Retail Fortnightly Dividend 1,256,500 (2007: Nil) units of Rs.10 each fully paid [1,169,103 (2007: Nil) units purchased during the year and 87,397 (2007: Nil) units accrued during the year under dividend reinvestment plan]	13,975,928	-
<i>Carry forward</i>	<u>1,187,429,224</u>	<u>99,715,626</u>
		Contd.

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd.		
Current, Quoted		
Other than Trade		
<i>Brought forward</i>	1,187,429,224	99,715,626
Standard Chartered-ANZ Bharti AXA Treasury Plus 12,976 (2007: Nil) units of Rs.1,000 each fully paid [12,500 (2007: Nil) units purchased during the year and 476 (2007: Nil) units accrued during the year under dividend reinvestment plan]	12,976,363	-
Citi Bank-Birla Sunlife Liquid Plus Retail Weekly Dividend 1,145,158 (2007: Nil) units of Rs.10 each fully paid [1,077,199 (2007: Nil) units purchased during the year and 67,959 (2007: Nil) units accrued during the year under dividend reinvestment plan]	11,470,818	-
Deutsche Bank-DWS Money Plus 1,029,239 (2007: Nil) units of Rs.10 each fully paid [999,180 (2007: Nil) units purchased during the year and 30,059 (2007: Nil) units accrued during the year under dividend reinvestment plan]	10,300,840	-
Standard Chartered-UTI Series V 1,000,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	10,000,000	-
Standard Chartered-Bharti AXA Income Fund 509,004 (2007: Nil) units of Rs.10 each fully paid [500,000 (2007: Nil) units purchased during the year and 9,004 (2007: Nil) units accrued during the year under dividend reinvestment plan]	5,144,097	-
Standard Chartered-ANZ Bharti AXA Treasury Plus 5,108 (2007: Nil) units of Rs.1,000 each fully paid [4,991(2007: Nil) units purchased during the year and 117 (2007: Nil) units accrued during the year under dividend reinvestment plan]	5,113,380	-
Standard Chartered-IDFC Fixed Maturity Plan QS 46 500,000 (2007: Nil) units of Rs.10 each fully paid (purchased during the year)	5,000,000	-
<i>Carry forward</i>	<u>1,247,434,722</u>	<u>99,715,626</u>

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd.		
Current, Quoted		
Other than Trade		
<i>Brought forward</i>	1,247,434,722	99,715,626
Citibank-Birla Sweep Fund 107,118 (2007: 63,326) units of Rs.10 each fully paid (purchased during the year)	1,081,310	636,725
Standard Chartered-FMP Arbitrage Fund Dividend-Plan B [Nil (2007: 8,650,996) units of Rs.10 each fully paid (sold during the year)]	-	90,332,837
Citibank-Templeton Floating Rate Fund-Dividend Reinvestment [Nil (2007: 8,083,161) units of Rs.10 each fully paid (sold during the year)]	-	85,215,913
Standard Chartered-Fixed Maturity Plan-Quarterly Series (19)-Dividend [Nil (2007: 5,000,000) units of Rs.10 each fully paid (sold during the year)]	-	50,000,000
Standard Chartered-Grindlays Floating Rate Fund-Inst Plan B-Daily Dividend [Nil (2007: 4,007,092) units of Rs.10 each fully paid (sold during the year)]	-	40,092,958
Standard Chartered-FMP Arbitrage Fund-Series 1-Dividend-Plan B [Nil (2007: 4,000,000) units of Rs.10 each fully paid (sold during the year)]	-	40,000,000
Citibank-Templeton Short Term Income Plan-Weekly Dividend Reinvestment [Nil (2007: 28,123) units of Rs.1,000 each fully paid (sold during the year)]	-	30,550,568
Citibank-Birla Sunlife Interval Income Fund-Daily Dividend Reinvestment [Nil (2007: 2,414,092) units of Rs.10 each fully paid (sold during the year)]	-	24,220,830
Standard Chartered-Fixed Maturity Plan (10th) Growth [Nil (2007: 2,000,000) units of Rs.10 each fully paid (sold during the year)]	-	20,000,000
<i>Carry forward</i>	1,248,516,032	480,765,457

Contd.

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd.		
Current, Quoted		
Other than Trade		
<i>Brought forward</i>	1,248,516,032	480,765,457
Citibank-Redeemable Non Convertible Debentures-Series 180 [Nil (2007: 20) debentures of Rs.1,000,000 each (sold during the year)]	-	20,000,000
Citibank-HDFC Cash Management Savings Plus-Daily Dividend Reinvestment [Nil (2007: 801,456) units of Rs.10 each fully paid (sold during the year)]	-	8,039,806
	<u>1,248,516,032</u> *	<u>508,805,263</u> *

* Aggregate Net Asset Value (NAV) as at the year end:
Rs.1,268,477,264 (2007: Rs.512,722,852).

Notes:

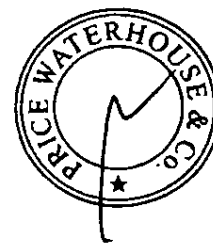
- (i) Rs.51,000,000 (2007: Rs.51,000,000) under lien with bank against guarantees.
- (ii) Particulars of Investments purchased and sold/ restated during the year is provided in Note 20 on Schedule 16.

7. SUNDRY DEBTORS (Note)
(Unsecured, Considered Good)

Exceeding Six Months	260,480	2,901,495
Other Debts	<u>240,767,296</u>	<u>247,819,762</u>
	<u>241,027,776</u>	<u>250,721,257</u>

Note: Represents due from fellow subsidiaries: Rs.241,027,776 (2007: Rs.250,721,257).

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
8. CASH AND BANK BALANCES		
Cash on hand	47,784	179,125
Balances with Scheduled Banks:		
Current Accounts [Note (i)]	350,911,448	467,338,663
Balances with other Banks in Current Account:		
Citibank - London [Note (ii)]	18,879,104	28,730,465
Standard Chartered bank - London [Note (iii)]	162,105,054	-
Term Deposits [Note (iv)]	55,700,000	417,332,799
	587,643,390	913,581,052

Notes:

- (i) Includes Rs.508,722,509 (2007: Rs.464,515,871) in Exchange Earners' Foreign Currency (EEFC) Account.
- (ii) Maximum amount outstanding during the period Rs.28,730,465 (2007: Rs.28,730,465).
- (iii) Maximum amount outstanding during the period Rs.165,568,151 (2007: Nil).
- (iv) Includes Rs.5,000,000 (2007: Rs.5,000,000) under lien with bank against guarantees.

9. OTHER CURRENT ASSETS

(Unsecured, Considered good)

Other Deposits	109,334,148	100,052,308
Interest Accrued on Term Deposits	1,058,685	801,182
Dividend earned on Investments		
	110,392,833	100,853,490

10. LOANS AND ADVANCES

(Unsecured, Considered good except stated otherwise)

Prepaid Expenses	35,671,518	36,689,782
Income Tax (Net of Provision)	30,669,414	24,332,303
MAT Credit Entitlement	53,242,220	25,664,244
Advances recoverable in cash or in kind or for value to be received [including considered doubtful: Rs.5,000,000 (2007: Nil)](Note)	448,528,159	383,255,075
	568,111,311	469,941,404
(Less:) Provision for doubtful advances	(5,000,000)	-
	563,111,311	469,941,404

Note: Includes amount receivable on forward contracts: Rs.269,431,447 (2007: Rs 243,705,786) [Schedule 16 Note 12(a)].



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008	2007
	Rs.	Rs.
11. CURRENT LIABILITIES AND PROVISIONS		
A. LIABILITIES		
Sundry Creditors:		
Dues to Micro and Small Enterprises (Schedule 16 Note 19)		
Others	44,794,267	68,762,315
Advance received from Customers	1,105,200	1,105,200
Other Liabilities (Note)	529,018,790	479,142,608
	<u>574,918,257</u>	<u>549,010,123</u>
Note: Includes foreign currency payable on forward contracts: Rs.261,876,932 (2007: Rs 235,822,882) [Schedule 16 Note 12(a)].		
B. PROVISIONS		
Fringe Benefit Tax (Net of Payments)	53,857	
Gratuity	55,247,617	37,885,717
Compensated Absences (Leave Encashment, etc.)	8,010,916	3,593,995
	<u>63,312,390</u>	<u>41,479,712</u>
12. SERVICES [Schedule 16 Note 1(iii)]		
Exports:		
Data Processing	2,036,444,277	1,683,910,066
Call Centre	496,423,974	504,631,694
Project Migration	48,909,541	34,504,902
IT Services		16,419,460
Others	31,814,712	32,040,853
Domestic:		
Data Processing	30,814,630	5,277,983
Call Centre	2,577,929	
Project Migration	4,338,317	3,685,782
	<u>2,651,323,380</u>	<u>2,280,470,740</u>

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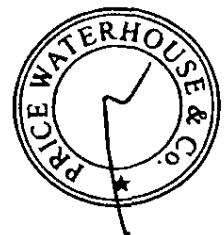


AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2008 Rs.	2007 Rs.
13. OTHER INCOME		
Interest from Banks (Gross) [Tax Deducted at Source: Rs.668,731] (2007: Rs.799,355)]	4,199,903	4,003,694
Interest - Others (Gross) [Tax Deducted at Source: Nil (2007: Nil)]	1,684,735	1,188,492
Dividend (Gross) [Tax Deducted at Source: Nil (2007: Nil)]	75,228,992	46,095,913
Profit on Sale of Investments	1,835,200	6,793,565
Rent	20,664,925	27,413,021
Exchange Gain (Net)	-	65,327,753
Liability no longer required written back	166,890	4,236,714
Recovery of Fringe Benefit Tax	4,325,683	7,110,533
Miscellaneous	1,452,522	2,150,096
	<u>109,558,850</u>	<u>164,319,781</u>
14. OPERATING AND OTHER EXPENSES (Schedule 16 Note 10)		
Employees Cost:		
Salaries, Bonus, etc. [Including Provision for Compensated Absences Rs.4,416,921 (2007: Rs.1,693,679)]	1,198,229,650	980,342,803
Contribution to Provident and Other Funds [Including Provision for Gratuity: Rs.17,361,900 (2007: Rs.12,618,554)]	64,950,751	53,368,425
Staff Welfare	30,098,359	29,613,762
	<u>1,293,278,760</u>	<u>1,063,324,990</u>
Rent	159,335,995	156,386,394
Rates and Taxes	453,115	3,250,786
Insurance	36,714,245	27,114,877
Power and Fuel	57,918,826	60,472,698
Repairs and Maintenance - Others	59,111,851	62,520,992
IT Infrastructure Support and Maintenance	176,015,171	174,244,143
Software Development Support and Maintenance	69,765,875	56,121,422
Legal and Professional	38,901,075	34,834,009
Recruitment and Training	21,054,855	19,494,690
Travelling and Conveyance	135,452,967	141,276,589
Communication	83,344,691	85,893,481
Exchange Loss (Net)	20,165,119	-
Loss on Sale/ Scrapping of Fixed Assets (Net)	120,448	7,861,403
Provision for Doubtful Advances	5,000,000	-
Miscellaneous	19,635,569	22,231,599
	<u>2,176,268,562</u>	<u>1,915,028,073</u>
15. INTEREST		
On Fixed Loans	5,965,873	6,834,230
	<u>5,965,873</u>	<u>6,834,230</u>

b.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS

Rs

1. Significant Accounting Policies

(i) Method of Accounting:

The Financial Statement are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable standards notified under Section 211(3C) of the Companies Act, 1956 (Act).

(ii) Fixed Assets and Depreciation:

Fixed Assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenditure related to acquisition and installation of the fixed assets concerned.

Depreciation is provided on a Straight Line Method (SLM) at rates prescribed in Schedule XIV to the Companies Act, 1956, except for the following, which are based on management's estimate of useful life of the assets concerned:

	Rate of depreciation
Computer Systems	33.33%
Computer Software	33.33%
Office Equipment	20.00% - 33.33%
Furniture and Fixtures (lying at employees' residence)	33.33%
Vehicles	25.00% - 50.00%

Operating software is capitalised along with the related fixed assets while application software is charged off on purchase, except for major application software, which are amortised over its estimated useful life as determined by the management.

Fixed assets individually costing up to Rs.5,000 are depreciated at the rate of 100% on purchase.

Leasehold Improvements are amortised over the period of lease.

Assets acquired on finance lease are depreciated over the period of lease or estimated useful life as above, whichever is lower.

(iii) Revenue Recognition:

Revenue is recognised as and when the services are performed.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

(iv) Foreign Currency Transactions:

Transactions in foreign currencies are recognised at rate of exchange as was prevailing on the date of the transaction.

Liabilities/ assets in foreign currencies are reckoned in the accounts as per the following principles:

All monetary items of foreign currency liabilities/ assets are restated at the rates ruling at the year end and all the exchange gains/ losses arising there from are adjusted to the Profit and Loss Account except those covered by forward contract rates where the premium or discount arising at the inception of such forward exchange contract is amortised as expense or income over the life of the contract.

Exchange differences on forward contracts are recognised in the Profit and Loss Account in the reporting period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward contracts is recognised as income or expense for the year.

(v) Employee Benefits:

(a) Defined-contribution plans:

Contribution to the Employees' Provident Fund and Employees' Pension Scheme are as per statute and are recognised as expenses during the period in which the employees perform the services.

(b) Defined-benefit plans:

Liability towards gratuity is determined on actuarial valuation using the Projected Unit Credit Method at the Balance Sheet date. Actuarial gains and losses are recognised immediately in the Profit and Loss Account.

(c) Other long term employee benefits:

Liability towards leave encashment and compensated absences are recognised at the present value based on actuarial valuation at each Balance Sheet date.

(d) Short-term employee benefits:

Liability of earned leave, compensated absences, performance incentives etc. are recognised during the period when the employee renders the services.

(vi) Investments:

Long term Investments are stated at cost, and provision, where necessary, is made to recognise a decline, other than temporary, in the value of investments. Current Investments are stated at lower of cost and realisable value.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

(vii) Taxes on Income:

Current tax is determined on the basis of the Income Tax Act, 1961.

Fringe benefit tax is determined at current applicable rates on expenses falling within the ambit of 'Fringe Benefit' as defined under the Income Tax Act, 1961.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognised and carried forward to the extent that there is a reasonable or virtual certainty, as may be applicable, that sufficient future taxable income will be available against which such deferred tax asset can be realised.

(viii) Earnings Per Share:

Annualised earnings/ (loss) per equity share (basic and diluted) is arrived at based on Net Profit/ (Loss) after taxation to the weighted average number of equity shares.

(ix) Provisions:

Provisions are recognised when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimates of the obligation. Where the Company expects a provision to be reimbursed, the reimbursement, if virtually certain, is recognised as a separate asset.

(x) Leases:

Assets acquired under finance leases are capitalised at the lower of the fair value of the leased assets at the inception of the lease term and the present value of the minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability.

Operating lease expense/ income is recognised in the Profit and Loss Account on a straight line basis over the lease term.

(xi) Impairment of Assets:

At each Balance Sheet date, the Company assesses whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount. If the carrying amount of the asset exceeds its recoverable amount, an impairment loss is recognised in the Profit and Loss Account to the extent the carrying amount exceeds the recoverable amount.

	2008	2007
2. Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	4,074,899	13,629,145

b.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

	Rs.	
	2008	2007
3. Contingent Liabilities (Note):		
Bank Guarantees	71,781,000	58,261,000
Income tax matters in dispute	22,739,345*	8,616,583*
Others	5,000,000	5,000,000
* Included Rs.12,174,322 (2007: Rs.7,192,390) paid under protest.		
Note: Contingent Liabilities disclosed above represents possible obligations where possibility of cash outflow to settle the obligation is remote.		
4. CIF Value of Imports:		
Capital Goods (including assets taken on Finance Lease)	17,117,647	82,715,386
5. Expenditure in Foreign Currency:		
Salaries, Bonus, etc. and Staff Welfare	18,687,097	29,701,144
Rent	1,462,749	2,237,902
IT Infrastructure Support and Maintenance	176,015,171	174,244,143
Software Development Support and Maintenance	7,976,625	6,895,686
Legal and Professional	3,973,874	1,482,636
Recruitment and Training	719,474	40,921
Travelling and Conveyance [Net of reimbursement aggregating to Rs.42,887,405 (2007: Rs.47,544,354)]	13,890,371	15,859,769
Communication	79,204,253	80,785,428
Miscellaneous	1,765,004	1,855,186
6. Earnings in Foreign currency:		
Services - Data processing, Call Centre, Project Migration and IT Services and others	2,613,592,504	2,271,506,975



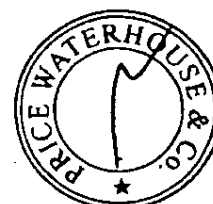
AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

	Rs.	
	2008	2007
7. Whole Time Directors' Remuneration (excluding Provision for Employee Benefit):		
Salaries, Bonus, etc. (Note)	34,576,612	30,792,364
Contribution to Provident and Other Funds	729,600	701,754
Perquisites (calculated in accordance with Income Tax Rules)	371,606	49,546
	<u>35,677,818</u>	<u>31,543,664</u>
Note: Performance incentives, as per the Company's scheme, included above are based on the disbursements made by the Company during the year.		
8. Auditors Remuneration (Included in Legal and Professional in Schedule 14)*:		
Statutory Audit [Including Nil (2007: Rs.525,000) relating to earlier year]	2,125,000	2,500,000
Tax Accounts and Tax Audit Certification	450,000	450,000
	375,000	75,000
Others [Including Nil (2007: Rs.700,000) relating to earlier year]	-	700,000
Out of Pocket Expenses	25,600	42,346
*Excluding service tax		
9. The particulars of equity share holdings is as follows:		
(i) Held by Graywood Investments Limited (GIL), United Kingdom, the holding company:		
(a) 2,039,999 (2007: 2,039,999) shares of Rs.10/- each with repatriable benefits	20,399,990	20,399,990
(b) 8,766,319 (2007: 8,766,319) shares of Rs.10/- each pursuant to Reserve Bank of India (RBI) and Foreign Investment Promotion Board (FIPB) approvals	87,663,190	87,663,190
(c) 15,517,690 (2007: 15,517,690) shares of Rs.10/- each under the automatic route in terms of the RBI Notification No.FERA 182/ 98 RB dated February 10, 1998, and the Notification contained in Press Note No.07 (1999 Series) dated April 1, 1999 of the Department of Industrial Policy and Promotion	155,176,900	155,176,900
(ii) 2 (2007: 2) shares of Rs.10/- each held by GRE Nominee Shareholdings Limited, United Kingdom, on behalf of GIL, the beneficial owner of the shares	20	20
	<u>263,240,100</u>	<u>263,240,100</u>

M.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

10. Operating and Other Expenses (Schedule 14) is net of recovery of Rs.91,797,471 (2007: Rs.186,621,052) on account of expenditure recoverable from fellow subsidiaries in connection with services rendered, as detailed below:

	2008	2007
Salaries, Bonus, etc.	16,632,589	83,885,957
Staff Welfare	6,453,925	3,089,791
Rent	3,306,305	27,816,143
Software Development Support and Maintenance	13,649	2,882,172
Legal and Professional	275,227	5,433,296
Recruitment and Training	236,196	2,250,621
Travelling and Conveyance	50,473,714	53,805,016
Communication	10,430,264	2,517,868
Miscellaneous	3,975,602	4,940,188
	<u>91,797,471</u>	<u>186,621,052</u>

The above netting off against expenses does not have any impact on the profit for the year.

11. Taxation:

(a) Transfer Pricing:

The Finance Act, 2001, has introduced, with effect from assessment year 2002-03 (effective April 1, 2001) detailed Transfer Pricing regulations (the regulations) for computing the income and expenditure from 'international transactions' between 'associated enterprises' on an 'arm's length' basis. The regulations, inter alia, also require the maintenance of prescribed documents and information including furnishing a report from an Accountant within the due date of filing the Return of Income.

For the fiscal year ended March 31, 2008, the Company had undertaken a study to comply with the regulations for which the prescribed certificate of the Accountant has been obtained and this did not envisage any tax liability.

For the fiscal year ended March 31, 2009, the Company will carry out a similar study to comply with the regulations.

(b) Current Tax:

The tax year of the Company being April to March, the provision for taxation for the year ended December 31, 2008 is the aggregate of the provision made for the period from January 01, 2008 to March 31, 2008 amounting to Rs.3,322,260 (2007: Rs.5,280,221) and the provision based on the figures for the remaining nine months period from April 1, 2008 to December 31, 2008 amounting to Rs.5,704,384 (2007: Rs.3,621,396). The ultimate income tax liability for the fiscal year 2008-09, however, will be determined based on the results of the Company for the fiscal year ending March 31, 2009.

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

(c) Deferred Tax:

The net Deferred Tax Asset/ (Liability) as on December 31, 2008 amounting to Rs.24,316,371 (2007: Rs.12,727,459) has been arrived at as follows:

	2008	2007
Deferred Tax Asset/ (Liability) arising from:		
(i) Difference between carrying amount of fixed assets in the financial statements and the Income Tax Return (Net)	2,947,804	(1,371,494)
(ii) Expenses charged in the financial statements but allowable as a deduction in the future years under the Income Tax Act, 1961:		
Provision for Gratuity	18,778,665	12,877,354
Provision for Compensated Absences	2,589,902	1,221,599
Net Deferred Tax Asset/ (Liability)	24,316,371	12,727,459
Net Deferred Tax Credit for the year accounted for as:		
Credit in Profit and Loss Account under 'Provision for Taxation'	11,588,912	12,727,459

Notes:

- (i) The tax impact for the above purpose has been arrived at applying a tax rate of 33.99% (2007: 33.99%) being the prevailing tax rate for Indian Companies under the Income Tax Act, 1961.
- (ii) No deferred tax asset/ liability has been accounted for in the books in respect of certain timing differences, which are expected to reverse within the tax holiday period.
12. (a) The Company has entered into forward exchange contracts for hedging the foreign exchange fluctuation risk on its receivables, which has been accounted for in line with AS 11 "The Effects of Changes in Foreign Exchange Rates". Accordingly, the contracted foreign currency payable to banks of Rs 261,876,932 (2007: Rs.235,822,882) and related amount receivable of Rs.269,431,447 (2007: Rs.243,705,786), in the subsequent year, have been disclosed under Other Liabilities (Schedule 11) and Advances recoverable in cash or in kind or for value to be received (Schedule 10) respectively, while the differential premium credit carried forward is Rs.1,869,993 (2007: Rs.259,934).
- (b) In respect of forward contracts taken to cover foreign exchange risk in respect of future receivables (by way of firm commitments), those contracts have been marked to market based on the banker's certificate, resulting in a net loss of Rs.8,181,367 as at the Balance Sheet date which has been provided for (2007: profit of Rs.23,809,362 was not accounted for in the books keeping in view the principle of prudence as enunciated in AS 1 - Disclosure of Accounting Policies).

M.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

13. Segment Reporting:

(a) Primary Segment Disclosures:

The Company's operations predominantly relate to providing of non-voice (which includes data processing, project migration, IT services, etc.) and voice (which represents call centre) services, which have been classified as separate business segments. Accordingly, primary reporting disclosures for business segments, as envisaged in Accounting Standard (AS) 17 on Segment Reporting, are given below.

Fixed assets used in the Company's business and liabilities contracted for are not identifiable in line with the following reportable segments as they are used interchangeably between the segments. All other assets and liabilities are un-allocable except for Sundry Debtors:

	Non-Voice	Voice	Others	Total
External Sales	2,367,578,751 (1,743,798,193)	251,929,917 (504,631,694)	31,814,712 (32,040,853)	2,651,323,380 (2,280,470,740)
Segment Profit (Loss)	282,714,257 (165,285,481)	30,083,130 (47,831,391)	564,481 (- 8,404,437)	313,361,868 (204,712,435)
Less: Interest on Fixed Loans	- (-)	- (-)	- (-)	5,965,873 (6,834,230)
Add: Unallocable Income	- (-)	- (-)	- (-)	109,558,850 (164,319,781)
Net Profit before Taxation	- (-)	- (-)	- (-)	416,954,845 (362,197,986)
<i>Current Assets, Loans and Advances:</i>				
Sundry Debtors	214,785,915 (191,882,444)	23,180,724 (55,528,193)	3,061,137 (3,310,620)	241,027,776 (250,721,257)

Note: Figures in brackets relate to previous year.

(b) Secondary Segment Disclosures:

The Company services its customers (only related parties) who are based in Australia, Asia (Japan, Hong Kong, Gulf and India), Europe (United Kingdom, France, Switzerland, Germany and Belgium) and America (United States and Canada) through its facilities based in India. Accordingly, secondary segment reporting disclosures are given on geographic lines.

	Australia	Asia	Europe	America	Total
External Sales	250,234,636 (227,244,239)	125,006,941 (78,652,082)	1,939,027,768 (1,824,518,749)	337,054,035 (150,055,670)	2,651,323,380 (2,280,470,740)

Note: Figures in brackets relate to previous year.

b.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

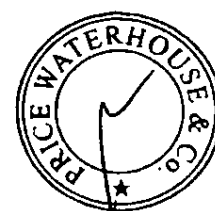
Rs.

14. Related Party Disclosures:

A. Names of related parties and description of relationship:

Ref.	Description of relationship	Names of related parties
a.	Parties where Control exists:	
(i)	Ultimate Holding Company	AXA SA, France
(ii)	Holding Company	Societe Beaujon, France Graywood Investments Limited, United Kingdom (GIL)
b.	Parties under common control with whom transactions have taken place during the year:	
(i)	Fellow Subsidiaries	AXA UK Plc, United Kingdom (AUK) AXA Sunlife Services Plc, United Kingdom (ASL) AXA PPP Healthcare, United Kingdom (APPP) AXA Asia Pacific Holdings Limited, Australia (AAP) AXA Life Insurance Company Limited, Japan AXA Equitable Life Insurance Co., United States AXA Belgium SA, Belgium AXA Services AG, Germany AXA Insurance UK Plc, United Kingdom (ALI) Alliance Bernstein, LP, United States Alliance Bernstein Investor Services Inc, United States (ABIS) AXA ANZ Limited, Australia AXA Assistance (UK) Limited, United Kingdom AXA China Region Insurance Co. Limited, Hong Kong (ACL) GIE AXA, France AXA Technology Services Inc., United States AXA Technology Services India Private Limited, India (ATS) AXA Assurances Inc., Canada AXA Group Solutions SA, France AXA Group Solutions Private Limited, India (AGS) Krungthai AXA Life Insurance Company Limited, Thailand AXA Investment Managers Limited, United Kingdom AXA Investment Managers SA, France (AIMF) Denplan Limited, United Kingdom Bharti AXA Life Insurance Company Limited, India (BAL) Bharti AXA General Insurance Company Limited (BAGI) Bharti AXA Investment Managers Private Limited AXA Investment Manager, USA BARR Rosenberg Research Center LLC, USA AXA Mediterranean Region AXA Insurance Gulf AXA Life Limited, Winterthur
c.	Key Management Personnel	
	Chief Executive Officer	C. Buch
	Joint Chief Executive Officer	S. Banerjee
	Wholetime Directors	O. Sanders

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

14. Related Party Disclosures - Contd.

Ref.	Description of relationship	Names of related parties
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d. Others (entities where key management personnel are able to exercise significant influence) AXA Employees' Provident Fund Trust (AEPFT)

B. Summary of transactions with related parties during the year is as follows:

Nature of transaction	Holding Companies [A(a)(ii)]	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Services:					
ASL	- (-)	860,219,795 (799,732,083)	- (-)	- (-)	860,219,795 (799,732,083)
ALI	- (-)	456,337,612 (410,715,645)	- (-)	- (-)	456,337,612 (410,715,645)
AUK	- (-)	387,666,080 (343,244,947)	- (-)	- (-)	387,666,080 (343,244,947)
APPP	- (-)	285,769,431 (242,853,390)	- (-)	- (-)	285,769,431 (242,853,390)
AAP	- (-)	250,234,636 (227,244,239)	- (-)	- (-)	250,234,636 (227,244,239)
Others	- (-)	411,095,826 (256,680,436)	- (-)	- (-)	411,095,826 (256,680,436)
Rent (Income):					
AGS	- (-)	15,493,920 (9,038,120)	- (-)	- (-)	15,493,920 (9,038,120)
ATS	- (-)	5,171,005 (17,819,300)	- (-)	- (-)	5,171,005 (17,819,300)
Others	- (-)	- (340,025)	- (-)	- (-)	- (340,025)

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

14. Related Party Disclosures - Contd.

C. Summary of transactions with related parties during the year is as follows:

Nature of transaction	Holding Companies [A(a)(ii)]	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Reimbursement of FBT:					
ABIS	- (-)	904,756 (-)	- (-)	- (-)	904,756 (-)
ALI	- (-)	508,367 (1,394,036)	- (-)	- (-)	508,367 (1,394,036)
ASL	- (-)	396,901 (1,236,771)	- (-)	- (-)	396,901 (1,236,771)
AUK	- (-)	394,400 (1,201,174)	- (-)	- (-)	394,400 (1,201,174)
Others	- (-)	2,121,259 (3,278,552)	- (-)	- (-)	2,121,259 (3,278,552)
Operating and Other Expenses:					
Employee Cost (refer Note 7 above):					
C. Buch	- (-)	- (-)	13,745,900 (9,310,441)	- (-)	13,745,900 (9,310,441)
S. Banerjee	- (-)	- (-)	12,722,091 (9,274,893)	- (-)	12,722,091 (9,274,893)
O.Sanders	- (-)	- (-)	9,209,827 (11,579,281)	- (-)	9,209,827 (11,579,281)
Others	- (-)	- (-)	- (1,379,049)	- (-)	- (1,379,049)
Contribution to Provident Fund:					
AEPFT	- (-)	- (-)	- (-)	26,436,452 (22,302,673)	26,436,452 (22,302,673)
IT Infrastructure Support and Maintenance:					
ATS	- (-)	176,015,171 (174,244,143)	- (-)	- (-)	176,015,171 (174,244,143)



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

14. Related Party Disclosures - Contd.

B. Summary of transactions with related parties during the year is as follows:

Nature of transaction	Holding Companies [A(a)(ii)]	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Software Development Support and Maintenance:					
ATS	-	7,976,625	-	-	7,976,625
	(-)	(5,533,686)	(-)	(-)	(5,533,686)
AGS	-	61,767,250	-	-	61,767,250
	(-)	(47,600,000)	(-)	(-)	(47,600,000)
Communication:					
ATS	-	79,204,253	-	-	79,204,253
	(-)	(80,785,428)	(-)	(-)	(80,785,428)
Interest on Fixed Loans:					
ATS	-	2,040,883	-	-	2,040,883
	(-)	(4,193,654)	(-)	(-)	(4,193,654)
Reimbursement of Operating and Other Expenses (refer Note 10 above):					
ABIS	-	20,177,357	-	-	20,177,357
	(-)	(-)	(-)	(-)	(-)
ASL	-	11,915,788	-	-	11,915,788
	(-)	(18,618,234)	(-)	(-)	(18,618,234)
AUK	-	10,325,317	-	-	10,325,317
	(-)	(12,844,910)	(-)	(-)	(12,844,910)
BAL	-	10,058,394	-	-	10,058,394
	(-)	(-)	(-)	(-)	(-)
ALI	-	6,253,240	-	-	6,253,240
	(-)	(16,288,612)	(-)	(-)	(16,288,612)
BAGI	-	1,165,913	-	-	1,165,913
	(-)	(17,850,359)	(-)	(-)	(17,850,359)
AIMF	-	677,381	-	-	677,381
	(-)	(44,177,526)	(-)	(-)	(44,177,526)
Others	-	31,224,081	-	-	31,224,081
	(-)	(76,841,411)	(-)	(-)	(76,841,411)

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

14. Related Party Disclosures - Contd.

B. *Summary of transactions with related parties during the year is as follows:*

Nature of transaction	Holding Companies [A(a)(ii)]	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Other Reimbursements:					
AIMF	(-)	(15,025,575)	(-)	(-)	(15,025,575)
BAGI	(-)	(13,854,000)	(-)	(-)	(13,854,000)
Others	(-)	(479,769)	(-)	(-)	(479,769)
Recharges borne by the Company:					
AUK	(-)	31,722,725	(-)	(-)	31,722,725
	(-)	(40,435,891)	(-)	(-)	(40,435,891)
Preference Shares redeemed:					
GIL	(181,683,000)	(-)	(-)	(-)	(181,683,000)
Assets acquired on lease:					
ATS	(-)	6,342,603	(-)	(-)	6,342,603
	(-)	(67,951,913)	(-)	(-)	(67,951,913)
Secured loans taken:					
ATS	(-)	6,342,603	(-)	(-)	6,342,603
	(-)	(67,951,913)	(-)	(-)	(67,951,913)
Secured loans repaid:					
ATS	(-)	59,792,733	(-)	(-)	59,792,733
	(-)	(70,527,379)	(-)	(-)	(70,527,379)

P.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

14. Related Party Disclosures - Contd.

B. Summary of transactions with related parties during the year is as follows:

Nature of transaction	Holding Companies [A(a)(ii)]	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Balance outstanding at the year-end:					
Receivables	- (-)	255,533,485 (273,616,954)	- (-)	- (-)	255,533,485 (273,616,954)
Payables	- (-)	49,483,090 (158,196,645)	- (-)	- (-)	49,483,090 (158,196,645)

Notes:

- (i) Figures in brackets relate to previous year.
(ii) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.

15. Employee Benefits:

Disclosures envisaged in Accounting Standard (AS) 15 - Employee Benefits as given below:

(a) Defined Benefit Plan - Gratuity:

	2008	2007
i) Reconciliation showing the movements during the year in the net liability of Defined Benefit Obligation (Gratuity) recognised in the Balance Sheet:		
Obligations at the beginning of the year	37,885,717	25,267,163
Add: Current Service cost	16,820,734	13,160,237
Add: Interest cost	2,652,000	2,021,373
Add: Actuarial (gain)/ loss due to change in assumptions	(503,148)	(60,325)
Less: Benefits paid during the year	(1,607,686)	(2,502,731)
Obligations at the end of the year	55,247,617	37,885,717
ii) Reconciliation of opening and closing balances of the fair value of plan assets:		
Fair Value of Plan assets at the beginning of the year	-	-
Add: Expected Return on Plan Assets	-	-
Add: Actuarial (gain)/ loss	-	-
Add: Contributions	1,607,686	2,502,731
Less: Benefits Paid	(1,607,686)	(2,502,731)
Fair Value of Plan assets at the end of the year	-	-

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

15. Employee Benefits - Contd.:

(a) Defined Benefit Plan - Gratuity - Contd.:

	<u>2008</u>	<u>2007</u>
iii) Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the Balance Sheet:		
Present Value of Obligation as at December 31, 2008	55,247,617	37,885,717
Less: Fair Value of Plan Assets as at December 31, 2008	-	-
Amount recognised in the Balance Sheet	<u>55,247,617</u>	<u>37,885,717</u>
iv) Expenses recognised in Profit and Loss account under "Operating and Other Expenses" in Schedule 14:		
Current service cost	16,820,734	13,160,237
Add: Interest cost	2,652,000	2,021,373
Less: Expected Return on Plan Assets	-	-
Add: Actuarial (gain)/ loss due to change in assumptions	(503,148)	(60,325)
	<u>18,969,586</u>	<u>15,121,285</u>

v) The principal actuarial assumptions used as at the Balance Sheet date are as follows:

Discount rate per annum	7.00%	8.00%
Interest rate per annum	7.00%	8.00%
Expected return on plan assets	-	-

The estimates of future increase in salary, considered in the actuarial valuation, have been taken on account of seniority, promotion and other relevant factors such as supply and demand in the employment market.

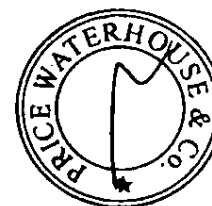
(b) Defined Contribution Plan:

Contribution to Provident and other funds under Employee Cost (Schedule 14) includes Rs.44,450,410 (2007: Rs.37,054,969) being the expenses debited under the following defined contribution plan.

	<u>2008</u>	<u>2007</u>
Provident Fund	24,905,697	19,377,914
Pension Fund	19,514,216	17,677,055
Employee State Insurance	30,497	-
	<u>44,450,410</u>	<u>37,054,969</u>

(c) The Guidance on Implementing AS 15 states that benefit involving employer established provident funds, which require interest shortfalls to be made good by the employer, are to be considered as defined benefit plans. Pending the issuance of the guidance note from the Actuarial Society of India, the Company's actuary has expressed an inability to reliably measure such provident fund liabilities and accordingly, the Company is unable to disclose the related information.

M.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

		Rs.	
		2008	2007
16.	Leases:		
(a)	Operating Leases:		
(i)	Operating leases for office premises and other facilities including staff residences are generally for a period of 11 to 108 months and renewable on a periodic basis by mutual consent of both parties. Most of the operating leases provide for a percentage increase in rent, at the end of the original leases' term, for future renewed periods. The operating leases in respect of office premises are cancellable by the lessor, only on breach of contract terms, and other operating leases are cancellable by the lessor/ lessee with 1 to 6 months' notice. However, some of the operating leases have lock-in periods ranging from 6 to 36 months.		
	Rent expenses (Net) [Including minimum lease payments Rs.61,582,744 (2007: Rs.98,542,543)]	159,335,995	156,386,394
	Future minimum lease rentals payable under non-cancellable lease:		
	- not later than one year	36,076,134	60,568,720
	- one to five years	32,460,900	31,002,859
		68,537,034	91,571,579
(ii)	Rent income represents lease rental received towards portion of the office premises sub-let. Such leases are generally for a period of 11 months with options for renewal against increased rent.		
	Rent (income) [Including minimum lease payments received: Nil (2007: Nil)]	20,664,925	27,413,021
(b)	Finance Leases:		
	The Company has acquired Computer Systems and Office Equipment on a three year lease, which is classified as finance lease as envisaged in the Accounting Standard (AS) 19 - Leases. Additionally, the Company has acquired Vehicles on hire purchase, which is treated as a lease under AS 19.		
		2008	2007
	Minimum lease payments:		
	Less than one year	35,140,617	70,797,257
	One to five years	25,581,542	60,722,159
		60,722,159	54,848,367
	(Less): Interest not due:		
	Less than one year	(3,675,349)	(5,244,128)
	One to five years	(2,224,297)	(5,899,646)
		(5,899,646)	(4,131,635)
	Present value of minimum lease payment	54,822,513	116,269,861
	Of the above:		
	Less than one year	31,465,268	65,553,129
	One to five years	23,357,245	50,716,732
		54,822,513	116,269,861

b.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

17. The Company has also fulfilled the export obligation of its 100% export oriented units at Bangalore and Pune registered with the respective Software Technology Parks of India (STPI), as stipulated in the relevant agreement with STPI.

18. The Company has been regular in depositing undisputed statutory dues in respect of provident fund, income tax, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, as may be applicable and there are no undisputed statutory dues outstanding for a period of more than six months from the date they have become payable.

19. Disclosure of dues/ payments to micro and small enterprises to the extent such enterprises are identified by the Company.

	2008	2007
(i) Interest due thereon remaining unpaid on December 31, 2008	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
(iv) The amount of interest accrued and remaining unpaid on December 31, 2008 in respect of principal amount settled during the year	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under Section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Note: The above information has been determined to the extent such parties have been identified by the Company, which has been relied upon by the auditors.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs.

20. Details of Investments purchased and sold during the year:

	No. of units purchased/ sold *	Purchase cost	Sale proceeds
Standard Chartered			
Grindlays Floating Rate Fund	14,752,086	147,602,000	147,602,000
Grindlays Floating Rate Fund Long Term	23,126,468	243,810,243	243,810,243
Grindlays Floating Rate Fund Long Term Plan B	30,188,419	302,050,225	302,050,225
GSSIF/ GFRF Long Term	1,352,378	13,531,222	13,531,222
GSSIF -Short Term Plan B	39,654,629	398,851,223	398,851,223
HSBC - 90 days Fixed Maturity Plan Infrastructure Development Finance Corporation (IDFC) Fixed Maturity Plan (FMP) Monthly Series 7	4,000,000	40,000,000	40,888,677
IDFC FMP Quarterly Series 41	4,107,741	41,100,000	41,421,813
IDFC FMP Quarterly Series 31	3,000,000	30,000,000	30,676,800
IDFC FMP Quarterly Series 32	1,900,000	19,000,000	19,391,780
IDFC FMP Quarterly Series 35	2,000,000	20,000,000	20,425,000
IDFC FMP Quarterly Series 36	5,037,366	50,524,750	51,431,164
IDFC FMP Quarterly Series 37	4,860,000	48,600,000	49,598,244
IDFC FMP Quarterly Series 39	500,000	5,000,000	5,106,739
IDFC FMP Quarterly Series 40	5,000,000	50,000,000	51,110,502
IDFC FMP Quarterly Series 42	1,699,066	17,000,000	17,383,061
IDFC GFRF Long Term	5,000,000	50,000,000	51,147,500
IDFC Liquid Plus Fund	3,501,866	35,024,165	35,024,165
Fixed Maturity Plan Quarterly Series 25	16,709,220	168,053,186	168,053,186
Fixed Maturity Plan Quarterly Series 27	5,000,000	50,000,000	50,986,623
Fixed Maturity Plan Quarterly Series 29	2,498,626	25,000,000	25,524,750
Fixed Maturity Plan Quarterly Series 29	5,000,000	50,000,000	50,886,000
Citibank			
AIG Quarterly Interval Fund Series II	27,622	27,621,959	27,621,959
Templeton Floating Rate fund Long Term	2,507,568	25,208,580	25,208,580
Deutsche Bank			
Deutsche Wealth Service (DWS) Credit Opportunities Cash Fund	27,308,864	274,388,228	274,388,228
DWS Insta Cash Fund	8,748,842	88,948,707	88,948,707
DWS Liquid Plus Fund	8,643,379	86,563,353	86,563,353
DWS Money Plus Fund	36,088,354	361,488,415	361,488,415
		2,669,366,256	2,679,120,159

* Includes units earned under dividend reinvestment plan.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

21. Earnings Per Share:	Rs.	
	2008	2007
Nominal Value of equity share	10	10
Weighted average number of equity shares outstanding (No's)	26,324,010	26,324,010
Profit after Taxation considered for the calculation of basic and diluted earnings per share	402,975,113	355,004,381
Earnings Per Share - Basic and Diluted	15.31	13.49

22. Certain employees are eligible for the stock option plan of GIE AXA, France, a fellow subsidiary. However, this staff benefit has no impact on the operating results of the Company, as there is no recharge of expenses by GIE AXA, France in this regard.

23. The Company, as per consistent practice, amortises leasehold improvements by considering the primary and secondary period of lease. The leasehold rentals are charged in the books as per the lease agreements, which is supported by an accounting opinion obtained by the Company. Had the opinion of the Expert Advisory Committee of the Institute of Chartered Accountants of India on "Accounting for Scheduled Rent Increases in case of an Operating Lease" been followed (i.e., charging the aggregate of the rent payable over the primary and secondary period on a straight line basis over the said period), the lease rental expenses for the year would be higher/(lower) by (Rs.4,369,753) [2007: Rs.4,407,439] which cumulatively aggregates to an under charge of lease rentals by Rs.53,897,581 (2007: Rs.58,267,334) having consequential effect on the financial statements of the Company.

24. Dividend Accrued on certain Fixed Maturity Plans (Dividend) aggregating to Rs.8,396,264 (2007: Nil) which is accounted for on the basis of confirmation from the concerned bankers that confirms that these amounts have been accrued to the credit of the Company as at December 31, 2008 and will be paid-out subsequent to the year-end. However, as per the provisions of Accounting Standard 9 - Revenue Recognition (AS 9), dividend from investments can be recognised in the Profit and Loss Account only when the right to receive payment is established. Had the provision of AS 9 been followed, the dividend income would be lower by Rs.8,396,264 (2007: Nil) with consequential effect on the financial statements of the Company. However, in view of the Board of Directors of the Company, the impact of the same is not considered significant on the financial statements and consequentially has no impact on the year-end provisions, including employee related provisions, made by the Company.

25. Information with regard to certain other matters specified in paragraph 3 of Part II to Schedule VI to the Companies Act, 1956 is not applicable to the Company for the year covered by the aforesaid financial statements.

26. Previous year's figures have been reclassified/ regrouped, wherever necessary.

