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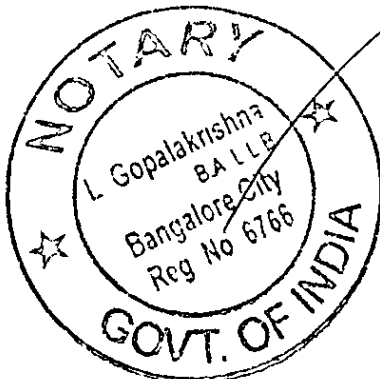
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AUDITORS' REPORT

TO THE MEMBERS OF AXA BUSINESS SERVICES PRIVATE LIMITED

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FC028694

- 1 We have audited the attached Balance Sheet of AXA Business Services Private Limited as at December 31, 2009 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 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.
- 4 Further to our comments in paragraph 3 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,
 - (d) 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, 2009, and taken on record by the Board of Directors, none of the directors is disqualified as on December 31, 2009 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 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, 2009,
 - (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



For Price Waterhouse & Co
Chartered Accountants

S. Dutta
S. Dutta
Partner
Membership No F 50081
Place Bangalore
Date February 25, 2010

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 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, 2009]

- (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 are as follows

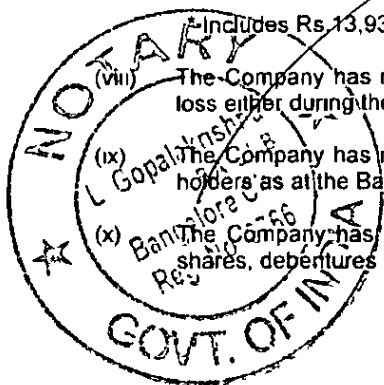
	<u>Rs</u>
Income tax matters	
(i) Demands arising out of order for assessment under Section 143(3) of the Income Tax Act for assessment year 2003-04 against which the Company has filed an appeal with the Income Tax Appellate Tribunal, Bangalore	3,557,150
(ii) Demands arising out of order for assessment 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
(iii) Demands arising out of order for assessment under Section 143(3) of the Income Tax Act for assessment year 2006-07 against which the Company has filed an appeal with the Commissioner of Income Tax (Appeals) I, Bangalore	<u>18,747,325</u>
	<u>36,427,237*</u>

*Includes Rs.13,932,423 paid under protest

(viii) The Company has neither accumulated losses as at December 31, 2009 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


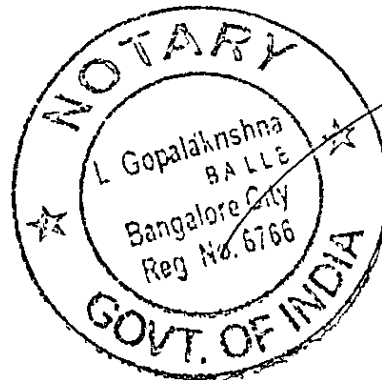


- (xi) The Company has not given any guarantees for loans taken by others from banks or financial institutions, which has also been confirmed by the management
- (xii) In our opinion, on an overall basis, the term loans have been applied for the purpose for which they were obtained
- (xiii) On the basis 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

For Price Waterhouse & Co
Chartered Accountants



S Dutta
Partner
Membership No F 50081
Place Bangalore
Date February 25, 2010



ATTESTED
L GOPALAKRISHNA BA .LL.B
ADVOCATE & NOTARY
GOVERNMENT OF INDIA
No 21, 3rd Cross, Lalbagh Road
BANGALORE-560 027.
13 OCT 2011

AXA BUSINESS SERVICES PRIVATE LIMITED

BALANCE SHEET AS AT DECEMBER 31, 2009

	Schedule	2009 Rs	2008 Rs
SOURCES OF FUNDS			
Shareholders' Funds			
Capital	1	263,240,100	263,240,100
Reserves and Surplus	2	2,797,044,945	2,199,184,870
		<u>3,060,285,045</u>	<u>2,462,424,970</u>
Loan Funds			
Secured Loans	3	59,788,035	54,822,513
Unsecured Loan	4	20,451,427	34,721,245
		<u>80,239,462</u>	<u>89,543,758</u>
		<u>3,140,524,507</u>	<u>2,551,968,728</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	965,514,596	1,000,635,182
Less Depreciation		588,706,028	591,157,080
Net Block		376,808,568	409,478,102
Capital Work-in-Progress		6,116,912	5,713,560
		<u>382,925,480</u>	<u>415,191,662</u>
Investments	6	1,936,068,725	1,248,516,032
Deferred Tax Asset [Schedule 16 Note 12(c)]		22,625,818	24,316,371
Current Assets, Loans and Advances			
Sundry Debtors	7	158,870,082	241,027,776
Cash and Bank Balances	8	913,006,974	587,643,390
Other Current Assets	9	118,060,958	110,392,833
Loans and Advances	10	516,044,443	563,111,311
		<u>1,705,982,457</u>	<u>1,502,175,310</u>
Less Current Liabilities and Provisions			
Liabilities	11	898,648,781	574,918,257
Provisions		8,429,192	63,312,390
		<u>907,077,973</u>	<u>638,230,647</u>
Net Current Assets		<u>798,904,484</u>	<u>863,944,663</u>
		<u>3,140,524,507</u>	<u>2,551,968,728</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

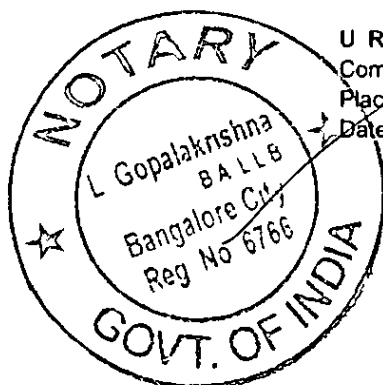
For Price Waterhouse & Co
Chartered Accountants

S Dutta
Partner
Place Bangalore
Date February 25, 2010

C. Buch
Director

S Banerjee
Director

U Raghavendran
Company Secretary
Place Bangalore
Date February 25, 2010



ATTESTED
L GOPALAKRISHNA, B.A., LL.B
ADVCCATE & NOTARY
GOVERNMENT OF INDIA
N. 25 3rd Cross, Lalbagh Road
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AXA BUSINESS SERVICES PRIVATE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2009

	Schedule	2009 Rs	2008 Rs
INCOME			
Services	12	2 510,025,328	2 651,323,380
Other Income	13	220,201,510	109,558,850
		<u>2,730,226,838</u>	<u>2,760,882,230</u>
EXPENDITURE			
Operating and Other Expenses	14	2,263,058,436	2,176,268,562
Depreciation		127,366,947	161,692,950
Interest	15	4,585,765	5,965,873
		<u>2,395,011,148</u>	<u>2,343,927,385</u>
Profit before Taxation and Prior Period/ Exceptional Items			
Continuing Operations [Schedule 16 Note 2(ii)]		316,144,632	383 765,090
Discontinued Operations [Schedule 16 Note 2(ii)]		<u>19,071,058</u>	<u>33,189,755</u>
(Less)/ Add Provision for Taxation (Schedule 16 Note 12)			
Current Tax			
On Continuing Operations [including Rs 3,577,311 (2008 Nil) relating to earlier years]		(31,472,414)	(36,604,620)
On Discontinued Operations		-	-
MAT Credit Entitlement		5,800,000	27,577,976
Deferred Tax (Charge)/ Credit		(15,569,613)	11,588,912
Fringe Benefit Tax		<u>(1,360,000)</u>	<u>(16,542,000)</u>
Net Profit after Taxation and before Prior Period/ Exceptional Items			
		292,613,663	402,975,113
Add Profit on Sale of Business [Schedule 16 Note 2(i)]		446,481,846	-
(Less) Prior Period Expenses - Continuing Operations (Schedule 16 Note 24)		<u>(54,209,597)</u>	<u>-</u>
		392,272,249	-
(Less) Taxation on the above [Including Deferred Tax Credit Rs 13,879 060 (2008 Nil)]		<u>(87,025,837)</u>	<u>-</u>
Profit after Taxation			
		597 860,075	402,975,113
Profit brought forward from previous year			
		2,017,501,870	1 614,526,757
Balance carried to the Balance Sheet			
		<u>2,615,361,945</u>	<u>2,017,501,870</u>
Earnings Per Share - Basic and diluted (Schedule 16 Note 22)			
Before Prior Period/ Exceptional Item		11 12	15 31
After Prior Period/ Exceptional Item		22 71	15 31

Notes on Accounts

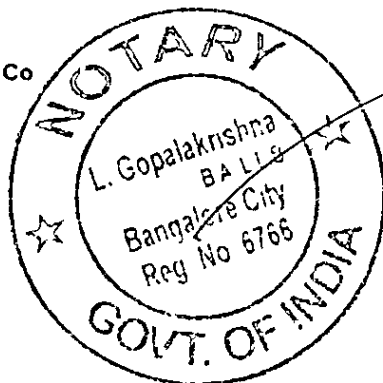
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The Schedules referred to above and the notes thereon form an integral part of the Accounts

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

For Price Waterhouse & Co
Chartered Accountants

S Dutta
S Dutta
Partner
Place Bangalore
Date February 25, 2010



C. Bush
C Bush
Director

U Raghavendran
U Raghavendran
Company Secretary
Place Bangalore
Date February 25, 2010

S. Banerjee
S. Banerjee
Director

ATTESTED
L GOPALAKRISHNA B.A., LL.B
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No. 25 3rd Cross, Lalhagh Road
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AXA BUSINESS SERVICES PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2009 - Contd.

	2009 Rs.	2008 Rs
Total - brought forward	359,340,126	(366,027,449)
C Cash flow from Financing Activities		
Proceeds from Borrowings	25,352,066	17,184,574
Repayments of Borrowings	(29,907,141)	(25,181,792)
Interest Paid (including on Finance Lease)	(4,146,755)	(4,989,439)
Net Cash (used in) Continuing Operations	(8,701,830)	(12,986,657)
Net Cash (used in) Discontinued Operations	(439,010)	(976,434)
Net Cash (used in) Financing Activities	(9,140,840)	(13,963,091)
Adjustment for Unrealised Foreign Exchange (Loss)/ Gain on Cash and Cash Equivalents	(10,565,884)	32,810,377
Net Increase/ (Decrease) in Cash and Cash Equivalents	339,633,402	(347,180,163)
Cash and cash equivalents as at January 1, 2009		
Cash and Bank Balances	587,643,390	913,581,052
Book Overdraft	(34,721,245)	(13,478,744)
Cash and cash equivalents as at December 31, 2009		
Cash and Bank Balances	913,006,974	587,643,390
Book Overdraft	(20,451,427)	(34,721,245)

Notes

- The above Cash Flow Statement has been compiled from and is based on the Balance Sheet as at December 31, 2009 and the relative Profit and Loss Account for the year ended on that date
- The above Cash Flow Statement has been prepared in consonance with the requirements of Accounting Standard (AS) - 3 on Cash Flow Statements and the reallocations required for the purpose are as made by the Company
- 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

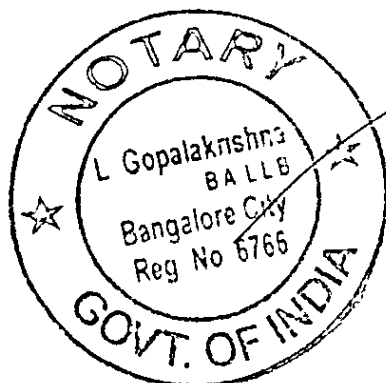
For Price Waterhouse & Co
Chartered Accountants

C Buch
C Buch
Director

S Banerjee
S Banerjee
Director

S. Dutta
S. Dutta
Partner
Place Bangalore
Date February 25, 2010

U. Raghavendran
U. Raghavendran
Company Secretary
Place Bangalore
Date February 25, 2010



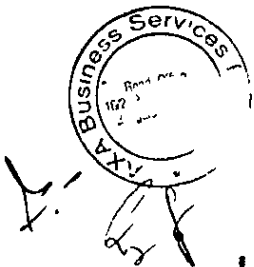
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AXA BUSINESS SERVICES PRIVATE LIMITED

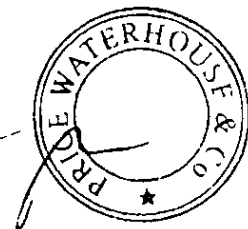
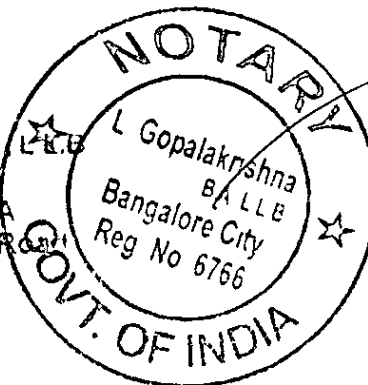
SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs
1 CAPITAL		
Authorised		
52,500,000 (2008 52,500,000) 5% Redeemable Non-Cumulative Preference Shares of Rs 10/- each	525,000,000	525,000,000
10,000,000 (2008 10,000,000) 10% Redeemable Non-Cumulative Preference Shares of Rs 10/- each	100,000,000	100,000,000
37,500,000 (2008 37,500,000) Equity Shares of Rs 10/- each	<u>375,000,000</u>	<u>375,000,000</u>
	<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, Subscribed and Paid-up		
26,324,010 (2008 26,324,010) Equity Shares of Rs 10/- each fully paid up in cash (Schedule 16 Note 10)	<u>263,240,100</u>	<u>263,240,100</u>
	<u>263,240,100</u>	<u>263,240,100</u>
2 RESERVES AND SURPLUS		
Capital Redemption Reserve		
Transferred from Profit and Loss Account on redemption of Preference Shares	181,683,000	181,683,000
Profit and Loss Account balance	<u>2,615,361,945</u>	<u>2,017,501,870</u>
	<u>2,797,044,945</u>	<u>2,199,184,870</u>
3 SECURED LOANS		
Hire Purchase Loans [Note (i)]		
From a Financial Institution [Repayable within 1 year Rs 6,076,791 (2008 Rs 8,086,700)]	9,262,083	22,080,456
From Bank [Repayable within 1 year Rs 3,703,813 (2008 Rs 2,353,971)]	13,295,665	5,032,367
Finance Lease Obligation [Note (ii)]	<u>37,230,287</u>	<u>27,709,690</u>
	<u>59,788,035</u>	<u>54,822,513</u>
Notes		
(i) Secured by way of a charge on fixed assets acquired out of the loans [Schedule 16 Note 17(b)]		
(ii) Represents principal portion of minimum lease payments payable for assets acquired on finance lease from a fellow subsidiary [Schedule 16 Note 17(b)]		
4 UNSECURED LOAN		
From Bank - Book Overdraft	<u>20,451,427</u>	<u>34,721,245</u>
	<u>20,451,427</u>	<u>34,721,245</u>



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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

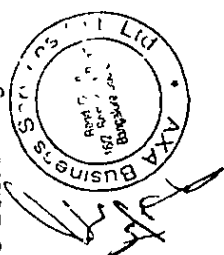
5 FIXED ASSETS [Schedule 16 Note 1(ii)]

	Gross Block (at cost)		Depreciation		Net Block	
	2008	2009	2008	2009	2009	2008
Leasehold Improvements	285,554,843	289,039,220	123,575,898	34,810,527	158,386,425	130,652,795
Plant and Machinery	51,258,159	50,549,102	11,181,445	2,364,713	12,842,517	37,706,585
Computer Systems	181,257,681	171,772,868	179,807,876	16,206,290	163,125,411	8,647,457
Computer Software	19,111,187	19,111,187	14,511,812	3,659,482	18,171,294	4,599,375
Office Equipment	159,567,361	165,691,291	77,451,092	10,563,385	87,849,220	77,842,071
Furniture and Fixtures	74,078,457	76,837,820	31,426,573	9,537,639	36,470,781	40,367,039
Vehicles (Note 1)	69,975,529	75,126,600	29,114,068	17,794,550	34,613,095	40,513,505
	840,803,217	848,128,088	467,068,764	94,936,586	511,458,743	336,669,345
Assets acquired on Finance Lease (Note 2)						
Computer Systems	80,655,179	38,842,266	60,741,521	15,506,341	31,854,910	6,987,356
Office Equipment	79,176,786	78,544,242	63,346,795	16,924,020	34,878,440	33,151,867
	1,000,635,182	965,514,596	591,157,080	127,366,947	588,706,028	409,478,102
2008	992,474,583	1,000,635,182	495,232,158	161,692,950	591,157,080	6,116,912
						5,713,560
						382,925,480
						415,191,662

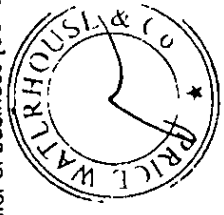
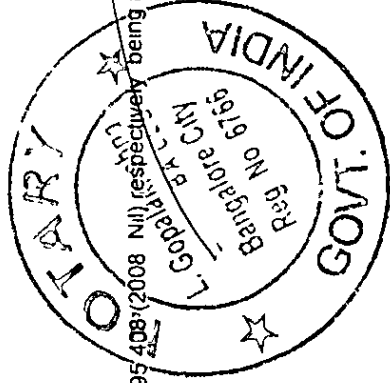
Capital Work-in-Progress [Including Capital Advances Rs 6,116,912 (2008, Rs-5,713,560)]

Notes

- 1 Includes Rs 75,126,600 (2008, Rs 69,975,529) acquired on hire purchase
- 2 Represents assets acquired from a fellow subsidiary
- 3 Deletions in gross block and depreciation includes Rs 28,986,379 (2008 Nil) and Rs 25,195,408 (2008 Nil) respectively being assets sold on transfer of business [Schedule 16 Note 2(i)]



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 GOVERNMENT OF INDIA
 No. 27, 3rd Cross, Lullabai Road
 E. WING, 5th FLOOR, 07



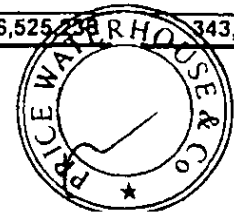
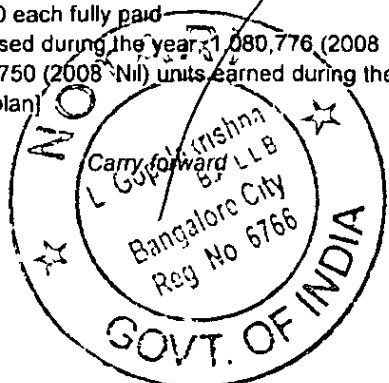
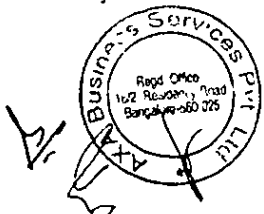
AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs.
6 INVESTMENTS [Schedule 16 Note 1(vi)]		
Current, Quoted		
Other than Trade		
Citibank - Franklin Templeton Floating Rate Income Fund Long Term Plan 26,217,071 (2008 Nil) units of Rs 10 each fully paid [25,713,650 (2008 Nil) units purchased during the year and 503,421 (2008 Nil) units earned during the year under dividend reinvestment plan]	267,959,200	-
Standard Chartered Bank - IDFC Money Manager Fund Treasury Plan 19,994,787 (2008 19,965,927) units of Rs 10 each fully paid [83,036,037 (2008 19,721,356) units purchased during the year, 83,699,493 (2008 10,721,329) units sold during the year and 692,316 (2008 171,098) units earned during the year under dividend reinvestment plan]	200,470,507	201,062,925
Deutsche Bank - Templeton India Short Term Income Plan Institutional Weekly Dividend 168,526 (2008 Nil) units of Rs 1,000 each fully paid [165,678 (2008 Nil) units purchased during the year and 2,848 (2008 Nil) units earned during the year under dividend reinvestment plan]	172,948,305	-
Deutsche Bank - DWS Money Plus Advantage Fund Institutional Plan Monthly Dividend 13,971,085 (2008 2,075,814) units of Rs 10 each fully paid [14,862,085 (2008 1,978,806) units purchased during the year, 3,621,100 (2008 36,088,354) units sold during the year and 654,286 (2008 97,008) units earned during the year under dividend reinvestment plan]	146,669,841	21,738,765
Standard Chartered - Fortis Money Plus Fund 10,198,728 (2008 Nil) units of Rs 10 each fully paid [9,975,097 units (2008 Nil) purchased during the year and 223,631 units (2008 Nil) earned during the year under dividend reinvestment plan]	102,018,892	-
Standard Chartered - Franklin Templeton Fixed Horizon Fund Series VIII 8,239,924 (2008 Nil) units of Rs 10 each fully paid [8,014,492 (2008 Nil) units purchased during the year and 225,432 units (2008 Nil) units earned during the year under dividend reinvestment plan]	82,481,636	-
Deutsche Bank - DWS Cash Opportunity Fund - Regular Plan Daily Dividend 6,518,331 (2008 11,629,300) units of Rs 10 each fully paid [6,518,331 (2008 3,992,013) units purchased during the year, 11,714,659 (2008 27,308,864) units sold during they year and 85,359 (2008 154,698) units earned during the year under dividend reinvestment plan]	72,515,665	120,554,481
Standard Chartered - Birla Sunlife Dynamic Bond Fund Retail Plan 5,806,075 (2008 Nil) units of Rs 10 each fully paid [5,760,092 (2008 Nil) units purchased during the year and 45,983 (2008 Nil) units earned during the year under dividend reinvestment plan]	60,043,519	-
Deutsche Bank - DWS Short Maturity Fund Institutional Weekly Dividend Plan 4,931,016 (2008 Nil) units of Rs 10 each fully paid [5,825,042 (2008 Nil) units purchased during the year, 1,080,776 (2008 Nil) units sold during the year and 186,750 (2008 Nil) units earned during the year under dividend reinvestment plan]	51,417,671	-

1,156,525,238 343,356,171

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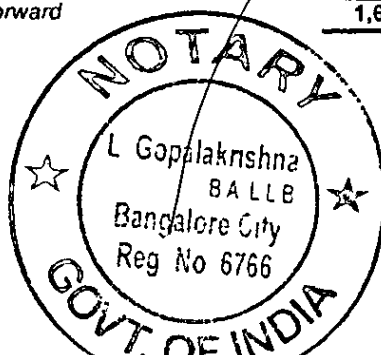


AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd		
Current, Quoted		
<i>Brought forward</i>	1,156,525,236	343,356,171
Standard Chartered Bank - ICICI prudential Mutual Fund STP 4,245,232 (2008 Nil) units of Rs 10 each fully paid [4,102,564 (2008 Nil) units purchased during the year and 142,668 (2008 Nil) units earned during the year under dividend reinvestment plan]	51,013,681	-
Citibank - Redeemable Non Convertible Debentures - Series 167 51 (2008 51) debentures of Rs 100,000 each fully paid [Note (i)]	51,000,000	51,000 000
Citi Bank - Templeton Floating Rate Income Fund Long Term Plan Super Institutional Daliy Dividend Reinvestment 5,017,574 (2008 Nil) units of Rs 10 each fully paid [4,996,802 (2008 Nil) units purchased during the year and 20,772 (2008 Nil) units earned during the year under dividend reinvestment plan]	50,225,911	-
Deutsche Bank - DWS Treasury Fund Investment Institutional Plan Growth 4,943,300 (2008 Nil) units of Rs 10 each fully paid (purchased during the year)	50,000,000	-
Deutsche Bank- ICICI Prudential Flexible Income Plan Regular Daliy Dividend Reinvestment 474,043 (2008 Nil) units of Rs 100 each fully paid [Schedule 16 Note 21(b)]	47,537,067	-
Deutsche Bank- BSL Medium Term Plan-Inst Weekly Dividend Reinvestment 4,275,706 (2008 Nil) units of Rs 10 each fully paid [4,256,255 (2008 Nil) units purchased during the year and 19,451 (2008 Nil) units earned during the year under dividend reinvestment plan]	42,861,387	-
Deutsche Bank - HDFC Short Term Plan 3,979,145 (2008 Nil) units of Rs 10 each fully paid [3,878,713 (2008 Nil) units purchased during the year and 100,432 (2008 Nil) units earned during the year under dividend reinvestment plan]	41,169,035	-
Standard Chartered - Bharti AXA Short Term Income Fund 3,991,949 (2008 509,004) units of Rs 10 of fully paid [3,970,420 (2008 500,000) units purchased during the year, 509,004 (2008 Nil) units sold during the year and 21,529 (2008 9,004) units earned during the year under dividend reinvestment plan]	40,236,454	5,144,097
Standard Chartered - DWS Treasury Fund Investment Institutional Plan Growth 4,000,000 (2008 Nil) units of Rs 10 each fully paid (purchased dunnig the year)	40,000,000	-
Deutsche Bank - DWS Premier Bond Fund Regular Plan Monthly Dividend 2,610,732 (2008 2,501,247) units of Rs 10 each fully paid [Nil (2008 2,485,110) units purchased during the year and 109,485 (2008 16,137) units earned during the year under dividend reinvestment plan]	31,703,423	32,119,524
<i>Carry forward</i>	<u>1,602,272,194</u>	<u>431,619,792</u>

Contd



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs
6 INVESTMENTS [Schedule 16 Note 1 (vi)] - Contd		
Current, Quoted		
<i>Brought forward</i>	1,838,604,216	482,182 013
Deutsche Bank - ICICI Prudential Flexible Income Plan Premium Daily Dividend 1,455,028 (2008 Nil) units of Rs 10 each fully paid [1,418,641 (2008 Nil) units purchased during the year and 36 387 (2008 Nil) units earned during the year under dividend reinvestment plan]	15,384,741	-
Standard Chartered - Birla BSL Savings Fund - Growth 868,241 (2008 Nil) units of Rs 10 each fully paid (purchased during the year)	15,000,000	-
Citi Bank - Birla Sunlife Liquid Plus Retail Fortnightly Dividend 1,303,986 (2008 1,256,500) units of Rs 10 each fully paid [Nil (2008 1,169,103) units purchased during the year and 47 486 (2008 87,397) units earned during the year under dividend reinvestment plan]	14,639 592	13,975,928
Standard Chartered Bank - Tata Floater Fund 1,295,543 units (2008 Nil) of Rs 10 each fully [2,291,841 (2008 Nil) units purchased during the year, 1,007,876 (2008 Nil) units sold during the year and 11,578 (2008 Nil) units earned during the year under dividend reinvestment plan]	13,001,554	-
Standard Chartered Bank - Reliance Medium Term Fund 702,026 (2008 Nil) units of Rs 10 each fully paid [701,939 (2008 Nil) units purchased during the year and 87 (2008 Nil) units earned during the year under dividend reinvestment plan]	12,001,488	-
Standard Chartered Bank - Religare Ultra Short Term Fund 1,010,836 (2008 Nil) units of Rs 10 each fully paid [998,432 (2008 Nil) units purchased during the year and 12,404 (2008 Nil) units earned during the year under dividend reinvestment plan]	10,124,239	-
Deutsche Bank - DWS Fixed Term Fund - Series 62 - Institutional Growth 995,000 (2008 Nil) units of Rs 10 each fully paid (purchased during the year)	9,950,000	-
Deutsche Bank - DWS Ultra Short Term Fund Regular Daily Dividend Plan 535,865 (2008 1,897,211) units of Rs 10 each fully paid [1,451,883 (2008 Nil) units sold and 90,537 (2008 Nil) units earned during the year under dividend reinvestment plan]	5 370,169	19,407,532
Citibank - Birla Sweep Fund 197,075 (2008 107,118) units of Rs 10 each fully paid purchased during the year and 107,118 (2008 53,326) sold during the year	1,992,726	1,081,310
Standard Chartered - Fixed Maturity Plan YS 22 Nil (2008 10,000,000) units of Rs 10 each fully paid (sold during the year)	-	100,000,000
Deutsche Bank-DWS Fixed Term Fund Series 49 Nil (2008 5,100,000) units of Rs 10 each fully paid (sold during the year)	-	51,000,000
Deutsche Bank-DWS Fixed Term Fund Series 51 Nil (2008 5,000,000) units of Rs 10 each fully paid (sold during the year)	-	50,000,000
<i>Carry forward</i>	<u>1,936,068,725</u>	<u>717,646,783</u>

Business Services
A. K. S.

NOTARY
L. Gopalakrishna
S.A. L.L.B.
Bangalore City
R-1 No 6166
GOVT. OF INDIA

PRICE WATERHOUSE & Co

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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

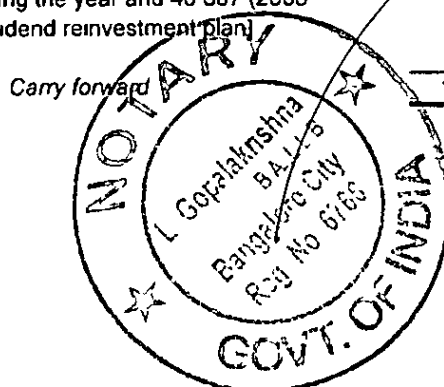
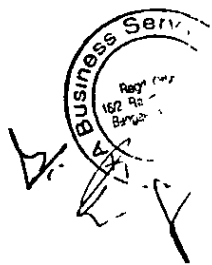
	2009 Rs	2008 Rs.
6 INVESTMENTS [Schedule 16 Note 1(vi)] - Contd		
Current, Quoted		
<i>Brought forward</i>	1,602,272,194	431,619,792
Deutsche Bank - DWS Short Maturity Plan Institutional Weekly Dividend Plan 2,954,025 (2008 Nil) units of Rs 10 each fully paid [2,870,511 (2008 Nil) units purchased during the year and 83,514 (2008 Nil) units earned during the year under dividend reinvestment plan]	30,802,800	-
Standard Chartered - Birla BSL Savings Fund 3,023,018 (2008 Nil) units of Rs 10 each fully paid [2,997,961 (2008 Nil) units purchased during the year and 25,057 (2008 Nil) units earned during the year under dividend reinvestment plan]	30,250,741	-
Deutsche Bank - ICICI Prudential Blended plan A Fixed Maturity Plan 2,885,725 (2008 2,885,725) units of Rs 10 each fully paid	30,000,000	30,000,000
Deutsche Bank - DWS Ultra Short Term Fund Institutional Daily Dividend 2,604,180 (2008 Nil) units of Rs 10 each fully paid [28,522,122 (2008 Nil) units purchased during the year, 25,966,061 (2008 Nil) units sold during the year and 48,119 (2008 Nil) units earned during the year under dividend reinvestment plan]	26,088,420	-
Citi Bank - Principle Floating Rate Fund Flexible Mutual Fund 2,147,369 (2008 2,053,696) units of Rs 10 each fully paid [Nil (2008 1,997,543) units purchased during the year and 93,673 (2008 56,153) units earned during the year under dividend reinvestment plan]	21,500,101	20,562,221
Deutsche Bank - DWS Cash Opportunity Fund - Institutional Plan Daily 2,120,061 (2008 Nil) units of Rs 10 each fully paid [2,075,848 (2008 Nil) units purchased during the year and 44,213 (2008 Nil) units earned during the year under dividend reinvestment plan]	21,252,131	-
Standard Chartered Bank - Reliance Mutual Fund - STP 1,935,926 (2008 Nil) units of Rs 11 each fully paid [1,880,176 (2008 Nil) units purchased during the year and 55,750 (2008 Nil) units earned during the year under dividend reinvestment plan]	20,606,191	-
Standard Chartered Bank - IDFC Mutual Fund STP 2,027,320 (2008 Nil) units of Rs 10 each fully paid [1,979,786 (2008 Nil) units purchased during the year and 47,534 (2008 Nil) units earned during the year under dividend reinvestment plan]	20,424,642	-
Standard Chartered Bank - Sundaram BNP Paribas Fixed Term Plan 2,000,000 (2008 Nil) units of Rs 10 each fully paid (purchased during the year)	20,000,000	-
Deutsche Bank - Fortis Money Plus Fund 1,540,222 (2008 Nil) units of Rs 10 each fully paid [1,499,535 (2008 Nil) units purchased during the year and 40,687 (2008 Nil) units earned during the year under Dividend reinvestment plan]	15,406,996	-

Carry forward

1,838,604,216

482,182,013

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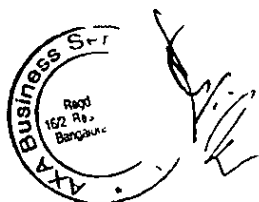


AXA BUSINESS SERVICES PRIVATE LIMITED

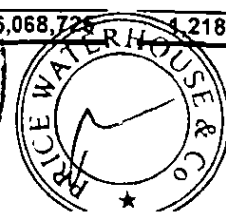
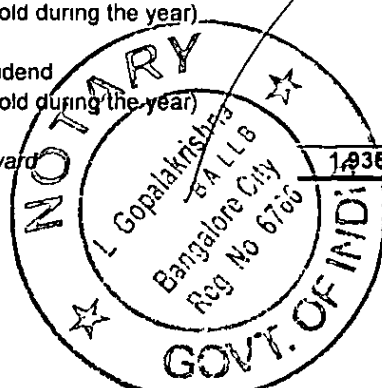
SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs.
6. INVESTMENTS [Schedule 16 Note 1(vi)] - Contd		
Current, Quoted		
<i>Brought forward</i>	1,936,068,725	717,646,783
Deutsche Bank - DB MF - HDFC Arbitrage Fund Nil (2008 5,236,524) units of Rs 10 each fully paid (sold during the year)	-	52,401,897
Standard Chartered - IDFC Dynamic Bond Fund Nil (2008 3,766,159) units of Rs 10 each fully paid (sold during the year)	-	40,000,000
Standard Chartered - ANZ ABN Amro Fixed Term plan Series 12 Plan B Nil (2008 4,000,000) units of Rs 10 each fully paid (sold during the year)	-	40,000,000
Deutsche Bank - DWS Fixed Term Fund Series - 55 Nil (2008 3,790,000) units of Rs 10 each fully paid (sold during the year)	-	37,900,000
Deutsche Bank - DWS Insta Cash Fund Nil (2008 3,752,609) units of Rs 10 each fully paid (sold during the year)	-	38,655,628
Deutsche Bank - DWS Fixed Term Fund Series 52 NIL (2008 3,250,000) units of Rs 10 each fully paid (sold during the year)	-	32,500,000
Standard Chartered Bank-ANZ Templeton Fixed Horizon plan E Growth Nil (2008 3,250,000) units of Rs 10 each fully paid (sold during the year)	-	32,500,000
Standard Chartered-IDFC Fixed Maturity plan Quaterly Series 44 Nil (2008 3,000,000) units of Rs 10 each fully paid (sold during the year)	-	30,858,600
Citi Bank-Franklin Templeton Fixed Horizon Fund Series VIII Nil (2008 3,006,565) units of Rs 10 each fully paid (sold during the year)	-	30,065,651
Standard Chartered-IDFC Government Security Fund Nil (2008 2,500,000) units of Rs 10 each fully paid (sold during the year)	-	27,902,500
Citi Bank - AIG Quarterly Interval Fund Series II Nil (2008 27,621) units of Rs 1,000 each fully paid (sold during the year)	-	27,859,298
Standard Chartered - IDFC Dynamic Bond Fund Nil (2008 2,482,350) units of Rs 10 each fully paid (sold during the year)	-	25,000,000
Standard Chartered - IDFC Fixed Maturity plan QS 48 Nil (2008 2,500,000) units of Rs 10 each fully paid (sold during the year)	-	25,000,000
Deutsche Bank - DWS Fixed Maturity Plan Series 61 Nil (2008 2,000,000) units of Rs 10 each fully paid (sold during the year)	-	20,000,000
Citi Bank - HDFC CMF Saving plus Account-Dividend Nil (2008 1,531,602) units of Rs 10 each fully paid (sold during the year)	-	15,364,274
Standard Chartered-ANZ Bharti AXA Treasury plus Nil (2008 12,976) units of Rs 1,000 each fully paid (sold during the year)	-	12,976,363
Citi Bank - Birla Sunlife Liquid plus Retail Weekly Dividend Nil (2008 1,145,158) units of Rs 10 each fully paid (sold during the year)	-	11,470,818
<i>Carry forward</i>	<u>1,936,068,725</u>	<u>4,218,101,812</u>

Contd



Carry forward



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs
6 INVESTMENTS [Schedule 16 Note 1(vi)] - Contd		
Current, Quoted		
<i>Brought forward</i>	1,936,068,725	1,218,101,812
Deutsche Bank - DWS Money plus Nil (2008 1,029,239) units of Rs 10 each fully paid (sold during the year)	-	10,300,840
Standard Chartered - UTI Series V Nil (2008 1,000,000) units of Rs 10 each fully paid (sold during the year)	-	10,000,000
Standard Chartered - ANZ Bharti AXA Treasury plus Nil (2008 5,108) units of Rs 1,000 each fully paid (sold during the year)	-	5,113,380
Standard Chartered - IDFC Fixed Maturity plan QS 46 Nil (2008 500,000) units of Rs 10 each fully paid (sold during the year)	-	5,000,000
	<u>1,936,068,725</u>	<u>1,248,516,032</u>

* Aggregate Net Asset Value (NAV) as at the year end Rs 1,937,900,929 (2008 Rs 1,268,477,264)

Notes

- (i) Includes Rs 51,000,000 (2008 Rs 51,000,000) under lien with bank against guarantees
- (ii) Particulars of Investments purchased and sold during the year is provided in Note 21(a) on Schedule 16

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

Exceeding Six Months	-	260,480
Other Debts	158,870,082	240,767,296
	<u>158,870,082</u>	<u>241,027,776</u>

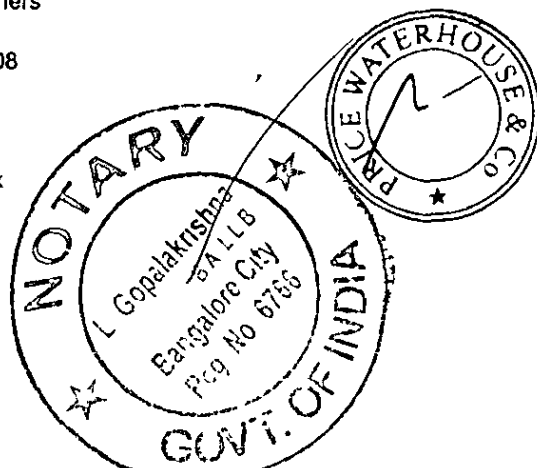
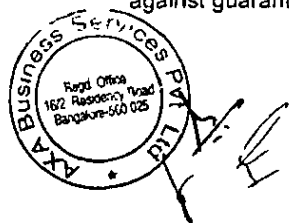
Note Represents due from fellow subsidiaries Rs 158,870,082 (2008 Rs 241,027,776)

8 CASH AND BANK BALANCES

Cash on hand	68,138	47,784
Balances with Scheduled Banks		
Current Accounts [Note (i)]	849,620,836	350,911,448
Balances in other Banks in Current account		
Citibank - London [Note (ii)]	2,948,233	18,879,104
Standard Chartered Bank- London [Note (iii)]	69,767	162,105,054
Term Deposits [Note (iv)]	60,300,000	55,700,000
	<u>913,006,974</u>	<u>587,643,390</u>

Notes

- (i) Includes Rs 845,112,203 (2008 Rs 346,617,455) in Exchange Earners' Foreign Currency (EEFC) Account
- (ii) Maximum amount outstanding during the year Rs 831,930,420 (2008 Rs 28,730,465)
- (iii) Maximum amount outstanding during the year Rs 64,547,231 (2008 Rs 165,568,151)
- (iv) Includes Rs 50,406,000 (2008 Rs 5,000,000) under lien with bank against guarantees



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs
9 OTHER CURRENT ASSETS (Unsecured, Considered good)		
Other Deposits	116,226,342	109,334,148
Interest Accrued on Term Deposits	1,834,616	1,058,685
	<u>118,060,958</u>	<u>110,392,833</u>

10 LOANS AND ADVANCES

(Unsecured, Considered good except stated otherwise)

Prepaid Expenses	16,812,223	35,671,518
Income Tax (Net of Provision)	65,405,856	30,669,414
MAT Credit	59,042,220	53,242,220
Advances recoverable in cash or in kind or for value to be received [including considered doubtful Rs 82,250,000 (2008 5,000,000)]	457,034,144	448,528,159
	<u>598,294,443</u>	<u>568,111,311</u>
(Less) Provision for doubtful advances	<u>(82,250,000)</u>	<u>(5,000,000)</u>
	<u>516,044,443</u>	<u>563,111,311</u>

Note Includes amount receivable on forward contracts Rs 210,710,311 (2008 Rs 269,431,447) [Schedule 16 Note 13(a)]

11 CURRENT LIABILITIES AND PROVISIONS

A LIABILITIES

Sundry Creditors

Dues to Micro and Small Enterprises (Schedule 16 Note 20)	-	-
Others	62,555,977	44,794,267
Advance received from Customers	266,969,041	1,105,200
Other Liabilities (Note)	569,123,763	529,018,790
	<u>898,648,781</u>	<u>574,918,257</u>

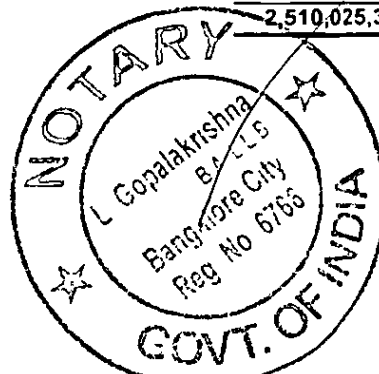
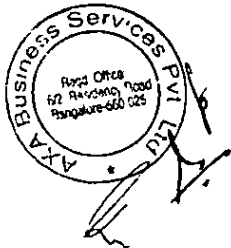
Note Includes foreign currency payable on forward contracts Rs 202,293,420 (2008 Rs 261,876,932) [Schedule 16 Note 13(a)]

B PROVISIONS

Fringe Benefit Tax (Net of Payments)	43,550	53,857
Gratuity	1,518,679	55,247,617
Compensated Absences (Leave Encashment, etc)	6,866,963	8,010,916
	<u>8,429,192</u>	<u>63,312,390</u>

12 SERVICES [Schedule 16 Note 1(iii)]

Exports		
Data Processing	2,000,660,340	2,036,444,277
Call Centre	370,593,949	496,423,974
Project Migration	50,106,115	48,909,541
Others	25,218,120	31,814,712
Domestic		
Data Processing	31,561,729	30,814,630
Call Centre	29,202,934	2,577,929
Project Migration	2,682,141	4,338,317
	<u>2,510,025,328</u>	<u>2,651,323,380</u>



AXA BUSINESS SERVICES PRIVATE LIMITED

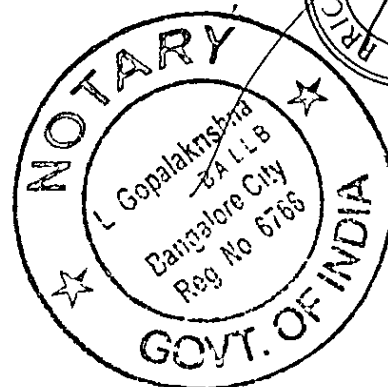
SCHEDULES TO ACCOUNTS

	2009 Rs	2008 Rs
13 OTHER INCOME		
Interest from Banks (Gross) [Tax Deducted at Source Rs 202,253] (2008 Rs 668,731)]	1,548,344	4,199,903
Interest - Others (Gross) [Tax Deducted at Source Nil (2008 Nil)]	3,084,473	1,684,735
Dividend (Gross) [Tax Deducted at Source Nil (2008 Nil)]	45,352,243	78,228,992
Profit on Sale of Investments	30,740,916	1,835,200
Rent	31,516,537	20,664,925
Exchange Gain (Net)	89,492,071	-
Liability no longer required written back	13,634,118	166,890
Recovery of Fringe Benefit Tax	2,423,519	4,325,683
Profit on Sale of Fixed Assets (Net)	1,334,890	-
Miscellaneous	1,074,399	1,452,522
	<u>220,201,510</u>	<u>109,558,850</u>
14. OPERATING AND OTHER EXPENSES (Schedule 16 Note 11)		
Employees Cost		
Salaries, Bonus, etc [Including Provision for Compensated Absences Rs 2,670,204 (2008 Rs 4,416,921)]	1,209,353,965	1,203,785,416
Contribution to Provident and Other Funds [Including Provision for Gratuity Rs 13,804,343 (2008 Rs 18,969,586)]	65,174,590	59,394,985
Staff Welfare	35,945,217	30,098,359
	<u>1,310,473,772</u>	<u>1,293,278,760</u>
Rent	159,311,949	159,335,995
Rates and Taxes	3,367,296	453,115
Insurance	43,640,276	36,714,245
Power and Fuel	59,219,089	57,918,826
Repairs and Maintenance - Others	61,552,624	59,111,851
IT Infrastructure Support and Maintenance	208,835,606	176,015,171
Software Development Support and Maintenance	78,031,527	69,765,875
Legal and Professional	34,910,728	38,901,075
Recruitment and Training	23,804,566	21,054,855
Travelling and Conveyance	94,753,518	135,452,967
Communication	93,313,555	83,344,691
Exchange Loss (Net)	-	20,165,119
Loss on Sale/ Scrapping of Fixed Assets (Net)	-	120,448
Provision from Doubtful Advances	77,250,000	5,000,000
Miscellaneous	14,593,930	19,635,569
	<u>2,263,058,436</u>	<u>2,176,268,562</u>
15 INTEREST		
On Fixed Loans	4,585,765	5,965,873
	<u>4,585,765</u>	<u>5,965,873</u>



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ATTESTED
L. GOPALAKRISHNA, B.A., LL.B
 ADVOCATE & NOTARY
 GOVERNMENT OF INDIA
 No 25 3rd Cross Lalbagh Road
 BANGALORE-560 027.
 13 OCT 2011



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 Accounting Standards (AS) notified under Section 211(3C) of the Companies Act, 1956 (Act) and the relevant provisions of the 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 Act except for the following, which are based on management's estimate of useful life of the fixed asset concerned

	<u>Rate of depreciation</u>
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

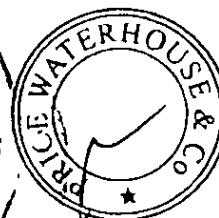
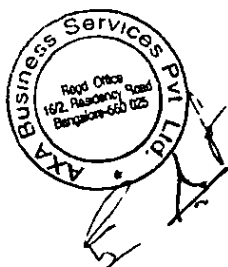
(iv) Foreign Currency Transactions

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 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



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS – Contd.

Rs

(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

(vii) Taxes on Income

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

Fringe benefit tax (applicable upto March 31, 2009) is determined at current applicable rates on expenses falling within the ambit of 'Fringe Benefit' as defined under the Income Tax Act, 1961

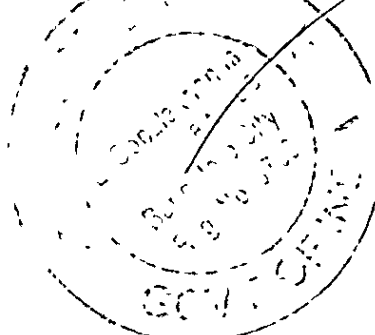
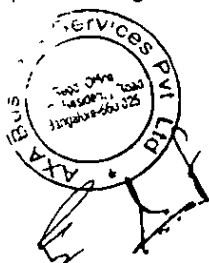
Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date Deferred tax assets are recognised and carried forward to the extent that there 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 and Contingent Liabilities

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 A disclosure for contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

(x) Leases

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

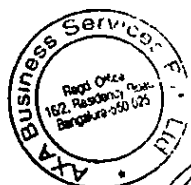
Operating lease expense/ income is recognised in the Profit and Loss Account on a straight line basis over the lease term.

(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.

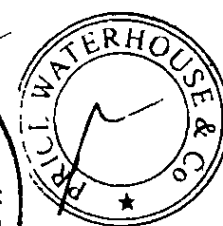
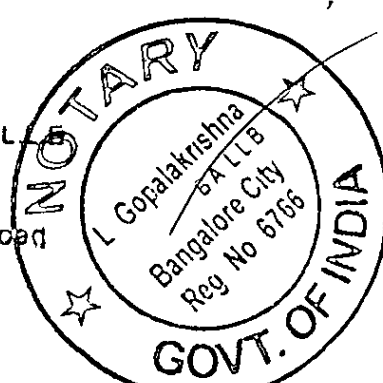
2 (i) During the year, pursuant to the 'Agreement to Transfer Business', dated May 28, 2009, with Capita India Private Limited (CIPL), the Company sold its business of data processing services, image based processing services in functions such as finance and accounting, customer servicing, etc relating to the closed book business (dis-continued operations) to CIPL, along with the following assets and liabilities, as a going concern, on as-is-where-is basis, with effect from September 1, 2009, for a net consideration of Rs 427,050,948

	<u>2009</u>	
Fixed Assets		
Gross Block	28,986,379	
(Less) Accumulated Depreciation	<u>25,195,408</u>	3,790,971
Current Assets - Loans and Advances		
Advances recoverable in cash or in kind or for value to be received		<u>533,085</u> 4,324,056
(Less) Liabilities		
Other Liabilities	(10,773,265)	
Gratuity	(9,167,532)	
Compensated Absences	<u>(3,814,157)</u>	<u>(23,754,954)</u>
Net Current Assets/ (Liabilities) transferred (A)		(19,430,898)
Purchase Price payable by CIPL (Net) (B)		427,050,948
Profit on sale on business (A - B)		<u>446,481,846</u>



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ATTESTED
L. GOPALAKRISHNA, B.A., LL.B.
ADVOCATE & NOTARY
GOVERNMENT OF INDIA
 No. 25, 3rd Cross, Lalbagh Road
 BANGALORE-560 027



13 OCT 2011

AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

2 (ii) Summarised financial results of continuing operations and discontinued operations are shown below

	Continuing Operations	Discontinued Operations	Total
Services	2,241,122,063 (2,217,381,543)	268,903,265 (433,941,837)	2,510,025,328 (2,651,323,380)
Other Income	220,178,143 (109,480,977)	23,367 (77,873)	220,201,510 (109,558,850)
Operating and Other Expenses	2,026,735,250 (1,802,879,310)	236,323,186 (373,389,252)	2,263,058,436 (2,176,268,562)
Depreciation	114,273,569 (135,228,681)	13,093,378 (26,464,269)	127,366,947 (161,692,950)
Interest	4,146,755 (4,989,439)	439,010 (976,434)	4,585,765 (5,965,873)
Profit before Taxation and Prior Period/ Exceptional items	316,144,632 (383,765,090)	19,071,058 (33,189,755)	335,215,690 (416,954,845)
Fixed Assets (Net)	382,925,480 (409,958,203)	- (5,233,459)	382,925,480 (415,191,662)
Current Assets, Loans and Advances			
Sundry Debtors	158,870,082 (174,561,242)	- (66,466,534)	158,870,082 (241,027,776)
Other Current Assets	118,060,958 (110,392,833)	- (-)	118,060,958 (110,392,833)
Loans and Advances	516,044,443 (563,111,311)	- (-)	516,044,443 (563,111,311)
(Less) Current Liabilities and Provisions	907,077,973 (609,468,816)	- (28,761,831)	907,077,973 (638,230,647)

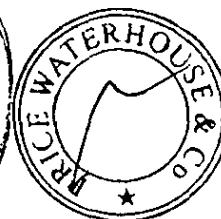
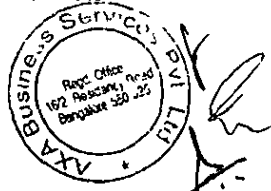
Notes

- (i) Figures in bracket relate to previous year
- (ii) Certificate in Form 50B (prescribed under Income Tax Rules) certifying list of assets and liabilities transferred, which is required for the purpose of filing with Income Tax Authorities, will be obtained subsequently

	2009	2008
3 Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	3,912,371	4,074,899
4 Contingent Liabilities (Note)		
Bank Guarantees	101,406,000	71,781,000
Income tax matters in dispute	36,427,237*	22,739,345*
Others	-	5,000,000

* Including Rs 13,932,423 (2008 Rs 12,174,322) paid under protest.

Note Contingent Liabilities disclosed above represents possible obligations where possibility of cash outflow to settle the obligation is remote



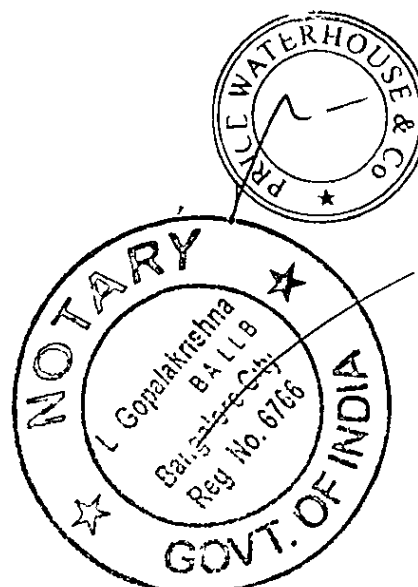
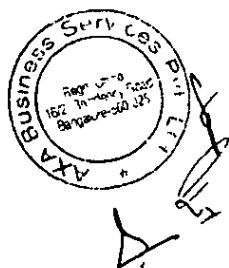
AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

	Rs	
	<u>2009</u>	<u>2008</u>
5 CIF Value of imports		
Capital Goods (including assets taken on Finance Lease)	71,550,816	17,117,647
6 Expenditure in Foreign Currency		
Salaries, Bonus, etc and Staff Welfare	20,727,486	18,687,097
Rent	1,510,640	1,462,749
Repairs and Maintenance – Others	11,070,787	-
IT Infrastructure Support and Maintenance	71,585,979	176,015,171
Software Development Support and Maintenance	-	7,976,625
Legal and Professional	8,003,958	3,973,874
Recruitment and Training	2,146,420	719,474
Travelling and Conveyance [Net of reimbursement aggregating to Rs 18,956,918 (2008 Rs 42,887,405)]	5,965,957	13,890,371
Communication	-	79,204,253
Miscellaneous	17,329	1,765,004
7 Earnings in Foreign Currency		
Services – Data processing, Call Centre, Project Migration and IT Services and others	2,446,578,524	2,613,592,504
8 Whole Time Directors' Remuneration (excluding Provision for Employee Benefit)		
Salaries, Bonus, etc (Note)	25,098,746	34,576,612
Contribution to Provident and Other Funds	766,320	729,600
Perquisites (calculated in accordance with Income Tax Rules)	301,565	371,606
	<u>26,166,631</u>	<u>35,677,818</u>
Note Performance incentives, as per the Company's scheme, included above are based on the disbursements made by the Company during the year		
9 Auditors' Remuneration (Included in Legal and Professional in Schedule 14)*		
Statutory Audit	2,125,000	2,125,000
Tax Accounts and Tax Audit	450,000	450,000
Certification	275,000	375,000
Out of Pocket Expenses	23,370	25,600

* Excluding service-tax



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

		Rs	
		2009	2008
10	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 (2008 2,039,999) shares of Rs 10/- each with repatriable benefits	20,399,990	20,399,990
(b)	8,766,319 (2008 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 (2008 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 Senes) dated April 1, 1999 of the Department of Industrial Policy and Promotion	155,176,900	155,176,900
(ii)	2 (2008 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
		263,240,100	263,240,100

11 Operating and Other Expenses (Schedule 14) is net of recovery of Rs 95,774,907 (2008 Rs 91,797,471) on account of expenditure recoverable from fellow subsidiaries in connection with services rendered, as detailed below

	2009	2008
Salaries, Bonus, etc	24,682,084	16,632,589
Staff Welfare	107,399	6,453,925
Rent	1,820,326	3,306,305
Software Development Support and Maintenance	11,356,600	13,649
Legal and Professional	12,353,570	275,227
Recruitment and Training	-	236,196
Travelling and Conveyance	33,062,492	50,473,714
Communication	8,826,506	10,430,264
Miscellaneous	3,565,930	3,975,602
	95,774,907	91,797,471

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

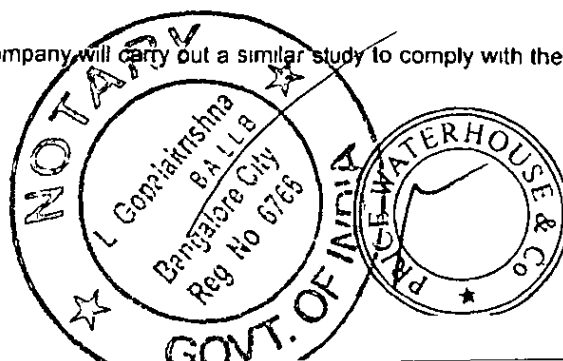
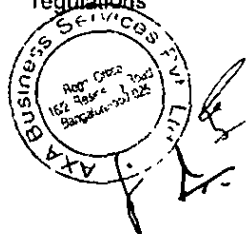
12 Taxation

(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, 2009, 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, 2010, the Company will carry out a similar study to comply with the regulations



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

12 Taxation – Contd

(b) Current Tax

The tax year of the Company being April to March, the provision for taxation (net of MAT Credit Entitlement) for the year ended December 31, 2009 is the aggregate of the provision made for the period from January 01, 2009 to March 31, 2009 amounting to Rs 4,978,000 (2008 Rs 3,322,260) and the provision based on the figures for the remaining nine months period from April 1, 2009 to December 31, 2009 amounting to Rs 121,599,311 (2008 Rs 5,704 384) Provision for taxation includes Rs 3,577,311 (2008 Nil) relating to earlier years. The ultimate income tax liability for the fiscal year 2009-10, however, will be determined based on the results of the Company for the fiscal year ending March 31, 2010

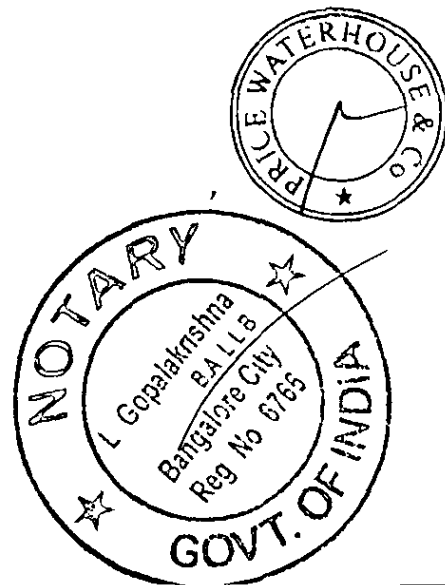
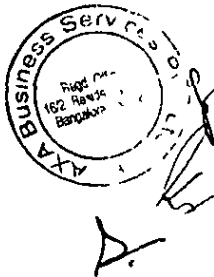
(c) Deferred Tax.

The net Deferred Tax Asset/ (Liability) as on December 31, 2009 amounting to Rs 22,625,818 (2008 Rs 24,316,371) has been arrived at as follows

	<u>2009</u>	<u>2008</u>
Deferred Tax Asset/ (Liability) arising from		
(i) Difference between carrying amount of fixed assets in the financial statements and the Income Tax Return (Net)	8,746,758	2,947,804
(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
- Provision for Compensated Absences	-	2,589,902
- Rent Equalization	13,879,060	-
Net Deferred Tax Asset/ (Liability)	<u>22,625,818</u>	<u>24,316,371</u>
Net Deferred Tax (Charge)/ Credit for the year accounted for as		
- (Charge)/ Credit in Profit and Loss Account under 'Provision for Taxation before Prior Period/ Exceptional items	(15,569,613)	11,588,912
- (Charge)/ Credit in Profit and Loss Account on Prior Period/ Exceptional items	13,879,060	-
	<u>(1,690,553)</u>	<u>11,588,912</u>

Notes

- (i) The tax impact for the above purpose has been arrived at applying a tax rate of 33.99% (2008 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



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS - Contd.

Rs

13 (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 202,293,420 (2008 Rs 261,876,932) and related amount receivable of Rs 210,710,311 (2008 Rs 269,431,447), 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 3,021,676 (2008 Rs 1,869,993)

(b) **Derivative Transaction:** The Company has hedged a part of its future foreign currency receivables, relating to exports, as detailed below, to mitigate its foreign exchange fluctuation risks

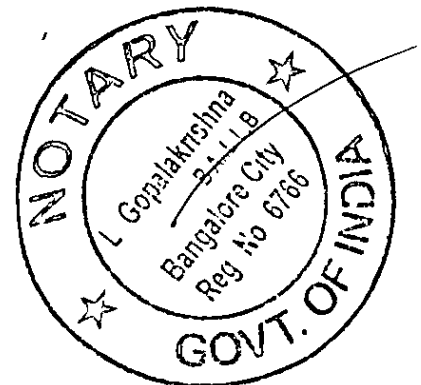
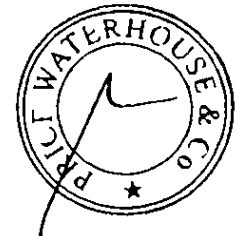
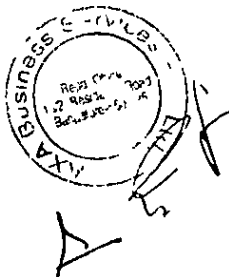
I Derivative instruments outstanding as at the year end 1 (2008 37) outstanding contract for hedging future cashflow	2009	2008
Currency		
USD	204,371	5,533,134
Equivalent Rs	9,911,989	260,875,500
 Japanese Yen	-	90,139,562
Equivalent Rs	-	45,478,368

II The above derivative contracts have been marked to market based on the bankers' certificate resulting in a net gain at the Balance Sheet date In view of the principle of prudence as enunciated in AS 1 - Disclosure Of Accounting Policies and the Announcement of the ICAI (dated March 29, 2008) on 'Accounting for Derivatives', the net gain of Rs 172,693 has not been accounted for in the books (2008 net loss of Rs 8,181,367 as at the Balance Sheet date which has been provided for)

III **Foreign Currency Exposures not hedged by a derivative instrument or otherwise**

As of the Balance Sheet date, the rupee equivalent of the foreign currency exposure arising out of operations in India and not hedged by a derivative instrument or otherwise represents

Receivables	99,171,575	159,258,108
Payables	324,889,677	49,483,090



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

14 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 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	2,085,010,325 (2,120,506,765)	399,796,883 (499,001,903)	25,218,120 (31,814,712)	2,510,025,328 (2,651,323,380)
Segment Profit (Loss)	97,029,907 (253,211,216)	18,605,305 (59,586,171)	3,964,733 (564,481)	119,599,945 (313,361,868)
Less Interest on Fixed Loans	- (-)	- (-)	- (-)	-4,585,765 (-5,965,873)
Add Unallocable Income	- (-)	- (-)	- (-)	220,201,510 (109,558,850)
Add Profit on sale of Business	- (-)	- (-)	- (-)	446,481,846 (-)
Less Prior Period Expenses	- (-)	- (-)	- (-)	-54,209,597 (-)
Net Profit before Taxation	- (-)	- (-)	- (-)	727,487,939 (416,954,845)
<i>Current Assets, Loans and Advances</i>				
Sundry Debtors	131,732,963 (214,785,915)	25,259,552 (23,180,724)	1,877,567 (3,061,137)	158,870,082 (241,027,776)

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, Middle East 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	234,300,507 (250,234,636)	144,932,274 (125,006,941)	1,616,660,976 (1,939,027,768)	514,131,517 (337,054,035)	2,510,025,328 (2,651,323,380)

Note Figures in brackets relate to previous year

AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

15 Related Party Disclosures

A Names of related parties and description of relationship

Ref	Description of relationship	Names of related parties
a	<i>Parties where Control exists</i>	
(i)	Ultimate Holding Company	AXA SA, France
(ii)	Holding Company	Societe Beaujon, France Graywood Investments Limited, United Kingdom (GIL)
b	<i>Parties under common control with whom transactions have taken place during the year</i>	
(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 (ANZ) AXA Assistance (UK) Limited, United Kingdom AXA China Region Insurance Co Limited Hong Kong (ACL) GIE AXA, France (GIE) 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, Spain AXA Insurance Gulf, UAE AXA Life Limited, Switzerland
c	<i>Key Management Personnel</i>	
	Chief Executive Officer	C Buch
	Joint Chief Executive Officer	S Banerjee
	Wholetime Directors	O Sanders (up to August, 2008)
d	<i>Others (entities where key management personnel are able to exercise significant influence)</i>	AXA Employees' Provident Fund Trust (AEPFT) AXA Employees Group Gratuity Trust (AEGGT)



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

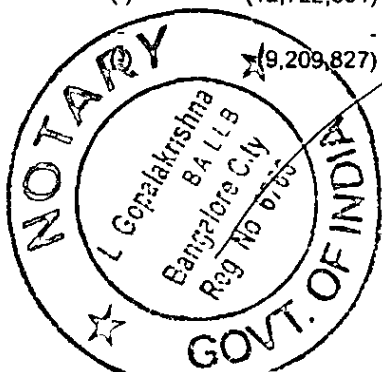
16 NOTES ON ACCOUNTS – Contd

15 Related Party Disclosures – Contd

Rs

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

Nature of transaction	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Services.				
ASL	620,561,602 (867,769,191)	- (-)	- (-)	620,561,602 (867,769,191)
AUK	327,858,637 (354,976,700)	- (-)	- (-)	327,858,637 (354,976,700)
APPP	276,110,667 (286,494,107)	- (-)	- (-)	276,110,667 (286,494,107)
ABIS	273,171,844 (119,794,431)	- (-)	- (-)	273,171,844 (119,794,431)
ALI	244,192,640 (373,416,529)	- (-)	- (-)	244,192,640 (373,416,529)
Others	768,129,938 (648,872,422)	- (-)	- (-)	768,129,938 (648,872,422)
Rent (Income)				
AGS	26,570,581 (15,493,920)	- (-)	- (-)	26,570,581 (15,493,920)
ATS	4,810,500 (5,171,005)	- (-)	- (-)	4,810,500 (5,171,005)
Others	135,456 (-)	- (-)	- (-)	135,456 (-)
Liability no Longer Required				
Written-Back				
AUK	13,634,118 (-)	- (-)	- (-)	13,634,118 (-)
Reimbursement of Fringe Benefit				
Tax				
ABIS	973,510 (904,756)	- (-)	- (-)	973,510 (904,756)
BAL	382,188 (199,896)	- (-)	- (-)	382,188 (199,896)
Others	1,067,821 (3,221,031)	- (-)	- (-)	1,067,821 (3,221,031)
Operating and Other Expenses				
Employee Cost (refer Note 8 above)				
C Buch	- (-)	13,643,206 (13,745,900)	- (-)	13,643,206 (13,745,900)
S Banerjee	- (-)	12,523,425 (12,722,091)	- (-)	12,523,425 (12,722,091)
O Sanders	- (-)	9,209,827 (9,209,827)	- (-)	9,209,827 (9,209,827)



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

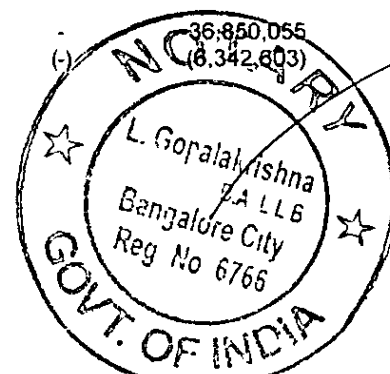
16 NOTES ON ACCOUNTS – Contd

Rs

15 Related Party Disclosures – Contd

B Summary of transactions with related parties during the year is as follows - Contd

Nature of transaction	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Contribution to Provident Fund.				
AEPFT	- (-)	- (-)	29,735,985 (26,436,452)	29,735,985 (26,436,452)
Contribution to Gratuity				
AEGGT	- (-)	- (-)	58,365,749 (-)	58,365,749 (-)
IT Infrastructure Support and Maintenance				
ATS	208,835,606 (176,015,171)	- (-)	- (-)	208,835,606 (176,015,171)
Software Development Support and Maintenance				
AGS	63,477,580 (61,767,250)	- (-)	- (-)	63,477,580 (61,767,250)
ATS	10,346,795 (7,976,625)	- (-)	- (-)	10,346,795 (7,976,625)
Communication				
ATS	89,842,486 (79,204,253)	- (-)	- (-)	89,842,486 (79,204,253)
Interest on Fixed Loans				
ATS	1,264,476 (2,040,883)	- (-)	- (-)	1,264,476 (2,040,883)
Reimbursement of Operating and Other Expenses (refer Note 11 above)				
ASL	27,809,663 (11,915,788)	- (-)	- (-)	27,809,663 (11,915,788)
ABIS	19,545,934 (20,177,357)	- (-)	- (-)	19,545,934 (20,177,357)
GIE	17,191,571 (-)	- (-)	- (-)	17,191,571 (-)
Others	31,227,739 (59,704,326)	- (-)	- (-)	31,227,739 (59,704,326)
Recharges borne by the Company				
AUK	34,887,505 (31,722,725)	- (-)	- (-)	34,887,505 (31,722,725)
Assets acquired on lease				
ATS	36,850,055 (6,342,603)	- (-)	- (-)	36,850,055 (6,342,603)



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

15 Related Party Disclosures – Contd

B Summary of transactions with related parties during the year is as follows - Contd

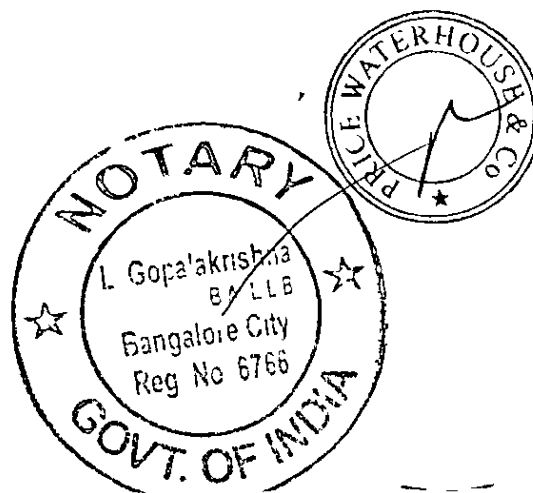
Nature of transaction	Fellow Subsidiaries [A(b)(i)]	Key Management Personnel [A(c)]	Others [A(d)]	Total
Secured loans taken:				
ATS	36,850,055 (6,342,603)	- (-)	- (-)	36,850,055 (6,342,603)
Secured loans repaid				
ATS	27,329,458 (59,792,733)	- (-)	- (-)	27,329,458 (59,792,733)
Investments				
Bharti AXA	40,236,454 (23,233,840)	- (-)	- (-)	40,236,454 (23,233,840)
Balance outstanding at the year-end				
Receivables				
ABIS	29,735,233 (36,496,097)	- (-)	- (-)	29,735,233 (36,496,097)
AUK	23,849,183 (30,477,806)	- (-)	- (-)	23,849,183 (30,477,806)
APPP	20,896,141 (18,042,409)	- (-)	- (-)	20,896,141 (18,042,409)
ASL	19,892,341 (66,444,152)	- (-)	- (-)	19,892,341 (66,444,152)
Others	72,013,519 (104,073,021)	- (-)	- (-)	72,013,519 (104,073,021)
Payables				
ANZ	249,598,872 (-)	- (-)	- (-)	249,598,872 (-)
ATS	57,920,636 (31,579,416)	- (-)	- (-)	57,920,636 (31,579,416)
Others	17,370,169 (17,903,674)	- (-)	- (-)	17,370,169 (17,903,674)

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



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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

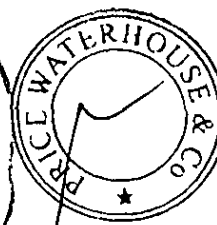
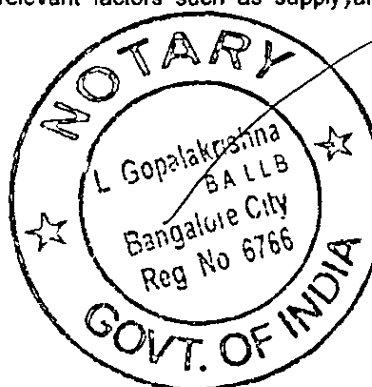
16 Employee Benefits

Disclosures envisaged in AS 15 - Employee Benefits as given below

(a) Defined Benefit Plan – Gratuity

	<u>2009</u>	<u>2008</u>
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	55,247,617	37,885,717
Add Current Service cost	9,912,373	16,820,734
Add Interest cost	3,867,333	2,652,000
Add Actuarial (gain)/ loss due to change in assumptions	24,637	(503,148)
(Less) Benefits paid during the year	<u>(9,167,532)</u>	<u>(1,607,686)</u>
Obligations at the end of the year	<u>59,884,428</u>	<u>55,247,617</u>
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	3,976,468	-
Add Actuarial gain/ (loss)	<u>(3,976,468)</u>	-
Add Contributions	67,533,281	1,607,686
(Less) Benefits Paid	<u>(9,167,532)</u>	<u>(1,607,686)</u>
Fair Value of Plan assets at the end of the year	<u>58,365,749</u>	<u>-</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, 2009	59,884,428	55,247,617
(Less) Fair Value of Plan Assets as at December 31, 2009	<u>(58,365,749)</u>	<u>(-)</u>
Amount recognised in the Balance Sheet	<u>1,518,679</u>	<u>55,247,617</u>
iv) Expenses recognised in Profit and Loss account under "Operating and Other Expenses" in Schedule 14		
Current service cost	9,912,373	16,820,734
Add Interest cost	3,867,333	2,652,000
(Less) Expected Return on Plan Assets	<u>(3,976,468)</u>	<u>(-)</u>
Add Actuarial (gain)/ loss due to change in assumptions	4,001,105	(503,148)
	<u>13,804,343</u>	<u>18,969,586</u>
v) The principal actuarial assumptions used as at the Balance Sheet date are as follows		
Discount rate per annum	7 00%	7 00%
Interest rate per annum	7 00%	7 00%
Expected return on plan assets	7 00%	-

Note 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



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

Rs

16 Employee Benefits – Contd

(b) Defined Contribution Plan

Contribution to Provident and other funds under Employee Cost (Schedule 14) includes Rs 45,424,589 (2008 Rs 44,450,410) being the expenses debited under the following defined contribution plan

	<u>2009</u>	<u>2008</u>
Provident Fund	27,185,341	24,905,697
Pension Fund	17,905,359	19,514,216
Employee State Insurance	333,889	30,497
	<u>45,424,589</u>	<u>44,450,410</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.

17 Leases

2009 2008

(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 34,755,891 (2008 Rs 61,582,744)] 159,311,949 159,335,995

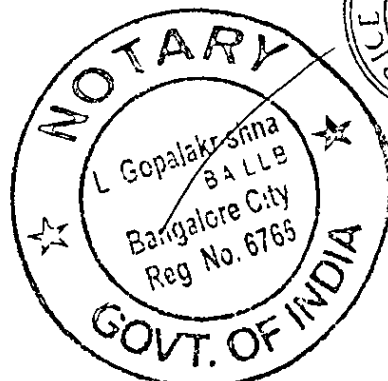
Future minimum lease rentals payable under non-cancellable lease

- not later than one year	15,123,241	36,076,134
- one to five years	9,587,196	32,460,900
	<u>24,710,437</u>	<u>68,537,034</u>

- (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 (2008 Nil)] 31,516,537 20,664,925

Business Services
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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16. NOTES ON ACCOUNTS – Contd

17 Leases - Contd

Rs.


(b) Finance Leases.

The Company has acquired Computer Systems and Office Equipments on three year leases and Vehicles on hire purchase, which are treated as lease under AS 19 - Leases

	<u>2009</u>	<u>2008</u>
Minimum lease payments		
Less than one year	27,495,630	35,140,617
One to five years	37,622,634 65,118,264	25,581,542 60,722,159
(Less) Interest not due		
Less than one year	(2,937,329)	(3,675,349)
One to five years	(2,392,900) (5,330,229)	(2,224,297) (5,899,646)
Present value of minimum lease payment	<u>59,788,035</u>	<u>54,822,513</u>
Of the above		
Less than one year	24,558,301	31,465,268
One to five years	<u>35,229,734</u>	<u>23,357,245</u>
	<u>59,788,035</u>	<u>54,822,513</u>

18 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

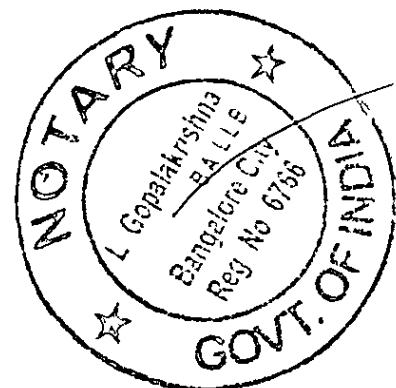
19 The Company has been regular in depositing undisputed statutory dues in respect of provident fund, income tax, investor education and protection fund, employees' state insurance, income-tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues, as may 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

Business Service




ATTESTED
L. GOPALAKRISHNA, B.A., LL.B
ADVOCATE & NOTARY
GOVERNMENT OF INDIA
 No 25 3rd Cross, Lalbagh Road
 BANGALORE-560 027

13 OCT 2011



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

20 The Company initiated the process of identifying Micro, Small and Medium Enterprises (SME), as defined under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), by requesting vendor confirmation to the letters circularised by it. The Company has received responses from 4 (approximately 3%) vendors, of which all have confirmed that they are not SME

Accordingly disclosures as envisaged in Part I of Schedule VI of the Companies Act, 1956, as given below is based on the confirmations received and this has been relied upon by the auditors

	2009	2008
(i) (a) The principal amount remaining unpaid as at December 31, 2009	-	-
(b) Interest due thereon remaining unpaid as on December 31, 2009	-	-
(ii) The amount of interest paid by the buyer in terms of Section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
(a) Delayed payments of principal amount paid beyond the appointed date during the entire accounting year	-	-
(b) Interest actually paid under Section 16 of the Act, during the entire 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 MSMED Act	-	-
(iv) The amount of interest accrued and remaining unpaid on December 31, 2009		
(a) Total interest accrued during the year	-	-
(b) Total interest remaining unpaid, out of the above, as at December 31, 2009	-	-
(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 MSMED Act	-	-

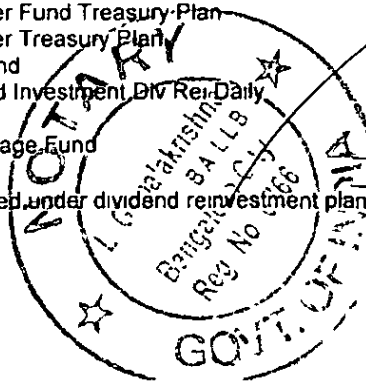
21 (a) Details of Investments purchased and sold during the year

	No of Units Purchased/ Sold *	Purchase Cost	Sale Proceeds
DWS Cash Opportunities Fund	3,816,017	37,900,000	38,252,896
DWS Cash Plus Fund	7,289,451	72,500,000	73,223,623
DWS Credit Opportunities Cash Fund	8,005,572	80,000,000	80,215,834
DWS Insta Cash Plus Fund	13,928,240	140,000,000	140,437,259
DWS Money Plus Advantage Fund	3,621,100	37,250,000	38,180,158
DWS Money Plus Fund	720,999	7,050,000	7,256,495
DWS Short Maturity Fund	1,080,776	11,000,000	11,265,362
DWS Ultra Short Term Fund	18,535,118	185,150,000	185,674,264
Fidelity Ultra Short Term Debt Fund	5,009,416	50,000,000	50,106,688
Fortis Money Plus Plan	4,002,250	40,000,000	40,034,907
HDFC Cash MGMT Treasury Adv Plan	9,065,948	90,000,000	90,945,057
HSBC Floating Rate Long Term Plan	1,804,081	20,000,000	20,272,639
ICICI Prudential Institutional Short Term Plan	841,900	10,000,000	10,170,994
IDFC Cash fund - Inst Plan B	7,269,187	76,900,000	76,919,634
IDFC Liquid Plus Fund Treasury Plan	10,061,247	101,000,000	101,319,776
IDFC Money Manager Fund Treasury Plan	48,636,500	486,500,000	487,870,128
IDFC Money Manager Treasury Plan	8,811,760	88,000,000	88,322,519
IDFC Short Term Fund	1,921,883	19,000,000	19,336,447
SBNPP Ultra ST fund Investment Div Reinvest Daily	1,006,906	10,000,000	10,106,319
TATA Floater Fund	1,007,876	10,000,000	10,114,640
UTI Treasury Advantage Fund	10,053	10,000,000	10,055,299
	156,446,280	1,582,250,000	1,590,080,928

Includes units earned under dividend reinvestment plan



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AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS

16 NOTES ON ACCOUNTS – Contd

21 (b) The Company has invested in Deutsche Bank - ICICI Prudential Flexible Income Plan Regular Daily Dividend Reinvestment. The details of investment are as follows

	2009	
	No of units	Rs.
Opening balance	-	-
Add Investment made	4,645,148	46,500,000
Add Units earned under the dividend reinvestment plan	69,872	792,499
Closing balance as at November 1, 2009 (Note)	4,715,020	47,292,499

Note The units at November 1, 2009 have been converted to 474,043 units of Rs 100 each of an equivalent value. The subsequent movement on investment is as follows

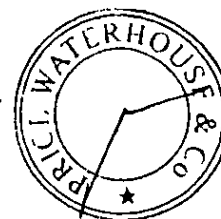
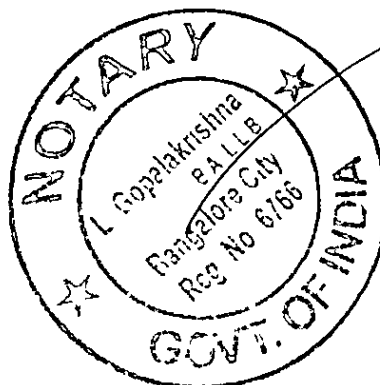
Opening balance as at November 1 2009	471,502	47,292,499
Add Investment made	-	-
Add Units earned under the dividend reinvestment plan	2,541	244,568
Closing balance as at December 31, 2009	474,043	47,537,067

22 Earnings Per Share

	2009	2008
a) Before Prior Period/ Exceptional Items		
Net Profit after taxation and available for Equity Shares	292,613,663	402,975,113
Basic/ Weighted average number of Equity shares of Rs 10 each	26,324,010	26,324,010
Basic and Diluted Earnings Per Share	11.12	15.31
b) After Prior Period/ Exceptional Items		
Net Profit after taxation available for equity shares	597,860,075	402,975,113
Basic/ Weighted average number of Equity shares of Rs 10 each	26,324,010	26,324,010
Earnings per share – Basic and Diluted	22.71	15.31

23 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.

24 Pursuant to Accounting Standard 19 on 'Leases' and in accordance with 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', lease rentals payable for primary and secondary lease periods are charged in the books equitably over the rental period which hitherto was charged in the books as per annual lease rental payable and accordingly lease rental expenses relating to earlier years has increased by Rs 54,209,597 which is disclosed as prior period expenses in the Profit and Loss Account.



AXA BUSINESS SERVICES PRIVATE LIMITED

SCHEDULE TO ACCOUNTS


16 NOTES ON ACCOUNTS – Contd

- 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


Rs.

Signatures to Schedules 1 to 16 forming part of the Balance Sheet and Profit and Loss Account

For **Price Waterhouse & Co.**
Chartered Accountants


S. Dutta
Partner

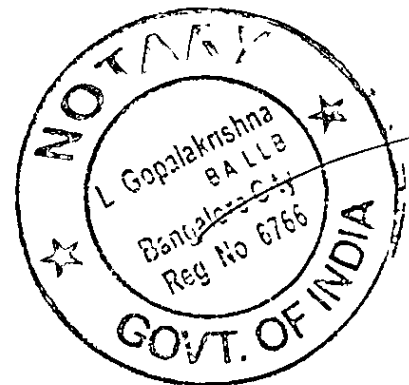
Place Bangalore
Date February 25, 2010

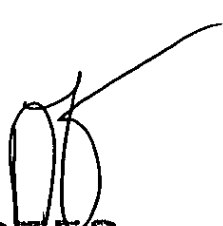

C. Buch
Director

Place Bangalore
Date February 25, 2010


S. Banerjee
Director


U. Raghavendran
Company Secretary




ATTESTED
L. GOPALAKRISHNA, B A L L B
ADVOCATE & NOTARY
GOVERNMENT OF INDIA
No. 27, 3rd Cross, 1st Stage, Road
BANGALORE - 560 026

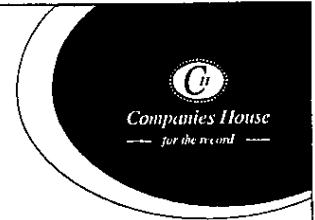
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In accordance with Regulation 32 of the Overseas Companies Regulations 2009

OS AA01

Statement of details of parent law and other information for an overseas company



What this form is for
You may use this form to accompany your accounts disclosed under parent law

What this form is NOT for
You cannot use this form for an alteration of manner or with accounting requirements

A23

21/10/2011

402

COMPANIES HOUSE

Part 1 Corporate company name

Corporate name of overseas company ①

AXA BUSINESS SERVICES PRIVATE LIMITED

If the company has already been registered in the UK, please enter the establishment number below

UK establishment number ②

B R 0 1 0 2 5 4

→ **Filling in this form**
Please complete in typescript or in bold black capitals

All fields are mandatory unless specified or indicated by *

① This is the name of the company in its home state

② This should only be completed if the company has already been registered in the UK

Part 2 Statement of details of parent law and other information for an overseas company

A1 Legislation

Please give the legislation under which the accounts have been prepared and, if applicable, the legislation under which the accounts have been audited

Legislation ①

THE INCOME TAX ACT, 1961 AND THE COMPANIES ACT, 1956

① This means the relevant rules or legislation which regulates the preparation and, if applicable, the audit of accounts

A2 Accounting principles

Accounts

Have the accounts been prepared in accordance with a set of generally accepted accounting principles?

Please tick the appropriate box

- No Go to Section A3
- Yes Please enter the name of the organisation or other body which issued those principles below, and then go to Section A3

Name of organisation or body ①

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA, ND

① Please insert the name of the appropriate accounting organisation or body

A3 Accounts

Accounts

Have the accounts been audited? Please tick the appropriate box

- No Go to Section A5
- Yes Go to Section A4

OS AA01

Statement of details of parent law and other information for an overseas company

A4

Audited accounts

Audited accounts	Have the accounts been audited in accordance with a set of generally accepted auditing standards? Please tick the appropriate box <input type="checkbox"/> No Go to Part 3 'Signature' <input checked="" type="checkbox"/> Yes Please enter the name of the organisation or other body which issued those standards below, and then go to Part 3 'Signature'	Please insert the name of the appropriate accounting organisation or body
Name of organisation or body	THE INSTITUTE OF CHARTERED ACCOUNTANT OF INDIA,ND	

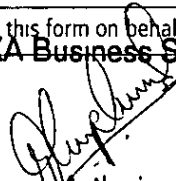
A5

Unaudited accounts

Unaudited accounts	Is the company required to have its accounts audited? Please tick the appropriate box <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	
--------------------	--	--

Part 3

Signature

Signature	I am signing this form on behalf of the overseas company AXA Business Services Pvt. Ltd. Signature <input checked="" type="checkbox"/>  <input checked="" type="checkbox"/> Authorised Signatory	
	This form may be signed by Director, Secretary, Permanent representative	

OS AA01

Statement of details of parent law and other information for an overseas company

Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **GROUP SECRETARIAT**

Company name **AXA UK PLC**

Address **5 OLD BROAD STREET**

Post town **LONDON**

County/Region

Postcode

E	C	2	N		1	A	D
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Country

DX

Telephone

Checklist

We may return forms completed incorrectly or with information missing

Please make sure you have remembered the following

- The company name and, if appropriate, the registered number, match the information held on the public Register
- You have completed all sections of the form, if appropriate
- You have signed the form

Important information

Please note that all this information will appear on the public record

Where to send

You may return this form to any Companies House address

England and Wales

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ
DX 33050 Cardiff

Scotland

The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF
DX ED235 Edinburgh 1
or LP - 4 Edinburgh 2 (Legal Post)

Northern Ireland

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG
DX 481 N R Belfast 1

Further information

For further information, please see the guidance notes on the website at www.companieshouse.gov.uk or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.companieshouse.gov.uk