

C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private. Ltd.)

BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCH REF	As at 31.03.2009		As at 31.03.2008	
		Rs.	Rs.	Rs.	Rs.
SOURCES OF FUNDS					
SHARE HOLDERS FUNDS					
Share Capital	A		143,379,900		143,379,900
Total			143,379,900		143,379,900
APPLICATION OF FUNDS					
FIXED ASSETS					
Gross Block	B	16,129,178		16,003,909	
Less : Depreciation		15,013,041		13,567,182	
Net Block			1,116,137		2,436,727
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	C	645,486		1,736,583	
Sundry Debtors		7,935,303		19,395,870	
Cash and Bank Balances		60,441,940		83,243,356	
Loans & Advances		31,202,798		32,506,661	
		100,225,527		136,882,470	
LESS : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	D	11,458,445		25,526,768	
Provisions		1,750,242		1,152,089	
Provision for Taxation		34,026		24,288	
		13,242,713		26,703,145	
NET CURRENT ASSETS			86,982,814		110,179,325
PROFIT & LOSS ACCOUNT					
			55,280,949		30,763,848
Total			143,379,900		143,379,900
Notes to accounts	J				

The schedules referred above and notes to accounts form an integral part of Balance Sheet

As Per Our Attached Report Of Even Date
FOR K.S.AIYAR & CO.
Chartered Accountants

Raghuvir M. Aiyar
RAGHUVIR M. AIYAR
(PARTNER)
Membership No. : 38128

PLACE : MUMBAI
DATE :

29 JUN 2009

FOR AND ON BEHALF OF THE BOARD

[Signature]
Directors :

[Signature]
Chief Executive Officer :

[Signature]
Chief Financial Officer :

29 JUN 2009



C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private. Ltd.)

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

PARTICULARS	SCH. REF.	2008-2009		2007-2008	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Income from Operations	E	44,831,778		86,645,008	
Other Income	F	5,927,738		7,956,935	
			50,759,516		94,601,943
EXPENDITURE					
Operating Expenses	G	19,656,996		46,429,302	
Payments to & Provisions for Employees	H	27,351,439		24,142,542	
Administration Expenses	I	26,633,951		13,375,765	
Depreciation		1,502,205		2,687,693	
			75,144,591		86,635,302
Profit/ (Loss) Before Tax			(24,385,075)		7,966,641
Provision for Tax- Fringe Benefit Tax			132,026		140,288
Profit/ (Loss) After Taxation			(24,517,101)		7,826,353
Balance brought forward from previous year			(30,763,848)		(38,590,201)
Balance carried to balance sheet			(55,280,949)		(30,763,848)
Earnings Per Share before Non- recurring / Extraordinary items (Basic) (refer Note No. 17)			(1.71)		0.55
Notes to accounts	J				

The schedules referred above and notes to accounts form an integral part of Profit & Loss Account Balance Sheet

As Per Our Attached Report Of Even Date
FOR K.S.AIYAR & CO.
Chartered Accountants

Raghuvir M. Aiyar
RAGHUVIR M. AIYAR
(PARTNER)
Membership No. : 38128

PLACE : MUMBAI
DATE : 29 JUN 2009

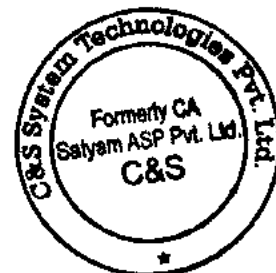
FOR AND ON BEHALF OF THE BOARD

[Signature]
Directors :

Chief Executive Officer :

Chief Financial Officer :

29 JUN 2009



C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

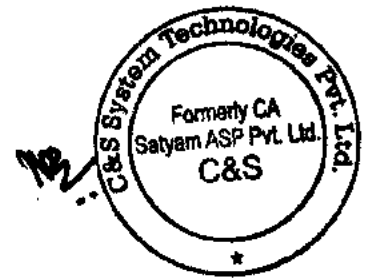
Schedules Forming part of Balance Sheet as at 31st March, 2009

	As At 31.1.2009 Rs.	As At 31.3.2008 Rs.
SCHEDULE "A"		
SHARE CAPITAL		
Authorised		
1,50,00,000 Equity Shares of Rs.10/- each (Previous Year 1,50,00,000 Equity Shares of Rs.10/- each)	150,000,000	150,000,000
Issued & Subscribed		
143,37,990 Equity Shares of Rs.10/- each fully paid up. (Previous Year 143,37,990 Equity Shares of Rs.10/- each fully paid up.)	143,379,900	143,379,900
(As at 31st March, 2009 all the shares are held by Satyam Computer Services Limited , the holding company and its nominees)		
TOTAL	143,379,900	143,379,900

SCHEDULE "B"
FIXED ASSETS

(Rupees)

Sr.	Description	Gross Block				Depreciation				Net Block	
		As on 01.04.08	Additions during the Period	Deletion/ adjustments during the Period	As on 31.03.09	Upto 01.04.08	During the year.	Deletion/ adjustments during the year	Upto 31.03.09	As on 31.03.09	As on 31.03.08
1	Computers & Accessories	6,058,841	59,302	(82,290)	6,035,853	5,361,339	391,114	(46,964)	5,705,489	330,364	697,502
2	Office Equipments	710,428	52,080		762,508	290,273	30,352		320,625	441,883	420,155
3	Electrical Installations	243,801	-	(27,351)	216,450	68,503	9,771	(9,379)	68,895	147,555	175,298
4	Furnitures & Fixtures	244,824	123,528		368,352	158,035	13,982		172,017	196,335	86,789
5	Intangible Assets- Capitalised Software	8,746,015	-	-	8,746,015	7,689,032	1,056,983		8,746,015	-	1,056,983
	TOTAL	16,003,909	234,910	(109,641)	16,129,178	13,567,182	1,502,202	(56,343)	15,013,041	1,116,137	2,436,727
	Previous Year	15,434,715	661,577	(92,383)	16,003,909	10,899,732	2,687,693	(20,243)	13,567,182	2,436,727	

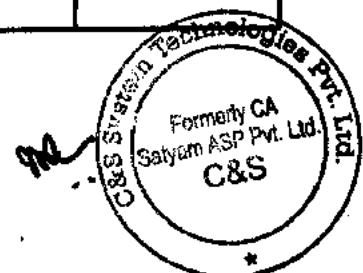


C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

Schedules Forming part of Balance Sheet as at 31st March, 2009

	As At 31.3.2009	As At 31.3.2008
	Rs.	Rs.
SCHEDULE "C"		
CURRENT ASSETS, LOANS & ADVANCES		
I CURRENT ASSETS		
INVENTORY		
Stock of consumables (as certified and valued by management)	645,486	1,736,583
	645,486	1,736,583
SUNDRY DEBTORS		
(Unsecured and Considered good)		
a. Outstanding for a period exceeding six months	3,292,054	580,611
b. Others	4,643,249	18,815,259
	7,935,303	19,395,870
CASH AND BANK BALANCES		
a. Cash on hand.	1,046	7,149
b. Balance with Scheduled Bank		
In Current account	3,106,816	3,375,182
In Fixed Deposit Account (refer note 5)	57,334,078	79,861,025
	60,441,940	83,243,356
II LOANS AND ADVANCES		
(Unsecured and Considered good)		
Advances recoverable in cash or kind or for value to be received	12,671,037	16,817,877
Sundry Deposits	8,710,216	9,523,216
Tax Deducted At Source	8,947,584	5,177,269
Interest Accrued	873,961	988,299
	31,202,798	32,506,661
SCHEDULE "D"		
CURRENT LIABILITIES AND PROVISIONS		
I CURRENT LIABILITIES		
Sundry Creditors	7,871,887	19,397,394
Income Received in Advance	940,219	-
Other Liabilities	2,646,339	6,129,374
	11,458,445	25,526,768
II PROVISIONS		
Provision for Leave Encashment & Gratuity	1,750,242	1,152,089
	1,750,242	1,152,089
III PROVISION FOR TAXATION		
Provision for Fringe Benefit Tax	34,026	24,288
	34,026	24,288

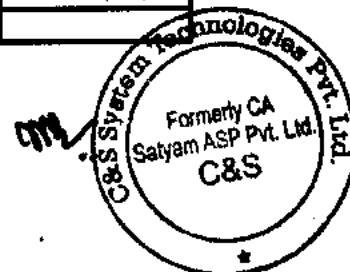


C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

Schedules Forming part of Profit & Loss for the year ended on 31st March 2009

	2008-09	2007-08
	Rs.	Rs.
SCHEDULE "E"		
INCOME FROM OPERATIONS		
Sale of Software Licenses, Products and Goods	21,787,278	58,925,133
Income from Support, Maintenance & Services	23,044,500	27,719,875
TOTAL	44,831,778	86,645,008
SCHEDULE "F"		
OTHER INCOME		
Interest [Inclusive of Tax Deducted at source Rs.11,04,621/- (Previous Year Rs. 14,14,641/-)]	5,927,738	7,717,140
Foreign Exchange Gain	-	238,094
Miscellaneous Income	-	1,701
TOTAL	5,927,738	7,956,935
SCHEDULE "G"		
OPERATING EXPENSES		
Cost of Software License and Goods	16,011,171	37,922,448
Cost Of Services	3,645,825	8,506,854
TOTAL	19,656,996	46,429,302
SCHEDULE "H"		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries & Allowances	25,102,874	22,582,332
Contribution to Provident Fund & Statutory Funds	1,459,057	1,013,473
Staff Welfare Expenses	789,508	546,737
TOTAL	27,351,439	24,142,542
SCHEDULE "I"		
ADMINISTRATION EXPENSES		
Rent	17,559,734	4,584,000
Electricity	688,739	388,232
Travel Expenses	1,490,516	2,320,942
Professional Fees	2,431,082	2,134,545
Postage & Telephone expenses	589,200	877,241
Printing & Stationary Charges	261,236	533,118
Computer Maintenance Charges	258,975	234,799
Repair & Maintenance- Others	517,608	370,700
Rates & Taxes	56,111	33,993
Insurance	233,150	302,543
Training Expenses	3,586	126,812
Sales Promotion Expenses	17,020	31,200
Auditor's Remuneration	245,000	249,892
Miscellaneous expenses	874,723	1,120,611
Loss On Sale / deletion of Asset	51,598	67,137
Foreign Exchange Loss	1,355,673	-
TOTAL	26,633,951	13,375,765



Cash Flow Statement for the year ended 31st March 2009

	For the year ended 31st March 2009	For the year ended 31st March 2008
	Amount in Rs.	Amount in Rs.
A. Cash Flows from operating Activities		
1 Net Profit/ (Loss) before Tax	(24,385,075)	7,966,641
Adjustments for :		
2 Depreciation	1,502,205	2,687,693
3 Interest Received/ Other Income	(5,927,738)	(7,717,140)
4 Loss on sale / Deletion of Asset	51,598	67,137
Operating Profit before changes in Working Capital Changes	(28,759,010)	3,004,331
Adjustments for :		
5 Inventories	1,091,097	(1,397,850)
6 Trade Receivables	11,460,567	(1,089,558)
7 Loans & Advances	1,303,860	(10,625,190)
8 Current Liabilities	(14,068,323)	12,136,786
9 Other Provisions	598,153	222,449
10 Provisions for Taxation	9,738	(18,649)
Cash generated from operations	(28,363,918)	2,232,319
11 Income Tax paid	132,026	140,288
Net Cash from Operating Activities	(28,495,944)	2,092,031
B. Cash flows from Investing Activities		
12 Interest Received	5,927,738	7,717,140
13 Purchase of Fixed Assets	(234,910)	(661,577)
14 Sale of Fixed Assets	1,700	5,003
Net Cash from Investing Activities	5,694,528	7,060,566
C. Cash flows from Financing Activities		
Net Cash used in Financing Activities	-	-
Net Increase / (Decrease) in Cash & Cash Equivalents during the year	(22,801,416)	9,152,597
Cash & Cash Equivalents - Opening Balance	83,243,356	74,090,759
- Closing Balance	60,441,940	83,243,356

Notes

- 1 All figures in brackets are outflow
- 2 Previous Period's Figures are regrouped / recasted wherever necessary

As Per Our Attached Report Of Even Date
FOR K.S.AIYAR & CO.
Chartered Accountants

RAGHUVIR M. AIYAR
(PARTNER)
Membership No. : 38128

PLACE : MUMBAI
DATE : 29 JUN 2009

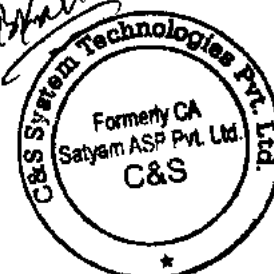
FOR AND ON BEHALF OF THE BOARD

Directors :

Chief Executive Officer :

Chief Financial Officer :

29 JUN 2009



C&S System Technologies Private Limited.
(Formerly CA Satyam ASP Private Ltd.)

SCHEDULE J:

Significant Accounting Policies and Notes

Forming Part Of The Accounts For The Period Ended On 31st March, 2009.

A SIGNIFICANT ACCOUNTING POLICIES

1. Basis of preparation of financial statements

1.1 The financial statements are prepared under the historical cost convention in accordance with the mandatory Accounting Standards issued by the Institute of the Chartered Accountants of India and the provisions of the Companies Act, 1956, on accrual basis.

1.2 Use of Estimates : The preparation of financial statements in conformity with generally accepted accounting principles, requires that the management makes estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

2. Revenue Recognition

2.1 Software License Products and Goods

Revenue from sale of software licenses and products are recognized on transfer of the rights to use the softwares in accordance with the terms of the contract with the Customer. The revenue from sale of goods is recognized on delivery of the materials to the customers in accordance with the terms of the contract.

2.2 Services.

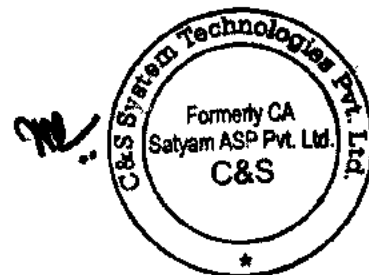
Revenue from services, including services for maintenance on hardware products, is recognized as and when the service is rendered and in case of period specific contracts, revenue is recognized proportionately over the period of the contract.

2.3 Maintenance Fees on Software products

Maintenance fees on software products comprises of income from supply of improvements, enhancements, updated versions and operational assistance. The revenue arising from such maintenance fees is recognized on billing to the customer in accordance with the terms of the service, as the service contracts are supported by back to back reseller agreements with the manufacturer of the software for providing the maintenance service. Accordingly, maintenance expenses payable are also accounted for on accounting for income.

2.4 Interest Income

Interest on bank deposits are accounted on time proportion basis at the agreed rate of interest mentioned in the relevant fixed deposit receipts.



3. Inventories

Stock of consumables is valued at lower of Cost or Net Realisable value. The cost is determined on First-In-First-Out (FIFO) basis.

4. Fixed Assets

- 4.1 Fixed Assets are stated at cost less accumulated depreciation. The cost of fixed assets includes all expenditure incurred upto the date of installation.
- 4.2 Capitalized Software: Development costs associated with internally generated softwares for new products and significant enhancement to existing products are capitalized in the year the products are ready to use. Such expenses are capitalized in accordance with the Accounting Standard 26 (Intangible Assets) only when the future economic benefits of the software products are probable.

5. Depreciation

5.1 Depreciation of Intangible assets :

Capitalized software is written off proportionately over a period of three years from the date it is ready to use.

5.2 Depreciation on Other Fixed Assets :

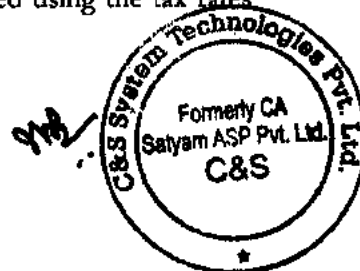
- i. Depreciation on fixed assets is provided on the straight-line method at the rates prescribed in Schedule XIV to the Companies Act, 1956, except for computer equipment, which is depreciated over a period of 3 years, being the estimated useful life determined by the management.
- ii. Individual assets costing less than Rs. 5,000 are depreciated in full, in the year of acquisition.
- iii. Depreciation on assets acquired / disposed off during the year is provided on pro-rata basis from / upto the date of acquisition / disposal.

6. Foreign Currency Transactions

- 6.1 Foreign currency transactions are accounted at exchange rates prevailing on the date of the transaction.
- 6.2 Monetary assets and liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet.
- 6.3 All exchange differences are dealt with in the profit & loss account.

7. Income Tax

- 7.1 Income Tax expense comprises current tax and deferred tax charge or credit. The current tax charge is made based on the tax liability determined in accordance with the provisions of the Income Tax Act, 1961. The deferred tax charge or credit is recognized using the tax rates



that have been enacted or substantially enacted as at the Balance Sheet date. Where there is unabsorbed depreciation or carried forward losses, deferred tax assets are recognized subject to consideration of prudence.

- 7.2 Fringe Benefit Tax is provided based on tax liability determined in accordance with the laws prevailing as on the date of the Balance Sheet and shown below the line.

8. Retirement Benefits

8.1 Provident Fund

Contribution to provident fund, which is a defined contribution scheme, is charged to the profit & loss account in the year in which the contribution is made.

8.2 Leave Encashment

Provision for leave encashment is made on actuarial basis.

8.3 Gratuity

Provision for Gratuity is made based on actuarial basis.

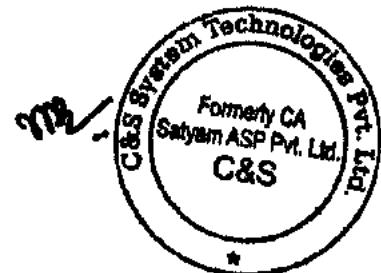
B. NOTES TO ACCOUNTS

1. 1.1 Pursuant to Section 21 read with Section 23 of the Companies Act, 1956, the Company changed its name from CA Satyam ASP Private Limited to C&S System Technologies Private Limited which has been approved vide fresh Certificate of Incorporation dated 19th November, 2008 issued by Registrar Of Companies (Maharashtra), Ministry of Corporate Affairs, Govt. Of India.
- 1.2 On 25th September, 2008 Satyam Computers Services Ltd. ("Satyam") acquired the 50% stake of Computer Associates Satyam JV Corporation ("CA") held in the Company. Consequent to the aforesaid acquisition, the Company became a wholly owned subsidiary of Satyam; earlier to that the Company was 50:50 joint venture of Satyam and CA.
2. In the opinion of the management, Current assets, Loans & Advances have a value on realization, in ordinary course of business, at least equal to the amount at which these are stated in the balance sheet.

3. Contingent Liabilities not provided for:

Particulars	Current Year Rs.	Previous Year Rs
In respect of Guarantees given	42,94,903*	42,66,025*

* includes a guarantee given of Rs. 34,50,000/- (previous year Rs. 34,50,000/-) against which the company has received a counter guarantee under the exit terms as stated in note 3 below.



4. During the financial year 2006-07 the Company exited from the Gujarat and Maharashtra VRC Projects on 28th October, 2006 by surrendering back the rights acquired from Shonkh Technologies International Ltd. ("Shonkh") on certain terms and conditions agreed with them. The Company has recovered the net book value of the fixed assets (Rs. 100,08,000/-), deferred revenue and other such expenses incurred on the VRC projects (Rs. 322,84,000/-) and recovery of advances due from Shonkh (Rs. 411,08,000/-) and as such there is no impact on the Company's profit and loss account of past years. Further, under the exit terms, the company also has a right to receive Rs. 3/- per card issued during the tenure of the Gujarat and Maharashtra projects. As of the balance sheet date an amount of Rs. 119,98,965/- (Previous Year Rs. 158,21,928 /-) is receivable from Shonkh which would be adjusted to that extent in the subsequent years against the foregoing recovery under the aforesaid right to receive rupees three per card.

5. Balance in fixed deposit account with scheduled bank includes fixed deposit receipts aggregating to Rs.-11,89,903/- (previous year Rs. 11,61,025/-) which have been pledged with the Banks as security for Guarantees obtained.

6. As at the Balance Sheet date there is a net deferred tax asset which is not considered on the basis of prudence.

7. Related Party Transactions

7.1 The Company being wholly owned subsidiary of Satyam (as stated in note 1.2 above), Accounting Standard 18 (AS-18) is applicable w.e.f 25th September, 2008 and therefore (i) related parties within the definitions AS-18 applicable w.e.f 25-Sep-2008 are mentioned hereinbelow (ii) the financial information of such related parties pertain to the entire year ending on the balance sheet date and (iii) since the disclosures under AS-18 is applicable for the first time, previous year's numbers are not given according to the AS-18.

7.2 The Company had transactions with following related parties :

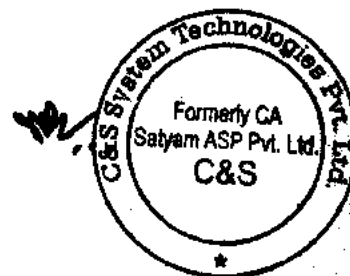
Parent / Shareholder Company (w.e.f 25-Sep-2008-see note 7.1 above) : Satyam Computer Services Ltd. ("Satyam").

Satyam's Subsidiaries: Bridge Strategy Group LLC., Citisoft Plc, Citisoft Inc (Subsidiary of Citisoft Plc), Knowledge Dynamics Pte. Ltd, Knowledge Dynamics Private Limited, Knowledge Dynamics USA Inc., Info On Demand SDN BHD (Subsidiaries of Knowledge Dynamics Pte. Ltd. - ceased to be fellow subsidiary w.e.f. October 01, 2007), Satyam BPO Limited, Satyam Computer Services (Shanghai) Co. Ltd, (Satyam Shanghai), Satyam Technologies Inc., Satyam Computer Services (Nanjing) Co., Ltd, Satyam Computer Services (Egypt) S.A.E, (Satyam Egypt) and Nitor Global Solutions Ltd,

Satyam's Joint Venture (JV): Satyam Venture Engineering Services Private Limited (SVES)

Satyam's Other Related Parties: Satyam Foundation Trust (Enterprises where spouses of certain Whole-time Directors and Key Management Personnel of Satyam are trustees) and Satyam Associate Trust (Enterprises where some of the Key Management Personnel of Satyam are trustee)

Company's Directors (w.e.f. 25-Sep-2008-see clause 7.1) : V. Murali, Vijay Prasad Boduppalli, G. Jayaraman and D.Subramaniam (upto 26-Mar-2009.)



7.3 Transactions

Particulars	Current Year Rs.
Sales & Services (Net of service taxes of Rs. 318,327/-)	26,44,131
Reimbursement of Expenses	1,27,367

7.4 Balances :

Particulars	As on 31.3.2009 Rs.
Receivables	4,54,436

7.5 As stated in note 7.1 above, on 25th September, 2008 Satyam acquired the 50% stake of CA held in the Company and consequently, the Company became a wholly owned subsidiary of Satyam. Thus, w.e.f 25th September, 2008, the entire Share Capital of the Company of Rs 14,33,79,900/- is held by Satyam / its nominees.

8. Segment Reporting :

As the Company's business consist of one reportable business segment, i.e., Information Technology, no separate disclosure pertaining to attributable Revenues, Profit, Assets, Liabilities and Capital Employed is given. The Company predominantly operates in one geographical segment as per Accounting Standard 17 on 'Segment Reporting'.

9. Operating Lease :

9.1 Future Lease Rental Payments

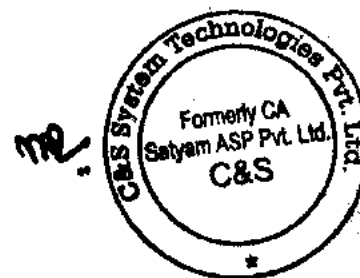
Particulars	Current Year Rs.	Previous Year Rs.
(i) Not later than one year	86,61,000	45,000
(ii) Later than one year and not later than five years	0	0
(iii) Later than five years	0	0

9.2 General description of leasing arrangements :

- (i) Lease Assets : Furnished Office premises, furniture and fixtures, airconditioners, etc.
- (ii) Lease rentals are charged on the basis of agreed terms.

10. Payments to Auditors :

Particulars	Current Year Rs.	Previous Year Rs.
For Audit fees	185,000	185,574
For Tax Audit fees	60,000	61,798



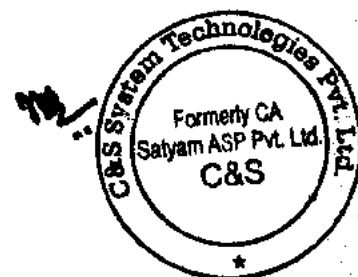
For Other Matters	112,360	0
Out of Pocket Expenses	0	2,520
Sub-Total	357,360	249,892
Less : Reimbursement of expenses recovered from parent companies	(112,360)	0
Total	245,000	249,892

11. 11.1 Payments to and provisions for employees include reimbursement of remuneration in respect of employees on deputation from other companies of Rs.15,02,893/- (Previous Year Rs. 57,52,635/-).

11.2 The following table sets forth the status of the Gratuity plan and Leave encashment of the Company and the amounts recognized in the balance sheet and profit and loss account.

Particulars	Current Year Rs.	
	Gratuity (Non Funded)	Leave Encashment (Non Funded)
Expenses recognized in the Profit & Loss account for the year ended on 31st March, 2009		
Current service cost	195,699	141,052
Interest Cost	58,912	45,771
Actuarial loss / (gain)	276,575	142,586
Total Expense	531,186	329,409
Net Asset / Liability recognized in the Balance Sheet as at 31st March, 2009		
Present value of defined benefit obligation	10,58,234	692,008
Fair Value of plan assets	0	0
Amount recognized in the Balance Sheet	10,58,234	692,008
Change in obligation during the year ended 31st March, 2009		
Present value of defined benefit obligation at the beginning of the year	652,529	499,560
Current service cost	195,699	141,052
Interest Cost	58,912	45,771
Actuarial loss / (gain)	276,575	142,586
Benefits paid	(125,481)	(136,961)
Present value of defined benefit obligation at the end of the year	10,58,234	692,008
Amounts recognized in the Balance Sheet	10,58,234	692,008
Actuarial Assumptions:		
Attrition Rate	2.00 %	2.00 %
Future Salary Rise	5.00 %	5.00 %
Discount Rate	7.50 %	7.50 %
Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

[Since the disclosure under this clause is applicable for the first time, previous year's figures are not given]



12. Miscellaneous Expenses include Balance Written Off (Net) of Rs. 7,814/- (Previous Year Rs. 2,150/-) comprising of sundry debtors account written-off of Rs. 269,569/- (Previous Year Rs 2,150/-) and liabilities no longer required written back of Rs. 261,755/- (Previous Year Rs Nil/-)

13. Quantitative Information in respect of Traded goods:

Particulars	Current Year		Previous Year	
	Nos.	Rs.	Nos.	Rs.
Computer Accessories:				
• Sales	41,606	77,79,689	22,711	275,30,497
• Cost of Sales				
Opening Stock	5,897	17,29,355	1,508	331,505
Add: Purchases	44,098	29,93,195	27,100	181,37,020
Less: Closing Stock	8,389	6,31,490	5,897	17,29,355
Cost of Sales	41,606	40,91,060	22,711	167,39,170

14. Since the company is not a manufacturing unit, Para 4C of part II to Schedule VI of Companies, Act, 1956 is not applicable.

15. Value of imports calculated on CIF basis.

Particulars	Current Year Rs.	Previous Year Rs.
Capital Goods	Nil	Nil

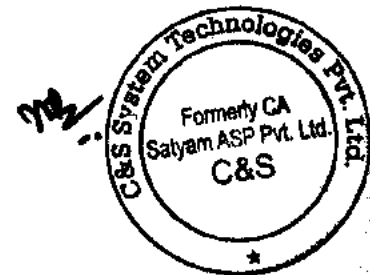
16. Expenditure In Foreign Currency

Particulars	Current Year Rs.	Previous Year Rs.
Software License	110,16,119	181,92,079
Others	16,72,540	49,46,775

17. Earnings In Foreign Currency

Particulars	Current Year Rs.	Previous Year Rs.
Sale of License Fees, Products and Goods	26,63,421	14,60,530
Services	1,41,403	0

18. Micro, small and medium enterprises to whom the Company owes dues which are outstanding for more than 45days at the balance sheet date aggregates to Rs. 15,151/- (Previous Year Rs. Nil) This has been determined to the extent such parties have been identified on the basis of information available with the Company and relied by the Auditors.



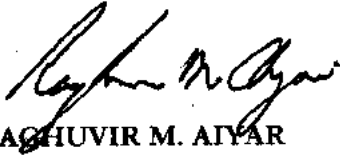
19. Earning Per Share (Basic)

Particulars		Current Year	Previous Year
Opening No. Of Equity Shares	Nos	143,37,990	143,37,990
Additions during the year	Nos	0	0
Closing No. Of Equity Shares	Nos	143,37,990	143,37,990
Weighted Average No. of Equity Shares (a)	Nos	143,37,990	143,37,990
Profit / (Loss) After Taxation (b)	Rs	(245,17,101)	78,26,353
EPS (b / a)	Rs	(1.7099)	0.5458
EPS (Rounded Off)	Rs	(1.71)	0.55

20. Figures are rounded off to the nearest rupee and previous year's figures are regrouped and rearranged wherever necessary..

As per our attached report of even date

For K.S. Aiyar & Co.
Chartered Accountants



RAGHUVIR M. AIYAR

Partner

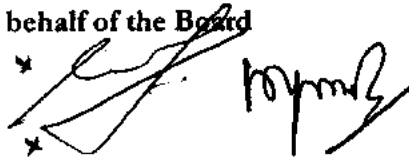
Membership No. : 38128

Place: Mumbai

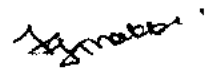
Date: 29 JUN 2009

For and on behalf of the Board

Directors:



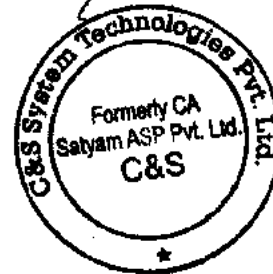
Chief Executive Officer:



Chief Financial Officer:



29 JUN 2009



F-7 Laxmi Mills
Shakti Mills Lane (Off Dr E Moses Rd)
Mahalaxmi Mumbai 400 011 India
Tel : 91 22 2493 2502 / 6655 1770
Fax : 91 22 6655 1774
Grams : VERIFY
www.KSAiyar.com
Mail@KSAiyar.com

Auditors' Report

To the Members of
C & S System Technologies Private Limited
(Formerly CA Satyam ASP Private Limited)

Report on the Accounts for the year ended March 31, 2009 in compliance with Section 227(2) of the Companies Act, 1956.

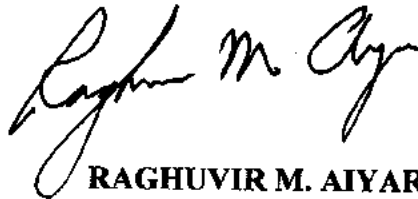
- 1) We have audited the attached Balance Sheet of **C & S SYSTEM TECHNOLOGIES PRIVATE LIMITED**, as at March 31, 2009, and also the Profit and Loss Account for year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We conducted our audit in accordance with 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 misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in 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 Companies (Auditors Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we annex hereto a statement on the matter specified in paragraphs 4 and 5 of the said Order.
- 4) Further to our comments in the Annexure referred to 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;

K. S. AIYAR & CO

CHARTERED ACCOUNTANTS

- 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 and Profit and Loss Account dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009, from being appointed as a director in terms of clause (g) of subsection (1) of Section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and 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 March 31, 2009; and
 - ii) in the case of the Profit and Loss Account, of the loss of the Company 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 K.S.AIYAR & CO.
Chartered Accountants**



**RAGHUVIR M. AIYAR
Partner**

**Place : Mumbai
Dated : June 29, 2009**

Membership No: 38128

Annexure to the Auditors' Report

(Referred to in paragraph 3 of our Report of even date on the Accounts for the year ended March 31, 2009 of **C & S System Technologies Private Limited**)

- i.
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b. All the fixed assets have been physically verified by the management during the year. In our opinion, the frequency of physical verification is reasonable. No material discrepancies were noticed on such verification.
 - c. In our opinion no substantial part of the fixed assets have been disposed off during the year.
- ii.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- iii.
 - a. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register under section 301 of the Act. Accordingly sub clause (b), (c), (d) of clause (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
 - b. The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register under section 301 of the Act. Accordingly sub clause (f) and (g) of clause (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, no major



weakness has been noticed in the internal controls.

v.

- a. The particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
- b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

vi. The Company has not accepted any deposit from public and consequently the directives issued by the Reserve Bank of India, provisions of section 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public are not applicable to the Company.

vii. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.


viii. Since the Company is not a manufacturing company, no cost records have been prescribed under Section 209(1) (d) of the Companies Act, 1956.

ix.

- a. The Company is generally regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears, as at March 31, 2009 for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us, there are no dues of Sale tax, Income-tax, Customs, Wealth-tax, Service Tax, Excise duty, Cess which have not been deposited on account of any dispute.

x. The accumulated losses of the Company do not exceed 50% of its net worth. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

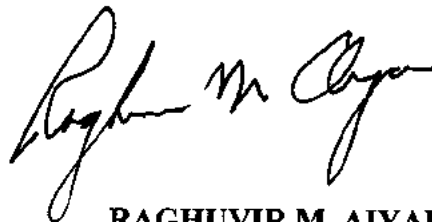
xi. Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment



of dues to a financial institution, bank or debenture holders.

- xii. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund/society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi. According to the records of the Company, no term loans have been raised during the year by the Company.
- xvii. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company as at March 31, 2009, we report that, funds raised on short term basis have not been used for long term investment.
- xviii. The Company has not made any preferential allotment of shares during the year.
- xix. The Company has not issued any debentures.
- xx. The Company has not raised any money by public issue.
- xxi. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For K. S. AIYAR & CO.
Chartered Accountants



RAGHUVIR M. AIYAR
Partner

Place : Mumbai
Dated : June 29, 2009

Membership No: 38128

C&S SYSTEM TECHNOLOGIES PVT. LTD.

(Formerly CA Satyam ASP Pvt. Ltd.)

Registered Office : Dorr-Oliver House Annex, Chakala,
Andheri East, Mumbai 400099.

DIRECTORS' REPORT

Dear Members,

Your Directors present the Eight Report on the business and operations of your Company together with Audited Accounts for the year ended on 31st March, 2009.

Financial Highlights	Current Year 2008-09 (Rs.)	Previous Year 2007-08 (Rs.)
Gross Income	5,07,59,516	9,46,01,943
Expenditure	7,36,42,386	8,39,47,609
Profit / (Loss) before Depreciation & Write-offs	(2,28,82,870)	1,06,54,334
Depreciation, Amortisations & Write-offs	15,02,205	26,87,693
Profit / (Loss) before Tax	(2,43,85,075)	79,66,641
Provision for Tax	132,026	1,40,288
Profit / (Loss) after Tax	(2,45,17,101)	78,26,353
Appropriations	Nil	Nil
Balance b/f	(3,07,63,848)	(3,85,90,201)
Balance c/f	(5,52,80,949)	(3,07,63,848)

(Previous period figures are regrouped and rearranged whenever necessary.)

Overview

During the year under review your Company recorded a gross income of Rs. 507.60 Lacs [Previous Year 946.02 Lacs] and Net Profit / (Loss) after Depreciation, Amortization and Taxes of Rs. (245.17) Lacs [previous year Rs. 78.26 Lacs]:

	2008-09	2007-08		2008-09	2007-08
	Rs-Lacs			Rs-Lacs	
Services	230.45	277.20	NPBDT	(228.83)	106.54
Lic. Fees / Product Sales	217.87	589.25	NPADT	(245.17)	78.26
Other Income	59.28	79.57			
	507.60	946.02			

Stacked bar chart showing Revenue components for 2008-2009 and 2007-2008. The y-axis is 'Rs In Lacs' from 0 to 1000. The x-axis shows '2008-2009' and '2007-2008'. The legend includes Services (dark grey), LicFees / Product Sale (light grey), and Other (black).

Bar chart comparing NPBDT and NPADT for 2008-09 and 2007-2008. The y-axis is 'Rs In Lacs' from -250 to 100. The x-axis shows '2008-09' and '2007-2008'. The legend includes NPBDT (dark grey) and NPADT (light grey).

Business Operations

On 25th September, 2008 Satyam Computers Services Ltd. ("Satyam") acquired the 50% stake of Computer Associates Satyam JV Corporation ("CA") held in the Company. Consequent to the aforesaid acquisition, the Company became a wholly owned subsidiary of Satyam; earlier to that the Company was 50:50 joint venture of Satyam and CA.

➤ Pursuant to Section 21 read with Section 23 of the Companies Act, 1956, the Company changed its name from CA Satyam ASP Private Limited to C&S System Technologies Private Limited which has been approved vide fresh Certificate of Incorporation dated 19th November, 2008 issued by Registrar Of Companies (Maharashtra), Ministry of Corporate Affairs, Govt. Of India.

➤ The Company exited from the Gujarat and Maharashtra VRC Projects on 28th October, 2006 by surrendering back the rights acquired from Shonkh Technologies International Ltd. The settlements have taken place in accordance with terms and conditions agreed with them.

➤ Taking cue from the profitability of earlier year as also keeping in mind the business deals in pipeline, the Company had augmented its resources by hiring larger and better leased premises which lead to increased costs. However, the overall economic slowdown negatively impacted Company's revenues. Thus the financial year 2008-09 was marked by major unfavorable conditions; while on one side the revenues shrunk and on other end the costs swelled, resulting into negative bottom line. However, the Company is hopeful that situation should improve in the next year and the business should be back on track. The Company is hopeful of bettering its performance in the next year.

Dividend

In view of losses suffered during the year, your Directors do not recommend any dividend for the financial year 2008-09.

Fixed Deposits

During the period under review, the Company has not invited or accepted any fixed deposits from public within the meaning of section 58A or 58AA of the Companies Act, 1956.

Directors' Responsibility Statement

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, your directors confirm as under :

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed;
- (ii) that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period ;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the annual accounts on a going concern basis.

Directors

Your Company being a Private Limited Company, no Director retires by rotation. Following were changes in the Board during the year 2008-09:

- Mr. G. Jayaraman was appointed as Director in the Board Meeting held on 25th September, 2008.
- Mr. Brenton Smith's resignation as Director was accepted in the Board Meeting held on 25th September, 2008.
- Mr. Mo Lung Simon Li's resignation as Director was accepted in the Board Meeting held on 25th September, 2008.
- Mr. Ninad Karpe's resignation as Director was accepted in the Board Meeting held on 25th September, 2008.

Auditors

M/s. K.S. Aiyar & Co., Chartered Accountants, retire at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Energy, Technology & Foreign Exchange

The particulars required to be included in terms of Section 217 (1)(e) of the Companies Act, 1956 is as follows :

A. Conservation of Energy

The Company consumes electrical energy for operating computers, equipments, air-conditioners, electrical installations, etc. The Company is taking appropriate measures for conservation of electrical energy and its consumption in a most efficient manner. Such measures include tracking consumption patterns, identifying potential areas of savings, procurement of energy efficient equipments, etc. Adoption of Form A with respect to disclosure of particulars of conservation of energy is not applicable to the Company since it is not a manufacturing company.

B. Research and Development (R & D)

No Research & Development activity was carried on by the company

C. Technology, Absorption, Adaptation and Innovation

The Company has a general system of pooling knowledge-base which is shared for technical, financial and other information. Technology is used in the sphere of eLearning, communication and tracking customer information. The benefits of the technology adaptation has caused the Company in saving expenditure in general and on tele-communication and travel cost in particular. The Company has not imported any technology.

D. Foreign Exchange Earnings and outgo

Earnings : Rs. 28,04,824/- (Previous Year Rs. 14,60,530/-)

Outgo : Rs. 126,88,659/- (Previous Year Rs. 231,38,854/-)

Information on Foreign Exchange earnings and outgo are specified in the notes to the accounts.

Particulars of Employees

As required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, the names and other particulars of the employees are given in the annexure attached to this report.

Acknowledgements

Your Directors place on record their appreciation of the valuable co-operation and support extended by the Members, Customers, Vendors, Bankers, Government Authorities and contribution made by the employees at all levels.

For and on behalf of Board of Directors

Place : Hyderabad

Date : 29 JUN 2009

x GS



Directors

x VM

