

C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

BALANCE SHEET AS AT 31ST MARCH 2010

PARTICULARS	SCH REF	As at 31.03.2010		As at 31.03.2009	
		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	16,219,316		16,129,178	
Less :Depreciation		15,351,871		15,013,041	
Net Block			867,445		1,116,137
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	C	383,335		645,486	
Sundry Debtors		16,901,690		7,935,303	
Cash and Bank Balances		46,338,563		60,441,940	
Loans & Advances		23,787,461		31,202,798	
		87,411,049		100,225,527	
LESS : CURRENT LIABILITIES AND PROVISIONS					
Current Liabilities	D	12,856,450		11,458,445	
Provisions		1,670,851		1,750,242	
Provision for Taxation		-		34,026	
		14,527,301		13,242,713	
NET CURRENT ASSETS			72,883,748		86,982,814
PROFIT & LOSS ACCOUNT					
			69,628,707		55,280,949
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
Registration No : 100186W

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

PLACE : MUMBAI
DATE : 28-June-2010



FOR AND ON BEHALF OF THE BOARD

Directors :

Mr. A.S.Murthy *A.S. Murthy*

Mr. G. Jayaraman *G. Jayaraman*

Chief Executive Officer :

Mr. Jayesh Thakkar *Jayesh Thakkar*

Chief Financial Officer :

Mr. Mahesh Bhatki *Mahesh Bhatki*

DATE : 28-June-2010



C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED
(Formerly CA Satyam ASP Private Ltd.)
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2010

PARTICULARS	SCH. REF.	2009-2010		2008-2009	
		Rs.	Rs.	Rs.	Rs.
INCOME					
Income from Operations	E	44,458,151		44,831,778	
Other Income	F	6,134,311		6,189,493	
			50,592,462		51,021,271
EXPENDITURE					
Operating Expenses	G	18,828,949		19,656,996	
Payments to & Provisions for Employees	H	24,534,863		27,351,439	
Administration Expenses	I	21,237,578		25,895,706	
Depreciation		338,830		1,502,205	
			64,940,220		75,406,346
Profit/ (Loss) Before Tax			(14,347,758)		(24,385,075)
Provision for Tax- Fringe Benefit Tax					132,026
Profit/ (Loss) After Taxation			(14,347,758)		(24,517,101)
Balance brought forward from previous year			(55,280,949)		(50,763,848)
Balance carried to balance sheet			(69,628,707)		(55,280,949)
Earnings Per Share before Non- recurring / Extraordinary items (Basic) (refer Note No. 21)			(1.00)		(1.71)
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
 Registration No : 100186W

Raghuvir M. Aiyar
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Mr. Jayesh Thakkar *Jayesh Thakkar*

Chief Financial Officer :

Mr. Mahesh Bhatki *Mahesh Bhatki*

DATE : 28-June-2010



Cash Flow Statement for the year ended 31st March 2010

	For the year ended 31st March 2010	For the year ended 31st March 2009
	Amount in Rs.	Amount in Rs.
A. Cash Flows from operating Activities		
1 Net Profit/ (Loss) before Tax	(14,347,758)	(24,385,075)
Adjustments for :		
2 Depreciation	338,830	1,502,205
3 Interest Income	(4,535,753)	(5,927,738)
4 Loss on sale / Deletion of Asset	-	51,598
Operating Profit before changes in Working Capital Changes	(18,544,681)	(28,759,010)
Adjustments for :		
5 Inventories	262,151	1,091,097
6 Trade Receivables	(8,966,387)	11,460,567
7 Loans & Advances	7,124,463	1,189,522
8 Current Liabilities	1,398,005	(14,068,323)
9 Other Provisions	(79,391)	598,153
10 Provisions for Taxation	(34,026)	9,738
Cash generated from operations	(18,839,866)	(28,478,256)
11 Income Tax paid	-	132,026
Net Cash from Operating Activities	(18,839,866)	(28,610,282)
B. Cash flows from Investing Activities		
12 Interest Received	4,826,627	6,042,076
13 Purchase of Fixed Assets	(90,138)	(234,910)
14 Sale of Fixed Assets	-	1,700
Net Cash from Investing Activities	4,736,489	5,808,866
C. Cash flows from Financing Activities		
Net Cash used in Financing Activities		
Net Increase / (Decrease) in Cash & Cash Equivalents during the year	(14,103,377)	(22,801,416)
Cash & Cash Equivalents - Opening Balance	60,441,940	83,243,356
- Closing Balance	46,338,563	60,441,940

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 -
Registration No : 100186W

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

PLACE: MUMBAI
DATE: 28-June-2010



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Mr. Jayesh Thakkar *Jayesh Thakkar*

Chief Financial Officer:

Mr. Mahesh Bhatki *Mahesh Bhatki*

DATE: 28-June-2010



C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

Schedules Forming part of Balance Sheet as at 31st March, 2010

	As At 31.3.2010	As At 31.3.2009
	Rs.	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, 2010 all the shares are held by Satyam Computer Services Limited, the holding company and its nominees)		
(Refer Note 7.5 of Notes to Accounts)		
TOTAL	143,379,900	143,379,900

SCHEDULE 'B'
FIXED ASSETS

(Rupees)

Sr.	Description	Gross Block			Depreciation				Net Block		
		As on 01.04.09	Additions during the Period	Deletion/ adjustments during the Period	As on 31.03.10	Upto 01.04.09	During the year.	Deletion/ adjustments during the year	Upto 31.03.10	As on 31.03.10	As on 31.03.09
1	Computers & Accessories	6,035,853	81,700	-	6,117,553	5,705,489	274,288	-	5,979,777	137,776	330,364
2	Office Equipments	762,508	8,438	-	770,946	320,625	39,339	-	359,964	410,982	441,883
3	Electrical Installations	216,450	-	-	216,450	68,895	9,048	-	77,943	138,507	147,555
4	Furnitures & Fixtures	368,352	-	-	368,352	172,017	16,155	-	188,172	180,180	196,335
5	Intangible Assets- Capitalised Software	8,746,015	-	-	8,746,015	8,746,015	-	-	8,746,015	-	-
	TOTAL	16,129,178	90,138	-	16,219,316	15,013,041	338,830	-	15,351,871	867,445	1,116,137
	Previous Year	16,003,909	234,910	(109,641)	16,129,178	13,567,182	1,502,202	(56,343)	15,013,041	1,116,137	

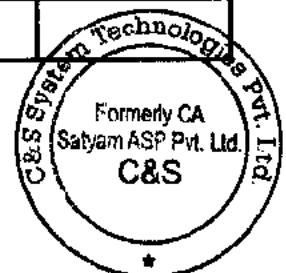
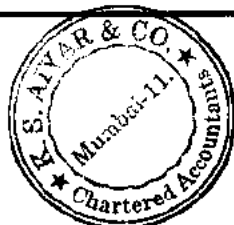


C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

Schedules Forming part of Balance Sheet as at 31st March, 2010

	As At 31.3.2010	As At 31.3.2009
	Rs.	Rs.
SCHEDULE "C"		
CURRENT ASSETS, LOANS & ADVANCES		
I CURRENT ASSETS		
INVENTORY		
Stock of consumables (as certified and valued by management)	383,335	645,486
	383,335	645,486
SUNDRY DEBTORS		
(Unsecured and Considered good)		
a. Outstanding for a period exceeding six months	3,032,585	3,292,054
b. Others	13,869,105	4,643,249
	16,901,690	7,935,303
CASH AND BANK BALANCES		
a. Cash on hand.	556	1,046
b. Balance with Scheduled Bank		
In Current account	2,550,854	3,106,816
In Fixed Deposit Account (refer note 5)	43,787,153	57,334,078
	46,338,563	60,441,940
II LOANS AND ADVANCES		
(Unsecured and Considered good)		
Advances recoverable in cash or kind or for value to be received	8,936,088	12,671,037
Sundry Deposits	3,836,154	8,710,216
Tax Deducted At Source	10,432,132	8,947,584
Interest Accrued	583,087	873,961
	23,787,461	31,202,798
SCHEDULE "D"		
CURRENT LIABILITIES AND PROVISIONS		
I CURRENT LIABILITIES		
Sundry Creditors	10,379,632	7,871,887
Income Received in Advance	86,685	940,219
Other Liabilities	2,390,133	2,646,339
	12,856,450	11,458,445
II PROVISIONS		
Provision for Leave Encashment & Gratuity	1,670,851	1,750,242
	1,670,851	1,750,242
III PROVISION FOR TAXATION		
Provision for Fringe Benefit Tax	-	34,026
	-	34,026

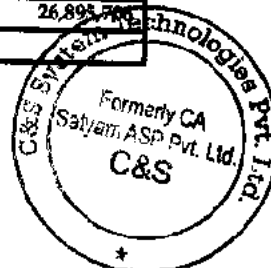


C&S SYSTEM TECHNOLOGIES PRIVATE LIMITED

(Formerly CA Satyam ASP Private Ltd.)

Schedules Forming part of Profit & Loss for the year ended on 31st March 2010

	2009-10	2008-09
	Rs.	Rs.
SCHEDULE "E"		
INCOME FROM OPERATIONS		
Sale of Software Licenses, Products and Goods	22,377,714	21,787,278
Income from Support, Maintenance & Services	22,080,437	23,044,500
TOTAL	44,458,151	44,831,778
SCHEDULE "F"		
OTHER INCOME		
Interest [Inclusive of Tax Deducted at source Rs. 331,557/- (Previous Year Rs. 11,04,621/-)]	4,535,753	5,927,738
Foreign Exchange Gain	727,044	-
Excess Provisions no longer required	871,514	261,755
TOTAL	6,134,311	6,189,493
SCHEDULE "G"		
OPERATING EXPENSES		
Cost of Software License and Goods	15,805,281	16,011,171
Cost Of Services	3,023,668	3,645,825
TOTAL	18,828,949	19,656,996
SCHEDULE "H"		
PAYMENTS TO & PROVISIONS FOR EMPLOYEES		
Salaries & Allowances	22,716,363	25,102,874
Contribution to Provident Fund & Statutory Funds	1,361,605	1,459,057
Staff Welfare Expenses	456,895	789,508
TOTAL	24,534,863	27,351,439
SCHEDULE "I"		
ADMINISTRATION EXPENSES		
Rent	14,247,020	17,559,734
Electricity	768,608	688,739
Travel Expenses	824,548	1,490,516
Professional Fees	1,857,859	2,431,082
Postage & Telephone expenses	513,026	589,200
Printing & Stationary Charges	213,279	261,236
Computer Maintenance Charges	288,484	258,975
Repair & Maintenance- Others	573,756	517,608
Rates & Taxes	26,780	56,111
Insurance	240,523	233,150
Training Expenses	2,750	3,586
Sales Promotion Expenses	27,819	17,020
Auditor's Remuneration (refer note no. 10 of Notes to Accounts)	269,500	245,000
Miscellaneous expenses	1,383,626	1,136,478
Loss On Sale / deletion of Asset	-	51,598
Foreign Exchange Loss	-	1,355,673
TOTAL	21,237,578	26,895,798



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, 2010.

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 as referred to section 211 (3C) of the Companies Act, 1956, on accrual basis.

1.2 The accounting policies have been consistently applied by the company and are in conformity with those implemented in the previous year.

1.3 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

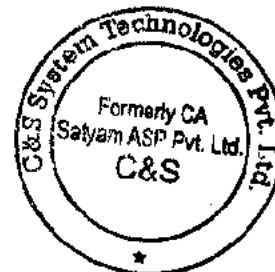
Revenue from sale of software licenses and products are recognized on transfer of the rights to use the softwares in accordance with the terms of the contract with the Customer. The revenue from sale of goods is recognized on delivery of the materials to the customers in accordance with the terms of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

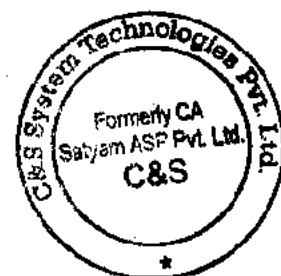
Capitalized software is written off proportionately over a period of three years from the date it is ready to use.

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.

8. **Retirement Benefits**

8.1 Provident Fund

Contribution to provident fund, which is a defined contribution Plan, is recognized as expenses in the profit & loss account as and when it is incurred.

8.2 Leave Encashment

The long term compensated absences are provided for based on actuarial valuation using the projected unit credit method on actuarial basis.

8.3 Gratuity

Liability towards gratuity is determined based on actuarial valuation using the projected unit credit method. The actuarial gains and losses are recognized in the Profit & Loss Account.

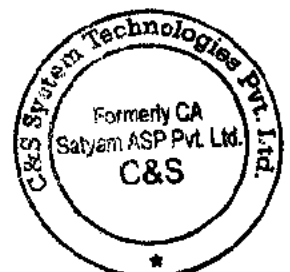
B. NOTES TO ACCOUNTS

1. During the previous year:-

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, Government. 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	48,92,153*	42,94,903*

* 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 4 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.79,84,046/- (Previous Year Rs. 119,98,965/-) 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.17,87,153/- (previous year Rs. 11,89,903/-) which have been pledged with the Banks as security for Guarantees obtained.
6. As at the Balance Sheet date the company has a net deferred tax asset which is not recognized in the financial statement as a matter of prudence.

7. Related Party Transactions

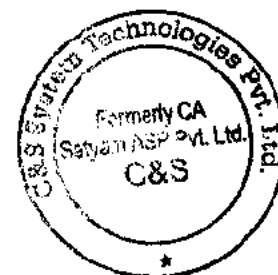
7.1 During the previous year, the Company became wholly owned subsidiary of Satyam (as stated in note 1.2 above) and Accounting Standard 18 (AS-18) became applicable w.e.f 25th September, 2008 and therefore related parties within the definitions AS-18 applicable w.e.f 25-Sep-2008 for the current year and previous year are mentioned hereinbelow.

7.2 The Company had transactions with following related parties :

7.2.1 Current Year ended on 31st March 2010

Parent / Shareholder Company : Satyam Computer Services Ltd. ("Satyam").

Satyam's Subsidiaries and entities exercising control on Satyam: Mahindra & Mahindra Limited, Tech Mahindra Limited, Bridge Strategy Group LLC., Citisoft Plc, Citisoft Inc. (Subsidiary of Citisoft Plc), Knowledge Dynamics Pte. Ltd, Knowledge Dynamics Private Limited, Satyam BPO Limited, Satyam Computer Services (Shanghai) Co. Ltd, Satyam Technologies Inc., Satyam Computer Services (Nanjing) Co. Ltd, Satyam Computer Services (Egypt) S.A.E, Nitor Global Solutions Ltd, Satyam Computer Services Belgium BVBA, S&V Management Consultants NV and Satyam Trust.



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

Company's Directors : V. Murali, Vijay Prasad Boduppalli, G. Jayaraman, Atul Kunwar and A.S. Murty

7.2.2 Previous Year ended on 31st March 2009

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 Nitro 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.)

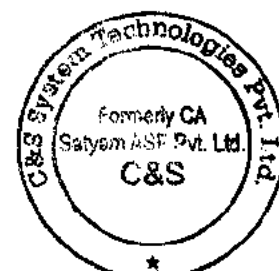
7.3 Transactions

Particulars	Current Year Rs.	Previous Year Rs.
Sales & Services	28,88,774 (Net of service taxes of Rs.305,776/-)	26,44,131 (Net of service taxes of Rs 318,327/-)
Reimbursement of Expenses	Nil	1,27,367

7.4 Balances :

Particulars	As on 31.3.2010	As on 31.3.2009 Rs.
Receivables	13,64,869	4,54,436

7.5 As stated in note 7.1 above, during the previous year (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	12,78,500	86,61,000
(ii) Later than one year and not later than five years	0	0
(iii) Later than five years	0	0

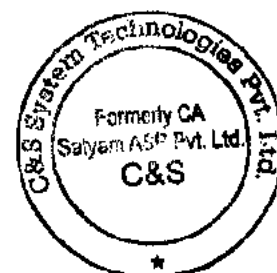
9.2 General description of leasing arrangements :

- (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	203,500	185,000
For Tax Audit fees	66,000	60,000
For Other Matters		112,360
Out of Pocket Expenses		0
Sub-Total	269,500	357,360
Less : Reimbursement of expenses recovered from parent companies	0	(112,360)
Total	269,500	245,000

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

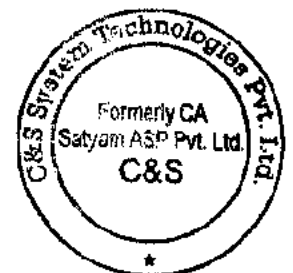


12. Employee Benefits:

Defined Benefit plans / compensated absences as per actuarial valuation as on 31/03/2010.

Particulars	Current Year		Previous Year Rs.	
	Gratuity (Non Funded)	Leave Encashment (Non Funded)	Gratuity (Non Funded)	Leave Encashment (Non Funded)
Expenses recognized in the Profit & Loss account for the year ended on 31st March, 2010				
Current service cost	343,232	271,787	195,699	141,052
Interest Cost	90,896	62,490	58,912	45,771
Actuarial loss / (gain)	(125,751)	(81,811)	276,575	142,586
Total Expense	308,377	252,466	531,186	329,409
Net Asset / Liability recognized in the Balance Sheet as at 31st March, 2010				
Present value of defined benefit obligation	987,574	683,277	10,58,234	692,008
Fair Value of plan assets	0	0	0	0
Net Asset / (Liability)	987,574	683,277	10,58,234	692,008
Change in obligation during the year ended 31st March, 2010				
Present value of defined benefit obligation at the beginning of the year	10,58,234	692,008	652,529	499,560
Current service cost	343,232	271,787	195,699	141,052
Interest Cost	90,896	62,490	58,912	45,771
Actuarial loss / (gain)	(125,751)	(81,811)	276,575	142,586
Benefits paid	(379,037)	(261,197)	(125,481)	(136,961)
Present value of defined benefit obligation at the end of the year	9,87,574	683,277	10,58,234	692,008
Amounts recognized in the Balance Sheet	9,87,574	683,277	10,58,234	692,008
Actuarial Assumptions:				
Attrition Rate	2.00%	2.00%	2.00 %	2.00 %
Future Salary Rise	5.00%	5.00%	5.00 %	5.00 %
Discount Rate	7.50%	8.25%	7.50 %	7.50 %
Mortality Table	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate	LIC (1994-96) Ultimate

- Salaries & Allowances in Schedule 'H' of Profit & Loss Account comprises of amount recognized as expenses of Rs. 308,377 (Previous Year Rs. 531,186) for non funded gratuity and Rs. 252,466 (Previous Year 329,409) for Leave encashment.
- The estimate of future salary increases considered in actuarial valuation takes account of inflation and general trend in salary rise.



13. Miscellaneous Expenses includes Sundry debtors written-off of Rs. 293,706/- (Previous Year Rs 269,569/-) and advance written off of Rs. 2,325/- (Previous Year Nil).

14. Quantitative Information in respect of Traded goods:

Particulars	Current Year		Previous Year	
	Nos.	Rs.	Nos.	Rs.
Computer Accessories:				
• Sales	13,486	74,38,256	41,606	77,79,689
• Cost of Sales				
Opening Stock	8,389	6,31,490	5,897	17,29,355
Add: Purchases	8,055	38,88,051	44,098	29,93,195
Less: Closing Stock	2,958	374,507	8,389	6,31,490
Cost of Sales	13,486	41,45,034	41,606	40,91,060

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

16. Value of imports calculated on CIF basis.

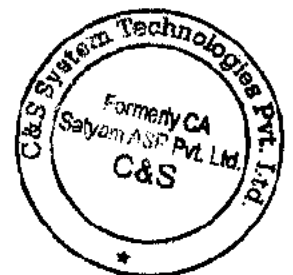
Particulars	Current Year Rs.	Previous Year Rs.
Capital Goods	Nil	Nil

17. Expenditure In Foreign Currency

Particulars	Current Year Rs.	Previous Year Rs.
Software License	113,76,999	110,16,119
Others	2,92,348	16,72,540

18. Earnings In Foreign Currency

Particulars	Current Year Rs.	Previous Year Rs.
Sale of License Fees, Products and Goods	17,75,160	26,63,421
Services	0	1,41,403



19. Disclosure required by Micro, Small and Medium Enterprises (Development) Act, 2006.

As per requirement of Section of 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed:

S.No	Particulars	Current Year Rs.	Previous Year Rs.
(i)	Principal amount remaining unpaid to any supplier as at the end of each accounting year.	Nil	15,151/-
(ii)	Interest due on (i) above remaining unpaid	Nil	Nil
(iii)	Amounts paid beyond the appointed day during the accounting year	Nil	Nil
(iv)	Interest paid on (iii) above	Nil	Nil
(v)	Interest due and payable on (iii) above	Nil	Nil
(vi)	Interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vii)	Interest remaining unpaid of the previous years for the purpose of disallowance under the Income Tax Act, 1961	Nil	Nil

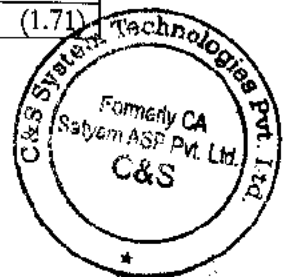
The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

20. The Company has not been able to appoint a whole-time company secretary in compliance of section 383A of the Companies Act, 1956 in spite of its reasonable efforts. The Company has in the meantime appointed a practicing Company Secretary to look after statutory compliances of Companies Act, 1956.

21. 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	(143,47,758)	(245,17,101)
EPS (b / a)	Rs	(1.0007)	(1.7099)
EPS (Rounded Off)	Rs	(1.00)	(1.71)

The basic and diluted EPS is same



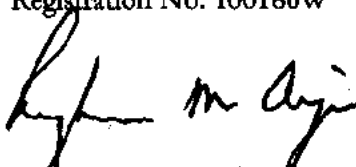
22. Particulars of un-hedged foreign currency exposure as at Balance Sheet date

Particulars		Amount Current Year	Amount Previous Year
Creditors	USD	Rs.52,74,226/- (USD 117,056@ closing rate of 1 USD =Rs. 45.0575)	Rs.54,94,292/- (USD 101,473@ closing rate of 1 USD =Rs.52.1744)

23. 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
Registration No. 100186W


RAGHUVIR M. AIYAR
Partner

Membership No. : 38128

Place: Mumbai

Date: 28-June-2010


For and on behalf of the Board

Directors:


Mr. A.S.Murthy 

Mr. G. Jayaraman 

Chief Executive Officer:

Mr. Jayesh Thakkar 

Chief Financial Officer :

Mr. Mahesh Bhatki 



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
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www.KSAiyar.com
Mail@KSAiyar.com

Auditors' Report

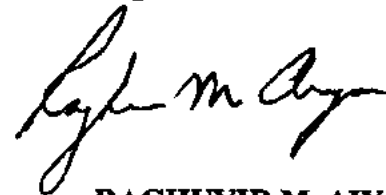
**To the Members of
C & S System Technologies Private Limited
(Formerly CA Satyam ASP Private Limited)**

**Report on the Accounts for the year ended March 31, 2010 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, 2010, 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 matters 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;
 - 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 Companies Act, 1956;
- e) On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010, 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, 2010; 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
Registration No: 100186W



RAGHUVIR M. AIYAR
Partner

Place : Mumbai
Dated : June 28, 2010

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, 2010 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 has 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

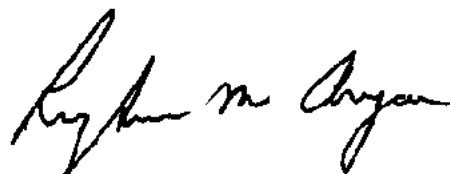
weakness has been noticed in the internal controls.

- v. Based on the Audit procedures performed and according to the information and explanations given to us there are no transactions that need to be entered into the register maintained in pursuance of section 301 of the Companies Act, 1956. Accordingly sub clause (b) is not applicable
- 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 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, 2010 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 exceed 50% of its net worth. The Company has incurred cash losses during the financial year covered by our audit and also in 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, 2010, 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
Registration No: 100186W


RAGHUVIR M. AIYAR
Partner

Place : Mumbai
Dated : June 28, 2010

Membership No: 38128

C&S SYSTEM TECHNOLOGIES PVT. LTD.

(Formerly CA Satyam ASP Pvt. Ltd.)

Registered Office : B601-603, Citipoint, J.B.Nagar, A.K. Road,
Andheri East, Mumbai 400059.

DIRECTORS' REPORT

Dear Members,

Your Directors present the Ninth Report on the business and operations of your Company together with Audited Accounts for the year ended on 31st March, 2010.

Financial Highlights	Current Year 2009-10 (Rs.)	Previous Year 2008-09 (Rs.)
Gross Income	5,05,92,462	5,10,21,271
Expenditure	6,46,01,390	7,39,04,141
Profit / (Loss) before Depreciation & Write-offs	(1,40,08,928)	(2,28,82,870)
Depreciation, Amortisations & Write-offs	3,38,830	15,02,205
Profit / (Loss) before Tax	(1,43,47,758)	(2,43,85,075)
Provision for Tax	Nil	132,026
Profit / (Loss) after Tax	(1,43,47,758)	(2,45,17,101)
Appropriations	Nil	Nil
Balance b/f	(5,52,80,949)	(3,07,63,848)
Balance c/f	(6,96,28,707)	(5,52,80,949)

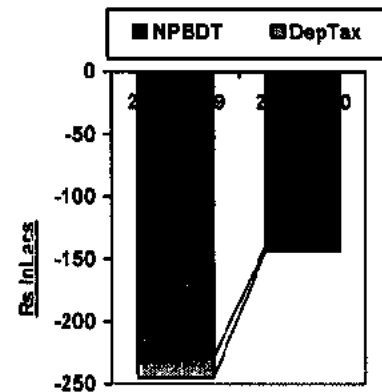
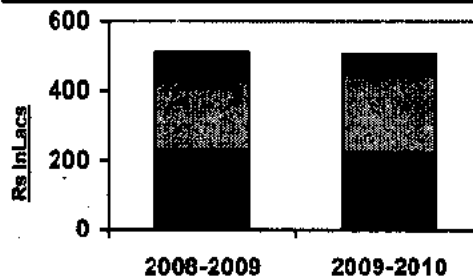
(Previous period figures are regrouped and rearranged whenever necessary.)

Overview

➤ During the year under review your Company recorded a total income of Rs. 505.92 Lacs [Previous Year Rs. 510.22 Lacs] and Net Loss after Depreciation, Amortization and Taxes of Rs. (143.48) Lacs [previous year Rs. (245.17) Lacs]:

	2009-10	2008-09		2009-10	2008-09
	Rs-Lacs			Rs-Lacs	
Support, Maint. & Services	220.80	230.45	NPBTD	(140.09)	(228.83)
Lic. Fees / Product Sales	223.78	217.87	NPADT	(143.48)	(245.17)
Other Income	61.34	61.90			
	505.92	510.22			

Services
 LicFees / Product Sale
 Other I



Business Operations

- During the previous year (that is 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.
- 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. During the year, the Company continued to receive the settlement amounts in accordance with terms and conditions agreed with them.
- Due to overall economic slowdown the Company was unable to better the revenues as compared to previous year, but somehow managed to maintain the revenues at earlier year's levels. However, the Company had undertaken some tough measures to control/reduce the cost which yielded good results. Thus, the Company was able to reduce the losses by about 40% as compared to earlier year. The rationalization of costs would continue in the next year which should see improvement in bottom-line going forward. Considering the buoyancy in market conditions and other favourable factors, the Company is hopeful that situation should improve in the next year to better its performance.

Dividend

In view of losses suffered during the year, your Directors do not recommend any dividend for the financial year 2009-10.

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 financial year 2009-10:

- Mr. D. Subramanian's resignation as Director was accepted in the Board Meeting held on 26th March, 2009
- Mr. Vijayaprasad Boddupalli's resignation as Director was accepted in the Board Meeting held on 25th September, 2009.
- Mr. V. Murali resignation as Director was accepted in the Board Meeting held on 18th December, 2009



- Mr. Atul Kunwar was appointed as Director in the Board Meeting held on 25th September, 2009.
- Mr. Achutuni S. Murthy was appointed as Director in the Board Meeting held on 25th September, 2009.

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. 17,75,160/- (Previous Year Rs. 28,04,824/-)

Outgo : Rs. 1,16,69,347/- (Previous Year Rs. 126,88,659/-)

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.

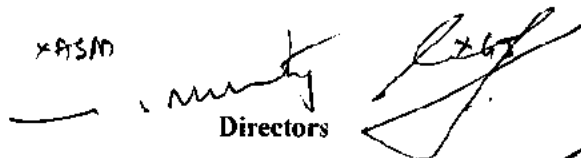
Acknowledgements

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 : 28-June-2010

x AS/M

 Directors

