

Description	Schedule Reference	As at March 31, 2010	As at March 31, 2009
I. SOURCE OF FUNDS:			
1. Shareholders' Funds	1	331,043,190	331,043,190
(a) Share Capital		563,500,000	563,500,000
(b) Share application money pending allotment	2	790,558,889	790,558,889
(c) Reserves and Surplus		1,685,102,079	1,685,102,079
2. Loan Funds	3	1,045,454	1,663,461,699
Secured Loans	4	2,200,000,000	500,000,000
Unsecured Loans		3,886,147,533	3,848,563,778
II. APPLICATION OF FUNDS:			
1. Fixed Assets	5	1,058,325,915	1,061,265,038
(a) Gross Block		858,102,942	744,060,276
(b) Less: Depreciation		200,222,973	317,204,762
(c) Net Block		1,266,515	423,629
(d) Capital work-in-progress		201,489,488	317,628,391
2. Investments	6	10,000	10,000
3. Current Assets, Loans and Advances	7	261,911,493	351,012,270
(a) Sundry Debtors	8	106,244,242	83,549,857
(b) Cash and Bank Balances	9	198,558,105	221,426,619
(c) Loans and Advances		566,713,840	655,988,746
Less: Current Liabilities and Provisions	10	296,848,377	342,419,715
(a) Liabilities	11	24,018,722	24,018,722
(b) Provisions		320,867,099	366,438,437
Net Current Assets		245,846,741	289,550,309
4. Profit and Loss Account		3,438,801,305	3,241,375,077
		3,886,147,533	3,848,563,778
Significant Accounting Policies & Notes to Accounts	16		

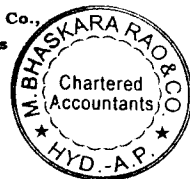
The Schedules referred to above and the statement on Significant Accounting Policies form an integral part of the Balance Sheet

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

for and on behalf of the Board of Directors

for M. Bhaskara Rao & Co.,
Chartered Accountants

V. K. Muralidhar
Partner



D. V. Sivaram
Company Secretary

Place: Hyderabad
Date: August 30, 2010

C. P. Gurnani
Director

Sujit Baksi
Whole-time Director

Vijay Rangineni
Chief Executive Officer

Uttiya Sengupta
Asst. Vice President - Finance

Satyam BPO Limited
(formerly Nipuna Services Limited)
Schedule forming part of the Balance Sheet

(Amount in Rupees)

	Description	As at March 31, 2010	As at March 31, 2009
1.	Share Capital		
	Authorised		
	50,000,000 Equity Shares of Rs. 10 each	500,000,000	500,000,000
	100,000,000 Convertible Redeemable Cumulative Preference Shares of Rs. 10 each	1,000,000,000	1,000,000,000
		1,500,000,000	1,500,000,000
	Issued, Subscribed and Paid-up		
	33,104,319 Equity Shares of Rs. 10 each fully paid-up*	331,043,190	331,043,190
		331,043,190	331,043,190
	* The above Share Capital is held by Satyam Computer Services Limited (holding company) and its nominees.		
2.	Reserves and Surplus		
	Share Premium		
	As at the commencement of the Period	790,558,889	790,558,889
	Add: Additions during the period	-	-
	Less: Utilised during the period	-	-
		790,558,889	790,558,889
3.	Secured Loans		
	Loans - from Banks		
	Over Draft	-	831,421,632
	(Secured by hypothecation of book debts)		
	Working Capital Loan	-	830,000,000
	(Secured by movable and immovable property)		
	Other Loans		
	(Secured by hypothecation of vehicles)	1,045,454	2,040,067
		1,045,454	1,663,461,699
4.	Unsecured Loans		
	Interest Free Loan - from Satyam Computer Services Limited	2,200,000,000	500,000,000
		2,200,000,000	500,000,000
6.	Investments		
	Long-term Investments		
	Government Securities (Unquoted, at cost)		
	6 Year National Savings Certificates - VIII Series	10,000	10,000
	(Lodged as security with government authorities)	10,000	10,000
7.	Sundry Debtors (Unsecured)		
	Exceeding six months		
	Considered doubtful	989,787,847	989,809,458
	Considered good	87,712,632	43,759,051
	Other considered good	174,198,861	307,253,219
		1,251,699,340	1,340,821,728
	Less: Provision for doubtful debts	989,787,847	989,809,458
		261,911,493	351,012,270
	*Due from Holding Company Rs.58,918,817 (March 2009 - Rs.128,915,952)		
	@ Includes unbilled revenue of Rs.57,561,296 (March 2009 - Rs.67,613,313)		

Satyam BPO Limited
(formerly Niituna Services Limited)
Schedules forming part of the Balance Sheet

(Amount in Rupees)

	Description	As at March 31, 2010	As at March 31, 2009
8.	Cash and Bank Balances		
	Cash on hand	19,859	90,519
	Balances with Scheduled Banks		
	(a) On Current Accounts	101,268,831	79,725,414
	(b) On Deposit Accounts	4,001,459	2,322,667
	Balances with Non-Scheduled Banks - on Current Accounts		
	Citi Bank NA, New York	598,554	542,203
	Hongkong and Shanghai Banking Corporation, Basingstoke	-	32,387
	BNP Paribas, Singapore	-	199,056
	BNP Paribas, New York	355,538	637,612
		106,244,242	83,549,857
	Maximum Balances held during the period with Non-Scheduled Banks		
	Citi Bank NA, New York Rs.33,24,766 (March 2009 - Rs.95,392,840)		
	Hongkong and Shanghai Banking Corporation, Basingstoke Rs. Nil (March 2009 Rs.42,998)		
	BNP Paribas, Singapore Rs. Nil (March 2009 - Rs.199,056)		
	BNP Paribas, New York Rs.30,94,293 (March 2009 - Rs.10,321,093)		
9.	Loans and Advances (Unsecured, considered good)		
	Advances recoverable in cash or in kind or for value to be received - considered good	36,498,307	62,075,808
	Deposits	73,146,555	84,161,404
	Tax deducted at source (net)	88,913,245	75,189,408
	Interest Accrued on Fixed Deposits	-	-
		198,558,105	221,426,619
	Advances recoverable in cash or in kind or for value to be received - considered Doubtful	73,310,269	73,310,269
	Less: Provision	(73,310,269)	(73,310,269)
		-	-
		198,558,105	221,426,619
10.	Liabilities		
	Sundry Creditors		
	- Dues to micro, Small & Medium enterprises	-	-
	- Dues to Others	265,776,465	288,197,246
	Advance from Customers	18,465,438	29,962,654
	Other Liabilities	12,606,474	24,259,815
	Interest accrued but not due on loans	-	-
		296,848,377	342,419,715
	* Due to Holding Company Rs.91,220,764 (March 2009 - Rs.56,757,900)		
11.	Provisions		
	Provision for Gratuity	9,441,797	9,441,797
	Provision for Leave Encashment	14,576,925	14,576,925
		24,018,722	24,018,722

Satyam BPO Limited
(formerly Nipuna Services Limited.)

Schedules forming part of the Balance Sheet

Schedule - 5 Fixed Assets

DESCRIPTION	GROSS BLOCK						DEPRECIATION				NET BLOCK	
	As at Apr 01, 2009	Additions during the year	Deletions	As at Mar 31, 2010	As at Apr 01, 2009	For the Period	Deletions	As at Mar 31, 2010	As at Mar 31, 2010	As at Mar 31, 2009	As at Mar 31, 2009	
Plant and Machinery (including Computers)	852,030,946	25,961,453	23,495,518	854,496,881	627,530,205	108,295,604	23,479,055	712,346,754	142,150,126	224,500,741		
Office Equipment	77,280,048	255,697	1,080,846	76,454,900	42,735,011	13,104,051	818,757	55,020,305	21,434,594	34,545,037		
Furniture and Fixtures	127,657,564	368,483	2,402,913	125,623,134	71,867,141	20,394,726	2,345,867	89,916,001	35,707,134	55,790,423		
Vehicles	4,296,480	-	2,545,480	1,751,000	1,927,919	472,575	1,580,612	819,883	931,117	2,368,561		
TOTAL	1,061,265,038	26,585,633	29,524,757	1,058,325,915	744,060,278	142,266,957	28,224,291	858,102,942	200,222,972	317,204,761		
As at March 31, 2009	1,033,813,194	66,749,496	39,297,652	1,061,265,038	561,677,497	217,926,430	35,543,651	744,060,276	317,204,763	472,135,697		
Capital Work In Progress - includes Capital advances amounting to Rs.Nil (March 2009 - Nil) and incidental expenses incurred during the construction period Rs.Nil (March 2009 - Nil)										1,266,515	423,629	

(Amount in Rupees)

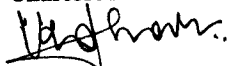
Description	Schedule Reference	Year Ended 31-Mar-10	Year Ended 31-Mar-09
I. INCOME			
Income from Services		919,735,475	1,183,638,680
- Exports		139,052,160	695,607,644
- Domestic		15,534,034	23,203,011
Other Income	12		
		1,074,321,669	1,902,449,335
II. EXPENDITURE			
Personnel Expenses	13	693,699,623	1,471,532,446
Operating and Administration Expenses	14	348,386,975	1,783,552,446
Financial Expenses	15	59,588,234	220,959,527
Depreciation		142,266,957	217,926,430
Exchange fluctuation (Gain) / Loss		27,806,107	54,660,030
		1,271,747,897	3,748,630,880
III. Profit/(Loss) before Tax		(197,426,228)	(1,846,181,545)
Provision for Taxation			
- Current		-	153,178
- Fringe Benefit		-	6,800,000
		(197,426,228)	(1,853,134,723)
IV. Profit/(Loss) after Tax			
		(3,241,375,077)	(1,388,240,354)
V. Balance brought forward from previous year / Period			
		(3,438,801,305)	(3,241,375,077)
VI. Balance carried to Balance Sheet			
Earnings Per Share - Basic and Diluted (Rs. Per equity share of Rs. 10 each)		(5.96)	(55.98)
Significant Accounting Policies & Notes to Accounts	16		

The Schedules referred to above and the Significant Accounting Policies form an integral part of the Profit & Loss Account.


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

for and on behalf of the Board of Directors

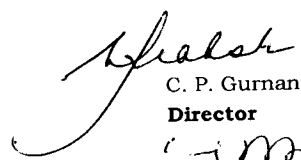
for **M. Bhaskara Rao & Co.,**
Chartered Accountants

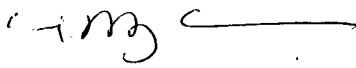

V. K. Muralidhar
Partner

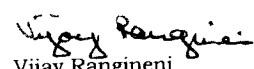




D. V. Sivaram
Company Secretary

Place: Hyderabad
Date: August 30, 2010


C. P. Gurnani
Director


Sujit Bakshi
Whole-time Director


Vijay Rangineni
Chief Executive Officer


Uttiya Sengupta
Asst. Vice President - Finance

Satyam BPO Limited
(formerly Nipuna Services Limited)

Schedules forming part of the Profit and Loss Account

(Amount in Rupees)

	Description	Year Ended 31-Mar-10	Year Ended 31-Mar-09
12.	Other Income		
	Interest On Deposits - Gross	249,641	-
	Liabilities no longer required written back	10,326,554	275,474
	Input Tax Credit received	2,188,631	-
	Rent received	2,750,563	-
	Gain in Cancellation of Forward Contract	-	22,849,600
	Miscellaneous Income	18,645	77,937
		15,534,034	23,203,011
13.	Personnel Expenses		
	Salaries and Allowances	647,130,582	1,372,770,260
	Contribution to Provident and Other Funds	28,417,107	63,625,092
	Staff Welfare Expenses	18,151,935	35,137,094
		693,699,623	1,471,532,446
14.	Operating and Administration Expenses		
	Rent	111,207,314	143,392,385
	Rates and Taxes	1,845,629	1,091,375
	Insurance	4,483,555	6,890,476
	Travelling and conveyance	47,099,229	181,692,736
	Communication	43,546,366	76,188,315
	Telephone Expenses	3,554,465	11,451,198
	Power and Fuel	24,902,216	33,095,347
	Printing and Stationery	4,491,119	7,346,243
	Advertisement	(46,159)	1,316,588
	Repairs and Maintenance		
	- Machinery	33,592,814	39,398,622
	- Others	8,978,598	12,855,768
	Professional Charges	39,229,707	80,206,047
	Provision for doubtful debts	158,226	988,364,526
	Provision for doubtful Advances	-	73,310,269
	Provision for impairment of Assets	-	3,412,460
	Profit / Loss on sale of fixed assets / Discard of Fixed Assets	(11,832,038)	1,670,045
	Auditors' Remuneration	800,000	807,120
	Recruitment and Training	9,976,253	38,878,662
	Software Charges	10,312,468	56,880,441
	Miscellaneous Expenses	16,087,212	25,303,823
		348,386,975	1,783,552,446
15.	Financial Expenses		
	Interest on Loans from Banks	58,363,527	215,098,692
	Interest on vehicle loans	178,379	335,423
	Bank Charges	1,046,330	5,525,412
		59,588,234	220,959,527

Schedule – 16 Significant Accounting Policies & Notes to Accounts

A. Significant Accounting Policies

1. Description of Business

The Company is engaged in business process management, transitioning services and customer contact services through its Indian operations and through branches in United States of America and Belgium. These financial statements reflect the results of its operations carried on by Indian Operations and overseas branches.

2. Basis of Presentation

The financial statements are prepared under the historical cost convention on going concern basis in accordance with the Generally Accepted Accounting Principles(GAAP) to comply with the mandatory accounting standards and statements issued by the Institute of Chartered Accountants of India and the Companies Act, 1956 of India. All income and expenditure, having a material bearing on the financial statements, are recognized on an accrual basis.

3. Use of Estimates

The preparation of financial statements in conformity with the GAAP requires that the management make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates include, estimate of useful life of fixed assets, provision for doubtful debts etc., Actual results could differ from those estimates.

4. Revenue Recognition

The Company recognizes revenue from engagement services based on the number of engagements performed. Revenues from time period services are recognized based on the time incurred in providing services at contracted rates. Revenue from per incident services is based on the performance of specific criteria at contracted rates.

The Company also performs time bound fixed-price engagements, under which revenue is recognized using the percentage completion method of accounting. The cumulative impact of any revision in estimates of the percentage of work completed is reflected in the year in which the change becomes known. Provisions for estimated losses on such engagements are made during the year in which a loss becomes probable and can be reasonably estimated.

Unbilled revenue, included in debtors, represents amounts recognized based on services performed in advance of billing in accordance with contract terms.

5. Fixed Assets and Depreciation

Fixed assets are stated at actual cost less accumulated depreciation. The actual cost capitalized includes material cost, freight, installation cost, duties and taxes, finance charges and other incidental expenses incurred during the construction/installation stage.

Depreciation on fixed assets is computed on the straight line method over their estimated useful lives at the rates which are higher than the rates prescribed under Schedule XIV of the Companies Act, 1956 of India. Individual assets acquired for less than Rs. 5,000 are entirely depreciated in the year of acquisition. Depreciation is charged on pro-rata basis for the assets purchased during the year.

Costs of application software for internal use, the estimated useful life of which is relatively short and usually less than one year are generally charged to revenue as and when incurred

The estimated useful lives of fixed assets are as follows:

Asset Category	Estimated Useful lives
Computers	2 Years
Plant and Machinery (Other than Computers)	5 Years
Application Software for contract execution	3 Years
Office Equipment	5 Years
Furniture, Fixtures and Interiors	5 Years
Vehicles	5 Years

Capital Work in Progress

Assets under installation or under construction as at the Balance sheet date are shown as Capital work-in-progress. Advances paid towards acquisition of assets are also included under Capital work in progress.

6. Investments

Investments are classified into current investments and long-term investments. Current Investments are carried at lower of cost or market value. Any reduction in carrying amount and any reversals of such reductions in the subsequent period are charged or credited to the Profit and Loss account. Long-term investments are carried at cost less provision made in the value of such investments to recognize any permanent decline

7. Foreign Currency Translation

Transactions in foreign currency are recorded at the exchange rate prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currency are translated at the rates of exchange at the balance sheet date and resultant gain or loss is recognized in the Profit and Loss account.

Non-monetary assets and liabilities are translated at the rate prevailing on the date of transaction.

The operations of foreign branches of the Company are of integral in nature and the financial statements of these branches are translated using the same principles and procedures of head office.

8. Employee Benefits

Contributions to defined schemes such as Provident Fund and Employee State Insurance Scheme are charged as incurred on accrual basis. The Company also provides for Gratuity and leave encashment in accordance with the requirements of revised Accounting Standard -15 "Employee Benefits".

9. Taxes on Income:

Current tax is determined as the amount of tax payable in respect of taxable income for the period. Deferred Tax is recognized subject to consideration of prudence on timing differences being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent years.

10. Earnings Per Share

The earnings considered in ascertaining the Company's Earnings per Share (EPS) comprises the net profit after tax (and include the post tax effect of any extra ordinary items). The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

B. Notes to Accounts

1. Commitments and Contingent Liabilities

Bank guarantees outstanding Rs.3,906,000 (March 2009 - Rs. 4,781,000)

Contracts pending execution on capital accounts, net of advances, Rs.1,203,316 (March 2009 – Rs.3,881,525)

2. Going Concern

Accounts are drawn up on going concern assumption despite erosion of entire shareholder's fund. In this regard M/s. Satyam Computer Services Ltd., (Holding Company) has given a written commitment in letter for providing all support to the company as and when required.

3. Inspection by Regulatory Authorities

Serious Fraud Investigation Office (SFIO) conducted inspection and issued notices to the company calling for certain information U/s. 209A of the Companies Act, 1956 on 14th Jan' 09. Company has replied to the said notice on 16th January, 2009.

Director of Enforcement (ED) conducted inspection and issued a notice calling for certain information on 10th February, 2009. Company has replied to the said notice on 11th February, 2009.

Subsequently thereafter, there is no further communication / enquiry from the above regulatory authorities.

The Management does not foresee any impact on the financial statements at this juncture. Impact on the financial statement of the company, if any, as a result of such enquiry shall be adjusted upon completion of such enquiry.

4. Employee Stock Option Scheme

In April 2004, the Company established its Employee Stock Option Plan (the "ESOP") to be issued to employees. The exercise price is equal to the fair market value on the date of the grant. These options vest over a period ranging from two to four years, starting with 33.33% in the second year 33.33% in the third year and remaining 33.34% in the fourth year from the date of grant. Upon granting, they are subject to lock in period of one year.

As on March 31, 2010, NIL Grants (March 2009 – 639,750 Grants), net of cancellation, at weighted average exercise price of Rs.80 being the fair market value per share were outstanding.

Satyam BPO Limited
(Formerly Nipuna Services Limited)

Changes in number of options outstanding were as follows:

	Year ended March 31,	
	2010	2009
At the beginning of the period	639,750	639,750
Granted during the period	--	--
Exercised during the period	--	--
Cancelled during the period	639,750	--
At the end of the period	--	639,750

5. Domestic Income from services includes Rs.88,830,530 (March 2009 - Rs. 679,885,101) being the income arising out of services delivered outside India directly to the customers of holding company.

6. Segment Information

A) Business Segment: The Company has only one primary business segment, viz. business process management, transitioning services and customer contact services.

B) Geographic Segment

Revenue attributable to location of customers is as follows:

(Amount in Rupees)

Geographic location	Year ended March 31, 2010	Year ended March 31, 2009
North America	825,156,073	1,718,000,530
Europe	134,192,296	145,043,883
India	49,703,673	16,201,910
South Africa	49,735,592	--
Total	1,058,787,634	1,879,246,324

Satyam BPO Limited
(Formerly Nipuna Services Limited)

Segment assets based on their location are as follows:

(Amount in Rupees)

Geographic location	Segment Assets	Additions to Fixed Assets	Segment Assets	Additions to Fixed Assets
	As at March 31, 2010	Year Ended March 31, 2010	As at March 31, 2009	Year Ended March 31, 2009
North America	97,425,072	18,480	279,809,903	6,157,950
Europe	49,952,495	-	22,387,305	-
India	264,228,868	26,558,637	304,991,492	60,591,547
South Africa	35,739,640	-	-	-
Total	447,346,076	26,577,117	607,188,700	66,749,497

7. Related Party Transactions

The Company has transactions with the following related parties:

Holding Company - Satyam Computer Services Limited

Enterprises having significant influence – Tech Mahindra Limited

Key Management Personnel:

Mr. Vijay Rangineni

Summary of Transactions with the above related parties is as follows:

(Amount in Rupees)

Description	Transactions for the Year ended March 31, 2010			Transactions for the year Ended March 31, 2009		
	Holding Company	Enterprise having significant influence	Key Management Personnel	Holding Company	Enterprise having significant influence	Key Management Personnel
Sales / Services rendered	93,627,571	53,059,871	-	689,539,044	-	-
Remuneration	-	-	7,114,524	-	-	76,062,998
Advances from / (to)	-	-	1,82,825	210,000,000	-	-
Share Application Money	-	-	-	563,500,000	-	-
Unsecured Loans	1,700,000,000	-	-	500,000,000	-	-
Services received	41,440,164	-	-	-	-	-

Satyam BFO Limited*(Formerly Nipuna Services Limited)*

Description	Balances as at March 31, 2010			Balances as at March 31, 2009		
	Holding Company	Tech Mahindra	Key Management Personnel	Holding Company	Tech Mahindra	Key Management Personnel
Receivables	58,918,817	37,556,156	--	129,307,819	--	--
Payables	91,220,764	--	--	56,757,900	--	--

8. The Gratuity Plan

The following table set forth the status of Gratuity plan of the Company and the amounts recognized in the Balance sheet and Profit and Loss account.

Particulars	Amount in Rupees	
	Period Ended	
	31-March-2010	31-Mar-2009
Projected Opening Defined Benefit Obligation at the Beginning of the Period	9,441,797	5,273,921
Current Service Cost	2,754,911	2,029,536
Interest Cost	591,628	508,820
Actuarial Losses/(Gain)	(3,673,045)	2,420,582
Benefits Paid	(1,586,917)	(791,062)
Projected benefit obligation at the end of the period	7,528,374	9,441,797
Amounts Recognized in the Balance sheet		
Projected benefit obligation at the end of the period	7,528,374	9,441,797
Fair Value of plan Assets at the end of the period	--	--
Funded Status of the plans – (assets)/liabilities	--	--
Liability Recognized in the Balance Sheet	9,441,797	9,441,797

Gratuity Cost for the Period

Particulars	Period Ended(in Rs)	
	31-March-2010	31-Mar-2009
Current Service Cost	2,754,911	2,029,536
Interest Cost	591,628	508,820
Net Actuarial Losses / (Gain) recognized in the period	(3,673,045)	2,420,582
Net Gratuity Cost	(326,506)	49,58,938

Assumptions

Description	Period Ended(in Rs)	
	31-March-2010	31-Mar-2009
Discount Rate (P.A)	5.70%	5.40%
Salary Escalation Rate (P.A)	7.00%	7.00%

Satyam BPO Limited*(Formerly Nipuna Services Limited)***9. Earnings per Share**

(Amount in Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Opening & Closing number of shares	33,104,319	33,104,319
Weighted average number of Shares	33,104,319	33,104,319
Share Application Money (No of Shares)	-	-
Net Loss after Taxation	(197,426,228)	(1,853,134,723)
Net Profit/(Loss) attributable to Equity Shareholders	(197,426,228)	(1,853,134,723)
Earnings per share of face value of Rs.10 – Basic and Diluted	(5.96)	(55.98)

10. Income Tax

The Company is engaged in business process management, transitioning services and customer contact services and is eligible for tax exemption under Section 10A of Income Tax Act, 1961. There is no deferred tax asset/liability requiring recognition in the current year.

11. Other Information

The Company is engaged in business processes management, transitioning services and customer contact services. The nature of such services cannot be expressed in generic units. Therefore, it is not possible to give quantitative details as required under paragraphs 3 and 4C of Part II Schedule VI of the Companies Act, 1956. Other Information with regard to matters specified in 3 and 4 of Part II Schedule VI of the Companies Act, 1956 to the extent that these are applicable to the Company, are furnished :-

(i) Earnings in foreign exchange (on receipt basis)

(Amount in Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Income from Services	1,059,043,870	1,367,791,689

(ii) C.I.F. value of imports

(Amount in Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Capital Goods	4,355,159	1,838,262

Satyam BPO Limited
(Formerly Nipuna Services Limited)

(iii) Expenditure in foreign currency (on payment basis)

(Amount in Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Travel	8,437,742	72,950,632
Technical Service Charges	--	59,144,205
Communication Charges	43,693,268	33,784,708
Interest	--	21,619,514
Expenditure incurred at Overseas Branches	42,468,780	328,432,331
Other Expenses	13,888,057	26,971,708

(iv) Remuneration to the Auditors

(Amount in Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Statutory Audit	800,000	800,000
Out of pocket expenses	--	7,120

(v) Leases

(Amount in Rupees)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Lease Rentals	111,207,314	143,392,385

(vi) Obligation on Long term non-cancelable operating Leases

The company has entered into operating lease agreements for its development centers at offshore for a Period of 3 years. The Lease rentals charged during the year and maximum obligation on long- term non- Cancelable operating leases payable as per the rental stated in respective agreement are as follows

(Amount in Rupees)

Obligation on non-cancelable lease	As at March 31 2010	As at March 31 2009
Not later than one year	20,506,087	44,079,952
Later than one year and not later than Five years	13,971,928	--
Later than Five years	--	--
Total	34,478,015	44,079,952

12. Reclassification

Figures for the previous year has been regrouped and rearranged to conform to the current year where ever necessary.

Cash Flow Statement for the Year Ended March 31, 2010

(Amount in Rupees)

	Year Ended 31-Mar-10	Year Ended 31-Mar-09
A. Cash Flows from Operating Activities		
Net Profit/(Loss) before Interest and Tax	(138,884,323)	(1,625,222,018)
Depreciation	142,266,957	217,926,430
(Profit) / Loss on sale of Fixed Assets	11,832,038	-
Cash flow before changes in Working Capital	15,214,672	(1,407,295,588)
(Increase)/Decrease in Sundry Debtors	89,100,777	976,549,005
(Increase)/Decrease in Loans and Advances	22,868,514	31,289,949
Increase/(Decrease) in Current Liabilities and Provisions	(45,571,337)	(82,894,193)
Income Taxes Paid	-	(6,953,178)
Exchange differences on translation of foreign currency cash and cash equivalents	(9,070,921)	2,215,541
Net Cash Flow from Operating Activities	72,541,705	(487,088,463)
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets	(39,011,310)	(44,317,949)
Proceeds from sale of Fixed Assets	1,051,218	3,754,001
Interest accrued / income received	-	794,165
Net Cash Flow from Investing Activities	(37,960,091)	(39,769,784)
C. Cash Flows from Financing Activities		
Receipt of Share Application money pending allotment	-	563,500,000
Proceeds from issue of share capital	-	-
Redemption of Preference Shares	-	-
Proceeds from Secured Loans	-	333,198,868
Proceeds from Unsecured Loans	1,700,000,000	500,000,000
Repayment of Secured Loans	(1,662,416,245)	(598,957,096)
Financial expenses paid	(58,541,905)	(224,311,452)
Net Cash Flow from Financing Activities	(20,958,151)	573,430,321
D. Exchange differences on translation of foreign currency Cash and Cash Equivalents		
	9,070,921	(2,215,541)
Net Increase in Cash and Cash equivalents during the Year	22,694,384	44,356,533
Cash and Cash equivalents at the beginning of the Year	83,549,857	39,193,324
Cash and Cash equivalents at the end of the Year	106,244,241	83,549,857

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

for and on behalf of the Board of Directors

for M. Bhaskara Rao & Co.,
Chartered Accountants

Sd /-
V. K. Muralidhar
Partner

Sd /-
D. V. Sivaram
Company Secretary

Place: Hyderabad
Date: August 30, 2010

Sd /-
C. P. Gurnani
Director

Sd /-
Sujit Bakshi
Whole-time Director

Sd /-
Vijay Rangineni
Chief Executive Officer

Sd /-
Uttiya Sengupta
Asst. Vice President - Finance

AUDITOR'S REPORT

To
The Members of
Satyam BPO Ltd. (Formerly Nipuna Services Ltd)

We have audited the attached Balance Sheet of M/s. Satyam BPO Ltd. (Formerly Nipuna Services Ltd) as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date. 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.

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 misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) Order, (Amendment) 2004 issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 and 5 of the said Order.
2. Without qualifying our opinion, we draw attention to the following:
 - a) Note 2 of Schedule 16 - Notes to Accounts - The company has drawn up it's financial statements on a going concern assumptions for the reasons stated in the said notes;
 - b) As explained in Note 3 of Schedule 16 - Notes to Accounts - regarding inspection by regulatory authorities, we are unable to express our opinion on the adjustments if any required to the financial statements.
3. Further to our comments in the statement referred to in paragraph (1) 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 applicable Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956.
- e) On the basis of the written representations received from the directors, as on 31st March 2010 and taken on record by the Board of Directors, we report that, none of the Directors of the company is disqualified as at 31st March 2010 from being appointed as a director in terms of clause (g) of sub-section (1) to 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 read together with Significant Accounting Policies and other notes, particularly those reported in paragraph 2 above, thereon 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 31st March, 2010;
 - 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 cash flow statement, of the cash flows for the year ended on that date.

for M. BHASKARA RAO & CO.,

CHARTERED ACCOUNTANTS
(Firm Registration No: 000459S)



V K MURALIDHAR
PARTNER

Membership No: 201570

Place: Hyderabad

Date: 30th August 2010

SATYAM BPO LTD (FORMERLY NIPUNA SERVICES LTD)

STATEMENT REFERRED TO IN PARAGRAPH (1) OF OUR REPORT OF EVEN DATE

1.
 - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - b) The management has conducted physical verification of major fixed assets during the year and as explained to us, no material discrepancies have been noticed on such verification.
 - c) According to the information and explanations given to us, the Company has not disposed of a substantial part of its fixed assets during the year as to affect the going concern assumption in preparing the financial statements under report.
2. The company is a service company. and it does not hold any physical inventories. Hence, paragraph 4 (ii) of the Order is not applicable.
3.
 - a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore the provisions of sub clauses (b), (c) and (d) of clause 4 (iii) of the Companies (Auditor's Report) Order 2003 are not applicable.
 - e) According to the information and explanations given to us, the Company has taken interest free unsecured loans from Companies covered in the register maintained under Section 301 of the Companies Act, 1956 (from holding company). The number of parties involved are one and maximum aggregate amount during the year and year end balance is Rs.220 Crores.
 - f) According to the information and explanations given to us, the interest free loan from holding company is without any written agreement.
 - g) In respect of the aforesaid loan, since there is no written stipulations as regards repayment of principal or interest, commenting on overdue amount does not arise.
4. In our opinion and according to the information and explanations given to us, having regard to the explanations that certain items / services purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the company and the nature of it's business for the purchase of fixed assets and for the sale of services. The activities of the company do not involve purchase of inventory and sale of goods. Further on the basis of our examination of the books and records of the company, according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.



5.
 - a. In our opinion and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in to the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, the transactions (excluding loan reported under paragraph 3 above) exceeding the value of Rs. 5 Lakhs in respect of any party during the year are of special nature and comparative prices are not available. Hence we are unable to comment whether the transactions were made at reasonable and prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the Public. Therefore the provisions of Clause 4 (vi) of this Order is not applicable to the Company.
7. In our opinion, the company has an adequate Internal Audit system to commensurate with the size and nature of it's business.
8. In our opinion and according to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
9.
 - a. The Company has been 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, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b. According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Cess were in arrears, as at 31st March 2010 for a period of more than six months from the date they became payable.
 - c. According to the information and explanation given to us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty and Cess which have not been deposited on account of any dispute.
10. *The company has accumulated losses at the end of the financial year and, has incurred cash losses in the financial year under report. Company has incurred cash loss in the immediately preceding financial year.*
11. In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institutions / banks. The company has not issued any debentures.
12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. 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 Order, 2003 are not applicable to the company.



14. In our opinion and according to the information and explanations given to us, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order, 2003 are not applicable to the company.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions
16. In our opinion and according to the information and explanations given to us, the term loans availed during the year are applied for the purpose for which they were obtained.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investment.
18. During the year under report, the company has not made any preferential allotment of shares to the parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The company has not issued any debentures.
20. The company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books and other records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us and read with sub paragraph (b) of paragraph 2 above, no instance of fraud on or by the company was reported during the year, nor have we been informed of such case by the management.

for M. BHASKARA RAO & CO.,
CHARTERED ACCOUNTANTS
(Firm Registration No: 000459S)



K MURALIDHAR
PARTNER

Place: Hyderabad
Date: 30th August 2010

Membership No:201570

Directors' Report

Dear Members,

Your Directors have the pleasure of presenting the Eighth Annual Report, together with audited accounts of the Company, for the year ended March 31, 2010.

Financial Highlights

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Particulars	2010	2009
Income from BPO services	1,058.79	1,879.25
Other Income	15.53	23.20
Total Income	1,074.32	1,902.45
Operating Profit (EBIDT)	4.43	(1,407.30)
Operating Margin	0.41%	-73.97%
Financial Expenses	59.59	220.96
Depreciation	142.27	217.93
EBT	(197.43)	(1,846.19)
Net Income	(197.43)	(1,853.14)
Cash & Cash Equivalents	106.24	83.55
Long Term Debt	-	-
Capital Expenditure	26.59	66.75

Recognition & Rewards

Satyam BPO emerged as 'India's Most Customer-Responsive BPO Company' for the year 2009-10, at the 4th edition of the 'AGC Networks Customer Responsiveness Awards 2010', organized jointly by AGC Networks (formerly Avaya Global Connect), The Economic Times, Ernst & Young and Nielsen. The award was presented by Mr. Ajay Maken, Hon. Minister of State for Home Affairs, Government of India, and was received by Mr. Vijay Rangineni, CEO of Mahindra Satyam BPO.

Based on a robust methodology spanning over three months, involving an online poll, customer interviews and a jury meeting, the award carries tremendous credibility, and is one of the most coveted in India Inc. Nominated organizations are evaluated on parameters such as responsiveness, intelligence generation and dissemination, customer education, top management emphasis, innovation, learning and technology enabling customer-responsiveness.

Marketing & Communication

In 2009-10, the marketing and communication efforts were focused on four key areas – thought leadership, media visibility, sales enablement and analyst relations. These areas were prioritized, keeping in mind the key requirements of the organization post the January 2009 crisis, i.e., retaining key customers and sustaining the credibility of the brand.

A host of white papers, best practice papers and media interviews by Satyam BPO leaders appeared across national and international media. It is also important to mention that all the media coverage was positive in tone, and Satyam BPO received no negative coverage through the last financial year. The subjects covered by media included the growth demonstrated by the organization, adherence to the targets set, and value delivered to customers.

Satyam BPO's Marketing and Communication team also partnered closely with sales, pre-sales and delivery teams to come up with solutions for customers, such as website designs for two large pharma majors. This helped add a new service offering to Satyam BPO's portfolio, and enhance our engagement with existing clients. Steps were also taken to generate and disseminate market intelligence to customer-facing leaders, in order to help them ascertain new opportunities and stay up-to-date with the latest developments in the world of outsourcing. From the perspective of building the brand with key influencers (analysts and TPAs), Satyam BPO interacted with firms such as Gartner, Equaterra, Hackett, Neo Advisory, Oxford Intelligence and Quantum Step.

Current Industry Scenario*

The BPO industry grew by 6% to reach USD 12.4 billion and added 30,000 jobs in FY2010; US and UK markets contributed 81% to BPO export revenues. BPO growth in FY2010 can be attributed to F&A, procurement, knowledge services horizontal offerings and growth in BFSI (generating 50% of BPO export revenues) and emerging verticals such as healthcare. The BPO industry has been focusing on moving up the value chain to provide higher end services such as business analytics/knowledge-based services, transforming clients' businesses through a mix of re-engineering skills, technology enabled platforms and increased depth of services. Platform BPO solutions that integrated best-in-class offerings and a plug-and-play solution for clients gained traction.

Another trend was the rapid growth of domestic BPO, outpacing India's BPO exports. This was on account of recent economic slowdown in the West, while the Indian economy stayed more or less stable.

*Source: NASSCOM Strategic Review 2010

Future Prospects**

BPO spending in 2010 is expected to be increasingly driven by F&A segment and procurement, followed by HR Outsourcing. Providers will increase their focus on developing platform BPO solutions across verticals and services. Offshoring is also expected to see increased adoption, driven by the rise of India-centric providers, and global players ramping up their offshore delivery capabilities. Even though India has a 51% market share of the offshoring market, there is tremendous headroom for growth as current offshoring market is still a small part of the outsourcing industry. Significant opportunities exist in core verticals (BFSI) and geographic segments (US), and emerging geographic (Asia-Pacific) and vertical markets such as retail, healthcare and government. Additionally, the Indian domestic market, with its low penetration levels, offers significant headroom for growth in the future.

**Source: NASSCOM Strategic Review 2010

Existing position of the Company

In 2009-10, Satyam BPO was successfully able to retain its key customers and renewed contracts with them for anywhere between 2-5 years. We also increased our engagement size with key customers from 50-90%. This success with existing customers was based on the strength of our delivery excellence. The customer satisfaction score for 2009-10 stands at 86.3%, against the benchmark of 83.8%*. This indicates the commitment displayed by Associates in a tough year for the economy, as well as for the organization.

In the year gone by, Satyam BPO forayed into the Domestic BPO space, by beginning operations for a large Indian services company. Satyam BPO's performance, in a short duration since launch, has been heartening, with the organization rapidly emerging as one of the leading service providers of the client.

From a positioning perspective, Satyam BPO continued to be seen as a differentiated BPO company, with presence across large and high-growth verticals such as telecom, manufacturing, pharma, insurance, digital media and entertainment, clinical research and GIS. The organization also has a differentiated portfolio with good mix of rule-based & judgment-based services.

**Per the Global Contact Center Report 2009

Future growth prospects of the Company

Satyam BPO is undertaking several initiatives to grow the business. We are in constant touch with existing clients to grow volumes with us, as well as award us new processes. The success of this approach has been evident with all our key clients. In addition, we are partnering closely with Satyam sales leaders to respond to their clients' requests for information and proposals. We have expanded the team of dedicated BPO sales force

across geographies – USA (3), UK (2), Australia (1), India (2). We are also in the process of reviving relationships with some past clients in the manufacturing and insurance space.

Going forward, we intend to pursue inorganic growth in areas such as Finance and Accounting Services, BFSI and Procurement, that are growing rapidly. We are also looking at expanding our delivery footprint, based on the opportunities available and client requirements. We also intend to launch new service offerings such as Telecom Expense Management and Citizen Services, to acquire new customers.

All in all, the outlook is positive, and the organization is confident of sustaining its differentiated positioning as a provider of high-end, specialty services to the world's leading organizations.

Auditors

The statutory Auditors, M/s M. Bhaskara Rao & Co, Chartered Accountants, Hyderabad retire at the ensuing Annual General Meeting and are eligible for reappointment.

Fixed Deposits

Your Company has not accepted any deposits and as such, no amount of principal or interest was outstanding on the date of the Balance Sheet.

Dividends

As there is no profitability, your Directors are not recommending any declaration of Dividends.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

The Audit Committee consists of the following directors:

Mr. T. N. Manoharan
Mr. C. Achuthan
Mr. Sujit Baksi

Directors

In accordance with the Provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. T. N. Manoharan retires by rotation and being eligible, offers himself for reappointment.

Code of Conduct

Being a wholly owned subsidiary of Satyam Computer Services Limited, which is listed on the New York Stock Exchange, your Company as part of the SOX Compliance and Corporate Governance requirement, has formally adopted a Code of Conduct for the Board Directors as well all its Associates.

Conservation of Energy, Technology Absorption and Foreign Exchange

The particulars prescribed under clause (e) of sub-section (1) of Section 217 of the Indian Companies Act, 1956, read with the Companies (Disclosure of particulars in Report of Board of Directors) Rules, 1988, are given in Annexure 'A' of this Report.

Particulars of Employees in terms of Section 217(2A) of the Indian Companies Act, 1956:

The statement containing a list of Employees drawing remuneration in excess of the limit prescribed under Section 217(2A) of the Indian Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is annexed to this Report.

Directors' Responsibility Statement

As required by the provisions of Section 217 (2AA) of the Companies Act, 1956, Directors' Responsibility Statement is attached as Annexure – B.

Acknowledgement

The Board wishes to thank the customers, members, banks, suppliers, partners, and resellers for their continued support. Your Directors take this opportunity to place on record the valuable contribution and support received from the Associates of the Company.

For and on behalf of the
Board of Directors

Place: Hyderabad

Sd/-
Mr. C.P. Gurnani

Sd/-
Mr. Sujit Baksi

Date: 30.08.2010

Director

Whole-time Director

Annexure 'A' to the Directors' Report

Particulars furnished pursuant to Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988.

A. Conservation of Energy: The Company is not a manufacturing company and hence the details in respect of the above are not applicable.

B. Research and Development: The Company has not undertaken any R&D activity in any specific area during the year under review, and hence no cost has been incurred towards the same.

C. Technology Absorption : Nil

D. Foreign Exchange Earnings and outgo

	March 31, 2010	March 31, 2009
I) Foreign Exchange Earning	1,059,043,870	1,367,791,689
II) Foreign Exchange outgo	112,843,006	544,741,360

Annexure 'B' to the Directors' Report

Directors' Responsibility Statement

To the Members,

We the Directors of Satyam BPO Limited, confirm the following:

- i. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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 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 provisions of the Companies Act, 1956 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.

For and on behalf of the
Board of Directors

Place: Hyderabad

Sd/-
Mr. C.P. Gurnani
Director

Sd/-
Mr. Sujit Baksi
Whole-time Director

Date: 30.08.2010