

## Auditor's Report

### To The Shareholders of Satyam Computer Services (Egypt) S.A.E

We have audited the accompanying financial statements of Satyam Computer Services (Egypt) S.A.E. as of Dec. 31, 2009 and the related statements of income, for the period from Jan 1, 2009 Till Dec. 31, 2009.

These financial statements are the responsibility of the company's management and our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International standards of Audit standards. 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 audits provide a reasonable basis for our opinion.

The auditor responsibility is to issue a professional opinion before mentioned standards.

The company achieved losses & retained losses amounting usd 1397742 that exceed half the shareholders Capital and by law an extraordinary general assembly meeting should be held in order to decide the company going concern.

Except for the above mention paragraph , In our opinion the financial statements of Satyam Computer Services (Egypt) S.A.E referred to above present fairly, in all material respects, the financial position of Satyam Computer Services – (Egypt)

S.A.E. as of Dec. 31, 2009 and the Income Statement for the period from Jan 1, 2009 Till Dec. 31, 2009 in conformity with International standards of Audit.

*Wael Heida*  
Wael Heida

**Audit & Accounting Partner**  
FESAA – FEFA – IFA – AMA  
RAA – 9960



**Date:24/8/2010**

Satyam Computer Services (Egypt) S. A. E

Joint Stock Company

Balance Sheet as of Dec. 31.2009

	<u>Note</u> <u>No.</u>	<u>12/31/2009</u> <u>USD</u>	<u>12/31/2009</u> <u>USD</u>	<u>12/31/2009</u> <u>USD</u>	<u>12/31/2008</u> <u>USD</u>
<b><u>Long Term Assets</u></b>					
Fixed assets (Net)	(3/b)		143 768		
<b>Total Long Term Assets</b>				<b>143 768</b>	<b>182 870</b>
<b><u>Current Assets</u></b>					
Cash on hand & at banks	(4)	135 539			131 523
EMD with Trans IT		0			256 716
EMD with ITIDA		0			12 727
Inter Company Accounts		439 642			224 301
Sundry debtors & other debit balances	(5)	505 779			490 049
<b>Total Current Assets</b>			<b>1 080 960</b>		<b>1 115 317</b>
<b><u>Current Liabilities</u></b>					
Sundry creditors & other credit balances	(6)	112 437			222 128
Inter Company Accounts		1 260 534			1 110 295
<b>Total Current Liabilities</b>			<b>1 372 971</b>		<b>1 332 423</b>
<b>Working Capital</b>				<b>(292010)</b>	<b>(217106)</b>
<b>Total Investments</b>				<b>(148242)</b>	<b>(34236)</b>
<b>Financed by :-</b>					
<b>Shareholders' Equity</b>					
Issued & Paid Capital	(7)	262 500			262 500
Share holders current account		987 000			565 000
Retained profit (losses)		(861736)			0
Net profit (losses) for the period		(536006)			(861736)
<b>Total Shareholders' Equity</b>			<b>( 148 242)</b>		
<b>Total Finance</b>				<b>(148242)</b>	<b>(34236)</b>

\*\* The accompanied notes are integral part of the financial statements .

\*\* Auditor's Report attached .

Auditor -  
*Wael Herod*



*Chairman*  
Chairman

*Director*  
Director

**Satyam Computer Services (Egypt) S. A. E**  
**Joint Stock Company**  
**Statement of Share Holders at Dec. 31, 2009**

<u>Description</u>	<u>Capital</u>	<u>Share holders</u>	<u>Retained Profit</u> <u>( Loss )</u>	<u>Net Profit</u> <u>(Loss )</u>	<u>Total</u>
Balance at Jan 1, 2009	262 500	0.00	0.00	0.00	262 500
Net loss ( 2008 )	0.00	0.00	( 861 736)	0.00	( 861 736)
<b>Balance at Dec. 31, 2009</b>	<b>262 500</b>	<b>0</b>	<b>( 861 736)</b>	<b>0.00</b>	<b>( 599 236)</b>
Increase Capital	0	0.00	0.00	0.00	0
ShareHolders	0.00	987 000	0.00	0.00	987 000
Retained Loss	0.00	0.00	0.00	0.00	0
Net loss for the period	0.00	0.00	0.00	( 536 006)	( 536 006)
<b>Balance at Dec. 31, 2009</b>	<b>262 500</b>	<b>987 000</b>	<b>( 861 736)</b>	<b>( 536 006)</b>	<b>( 148 242)</b>

**Auditor**

*Wael Heid*

*Alchamy*  
**Chairman**



*W. K. H.*  
**Director**

**Satyam Computer Services (Egypt) S. A. E**  
**Joint Stock Company**  
Notes on the Financial Statements

**1- Company Background: -**

The company was established on Joint Stock Company under Law No. 8 of 1997.

**2- Basis Of Financial Statements Preparation**

The financial statements have been prepared according to the prevailing Egyptian Accounting Standards, and Egyptian Laws & regulations. They have been prepared under historical cost principle.

**3- Significant Accounting policies: -**

**(a) Translation of foreign currencies**

- The company maintains its accounts in US Dollars , transactions in foreign currencies are translated according to periodic exchange rate. The monetary assets and liabilities in foreign currencies are translated at year end exchange rates .
- Exchange gains or losses resulting from foreign currencies transactions and from revaluation at the year end are recorded in the income statement .

**(b) Fixed Assets**

- Fixed Assets are stated at historical cost and depreciated according with a straight line basis .

**(C) Inventories : -**

Inventories are valued at the cost or net realizable value whichever is lower. Cost is determined using the wighted average method for all kinds of invent Director

**4- Cash on hand & at banks**

The balance as of December 31, 2009 amounted USD 135539 and represented as follows:-

<u>Description</u>	<u>2009</u>	<u>2008</u>
	<u>USD</u>	<u>USD</u>
Bank BNP Paribas - L.E	101	11 516
Bank BNP Paribas - Currency	90 107	103 438
LG with - GAFI EGP	10 746	6 160
LG with - AVIT EGP	34 585	10 410
<b>Total</b>	<b>135 539</b>	<b>131 524</b>

Satyam Computer Services (Egypt) S. A. E

Joint Stock Company

Notes on the Financial Statements

**5- Sundry debtors & other debit balances**

The balance as of December 31, 2009 amounted USD 505779 and represented as follows:-

<u>Description</u>	<u>2009</u>	<u>2008</u>
	<u>USD</u>	<u>USD</u>
Afia International	0	110 413
Compugeorge - Advance to Supplier	0	21 147
Almansour Automotive	0	157 342
Assosiate advance	0	127 899
Domestic Revenue Accounts	315 995	0
Associate advance	62 350	0
With Holding tax	8 092	0
TE Data	0	105 807
Unbilled Revenue	84 614	0
Unilever Mashreq - Egypt	0	3 603
Reimbursable Expenses	25 602	169 317
Deposit	7 013	3 464
Prepaid Expenses	2 112	15 814
Other	0	61 894
<b>Total</b>	<b>505 779</b>	<b>776 700</b>

**Satyam Computer Services (Egypt) S. A. E**  
**Joint Stock Company**  
Notes on the Financial Statements

**6- Sundry creditors & other credit balances**

The balance as of December 31, 2009 amounted USD 112437 and represented as follows:-

<u>Description</u>	<u>2009</u>	<u>2008</u>
	<u>USD</u>	<u>USD</u>
Vendors for Professional Services	5 652	0
Internet	0	3 059
Creditors for suppliers	14 351	0
Premasoft	0	53
Audit fees	15 223	0
Scsl subcontract	0	738 428
Vodafone	0	4 343
Health Insurance Payable	2 187	0
NR Doshi	0	5 889
Thomas cook	0	7 792
Legal & professional charges	7 158	0
Social Insurance	4 119	0
Advance	34 345	96 173
Unearned Revenue account	9 071	0
Rates & Taxes	1 304	6 039
Salaries Payable	18 722	41 866
WHT on goods & Services	306	862
Other	0	56 051
<b>Total</b>	<b>112 437</b>	<b>960 555</b>

**7- Capital**

The authorized capital of the company is U.S \$ 10500000 , the issued capital is U.S \$ 1050000 divided into 10500 shares , the value of each share is \$ 100 & the paid capital is is U.S \$ 262500

**Satyam Computer Services (Egypt) S. A. E**  
**Joint Stock Company**  
**Income Statement**  
**For The Period From Jan 1, 2009 to December 31,2009**

	<u>Annex</u>	<u>12/31/2009</u> <u>USD</u>	<u>12/31/2008</u> <u>USD</u>
Revenue		924 175	1 027 610
Cost Of Sales		( 966 789)	1 585 856
<b>Gross Profit</b>		<u>( 42 614)</u>	<u>( 558 246)</u>
<b>Add:-</b>			
Other Income		52 809	363 754
Currency Exchange			
<b>Less:-</b>			
General & Admin. Expenses	(1)	( 464 990)	( 598 819)
Marketing Expenses		( 148)	
Depreciation	(2)	( 75 275)	( 57 796)
Currency Exchange		( 5 788)	( 10 627)
<b>Net Profit ( Loss )</b>		<u>( 536 006)</u>	<u>( 861 735)</u>

Auditor

*Wael Herd*

*Abdourahmane*  
Chairman

*W. K. Y.*  
Director



**Satyam Computer Services (Egypt) S. A. E**  
**Joint Stock Company**  
**General & Administration Exp.**

**Annex (1)**

<b><u>Description</u></b>	<b><u>USD</u></b>
Insurance Expenses	39 697
Payroll Expenses	17 294
Welfare Expenses	1 658
Legal Expenses	20 979
Stationary	1 642
Maintenance	7 119
Postage	428
Internet	15 503
Advertising	869
Telephone	3 080
Local Conveyance	58 338
Mobile	28 563
Air Fare	1 124
Visa Charge	3 133
Maintainance	4 441
Bank charges	11 864
Technical Resourse	51 657
Rents	8 843
Forex Fluctuation	18 047
Subcontract Charges	129 892
Rates & Taxes	10 015
Miscellaneous Expenses	9 923
Other Expenses	20 882
<b>Total</b>	<b>464 990</b>

Satyam Computer Services (Egypt) S. A. E  
Joint Stock Company

Fixed Assets Depreciation

For The Period From Jan 1, 2009 to December 31, 2009

Annex (2)

<u>Description</u>	<u>Communication</u>	<u>Server</u>	<u>Electricity</u>	<u>Furniture</u>	<u>Network</u>	<u>Office</u>	<u>Total</u>
	<u>Equipment</u>	<u>Equipment</u>	<u>Equipment</u>	<u>Equipment</u>	<u>Equipment</u>	<u>Equipment</u>	
	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>Cost</u>							
Total assets as of 1 <sup>st</sup> of Jan 09	6 191	78 253	12 870	2 499	133 160	7 694	240 667
Additional during the period	92	1 164	191	37	1 980	32 708	36 172
Disposals	0	0	0	0	0	0	0
<b>Total Cost of 31 December 09</b>	<b>6 283</b>	<b>79 417</b>	<b>13 061</b>	<b>2 536</b>	<b>135 140</b>	<b>40 402</b>	<b>276 839</b>
<u>Depreciation</u>							
Accumulated Depreciation as of 1 <sup>st</sup> of Jan 09	650	33 460	6300	372	15 578	1 436	57 796
Depreciation assets as of 1 <sup>st</sup> of Jan 09	1250	37 793	1 809	510	26 741	7 172	75 275
Disposals Depreciation	0	0	0	0	0	0	0
<b>Acc. Depreciation as of 31 December 09</b>	<b>1 900</b>	<b>71 253</b>	<b>8 109</b>	<b>882</b>	<b>42 319</b>	<b>8 608</b>	<b>133 071</b>
<b>Net assets as of 31 December 2009</b>	<b>4 383</b>	<b>8 163</b>	<b>4 953</b>	<b>1 654</b>	<b>92 821</b>	<b>31 794</b>	<b>143 768</b>