

## 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, 2008 and the related statements of income, for the period from July 17, 2007 Till Dec. 31, 2008.

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 861736 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, 2008 and the Income Statement for the period from July 17, 2007 Till Dec. 31, 2008 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. 31.2008**

|  | <u>Note No.</u> | <u>31/12/2008</u><br><u>USD</u> | <u>31/12/2008</u><br><u>USD</u> | <u>31/12/2008</u><br><u>USD</u> |
|--|-----------------|---------------------------------|---------------------------------|---------------------------------|
| <b><u>Long Term Assets</u></b>           |                 |                                 |                                 |                                 |
| Fixed assets (Net)                       | (3/b)           |                                 | 182 870                         |                                 |
| <b>Total Long Term Assets</b>            |                 |                                 |                                 | <b>182 870</b>                  |
| <b><u>Current Assets</u></b>             |                 |                                 |                                 |                                 |
| Cash on hand & at banks                  | (4)             | 131 523                         |                                 |                                 |
| EMD with Trans IT                        |                 | 256 716                         |                                 |                                 |
| EMD with ITIDA                           |                 | 12 727                          |                                 |                                 |
| Inter Company Accounts                   |                 | 224 301                         |                                 |                                 |
| Sundry debtors & other debit balances    | (5)             | 490 049                         |                                 |                                 |
| <b>Total Current Assets</b>              |                 |                                 | <b>1 115 317</b>                |                                 |
| <b><u>Current Liabilities</u></b>        |                 |                                 |                                 |                                 |
| Sundry creditors & other credit balances | (6)             | 222 128                         |                                 |                                 |
| Inter Company Accounts                   |                 | 1 110 295                       |                                 |                                 |
| <b>Total Current Liabilities</b>         |                 |                                 | <b>1 332 423</b>                |                                 |
| <b>Working Capital</b>                   |                 |                                 |                                 | <b>(217106)</b>                 |
| <b>Total Investments</b>                 |                 |                                 |                                 | <b>(34236)</b>                  |
| <b>Financed by :-</b>                    |                 |                                 |                                 |                                 |
| <b>Shareholders' Equity</b>              |                 |                                 |                                 |                                 |
| Issued & Paid Capital                    | (7)             | 262 500                         |                                 |                                 |
| Share holders current account            |                 | 565 000                         |                                 |                                 |
| Net profit (losses) for the period       |                 | (861736)                        |                                 |                                 |
| <b>Total Shareholders' Equity</b>        |                 |                                 | <b>( 34 236)</b>                |                                 |
| <b>Total Finance</b>                     |                 |                                 |                                 | <b>(34236)</b>                  |

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

\*\* Auditor's Report attached .

Auditor  
*Wael Heid*



*W. El-Din*  
Director

Satyam Computer Services (Egypt) S. A. E  
 Joint Stock Company  
 Statement of Share Holders at Dec. 31, 2008

| <u>Description</u>              | <u>Capital</u> | <u>Share holders</u> | <u>Retained Profit ( Loss )</u> | <u>Net Profit ( Loss )</u> | <u>Total</u>     |
|---------------------------------|----------------|----------------------|---------------------------------|----------------------------|------------------|
| Balance at July 17, 2007        | 0              | 0.00                 | 0.00                            | 0.00                       | 0                |
| Net loss ( 2007 )               | 0.00           | 0.00                 | 0                               | 0.00                       | 0                |
| <b>Balance at Dec. 31, 2008</b> | <b>0</b>       | <b>0</b>             | <b>0</b>                        | <b>0.00</b>                | <b>0</b>         |
| Increase Capital                | 262 500        | 0.00                 | 0.00                            | 0.00                       | 262 500          |
| ShareHolders                    | 0.00           | 565 000              | 0.00                            | 0.00                       | 565 000          |
| Retained Loss                   | 0.00           | 0.00                 | 0                               | 0.00                       | 0                |
| Net loss for the period         | 0.00           | 0.00                 | 0.00                            | ( 861 736)                 | ( 861 736)       |
| <b>Balance at Dec. 31, 2008</b> | <b>262 500</b> | <b>565 000</b>       | <b>0</b>                        | <b>( 861 736)</b>          | <b>( 34 236)</b> |

Auditor

*Wael Herd*

*Elhady*  
Chairman



*W. K. El*  
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 Director using the weighted average method for all kinds of inventory.

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

The balance as of December 31, 2008 amounted USD 131523 and represented as follows:-

| <u>Description</u>          | <u>2008</u>    |
|-----------------------------|----------------|
|                             | <u>USD</u>     |
| Bank BNP Paribas - L.E      | 11 516         |
| Bank BNP Paribas - Currency | 103 438        |
| LG with - ITIDA EGP         | 6 160          |
| LG with - GAFI EGP          | 10 410         |
| <b>Total</b>                | <b>131 523</b> |

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

The balance as of December 31, 2008 amounted USD 490049 and represented as follows:-

| <u>Description</u>       | <u>2008</u>    |
|--------------------------|----------------|
|                          | <u>USD</u>     |
| Afia International       | 110 413        |
| Compugeorge              | 21 147         |
| Almansour Automotive     | 157 342        |
| Associate Advance        | 65 549         |
| TE Data                  | 105 807        |
| Unilever Mashreq - Egypt | 3 603          |
| Deposit for Rent         | 3 464          |
| Prepaid Expenses         | 15 814         |
| Telephone Deposit        | 6 910          |
| <b>Total</b>             | <b>490 049</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, 2008 amounted USD 222128 and represented as follows:-

| <u>Description</u>      | <u>2008</u>    |
|-------------------------|----------------|
|                         | <u>USD</u>     |
| internet                | 3 059          |
| Expenses Payable        | 0              |
| Prima soft              | 53             |
| Thomas cook             | 7 792          |
| Scsl Subcontracts       | 0              |
| Vodafone                | 4 343          |
| NR Doshi                | 5 889          |
| Advanced Revenues       | 108 673        |
| Rates & Taxes           | 6 039          |
| Salaries Payable        | 41 866         |
| WHT on goods & Services | 862            |
| Opex Payable            | 43 551         |
| <b>Total</b>            | <b>222 128</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 L.E 1486554 equivalent to U.S \$ 262500

**Satyam Computer Services (Egypt) S. A. E**  
**Joint Stock Company**  
**Income Statement**  
**For The Period From July 17, 2007 to December 31 , 2008**

|                            | <u>Annex</u> | <u>12/31/2008</u><br><u>USD</u> |
|----------------------------|--------------|---------------------------------|
| Revenue                    |              | 1 027 610                       |
| Cost Of Sales              |              | 1 585 856                       |
| <b>Gross Profit</b>        |              | ( 558 246)                      |
| <b>Add :-</b>              |              |                                 |
| Other Revenue              |              | 363 754                         |
| <b><u>Less:-</u></b>       |              |                                 |
| General & Admin. Expenses  | (1)          | ( 598 723)                      |
| Depreciation               | (2)          | ( 57 796)                       |
| Currency Exchange          |              | ( 10 724)                       |
| <b>Net Profit ( Loss )</b> |              | ( 861 736)                      |

Auditor

Chairman

Director



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

Annex (1)

| <u>Description</u>     | <u>USD</u>     |
|------------------------|----------------|
| Insurance Expenses     | 71 117         |
| Mobile Charge          | 50 138         |
| Office Supplies        | 470            |
| Welfare Expenses       | 9 781          |
| Legal Expenses         | 73 180         |
| Audit Fees             | 25 000         |
| Clearing Charge        | 1 307          |
| Stationary             | 7 649          |
| Bonus                  | 7 517          |
| Pay Roll Charge        | 15 159         |
| Preliminary Expenses   | 40 848         |
| Tender documents       | 5 621          |
| Maintenance            | 17 609         |
| Bank Charge            | 19 500         |
| Visa Charge            | 6 190          |
| Security Services      | Director       |
| Internet               | 15 423         |
| Training Expenses      | 388            |
| Local Conveyance       | 49 229         |
| Rents                  | 17 595         |
| Rates & Taxes          | 13 818         |
| Forex Fluction         | 7 741          |
| Travel Expenses        | 108 520        |
| Guest House Expenses   | 2 538          |
| Inaugural expenses     | 30 476         |
| Miscellaneous Expenses | 806            |
| Other Expenses         | 1 104          |
| <b>Total</b>           | <b>598 723</b> |

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

Fixed Assets Depreciation

For The Period From July 17, 2007 to December 31, 2008

Annex (2)

| <u>Description</u>                        | <u>Communication</u> | <u>Server</u>    | <u>Electricity</u> | <u>Furniture</u> | <u>Network</u>   | <u>Furniture</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>USD</u>     |
| <u>Cost</u>                               |                      |                  |                    |                  |                  |                  |                |
| Total assets as of 17 July 07             |                      |                  |                    |                  |                  |                  | 0              |
| Additional during the period              | 6 191                | 78 253           | 12 870             | 2 499            | 133 160          | 7 694            | 240 666        |
| Disposals                                 | 0                    | 0                | 0                  | 0                | 0                | 0                | 0              |
| Total Cost of 31 December 08              | <b>6 191</b>         | <b>78 253</b>    | <b>12 870</b>      | <b>2 499</b>     | <b>133 160</b>   | <b>7 694</b>     | <b>240 666</b> |
| <u>Depreciation</u>                       |                      |                  |                    |                  |                  |                  |                |
| Accumulated Depreciation as of 17 July 07 | 0                    | 0                | 0                  | 0                | 0                | 0                | 0              |
| Depreciation assets on the period         | 650                  | 33 460           | 6 300              | 372              | 15 578           | 1 436            | 57 796         |
| Disposals Depreciation                    | 0                    | 0                | 0                  | 0                | 0                | 0                | 0              |
| Acc. Depreciation as of 31 December 08    | <b>650</b>           | <b>33 460</b>    | <b>6 300</b>       | <b>372</b>       | <b>15 578</b>    | <b>1 436</b>     | <b>57 796</b>  |
| <b>Net assets as of 31 December 2008</b>  | <b>5 541</b>         | <b>44 793</b>    | <b>6 570</b>       | <b>2 127</b>     | <b>117 582</b>   | <b>6 257</b>     | <b>182 870</b> |