

**UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA**

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U.S. SECURITIES AND EXCHANGE COMMISSION,	:	
100 F St. NE, Washington DC 20549-5030	:	
	:	Civ No.
Plaintiff,	:	
v.	:	
SATYAM COMPUTER SERVICES LIMITED d/b/a	:	
MAHINDRA SATYAM,	:	COMPLAINT
	:	
Defendant.	:	
<hr/>		:

Plaintiff Securities and Exchange Commission (Commission) for its complaint alleges as follows:

SUMMARY

1. From at least 2003 through September 2008, defendant Satyam Computer Services Limited deceived investors by falsifying the company's revenue, income, earnings per share, and interest bearing deposits -- the primary indicators upon which investors rely when making decisions about whether to purchase or sell company securities. Satyam acknowledges that it falsely reported, among other items, over \$1 billion in revenue in its publicly filed financial statements.
2. Then-senior officers and managers at Satyam, an Indian information technology service company with depository shares traded on the New York Stock Exchange (NYSE) during the relevant period, directed the creation of over 6,000 false invoices that they ensured were entered into the company's general ledger and falsely recorded as, among other things, revenue, income, and accounts receivable in Satyam's public filed financial statements. The then-senior management at Satyam manufactured

scores of false bank statements to reflect payment of the false invoices and created over \$1 billion in fictitious cash balances and other interest bearing deposits. This false information made Satyam appear to be substantially more profitable and financially sound than was actually the case. When the fraud was revealed, the price of Satyam's depository shares plummeted and institutional investors located in the United States realized losses of over \$450 million.

3. Satyam's fraudulent accounting practices violated the anti-fraud, reporting, record-keeping, and internal controls provisions of the federal securities laws. The Commission requests, among other things, that this Court enjoin Satyam from committing further violations of the federal securities laws as alleged in this complaint, and order Satyam to pay a monetary penalty based upon its violations of the federal securities laws.

JURISDICTION AND VENUE

4. The Commission brings this action pursuant to Section 21(d) of the Securities Exchange Act of 1934 (Exchange Act) [15 U.S.C. § 78u(d)].

5. This Court has jurisdiction over this action pursuant to Section 27 of the Exchange Act [15 U.S.C. §78aa].

6. Certain of the acts, practices, and courses of conduct constituting the violations of law alleged in this complaint occurred within this judicial district and, therefore, venue is proper pursuant to Section 27 of the Exchange Act.

7. Defendant, directly and indirectly, has engaged in transactions, acts, practices, and courses of business that violate Sections 10(b) and 13(a), 13(b)(2)(A) and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §§78j(b), 78m(a), 78m(b)(2)(A), and

78m(b)(2)(B)] and Exchange Act Rules 10b-5, 12b-20, 13a-1, and 13a-16 thereunder [17 C.F.R. §§240.10b-5, 240.12b-20, 240.13a-1, and 240.13a-16].

DEFENDANT

8. Satyam is a large information technology service company incorporated in the Republic of India with its principal executive offices in Hyderabad, India. During the time period of the fraud, Satyam employed more than 50,000 people worldwide and maintained offices across the globe, including nine offices that it still maintains in the United States. As of March 31, 2010, Satyam had the equivalent of 1.176 billion total shares outstanding, including shares traded on the Bombay Stock Exchange, the National Stock Exchange of India, and 65 million American Depository Shares (ADS). From March 31, 2004, through March 31, 2010, Satyam's ADS represented between 11 and 20 percent of the company's total shares outstanding.

9. At all relevant times, Satyam's equity shares underlying the ADS were registered pursuant to Section 12(b) of the Exchange Act, and Satyam's ADS were listed on the NYSE. On October 4, 2010, Satyam filed a Form 25 with the Commission voluntarily removing its securities from listing on the NYSE and from registration under Section 12(b). Satyam's equity shares underlying the ADS are currently deemed registered pursuant to Section 12(g) of the Exchange Act, and Satyam's ADS are currently quoted on the OTC Market under the symbol SAYCY.PK. On September 29, 2010, Satyam filed a Form 6-K containing its statement of annual audited financial results as per Indian GAAP for the fiscal years ended March 31, 2009 and March 31, 2010. On November 16, 2010, Satyam filed a Form 6-K containing its statement of unaudited financial results as per Indian GAAP for the quarter ended June 30, 2010 and

quarter & half-year ended September 30, 2010. On February 14, 2011, Satyam filed a Form 6-K containing its statement of unaudited financial results as per Indian GAAP for the quarter and nine months ended December 31, 2010. Satyam has yet to restate its historical financial statements in the United States, and is currently delinquent in its Exchange Act reporting obligations having failed to file its Forms 20-F for fiscal years ended March 31, 2009 and March 31, 2010.

10. Shortly after the fraud became public, the Government of India assumed control of the company by dissolving Satyam's existing Board of Directors and appointing new Government-nominated directors. In mid-February 2009, the Company Law Board of India authorized the company's new Board to select a strategic investor for Satyam. In a bidding process overseen by a retired Chief Justice of India, Venturbay Consultants Private Limited, a subsidiary of Tech Mahindra Limited, an Indian information technology competitor, was selected. Beginning in May 2009, Tech Mahindra Limited, through Venturbay, purchased approximately 42 percent of Satyam's shares in India and became the new controlling shareholder of Satyam. In June 2009, Satyam installed a new senior management team, consisting of executives associated with Tech Mahindra Limited. Satyam's current Board of Directors consists of six members: three associated with Tech Mahindra Limited, two nominated by the Government of India, and one other independent director. Each of the three independent directors serves on the Audit Committee of the Board.

11. In June 2009, Satyam filed a press release announcing "Mahindra Satyam" as the company's new "brand identity." The company continues to be registered as a corporation doing business in the State of New York and as a foreign issuer with the

Commission under the name Satyam and files foreign issuer reports with the Commission under the name Satyam. Since the establishment of the Government-appointed Board, and continuing under Satyam's new management, the company has taken significant remedial action and has cooperated in the SEC staff's investigation of the issues described in this complaint.

FACTUAL ALLEGATIONS

Satyam's U.S. Reporting Obligations

12. Satyam made an initial public offering of ADS in the United States in May 2001. As a foreign issuer, Satyam is required to submit periodic financial reports with the Commission on Forms 6-K (quarterly report) and 20-F (annual report). These periodic financial reports include an income statement and a balance sheet. Satyam's balance sheet reports, among other things, Satyam's assets and liabilities at the end of each fiscal quarter and year. Satyam's income statement reports, among other things, revenue recognized, expenses incurred, and income earned for each fiscal quarter and year. Within an income statement, expenses are subtracted from revenues to calculate income.

13. Satyam provides information technology services to a variety of customers worldwide. Satyam prepares invoices for the services that it provides, submits the invoices to its customers, and records the invoices in an electronic invoice management system. The data from the invoice management system is exported into Satyam's financial system where the revenues are recorded in the company's books of account. Satyam uses its books of account to prepare the financial statements that it submits to the Commission on Forms 6-K and 20-F.

14. At all relevant times, Satyam operated on a fiscal year that ran from April 1 through March 31. For example, Satyam's fiscal year 2004 began on April 1, 2003 and ended on March 31, 2004.

Satyam's Then-Chairman Confesses to Fraud

15. After seven years during which its ADS traded on the NYSE, on January 7, 2009, Satyam submitted a Form 6-K with the Commission that included a letter prepared by the then-Chairman of Satyam, B. Ramalinga Raju (Raju), admitting that the company had been engaged in a billion dollar financial fraud involving, among other things, the reporting of materially false revenue. Raju explained that as of September 30, 2008, Satyam's balance sheet reflected over \$1 billion in fictitious cash and bank balances when the actual amounts were \$66 million. According to Raju, Satyam's revenue for the quarter and operating margin were each overstated by approximately \$125 million.

16. Raju further admitted that he intentionally maintained Satyam's inflated revenue and profits because Satyam's promoters held a small percentage of equity and public knowledge of the company's "poor performance would result in a take-over" of the company, thereby exposing the fraud. According to Raju, "[i]t was like riding a tiger, not knowing how to get off without being eaten."

17. Raju also explained that he made a last attempt to "fill" the company's "fictitious assets with real ones," by having Satyam acquire a controlling interest in Maytas Properties and Maytas Infra (Maytas), real estate and infrastructure development companies then controlled by Raju and his brother, who was then the Managing Director and Chief Executive Officer of Satyam. Following the announcement of the Maytas acquisition in India on December 16, 2008, Satyam's ADS price fell more than fifty

percent to open on the NYSE at \$6.21 from the prior day's close of \$12.55. During a conference call held that morning, investors and analysts questioned the investment into unrelated businesses during a worldwide recession, as well as the transfer of the majority of the company's liquid assets to the Raju family. Satyam's ADS price closed at \$5.70 on trading volume of over 50 million shares. After the close of the market, Satyam abandoned the Maytas acquisition and on December 17, 2008, Satyam's ADS gained back fifty percent of their value to close at \$8.55.

18. A significant number of former senior and mid-level executives of Satyam, including Raju, his brother, the former Chief Financial Officer, the former Vice President for Accounts and Audits (Treasury and Tax), the former Senior Manager for Treasury, the former Global Internal Audit Head and the former Assistant Manager for Invoicing, are defendants, along with two lead engagement partners from Satyam's then-independent auditing firm, in a criminal trial in India arising out of the Satyam fraud. The trial is underway.

19. Satyam now has a new senior management team, consisting of members formerly associated with Tech Mahindra Limited, Satyam's new controlling shareholder. Satyam also has replaced all of the Board of Directors that were in place during the fraud.

The Satyam Fraud

20. For five years from 2003 through September 2008, Satyam's then-senior management knowingly and intentionally falsified the company's reported revenue by manufacturing false invoices for services never provided and, in some cases, for customers that did not exist. Satyam's then-senior management provided certain employees with an administrative or "super user" login identification and password in

order to access the invoice management system to record the false invoices. The “super user” login ensured that the invoices would be used in the calculation of revenue, but concealed the existence of the invoices from the heads of Satyam’s business units who would recognize that the services reflected on the invoices had never been provided by their units and/or that their units had not done business with certain customers included on the fake invoices.

21. From 2003 through September 2008, Satyam’s then-senior management knowingly and intentionally instructed certain employees to generate 6,603 false invoices and record them in the company’s invoice management system. During these years, certain Satyam employees working at the direction of then-senior management generated on average 100 to 200 fake invoices per month in Satyam’s invoice managing system. The invoice management system exported these 6,603 invoices into Satyam’s financial system where the revenues were recorded in the company’s books of account. Satyam’s then-senior management knowingly and intentionally prepared financial statements that contained the materially false revenue, income, earnings per share, and cash from the company’s false books of account. Satyam’s then-senior management knowingly and intentionally submitted these materially false financial statements to the Commission on Forms 6-K and 20-F.

22. A complete failure of Satyam’s internal controls over its invoice management system, the company’s books of account, and its reported financial statements occurred during 2003 through September 2008. As a result, Satyam’s then-senior management were able to knowingly, intentionally, and materially overstate revenue, income, earnings per share, cash, and interest bearing deposits from 2003 through September 2008.

23. Based upon the fictitious invoices, Satyam's then-senior management knowingly, intentionally, and materially overstated revenue from fiscal year 2004 through the first two quarters of fiscal year 2009 by \$ 1.1 billion. Investors routinely rely upon a company's reported revenues when making investment decisions. Satyam's unaudited materially false revenue is set forth in the chart below:

Fiscal Year	Quarter	False Invoices	Published Revenue	False Revenue	False Commission Filings
2004	Q1 2004	97	\$121,550,000	\$14,330,000	Form 6-K
	Q2 2004	8	\$131,780,000	\$1,050,000	Form 6-K
	Q3 2004	50	\$148,070,000	\$8,840,000	Form 6-K
	Q4 2004	112	\$164,980,000	\$22,190,000	Form 6-K
Total		267	\$566,370,000	\$46,320,000	Form 20-F
2005	Q1 2005	111	\$174,990,000	\$19,250,000	Form 6-K
	Q2 2005	63	\$188,920,000	\$8,810,000	Form 6-K
	Q3 2005	69	\$204,680,000	\$11,020,000	Form 6-K
	Q4 2005	208	\$225,000,000	\$30,390,000	Form 6-K
Total		451	\$793,600,000	\$68,860,000	Form 20-F
2006	Q1 2006	249	\$246,040,000	\$35,450,000	Form 6-K
	Q2 2006	242	\$267,850,000	\$30,760,000	Form 6-K
	Q3 2006	291	\$281,840,000	\$35,220,000	Form 6-K
	Q4 2006	398	\$300,700,000	\$47,980,000	Form 6-K
Total		1180	\$1,096,300,000	\$149,500,000	Form 20-F
2007	Q1 2007	12	\$322,500,000	\$30,000	Form 6-K
	Q2 2007	30	\$352,000,000	\$29,050,000	Form 6-K
	Q3 2007	237	\$375,600,000	\$53,850,000	Form 6-K
	Q4 2007	375	\$411,300,000	\$69,970,000	Form 6-K
Total		654	\$1,461,400,000	\$151,650,000	Form 20-F
2008	Q1 2008	473	\$452,300,000	\$78,100,000	Form 6-K
	Q2 2008	486	\$509,600,000	\$79,070,000	Form 6-K
	Q3 2008	730	\$562,900,000	\$133,130,000	Form 6-K
	Q4 2008	794	\$613,300,000	\$142,030,000	Form 6-K
Total		2483	\$2,138,100,000	\$430,390,000	Form 20-F
2009	Q1 2009	791	\$637,300,000	\$141,500,000	Form 6-K
	Q2 2009	777	\$652,200,000	\$134,360,000	Form 6-K
Total		1558	\$1,289,500,000	\$275,860,000	
Grand Total		6603	\$7,345,270,000	\$1,122,670,000	All of the above

24. During fiscal year 2007, Satyam's then-senior management knowingly and intentionally reported \$58,160,000 of additional false revenue, not included above, by generating and recording 27 additional fake invoices that did not involve the use of the super-user function.

25. Consistent with the reporting of materially false revenue, Satyam's then-senior management also knowingly, intentionally, and materially reported false net income of almost \$1 billion on the company's publicly filed financial statements from fiscal year 2004 through the second quarter of fiscal year 2009. Investors routinely rely upon net income to assess the profitability of a particular company when making investment decisions. During this time, Satyam's then-senior management reported that the company's net income was consistently increasing when, in fact, Satyam's net income was decreasing. During the last two quarters of fiscal year 2008 and the first quarter of fiscal year 2009, Satyam reported hundreds of millions of dollars of net income, when in fact the company's actual net income was less than zero.

26. Satyam's then-senior management used the reported false net income to calculate earnings per share (EPS). EPS is calculated by dividing net income by the weighted average of a company's outstanding shares of stock. EPS is an important measure of a company's strength and profitability and is routinely relied upon by investors in making investment decisions. Satyam's then-senior management knowingly, intentionally, and materially overstated the company's earnings per share from fiscal year 2004 through the second quarter of fiscal year 2009. During this time, Satyam's then-senior management reported near constant increases in EPS when, in fact, EPS was consistently decreasing from fiscal year 2005 through the first two quarters of fiscal year

2009.

27. To support the false revenue and income that Satyam was reporting in the company's financial statements, Satyam's then-senior management knowingly and intentionally prepared materially false bank statements, from fiscal year 2003 through September of 2008, reflecting materially false cash deposits in the company's bank accounts at, among other places, the Bank of Baroda (BOB) which were recorded within the cash and cash equivalent balances in the publicly filed financial statements. The chart below illustrates the actual balances in Satyam's BOB account compared to the balances that Satyam's then-senior management knowingly and intentionally reported in the company's publicly filed financial statements:

Fiscal Year End	Balance per (BoB) Statements	BoB Balance Per Satyam	BoB Balance Overstatement (Fraudulent)	Reported Cash & Cash Equivalent Balance per SEC Filings
3/31/04	\$3,652,232	\$64,287,652	\$60,635,420	\$86,730,000
3/31/05	\$10,268,858	\$82,953,598	\$72,684,740	\$129,800,000
3/31/06	\$6,288,103	\$218,192,913	\$211,904,811	\$292,800,000
3/31/07	\$11,452,514	\$79,389,673	\$67,937,159	\$152,200,000
3/31/08	\$10,972,784	\$214,506,068	\$203,533,283	\$290,500,000
9/30/09	\$10,836,569	\$379,612,394	\$368,775,824	\$433,400,000

To make it appear that the company was investing its false income during the time period of the fraud, Satyam's then-senior management knowingly, intentionally, and materially falsified the company's publicly filed financial statements with regard to the balance and interest of fixed deposit receipts in accounts held at HSBC, PNB Paribas, HDFC, Citibank, and ICICI. Satyam's materially overstated balances and interest income are detailed in the chart below:

Fiscal Year End	Reported Balance and Interest	Actual Balance and Interest	Fraudulent Balance and Interest
3/31/04	\$252,022,199	\$4,369,680	\$247,642,519
3/31/05	\$417,067,645	\$260,436	\$416,807,209
3/31/06	\$432,722,174	\$26,511,770	\$406,210,404
3/31/07	\$780,756,619	\$13,365,348	\$767,391,271
3/31/08	\$912,660,956	\$2,210,812	\$910,450,144
9/30/08	\$784,605,511	\$2,117,546	\$782,487,966

28. Satyam included a press release detailing the company's quarterly and annual performance with each quarterly and annual report that it submitted to the Commission. Consistent with its false financial statements, from fiscal year 2004 through the second quarter of fiscal year 2009, Satyam's then-senior management knowingly and intentionally submitted press releases that materially misrepresented the overall financial performance of the company. Like the false financial statements, the false press releases made it appear to investors that Satyam was more profitable and financially strong than was actually the case. During this time period, Satyam's then-senior management submitted 27 materially false press releases to the public.

29. From at least October 23, 2003 through December 16, 2008, Satyam's then-senior management knowingly and intentionally provided materially false information on least 20 occasions regarding Satyam's financial performance or the purpose of the failed Maytas acquisition to Wall Street analysts during quarterly conference calls. The materially false statements made during the conference calls made it appear to the analysts that Satyam was substantially more profitable than was actually the case. These analysts used this false information in making recommendations to investors about Satyam's securities.

30. On January 7, 2009, following Raju's confession to the massive financial

fraud, the NYSE suspended trading in Satyam's ADS. At the time, Satyam's ADS traded at a price of \$9.35. When trading resumed on January 12, 2009, Satyam's ADS price dropped by nearly 85 percent to close at \$1.46 on trading volume of over 95 million shares.

31. Satyam ADS investors suffered significant losses as a result of the fraud. Mutual funds managed by one institutional investor suffered realized losses of nearly \$200 million. In total, ADS institutional investors realized losses of over \$450 million.

32. From 2003 through December 2008, Satyam's then-senior management responsible for the fraud knowingly and intentionally made materially false and misleading statements to the Commission, the public, and Wall Street analysts that made the company appear more profitable and financially strong than was actually the case. During the course of the fraud, Satyam was able to maintain its customer base as well as add new customers to its operations. Additionally, Satyam was able to maintain its share price at the expense of company's shareholders who lost hundreds of millions of dollars.

CLAIMS FOR RELIEF

FIRST CLAIM

Satyam Violated Exchange Act Section 10(b) and Exchange Act Rule 10b-5

33. Paragraphs 1 through 32 are realleged and incorporated by reference herein.

34. As set forth more fully above, Satyam, directly or indirectly, by use of the means or instrumentalities of interstate commerce, or by the use of the mails and of the facilities of a national securities exchange, knowingly or recklessly, in connection with the purchase or sale of securities: (a) employed devices, schemes, or artifices to defraud,

(b) made untrue statements of material facts or omitted to state material facts necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) engaged in acts, practices, or courses of business which operate or would operate as a fraud or deceit upon any person.

35. Satyam and members of Satyam's then-senior management acted knowingly or recklessly in connection with the above described acts and omissions. They knew, or were reckless in not knowing, that the above-mentioned filings with the Commission and statements to the public and analysts contained material misstatements and omissions.

36. By reason of the foregoing, Satyam violated Section 10(b) of the Exchange Act [15 U.S.C. § 78j(b)], and Exchange Act Rule 10b-5 [17 C.F.R. § 240.10b-5].

SECOND CLAIM

Satyam Violated Exchange Act Sections 13(a), 13(b)(2)(A) and 13(b)(2)(B) and Exchange Act Rules 13a-1, 13a-16, and 12b-20

37. Paragraphs 1 through 36 are incorporated herein by reference.

38. Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-16 thereunder require issuers of registered securities to file with the Commission factually accurate annual and quarterly reports. Exchange Act Rule 12b-20 provides that in addition to the information expressly required to be included in a statement or report, there shall be added such further material information, if any, as may be necessary to make the required statements, in the light of the circumstances under which they are made, not misleading.

39. Section 13(b)(2)(A) of the Exchange Act requires issuers of registered securities to make and keep books, records, and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the issuer.

Section 13(b)(2)(B) of the Exchange Act requires such issuers to, among other things, devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances that the Company's transactions were recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles.

40. By reason of the foregoing, Satyam violated Section 13(a), 13(b)(2)(A), and 13(b)(2)(B) of the Exchange Act [15 U.S.C. §78m(a), 78m(b)(2)(A), and 78m(b)(2)(B)] and Exchange Act Rules 13a-1, 13a-16, and 12b-20 [17 C.F.R. §§240.13a-1, 240.13a-16, and 240.b-20].

PRAYER FOR RELIEF

WHEREFORE, the Commission respectfully requests that this Court enter Orders:

A. Permanently restraining and enjoining Satyam from violating Section 10(b) of the Exchange Act and Exchange Act Rule 10b-5;

B. Permanently restraining and enjoining Satyam from violating Section 13(a), 13(b)(2)(A), and 13(b)(2)(B) of Exchange Act and Exchange Act Rules 12b-20, 13a-1, and 13a-16;

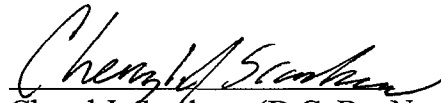
C. Imposing civil monetary penalties on Satyam pursuant to Section 21(d) of the Exchange Act;

D. Ordering, pursuant to Section 308 of the Sarbanes-Oxley Act of 2002, that the amount of civil penalties ordered against and paid by Satyam be added to and become part of a fund for the benefit of the victims of the violations alleged in this complaint; and

E. Granting such other and additional relief as this Court may deem just and proper.

Date: April 5, 2011

Respectfully submitted,



Cheryl J. Scarboro (D.C. Bar No. 422175)
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Fax: +91 40 2311 7011

CERTIFICATE OF CORPORATE RESOLUTION

I, G. Jayaraman, do hereby certify that I am the Company Secretary of Satyam Computer Services Limited ("Mahindra Satyam"), a Company incorporated under laws of India, and that the following is a complete and accurate copy of a resolution adopted unanimously by the Board of Directors of Mahindra Satyam on 27th July, 2010 and resolved as follows:

"RESOLVED THAT Mr. G Jayaraman, Company Secretary of Satyam Computer Services Limited ("Mahindra Satyam"), be and is hereby authorized to act on behalf of the Corporation, and in his sole discretion, to negotiate, approve, and make the offer of settlement of Mahindra Satyam, attached hereto, to the United States Securities and Exchange Commission ("Commission") in connection with the investigation conducted by the Commission; in this connection, the aforementioned Officer be and is hereby authorized to undertake such actions as he may deem necessary and advisable, including the execution of such documentation as may be required by the Commission, in order to carry out the foregoing."

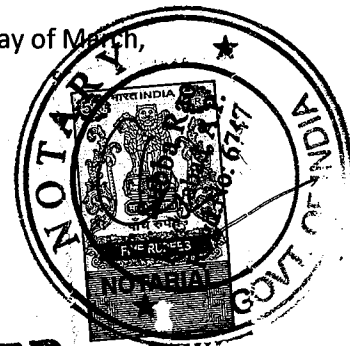
I further certify that the aforesaid resolution has not been amended or revoked in any respect and remains in full force and effect.

IN WITNESS WHEREOF, I have executed this Certificate as a sealed instrument this 23rd day of March, 2011.

For Satyam Computer Services Limited

By:
Name:
Title: **G. Jayaraman**
Company Secretary

Notary



ATTESTED

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 23rd March, 2011.

For Satyam Computer Services Limited

G. Jayaraman
Company Secretary

C. Subba Rao, B.Com., LL.B
Advocate & Notary
Apptd. by Govt. of India,
Regd.No. 6747, Hyd.
Phone: 9391170066

23 MAR 2011

I.

IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 10(b) of the Securities Exchange Act of 1934 [15 U.S.C. § 78j(b)] and Rule 10b-5 promulgated thereunder [17 C.F.R. § 240.10b-5], directly or indirectly, by the use of any means or instrumentality of interstate commerce, or of the mails, or of any facility of any national securities exchange, in connection with the purchase or sale of any security by:

- (a) employing any device, scheme or artifice to defraud,
- (b) making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or
- (c) engaging in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person.

II.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 13(a) of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(a)] and Rules 13a-1, 13a-16 and 12b-20 thereunder [17 C.F.R. §§ 240.13a-1, 240.13a-16, 240.12b-20], by:

(a) failing to file with the Commission factually accurate and complete annual and quarterly reports as required pursuant to Section 13(a) of the Securities Exchange Act of 1934, and Rules 13a-1, 13a-16, and 12b-20 promulgated thereunder; or by

(b) omitting to state, or causing another person to omit to state, in addition to the information expressly required to be included in such annual and quarterly reports, any such further material information as may be necessary to make the required statements, in light of the circumstances under which such statements are made, not misleading.

III.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 13(b)(2)(A) of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(b)(2)(A)] by failing to make and keep books, records, and accounts, which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Satyam.

IV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, be and are hereby permanently restrained and enjoined from violating Section 13(b)(2)(B) of the Securities Exchange Act of 1934 [15 U.S.C. § 78m(b)(2)(B)] by failing to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances

that:

(a) transactions are executed in accordance with management's general or specific authorization;

(b) transactions are recorded as necessary (1) to permit preparation of financial statements in conformity with generally accepted accounting principles or any other criteria applicable to such statements, and (2) to maintain accountability for assets;

(c) access to assets is permitted only in accordance with management's general or specific authorization; and

(d) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

V.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam is liable for a civil penalty in the amount of \$10 million pursuant to the provision of Section 21(d) of the Exchange Act [15 U.S.C. § 78u(d)]. Satyam shall satisfy this obligation by paying the \$10 million in civil money penalty within 14 days after entry of this Final Judgment to the Clerk of this Court, together with a cover letter identifying Satyam Computer Services Limited as a defendant in this action; setting forth the title and civil action number of this action and the name of this Court; and specifying that payment is made pursuant to this Final Judgment. Satyam shall simultaneously transmit photocopies of such payment and letter to the Commission's counsel in this action. By making this payment, Satyam relinquishes all legal and equitable right, title, and interest in such funds, and no part of the funds shall be returned to Satyam. Satyam shall pay post-judgment interest on any delinquent amounts pursuant to 28 USC § 1961.

The Clerk shall deposit the funds into an interest bearing account with the Court Registry Investment System ("CRIS") or any other type of interest bearing account that is utilized by the Court. These funds, together with any interest and income earned thereon (collectively, the "Fund"), shall be held in the interest bearing account until further order of the Court. In accordance with 28 U.S.C. § 1914 and the guidelines set by the Director of the Administrative Office of the United States Courts, the Clerk is directed, without further order of this Court, to deduct from the income earned on the money in the Fund a fee equal to ten percent of the income earned on the Fund. Such fee shall not exceed that authorized by the Judicial Conference of the United States.

The Commission may by motion propose a plan to distribute the Fund subject to the Court's approval. Such a plan may provide that the Fund shall be distributed pursuant to the Fair Fund provisions of Section 308(a) of the Sarbanes-Oxley Act of 2002. Regardless of whether any such Fair Fund distribution is made, amounts ordered to be paid as civil penalties pursuant to this Judgment shall be treated as penalties paid to the government for all purposes, including all tax purposes. To preserve the deterrent effect of the civil penalty, Satyam shall not, after offset or reduction of any award of compensatory damages in any Related Investor Action based on Satyam's payment of disgorgement in this action, argue that it is entitled to, nor shall it further benefit by, offset or reduction of such compensatory damages award by the amount of any part of Satyam's payment of a civil penalty in this action ("Penalty Offset"). If the court in any Related Investor Action grants such a Penalty Offset, Defendant shall, within 30 days after entry of a final order granting the Penalty Offset, notify the Commission's counsel in this action and pay the amount of the Penalty Offset to the United States Treasury or to a Fair Fund, as the

Commission directs. Such a payment shall not be deemed an additional civil penalty and shall not be deemed to change the amount of the civil penalty imposed in this Judgment. For purposes of this paragraph, a "Related Investor Action" means a private damages action brought against Satyam by or on behalf of one or more investors based on substantially the same facts as alleged in the Complaint in this action.

VI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall retain, pay for, and enter into an agreement with a qualified independent consultant ("consultant") located in India to perform a review of the effectiveness of Satyam's material internal accounting control structure and policies, including those related to the creation, maintenance of, and accounting associated with invoices, as well as the effectiveness and propriety of Satyam's processes, practices and policies for ensuring the Satyam's financial data is accurately reported in its public financial statements filed with the Commission. Within 30 days after the retention of a consultant not unacceptable to the Commission staff, the consultant shall submit to the Commission staff a proposal which describes the scope of the work to be performed by the consultant, and includes a detailed description of the various tasks to be undertaken in the course of the consultant's review, sets forth the identities and credentials of the individuals who will perform those tasks, and provides an estimate of the number of hours expected to be devoted to the various tasks involved in the consultant's review. The consultant shall submit its report to Satyam's Board of Directors, the company's audit committee, and to the Commission staff within 120 days after approval of the proposal, provided however, that the consultant may seek to extend the period of review one additional three-month term by

requesting such an extension from the Commission staff. The Commission staff, after consultation with Satyam, shall have discretion to grant such extension for the period requested if deemed reasonable and warranted.

VII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam, through its Board of Directors, shall report to the Commission staff with respect to the decisions and actions taken as a result of each of the recommendations made by the consultant within 90 days of the consultant's submission of his or her report. Satyam shall adopt all recommendations contained in the consultant's report, provided, however, that within 45 days of its receipt of the report, Satyam shall in writing advise the consultant and the Commission staff of any recommendation that it considers to be unnecessary or inappropriate. With respect to any recommendation that Satyam considers unnecessary or inappropriate, Satyam need not adopt that recommendation at that time but may propose in writing an alternative policy, procedure, or system designed to achieve the same objective or purpose as the consultant's recommendation. As to any recommendations of the consultant with respect to which Satyam and the consultant do not agree, such parties shall attempt in good faith to reach an agreement within ninety days of the issuance of the consultant's report. In the event Satyam and the consultant are unable to agree, the company may appoint an independent third party (the "arbitrator"), not unacceptable to the consultant and the Commission staff, and with relevant expertise in corporate governance in India, to resolve the disagreement. The arbitrator shall be provided with two proposals, one by Satyam, in consultation with the Board, and one by the consultant. The arbitrator shall determine whether Satyam's proposal is a reasonable means of promoting the relevant compliance with

law, and if the arbitrator determines that it is, that proposal shall be adopted by Satyam. If the arbitrator determines that it is not, the arbitrator may require Satyam to adopt either the consultant's proposal or a compromise between the two proposals drafted by the arbitrator. Satyam shall bear all costs associated with the arbitration.

VIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall select the consultant according to the procedure in this paragraph. Within 30 days after the entry of the Final Judgment, Satyam shall submit to the Commission staff a proposal setting forth the identity, qualifications, and proposed terms of retention of the consultant. The Commission staff, within thirty days of such notice, will either (a) deem Satyam's choice of consultant and proposed terms of retention not unacceptable or (b) require Satyam to propose an alternative candidate and/or revised terms of retention within 21 days. This process will continue, as necessary, until the proposed consultant and retention terms are not unacceptable to the Commission staff. Satyam agrees that, for the period of engagement and for a period of two years from completion of the engagement, the consultant shall not enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Satyam, or any of its present or former affiliates, directors, officers, employees, or agents acting in their capacity as such, and shall require that any firm with which the consultant is affiliated or of which the consultant is a member, or any person engaged to assist the consultant in performance of the consultant's duties under the Final Judgment not, without prior written consent of the Commission staff, enter into any employment, consultant, attorney-client, auditing, or other professional relationship with Satyam, or any of its present or former affiliates, directors,

officers, employees, or agents acting in their capacity as such for the period of the engagement and for a period of two years after the engagement.

IX.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall provide reasonable training and education to certain of its officers and employees to minimize the possibility of future violations of the federal securities laws. Completion of such training shall be mandatory for: (i) all Satyam officers and employees working in Internal Audit; (ii) all other Satyam officers and employees responsible for the company's corporate level accounting, cash and cash-equivalent accounting, and other financial reporting functions including, but not limited to, those employees working in the Finance Department; (iii) officers and employees responsible for financial reporting at Satyam's major divisions and subsidiaries (including, specifically, those officers and employees responsible for closing the books within their area of responsibility at the end of a quarterly or annual reporting period); and (iv) senior operational officers at Satyam's corporate, divisional and subsidiary levels. Such training and education shall include, at a minimum, components covering the following subjects: the obligations imposed by the federal securities laws; proper internal accounting controls and procedures; recognizing indications of non-GAAP accounting practices or fraud most relevant to Satyam's business endeavors; and the obligations incumbent upon, and the responses expected of, Satyam officers and employees upon learning of illegal or potentially illegal acts concerning the company's accounting and financial reporting. Satyam shall consult with the consultant in designing its training and education program, and to submit to the consultant a detailed proposal within 60 days after retention of the consultant that describes the content and implementation of

the training and education program, in a form that is acceptable to the consultant. Satyam shall commence providing initial training and education sessions within 60 days after the consultant deems the program acceptable, and to continue to provide such training and education on an annual basis, for a minimum period of three years after entry of the Final Judgment.

X.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall adopt and implement a Code of Ethical Business Conduct which will establish standards of behavior for Satyam officers and employees and further to: (a) adopt procedures designed to ensure that it is disseminated to officers and employees of Satyam; (b) conduct appropriate training programs regarding the dictates of the Code of Ethical Business Conduct; (c) review the Code of Ethical Business Conduct and update it on a regular basis as needed; (d) develop appropriate support to clarify, interpret and implement the Code of Ethical Business Conduct; (e) adopt an appropriate system of penalties to discourage and punish any violations of the Code of Ethical Business Conduct; (f) adopt appropriate procedures designed for preventing, reporting, investigating and handling any violations of the Code of Ethical Business Conduct; and (g) adopt procedures designed to verify, on a regular basis, compliance with the Code of Ethical Business Conduct.

XI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall establish and maintain a company telephone hotline and website to: (a) provide a means for employees anonymously to report any potential violations of law, improper accounting or other misconduct, including violations of the Code of Ethical Business Conduct; (b) publicize within

Satyam the existence and purpose of the hotline; and (c) reassure employees that no negative employment action will be taken against any employee who makes a report through the hotline.

XII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall adopt and implement an updated charter for the Audit Committee designed to improve the independence and operating effectiveness of the internal audit function, including a provision designed to give the Audit Committee direct oversight and review of Satyam's internal audit program.

XIII.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that Satyam shall certify in writing compliance with the undertakings set forth above (Certificate of Compliance). The Certificate of Compliance shall identify each of the above undertakings with which Satyam believes it has complied and shall provide written evidence in the form of a narrative which is supported by exhibits sufficient to demonstrate compliance. The Commission staff may make reasonable requests for further evidence of compliance, and Satyam agrees to provide such evidence. The Certificate of Compliance and supporting material shall be submitted to the appropriate Division of Enforcement designee, with a copy to the Office of Chief Counsel of the Enforcement Division, no later than sixty (60) days from the date of the completion of the undertakings. This Certificate of Compliance also shall be submitted no later than one year from the date of the Final Judgment.

XIV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent of

Satyam filed herein shall be, and the same hereby is, incorporated in this Final Judgment by reference with the same force and effect as if fully set forth herein and that Satyam, its agents, accountants, employees, attorneys, and all persons in active concert or participation with them who receive actual notice of this Judgment by personal service or otherwise, and each of them, shall comply in all respects with the terms of the Consent.

XV.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this action for all purposes, including, without limitation, the implementation and enforcement of the terms of this Final Judgment.

XVI.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that there being no just reason for delay, the Clerk of the Court is ordered to enter this Final Judgment.

UNITED STATES DISTRICT JUDGE

DATED:

Washington, D.C.

Copies to:

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