

ONE OF INDIA'S BIGGEST EXECUTIVES CAUGHT FALSIFYING PROFITS



Call it India's own Enron. A chief executive of an India software giant has admitted to falsely stating \$1 billion in profits. Ramalinga Raju's confession caused the shares of Satyam Computer Services to drop 80%, effectively damaging the Sensex stock index as well as the price of the rupee. It is the largest scale corporate scandal to strike the country in the recent past. "Apart from the immediate impact," said Harit Shah of Angel Broking in Mumbai. "This is likely to have repercussions in terms of the global perceptions of India companies and confidence in India Markets."

Raju accepted full responsibility for the fraudulent claims and admitted that Satyam, whose clients include 185 names on the Fortune 500, had a balance sheet full of false assets and 'non-existent' cash.

Raju claimed to have tried to hide the inconsistencies and to fill in the false profits by taking assets of real estate companies which are linked to his family. However, "Every attempt made to eliminate the gap failed," said Raju. He denied profiting from the mis-information and said "[he was] no prepared to subject [himself] to the laws of the land and to face the consequences." The government's company affairs department said it will immediately look into the matter. Stay informed on news stories from the business world by reading [Employment Crossing](#).