

Fraud-hit Satyam gets nod for 51 pct stake sale

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File photo of Indian software company Satyam's headquarters in Hyderabad

Fraud-hit Indian outsourcing firm Satyam on Friday said it had been given the green light to open a global bidding process to sell off a 51 percent stake in the company.

Satyam's government-appointed board said it would "initiate the process to invite expressions of interest" from bidders shortly, a statement said.

Satyam has been battling for survival since January when its founder B. Ramalinga Raju, now in jail, stunned the corporate world by declaring he inflated the firm's balance sheet by more than one billion dollars and fudged its profits for years.

Company shares surged 15.81 percent or 5.5 rupees to 40.65 in morning

trade Friday on the Mumbai stock exchange.

Satyam says it wants to find a buyer soon -- even though it could be months before the full truth about the disgraced outsourcing giant's finances emerge.

Market regulator the Securities and Exchange Board of India has approved the sale of the stake in two phases.

The buyer would first acquire newly issued shares of the company representing 31 percent of its share capital.

The purchaser would then make an public open offer, mandatory under financial market regulations, to acquire another 20 percent of the firm, the statement said, raising its total stake in Satyam to 51 percent.

"Qualified investors are expected to have total net assets in excess of 150 million dollars," the statement said.

In line with Indian law, a lock-in period of three years will prevent the investor from selling these acquired shares, the regulator said in the statement.

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