

Tech Mahindra's bid for India's Satyam approved

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India's Company Law Board on Thursday approved a bid from mid-sized outsourcing firm Tech Mahindra to take over graft-tainted Satyam Computer Services, an official said.

Venturebay, a subsidiary of Tech Mahindra, will pay just over 350 million dollars for a preferential allotment of new shares in Satyam, to pick up a 31-percent stake in the company by April 21.

It will also make a public open offer for a further 20-percent stake at a cost of over 225 million dollars to gain a majority holding in Satyam.

"I accept the recommendation, with the hope that by adopting best corporate governance practices, Venturebay would over the years make Satyam regain its glory in real terms," the board's chairman S. Balasubramanian said in a statement.

Tech Mahindra won the bidding on Monday for Satyam, which has been struggling since its founder confessed to falsifying its accounts in India's biggest accounting scandal.

It acts as back office for some of the world's biggest companies such as Nestle SA, General Electric Co and General Motors Corp.

Raju, his brother and seven other people, including two Price Waterhouse auditors, are now in jail on charges of conspiracy, cheating, forgery and falsification of accounts.

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