

India's Mahindra Satyam shows fiscal year quarterly profit

November 15 2010

India's outsourcing firm Mahindra Satyam, recovering from the country's biggest-ever corporate fraud, on Monday reported its first profits since the scandal erupted.

Giving earnings figures for two separate quarters, it said it showed a profit of 975 million rupees (21.8 million dollars), on revenues of 12.48 billion rupees for the three months ending in June.

For the three months to September, the second quarter of its financial year, [net profit](#) stood at 233 million rupees, down 76 percent over the previous quarter, on revenues of 12.42 billion rupees.

The figures were the first quarterly earnings reported by the firm since an accounting scandal pushed it to the edge of bankruptcy in January 2009.

[Satyam](#) shocked the corporate world when its former chairman B. Ramalinga Raju said in a letter to stock exchanges that he had for years overstated profits and inflated the balance sheet by over a billion dollars.

The company started reporting financial details again in September this year after a gap of 18 months, with a net loss of 1.24 billion rupees for the 12 months ending March this year, on 54.8 billion rupees revenue.

Just three months after the scandal India's mid-sized outsourcer Tech

Mahindra paid nearly 600 million dollars for a majority share in Satyam.

Satyam delisted itself from the [New York stock exchange](#) earlier this year for fear it would not be able to meet the US deadline to file restated financial accounts.

The board is still to decide on filing earnings by US accounting norms, but the company continues to be traded on local stock exchanges.

Earlier this month Raju, suffering from hepatitis, surrendered to a local court in the southern city of Hyderabad after his bail was revoked.

Raju, 56, and a total of nine others are accused of embezzling around three billion dollars from Satyam, once ranked amongst India's top software firms.

Raju faces a series of charges including conspiracy, cheating and forgery.

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