

India court bails Satyam fraud accused

November 4 2011

India's Supreme Court on Friday granted bail to the former chairman of Indian outsourcing giant Satyam, B. Ramalinga Raju, who is accused of one of the country's biggest corporate frauds.

The court allowed bail for Raju, 57, his brother B. Rama Raju and the company's former internal auditor Srinivas Vadlamani.

The men are being tried for fraud in the case dubbed "India's Enron" after the US energy giant that collapsed in 2001 in the wake of huge false-accounting revelations.

Supreme Court Justice D. Bhandari ordered the three men who have been in prison in the southern city of Hyderabad for nearly three years to relinquish their passports.

The top court said bail was appropriate given "the totality of the circumstances" and told each man to post surety of 400,000 rupees (\$8,000).

The court had earlier said the men could seek bail if their trial was not completed within a deadline set by the court of July 2011.

The trial in Hyderabad, capital of Andhra Pradesh state, is ongoing.

India's Central Bureau of Investigation had opposed bail, saying there was "every possibility" the accused would seek to "tamper with evidence."

Ramalinga Raju's declaration in early 2009 that he had falsified profits plunged India's corporate world into turmoil.

He and others are accused of embezzling around \$3 billion from Satyam, which was one of India's largest outsourcing firms when the scandal erupted.

Raju declared in a letter of confession he had overstated profits for years and inflated the company's balance sheet by more than \$1 billion.

However, he backed away from the confession 18 months later.

Tech Mahindra, a unit of Indian vehicle and farm equipment manufacturer Mahindra and Mahindra, later bought Hyderabad-based Satyam, allaying fears about its survival.

Raju who was educated in India and the United States, was one of the stars of the software boom that has been a key driver of India's economic growth in recent years.

The bail order comes after the Supreme [Court](#) last month granted bail to five other accused in the [Satyam](#) case.

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