

India's Satyam posts strong profit growth

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Indian software outsourcer Mahindra Satyam on Thursday said its quarterly net profit soared more than ten-fold, beating market estimates, as demand for outsourcing grew.

The company, recovering from the country's biggest corporate [fraud scandal](#), said net profit rose to 2.38 billion rupees (\$49 million) for the three months to September 30 from 233 million rupees in the same period last year.

Analysts had forecast a profit of near two billion rupees for the financial second quarter.

Revenues jumped 27 percent to 15.78 billion rupees, the company said in a statement to the [Bombay Stock Exchange](#) on Thursday.

"We are on course in all our performance indicators -- profitability, growth and talent retention," Vineet Nayyar, chairman of Mahindra Satyam, said in a statement.

"We have shown significant growth momentum, despite the uncertain macro-economic environment," he added.

Mahindra Satyam, formerly known as [Satyam Computer Services](#), stunned India in 2009 when its founder B. Ramalinga Raju admitted he had for years overstated profits and inflated the balance sheet by over \$1 billion.

The fraud nearly pushed the group into bankruptcy and Raju, who was once a star of India's software boom, is on bail awaiting trial for conspiracy, cheating and forgery.

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

India's top-four software giants -- [Tata Consultancy Services](#), Infosys, Wipro and HCL Technologies -- have all shown improved profit growth in the last quarter, helped by a weak Indian rupee and stronger demand for outsourcing.

India's IT and software services sector derives more than 90 percent of its revenues from providing technology services to foreign customers, particularly in the United States and Europe.

Despite their exposure to ailing US and European markets, India's software firms have been upbeat on the industry's outlook. The flagship sector is expected to post 16 to 18 percent annual export revenue growth.

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