

India's Mahindra Satyam posts strong profit growth

February 1 2012

India's software outsourcer Mahindra Satyam on Wednesday posted a near five-fold jump in its third quarter net profit, beating market forecasts, as margins were boosted by a fall in the rupee.

The company, recovering from India's largest corporate [fraud scandal](#), said its [net profit](#) soared to 3.08 billion rupees (\$61 million) in the three months ended December, compared to 589 million rupees a year earlier.

Revenue at the company, based in the southern city of Hyderabad, rose 34 percent to 17.18 billion rupees, from a level earlier.

Analysts expected Satyam to show a 2.1 billion rupee profit.

Mahindra Satyam, formerly known as Satyam Computer Systems, showed foreign exchange gains of 664 million rupees, up from 134 million rupees a year earlier.

Satyam stunned corporate India in 2009 when its founder B. Ramalinga Raju admitted he had for years overstated profits and inflated the balance sheet by more than \$1 billion.

The scandal nearly pushed Satyam into bankruptcy but its new owner Tech Mahindra, part of Indian auto and farm equipment manufacturer Mahindra and Mahindra, has managed to turn around the firm after the revelations.

Raju, once a star of India's software boom, is now on bail awaiting trial for conspiracy, cheating and forgery.

"We continue with our path of building the organisation and improving operations, in the face of some headwinds on the economic front," said Mahindra Satyam chairman Vineet Nayyar, in a company statement.

[Satyam](#) added a net 188 employees in the quarter, with a total staff of 32,280 as of December 31.

(c) 2012 AFP

Citation: India's Mahindra Satyam posts strong profit growth (2012, February 1) retrieved 12 May 2024 from <https://phys.org/news/2012-02-india-mahindra-satyam-strong-profit.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.