

Satyam scouting for strategic investor, says chief executive

The new management team of the tainted Satyam Computer Services is looking for a strategic investor to bail it out from the severe liquidity crisis it is facing in the wake of the financial fraud admitted by founder chairman B. Ramalinga Raju, the company said here Thursday.

'We are looking for a strategic investor for raising liquidity. We have engaged an investment bank to shortlist the prospective investors. We will take a decision on it at the upcoming board meeting on January 10,' Satyam interim chief executive Ram Mynampati said at a press conference.

Admitting that the current cash balance was not encouraging, Mynampati said efforts were being made to improve the liquidity position to ensure business continuity.

'Liquidity position is not healthy but we are hopeful of improving it. We have taken care of December salary and the first instalment of salaries to our on-site employees in the US has been processed. We will also be able to pay compensation for January,' Mynampati asserted.

The whole-time director also revealed that chief financial officer (CFO) V. Srinivas has resigned, but his resignation was not accepted by the board and the new management team.

'The CFO sent his resignation letter yesterday (Wednesday). He has not been coming to office for personal reasons though he is in the city. The board has, however, not accepted the resignation. We will have an interim CFO from within the organisation. There are enough competent men in the company to take the job,' Mynampati said.

Seeking more time to come out with details about the shocking disclosures made by Raju, Mynampati said the new team was engaged in day-to-day operations to ensure business continuity.

'This is a crisis of unimaginable proportion. We have not faced such a situation in our lifetime. It is only 30 hours ago that the events have begun to unfold. We need more time to test the veracity of Raju's letter. We have not yet decided on lodging a criminal complaint against him (Raju),' Mynampati said.

The company is also on the look out for new candidates for board appointments and is in touch with the regulatory and industry bodies to identify prospective candidates.

Following Raju's and managing director B. Rama Raju's resignations Wednesday, and that of four independent directors earlier, the nine-member board now has only three directors, including two independent directors - T.R. Prasad, V.S. Raju and Mynampati.

The interim CEO also said global clients have assured it they would stand by it and engage the company for software services.

'We have received support from our key customers. They assured us they would remain with the company in these challenging times. About 100 clients account for about 80 percent of the revenue,' Mynampati said.

Stating that neither he nor any of the senior executives were aware of the events that unfolded

Wednesday, Mynampati said client-servicing would continue with transparency to ensure smooth transition.

'Clients rely on Satyam for mission critical applications. We have reached out to our clients the world over and assured them of maintaining our service support as before,' he said.

Denying media reports that employees were leaving the company, Mynampati said the company did not have any information on this.

'We have also reached out to our 53,000 employees to ensure continuity. They have assured they will remain with the company. Our aim is to ensure business continuity uninterrupted even during these challenging times,' he added.

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