

Satyam's Ramalinga Raju, brother arrested for cheating

The Andhra Pradesh police Friday night arrested disgraced former founder-chairman of Satyam Computers B. Ramalinga Raju and his brother and former company managing director B. Rama Raju on charges of cheating and forgery.

The Crime Investigation Department (CID) of the state police arrested Ramalinga Raju and Rama Raju on charges of 'criminal breach of trust, criminal conspiracy, cheating, falsification of records and forgery', Director General of Police S.S.P. Yadav told IANS.

The two brothers accompanied by their lawyer S. Bharat Kumar reached the state police headquarters and surrendered before the police. They were interrogated by CID personnel for some time before being arrested.

Their move came after a criminal case was registered against them by the CID in the Rs.70 billion financial fraud in the company.

The case was registered under the Indian Penal Code (IPC).

The CID sleuths will interrogate the two to ascertain the veracity of Ramalinga Raju's shocking admission Wednesday of being behind the fraud. They are likely to be produced before a magistrate either late in the night or on Saturday morning.

Raju quit as chairman Wednesday while admitting that the company cooked its books resulting in an 'inflated (non-existent) cash and bank balances' over several years. His brother Rama Raju has also quit as managing director.

They had remained untraced ever since they sent their resignations to Satyam board.

Their surrender and subsequent arrest by the CID came hours after Ramalinga Raju's lawyer told reporters that he would appear before market regulator Securities and Exchange Board of India (Sebi) on Saturday.

Meanwhile, police sources said the CID might also arrest Vadlamani Srinivas, who resigned as Chief Financial Officer (CFO) on Thursday. The whereabouts of Srinivas is not known.

The Rajus were arrested hours after CID began the probe. Earlier in the day, a team of CID officials verified records at Satyam's headquarters here and spoke to a few employees.

Chief Minister Y.S. Rajasekhara Reddy had ordered probe by CID on Wednesday to 'look at the criminal angle into the entire episode'.

The CID stepped up investigations amid criticism by opposition parties that the Congress government was soft towards Ramalinga Raju.

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