

We manipulated balance sheet to avoid acquisition: Ramalinga Raju

Disgraced former chairman of Satyam Computer Services B. Ramalinga Raju has confessed before investigators that he manipulated the balance sheet of the company for the last seven years to attract more business and avoid any possible hostile acquisition.

Ramalinga Raju, in his confessional statement before officials of the Crime Investigation Department (CID) of Andhra Pradesh police, said things had gone out of control because of the present global situation and hence he tendered his resignation as chairman on Jan 7.

'Since about seven years we wanted to show more income in the accounts to avoid others from involving in the company affairs and any possible hostile acquisition and hence manipulated the balance sheet to attract more business and showed unavailable amount as available cash on hand. This process continued for the last seven years and the margin amount shown got increased much more year after year,' he said in the statement recorded on Friday.

Ramalinga Raju revealed that he and his brother Rama Raju, who was the managing director and chief executive officer of the company, used to take decisions and 'instruct our chief financial officer to do as instructed'.

Raju brothers were arrested by the CID Friday and a magistrate Saturday remanded them to judicial custody till Jan 23. Former chief financial officer Vadlamani Srinivas, who was taken into custody Saturday, was sent to jail the next day.

The five-page confessional statement, to which IANS had the access, is almost a copy of the letter written by him to the board of directors while resigning as chairman.

'Since I have been instrumental in starting Satyam Computer Services, I wished it to be one of the leading companies and I could not bear the thought of it coming down and that is the reason I have invested money to save the situation,' said Ramalinga Raju referring to the shares his family pledged.

'I raised an amount of Rs.1,230 crore (Rs.12.30 billion) by pledging the shares held by our family and inducted the amount into Satyam Computer Services Limited but it could not fill up the deficit. I tried to take over Maytas Properties to cover up the deficit since the same has immovable properties. Some of the board directors did not agree to it and shareholders also expressed themselves against the said proposal.'

'Because of the present global financial situation, the disparities shown in the balance sheet became difficult to cover up, and things have gone out of control. There, I have tendered my resignation on Jan 7, 2009.'

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