

## I suspected that something is going wrong, says Satyam's former CFO

Giving a new twist to the massive fraud in Satyam Computer Services, its former chief financial officer Vadlamani Srinivas denied any role in the scam and claimed that he had suspected that something was wrong.

In his confessional statement before the Crime Investigation Department (CID), Srinivas claimed that former chairman B. Ramalinga Raju and former managing director B. Rama Raju were directly handling bank deposits and he was asked not to look into this.

In his statement, to which IANS had access, Srinivas said auditors, during their interaction with him, never pointed out any deficiencies in the accounts.

Denying that he defrauded the company, siphoned off money or enjoyed pecuniary benefits, the former CFO said he had a 'master-servant' relationship with Ramalinga Raju and his brother Rama Raju.

'There are certain responsibilities like handling the bank deposits that were directly handled by the chairman and managing director. I was specifically asked not to look into that area of operations. They instructed me to take care of day to day operational matters. Accordingly, I was focusing on day to day operations,' Srinivas said.

In another startling revelation, he told the investigators that fixed deposits were 'unreal and fictitious, which were managed and was an understanding between the audit section and management'.

The former CFO, who was arrested by CID Saturday night, was Sunday remanded to judicial custody by a magistrate till Jan 23. He has been kept at Chanchalguda central jail, where the Raju brothers were already lodged since Saturday.

'I was suspecting something is wrong when payments were delayed, then I asked the chairman and MD for taking payments from the fixed deposit, but they told me not to take it from fixed deposits and manage it with the operational cash. This was continuously occurring for the last 5-6 years,' said Srinivas, who joined Satyam as senior finance manager in 1994.

'With regard to the audit of accounts, my role was limited to doing due diligence at the end of every quarter. One week before the board meeting date, I used to be presented with balance sheets, profit and loss accounts prepared by the staff who was working under me. Two days prior to the board meeting, I used to have discussion with statutory auditors (Pricewaterhouse Cooper) who used to share with me their audit findings. Based on those findings, I used to take comfort and certify the accounts. The auditors during their interaction with me, never pointed out any deficiencies in the accounts.'

Srinivas also told CID officials that his assistant Rama Krishna used to prepare the balance sheet. 'Prior to quarterly board meetings, Ramakrishna used to prepare the balance sheet with the assistance of his team of 20 employees and bring it to me. I did not pay much attention to the details of that balance sheet.'

Srinivas, 48, said he was promoted as senior vice-president and director, which is also known as

chief financial officer, from 2000 onwards and was drawing total emoluments of Rs.1.25 crore (Rs.12.5 million) since July 2007.

*Mohammed Shafeeq* ( © IANS / India eNews)