

Satyam to be probed by Serious Fraud Investigation Office

The Indian government Tuesday ordered a probe into the affairs of beleaguered Satyam Computer Systems by the Serious Fraud Investigation Office and asked it to submit its report within three months.

The order for the probe came immediately after the Registrar of Companies, which conducted a preliminary inquiry into the state of accounts of Satyam Computer Services, submitted his report to the ministry of corporate affairs.

'The probe by the Serious Fraud Investigation Office will be based on certain facts. The time given is three months. Action will be taken without any delay,' Minister for Corporate Affairs Prem Chand Gupta told reporters here.

'If the auditors are found guilty of misconduct, they will be punished,' the minister said, referring to the inability of PricewaterhouseCoopers, Satyam's erstwhile auditors, in detecting the Rs.70 billion (\$1.4 billion) fraud perpetrated by company's founders, including former chairman B. Ramalinga Raju.

'Nobody will go scot free.'

Asked if the government was mulling a merger scheme for Satyam, the minister said the main concern for the moment was fire-fighting the issues being faced, for which the inquiry reports and suggestions from the new board were awaited.

Apart from Serious Fraud Investigation Office, concurrent investigations were being conducted by the Securities and Exchange Board of India (SEBI), the Registrar of Companies and the Institute of Chartered Accounts of India.

'Please be reasonable. The board has just met yesterday. Give them some time. We are as concerned as you are.'

The board comprises former chief of the National Association of Software and Service Companies (Nasscom) Kiran Karnik, chairman of Housing Development Finance Corp (HDFC) Deepak Parikh and former SEBI member C. Achuthan.

The Serious Fraud Investigation Office started functioning Oct 1, 2004 and was set up in the backdrop of the stock market scam, the failure of non-banking finance firms, and the phenomena of vanishing companies and plantation firms.

Formed under the ministry of corporate affairs, it has under its wing experts in fields like capital markets, accountancy, forensic audit, taxation, company law, IT, customs and investigation.

Based on the probes since inception, the office has filed 671 cases under the Companies Act and 68 cases under the Indian Penal Code

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