Satyam got Rs 166cr dole from AP: CAG Indicts Govt For Giving Rajus Cheap Land
TIMES NEWS NETWORK
The Times of India (1861-current); Apr 1, 2010; ProQuest Historical Newspapers: The Times of India
pg. 15

Satyam got Rs 166cr dole from AP

CAG Indicts Govt For Giving Rajus Cheap Land

TIMES NEWS NETWORK

Hyderabad: Among the many scams that the Raju-promoted Satyam has indulged in, this one has the role of the state government too in it. The Comptroller and Auditor General of India (CAG), in its report tabled in the assembly has observed that Satyam Computers Limited was given undue benefit of Rs 165.75 crore by the government while allotting 42.5 acres at a concessional rate of Rs 10 lakh per acre near Visakhapatnam.

The CAG chastised the government saying that the transaction was violative of the constitutional provisions of equality of opportunity and did not meet the requirement of transparency. "As against Rs 170 crore payable, Satyam paid a meagre amount of Rs 4.25 crore. The allotment of land is in excess of the limits prescribed in the information technology and communications (ICT) policy," the report said.

PLOT TO CHEAT? Satyam Computers, promoted by R Raju, paid Rs 4.25 crore instead of Rs 170 crore for 42.5 acres near Visakhapatnam

If that was not enough, the CAG also found fault with the government for awarding the work related to development of Machilipatnam port to Maytas-led consortium (Maytas was promoted by the family of the Rajus) which caused a financial liability of Rs 335 crore to the government. The port was originally proposed to be developed at Gogileru, but later the location was shifted to Gilakaladinne.

"The government failed to insist on financial bids for both the locations. The additional cost of Rs 335 crore claimed by the consortium suffers from a major deficiency of vitiating the tender process in that the port was to be developed on a revenue-sharing basis with zero investment by the government. Acceptance of the bid from the firm was objectionable as it did not submit any bid originally for Gilakaladinne," the CAG observed.