



**TheCaseSolutions.com**

Number 1 in case studies solutions

# SATYAM COMPUTERS CORPORATE GOVERNANCE FIASCO





# *Introduction*

**The Satyam Computers corporate governance scandal is one of the biggest corporate scandals that took place in India that exposed a serious violation of ethical standard and corporate governance mechanism. Introducing this case allows to reveal the issues that may occur with the organizations when the principles of corporate governance are vio; the focus will be on the need for ethical leadership and high transparency levels.**





# *Background*

**Satyam Computers was founded in 1987 and merges into the leading multinational IT company having its clients all over the world. However, in 2009, Raju admitted that he had been involved in a scandal that involved the manipulation of the consolidated financial statements of the company for several years with the aim at overstating the profits and real assets of the company.**





# *Corporate Governance*

**Among all major failures in the Satyam case one can indicate the absence of adequate mechanisms of governance. Quite surprisingly the board of directors did not question or even scrutinize the financial information provided by the management. Even external auditors who are supposed to even verify the financial statements were also involved.**







# *Conclusion*

**This is evident through the Satyam Computers which brought about the concept of the effect of having a bad corporate governance systems. This highlights the key importance of ethical behaviour, responsibility and proper corporate governance practices to sustain the trust of the business.**



# RESOURCE

**This is just a sample partial case solution. Please place the order on the website to order your own originally done case solution.**

**Resource: Visit [thecasesolutions.com](https://thecasesolutions.com) for detailed analysis and more case studies.**