



***STRATEGY FOR SUSTAINABLE**
BUSINESS*

ASSIGNMENT

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Satyam SCAM

Kindly analyse the case , and answer the following :

1) what is the role of corporate governance in satyam scam.

Since, Corporate Governance was relatively was unknown subject and there problems are also unknown in the late 80's and early 90's .

On a quarterly basis, Satyam's earnings grew. Mr. Raju admitted that the fraud which he committed amounted to nearly \$276 million. In the process, Satyam grossly violated all rules of corporate governance[16]. The Satyam scam had been an example of following “poor” Corporate Governance practices. It had failed to show good relationships with the shareholders and employees. The Corporate Governance issue at Satyam arose because of the non-fulfillment of the obligation of the company towards the various stakeholders. If we talk specifically the following interests need to be taken care of:

- distinguishing the roles of board and management;
- separation of the roles of the CEO and chairman;
- an appointment to the board;
- directors and executive compensation;
- protection of shareholders rights and their executives.

2) Why code of conduct in business is crucial for sustainability of business.

Growing scrutiny of business practices, it's more important than ever for companies to carry out work the right way. Ethics programs are an exceptional tool for promoting moral conduct. Organizations also need employees dedicated to ethical decision-making.