2.3.1 Student centric methods, such as experiential learning, participative learning and problem solving methodologies are used for enhancing learning experiences

The institute plans various initiatives for the development of students. The strategy is to develop and upgrade the knowledge skills and experiences of students through various experiential learning, participative learning and problem solving activities.

Experiential learning is facilitated for students through several activities such as

1. Summer Internship projects,
2. Minor projects
3. Live Projects
4. Research Projects(Final Projects),
5. Financial Modeling Lab
6. Research Methodology Lab
7. E-Commerce Lab, Information Systems Management Lab etc.
8. Surveys, questionnaires give first hand experiential learning and students own individual achievements are used as a basis for their personal learning.
9. Mock interviews, PDP sessions, project based vivas are conducted. Various value added courses like Advanced Excel, Digital Marketing, French and German language courses, Data Analytics are organized for students to give them an insight of both conceptual as well as practical knowledge.

Participating learning is enhanced through:

1. Industry Interfacing activities like group presentations
2. Group projects
3. Corporate guest lectures and workshops in various management fields and emerging areas.
4. Alumni connect interactions.

Problem Solving Strategies like:

1. Management Games, Role plays

2. Business competitions, Debates, Quizzes, project-based learning techniques, case-study based competitions are held from time to time.

3. Personal development skills like listening & speaking, multitasking, public speaking, work/life balance, social & professional etiquette and Confidence building exercises are done on a regular basis.

Jagannath International Management School
MOR, Pocket-105, Kalkaji, New Delhi-110019
(Affiliated to Guru Gobind Singh Indraprastha University and Approved under Section 2(f) of UGC Act 1956)
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Auditing Case Study (BCOM IV Sem)

Corporate Accounting Scandal at Satyam Computer Services Limited: A Case Study of India's Enron

Ironically, Satyam means "truth" in the ancient Indian language "Sanskrit" Satyam won the "Golden Peacock Award" for the best governed company in 2007 and in 2009. From being India's IT "crown jewel" and the country's "fourth largest" company with high-profile customers, the outsourcing firm Satyam Computers has become embroiled in the nation's biggest corporate scam in living memory Mr. Ramalinga Raju (Chairman and Founder of Satyam; henceforth called "Raju"), who has been arrested and has confessed to a $1.47 billion (or Rs. 7800 crore) fraud, admitted that he had made up profits for years. According to reports, Raju and his brother, B. Rama Raju, who was the Managing Director, "hid the deception from the company's board, senior managers, and auditors". The case of Satyam's accounting fraud has been dubbed as "India's Enron". In order to evaluate and understand the severity of Satyam's fraud, it is important to understand factors that contributed to the "unethical" decisions made by the company's executives. First, it is necessary to detail the rise of Satyam as a competitor within the global IT services market-place. Second, it is helpful to evaluate the driving-forces behind Satyam's decisions: Ramalinga Raju. Finally, attempt to learn some "lessons" from Satyam fraud for the future.

4.1. Emergence of Satyam Computer Services Limited

Satyam Computer Services Limited was a "rising-star" in the Indian "outsourced" IT-services industry. The company was formed in 1987 in Hyderabad (India) by Mr. Ramalinga Raju. The firm began with 20 employees and grew rapidly as a "global" business. It offered IT and business process outsourcing services spanning various sectors. Satyam was as an example of "India's growing success". Satyam won numerous awards for innovation, governance, and corporate accountability. "In 2007, Ernst & Young awarded Mr. Raju with the 'Entrepreneur of the Year' award. On April 14, 2008, Satyam won awards from MZ Consult's for being a 'leader in India in CG and accountability'. In September 2008, the World Council for Corporate Governance awarded Satyam with the 'Global Peacock Award' for global excellence in corporate accountability".Unfortunately, less than five months after winning the Global Peacock Award, Satyam became the centerpiece of a "massive" accounting fraud.

By 2003, Satyam's IT services businesses included 13,120 technical associates servicing over 300 customers worldwide. At that time, the world-wide IT services market was estimated at nearly $400 billion, with an estimated annual compound growth rate of 6.4%. "The markets major drivers at that point in time were the increased importance of IT services to businesses worldwide; the impact of the Internet on eBusiness; the emergence of a high-quality IT services industry in India and their methodologies; and, the growing need of IT services providers who could provide a range of services". To effectively compete, both against domestic and global competitors, the company embarked on a variety of multi-pronged business growth strategies.

From 2003-2008, in nearly all financial metrics of interest to investors, the company grew measurably. Satyam generated USD $467 million in total sales. By March 2008, the company had grown to USD $2.1 billion. The company demonstrated "an annual compound growth rate of 35% over that period". Operating profits averaged 21%. Earnings per share similarly grew, from $0.12 to $0.62, at a compound annual growth rate of 40%. Over the same period (2003-2009), the company was trading at an average trailing EBITDA multiple of 15.36. Finally, beginning in January 2003, at a share price of 138.08 INR, Satyam's stock would peak at 526.25 INR—a 300% improvement in share price after nearly five years. Satyam clearly generated significant corporate growth and shareholder value. The company was a leading star—and a recognizable name—in a global IT marketplace. The external environment in which Satyam operated was indeed beneficial to the company's growth. But, the numbers did not represent the full picture. The case of Satyam accounting fraud has been dubbed as "India's Enron".

4.2. Mr. Ramalinga Raju and the Satyam Scandal

On January 7, 2009, Mr. Raju disclosed in a letter (see Annexure) to Satyam Computers Limited Board of Directors that "he had been manipulating the company's accounting numbers for years". Mr. Raju claimed that he overstated assets on Satyam's balance sheet by $1.47 billion. Nearly $1.04 billion in bank loans and cash that the company claimed to own was non-existent. Satyam also underreported liabilities on its balance sheet. Satyam overstated income nearly every quarter over the course of several years in order to meet analyst expectations. For example, the results announced on October 17, 2009 overstated quarterly revenues by 75 percent and profits by 97 percent. Mr. Raju and the company's global head of internal audit used a number of different techniques to perpetrate the fraud. "Using his personal computer, Mr. Raju created numerous bank statements to advance the fraud. Mr. Raju falsified the bank accounts to inflate the balance sheet with balances that did not exist. He inflated the income statement by claiming interest income from the fake bank accounts. Mr. Raju also revealed that he created 6000 fake salary accounts over the past few years and appropriated the money after the company deposited it. The company's global head of internal audit created fake customer identities and generated fake invoices against their names to inflate revenue. The global head of internal audit also forged board resolutions and illegally obtained loans for the company". It also appeared that the cash that the company raised through American Depository Receipts in the United States never made it to the balance sheets.

Greed for money, power, competition, success and prestige compelled Mr. Raju to "ride the tiger", which led to violation of all duties imposed on them as fiduciaries—the duty of care, the duty of negligence, the duty of loyalty, the duty of disclosure towards the stakeholders. "The Satyam scandal is a classic case of negligence of fiduciary duties, total collapse of ethical standards, and a lack of corporate social responsibility. It is human greed and desire that led to fraud. This type of behavior can be traced to: greed overshadowing the responsibility to meet fiduciary duties; fierce competition and the need to impress stakeholders especially investors, analysts, shareholders, and the stock market; low ethical and moral standards by top management; and, greater emphasis on short-term performance". According to CBI, the Indian crime investigation agency, the fraud activity dates back from April 1999, when the company embarked on a road to double-digit annual growth. As of December 2008, Satyam had a total market capitalization of $3.2 billion dollars.

Satyam planned to acquire a 51% stake in Maytas Infrastructure Limited, a leading infrastructure development, construction and project management company, for $300 million. Here, the Rajus's had a 37% stake. The total turnover was $350 million and a net profit of $20 million. Raju's also had a 35% share in Maytas Properties, another real-estate investment firm. Satyam revenues

exceeded $1 billion in 2006. In April, 2008 Satyam became the first Indian company to publish IFRS audited financials. On December 16, 2008, the Satyam board, including its five independent directors had approved the founder's proposal to buy the stake in Maytas Infrastructure and all of Maytas Properties, which were owned by family members of Satyam's Chairman, Ramalinga Raju, as fully owned subsidiary for $1.6 billion. Without shareholder approval, the directors went ahead with the management's decision. The decision of acquisition was, however, reversed twelve hours after investors sold Satyam's stock and threatened action against the management. This was followed by the law-suits filed in the US contesting Maytas deal. The World Bank banned Satyam from conducting business for 8 years due to inappropriate payments to staff and inability to provide information sought on invoices. Four independent directors quit the Satyam board and SEBI ordered promoters to disclose pledged shares to stock exchange.

Investment bank DSP Merrill Lynch, which was appointed by Satyam to look for a partner or buyer for the company, ultimately blew the whistle and terminated its engagement with the company soon after it found financial irregularities. On 7 January 2009, Saytam's Chairman, Ramalinga Raju, resigned after notifying board members and the Securities and Exchange Board of India (SEBI) that Satyam's accounts had been falsified. Raju confessed that Satyam's balance sheet of September 30, 2008, contained the following irregularies: "He faked figures to the extent of Rs. 5040 crore of non-existent cash and bank balances as against Rs. 5361 crore in the books, accrued interest of Rs. 376 crore (non-existent), understated liability of Rs. 1230 crore on account of funds raised by Raju, and an overstated debtor's position of Rs. 490 crore. He accepted that Satyam had reported revenue of Rs. 2700 crore and an operating margin of Rs. 649 crore, while the actual revenue was Rs. 2112 crore and the margin was Rs. 61 crore". In other words, Raju: 1) inflated figures for cash and bank balances of US $1.04 billion vs. US $1.1 billion reflected in the books; 2) an accrued interest of US $77.46 million which was nonexistent; 3) an understated liability of US $253.38 million on account of funds was arranged by himself; and 4) an overstated debtors' position of US $100.94 million vs. US $546.11 million in the books.

Raju claimed in the same letter that "neither he nor the managing director had benefited financially from the inflated revenues, and none of the board members had any knowledge of the situation in which the company was placed". The fraud took place to divert company funds into real-estate investment, keep high earnings per share, raise executive compensation, and make huge profits by selling stake at inflated price. The gap in the balance sheet had arisen purely on account of inflated profits over a period that lasted several years starting in April 1999. "What accounted as a marginal gap between actual operating profit and the one reflected in the books of accounts continued to grow over the years. This gap reached unmanageable proportions as company operations grew significantly", Ragu explained in his letter to the board and shareholders. He went on to explain, "Every attempt to eliminate the gap failed, and the aborted Maytas acquisition deal was the last attempt to fill the fictitious assets with real ones. But the investors thought it was a brazen attempt to siphon cash out of Satyam, in which the Raju family held a small stake, into firms the family held tightly". **Table 1** depicts some parts of the Satyam's fabricated 'Balance Sheet and Income Statement' and shows the "difference" between "actual" and "reported" finances.

Fortunately, the Satyam deal with Matyas was "salvageable". It could have been saved only if "the deal had been allowed to go through, as Satyam would have been able to use Maytas' assets to shore up its own books". Raju, who showed "artificial" cash on his books, had planned to use this "non-existent" cash to acquire the two Maytas companies. As part of their "tunneling" strategy, the Satyam promoters had substantially reduced their holdings in company from 25.6% in March 2001 to 8.74% in March 2008. Furthermore, as the promoters held a very small percentage of

equity (mere 2.18%) on December 2008, as shown in **Table 2**, the concern was that poor performance would result in a takeover bid, thereby exposing the gap. It was like "riding a tiger, not knowing how to get off without being eaten". The aborted Maytas acquisition deal was the final, desperate effort to cover up the accounting fraud by bringing some real assets into the business. When that failed, Raju confessed the fraud. Given the stake the Rajus held in Matyas, pursuing the deal would not have been terribly difficult from the perspective of the Raju family. Unlike Enron, which sank due to agency problem, Satyam was brought to its knee due to tunneling. The company with a huge cash pile, with promoters still controlling it with a small per cent of shares (less than 3%), and trying to ab-

Table 1. Fabricated balance sheet and income statement of Satyam: as of September 30, 2008.

Items Rs. in crore	Actual	Reported	Difference
Cash and Bank Balances	321	5361	5040
Accrued Interest on Bank Fixed Deposits	Nil	376.5	376
Understated Liability	1230	None	1230
Overstated Debtors	2161	2651	490
Total	Nil	Nil	7136
Revenues (Q2 FY 2009)	2112	2700	588
Operating Profits	61	649	588

Table 2. Promoter's shareholding pattern in Satyam from 2001 to 2008.

As on	Promoter's holding in %
March 2001	25.6
2002	22.26
2003	20.74
2004	17.35
2005	15.67
2006	14.02
2007	8.79
2008	8.74
Dec. 2008	2.18

sorb a real-estate company in which they have a majority stake is a deadly combination pointing prima facie to tunneling. The reason why Ramalinga Raju claims that he did it was because every year he was fudging revenue figures and since expenditure figures could not be fudged so easily, the gap between "actual" profit and "book" profit got widened every year. In order to close this gap, he had to buy Maytas Infrastructure and Maytas Properties. In this way, "fictitious" profits could be absorbed through a "self-dealing" process. The auditors, bankers, and SEBI, the market watchdog, were all blamed for their role in the accounting fraud.

4.3. The Auditors Role and Factors Contributing to Fraud

Global auditing firm, PricewaterhouseCoopers (PwC), audited Satyam's books from June 2000 until the discovery of the fraud in 2009. Several commentators criticized PwC harshly for failing to detect the fraud. Indeed, PwC signed Satyam's financial statements and was responsible for the numbers under the Indian law. One particularly troubling item concerned the $1.04 billion that Satyam claimed to have on its balance sheet in "non-interestbearing" deposits. According to accounting professionals, "any reasonable company would have either invested the money into an interest-bearing account, or returned the excess cash to the shareholders. The large amount of cash thus should have been a 'red-flag' for the auditors that further verification and testing was necessary. Furthermore, it appears that the auditors did not independently verify with the banks in which Satyam claimed to have deposits".

Additionally, the Satyam fraud went on for a number of years and involved both the manipulation of balance sheets and income statements. Whenever Satyam needed more income to meet analyst estimates, it simply created "fictitious" sources and it did so numerous times, without the auditors ever discovering the fraud. Suspiciously, Satyam also paid PwC twice what other firms would charge for the audit, which raises questions about whether PwC was complicit in the fraud. Furthermore, PwC audited the company for nearly 9 years and did not uncover the fraud, whereas Merrill Lynch discovered the fraud as part of its due diligence in merely 10 days. Missing these "red-flags" implied either that the auditors were grossly inept or in collusion with the company in committing the fraud. PWC initially asserted that it performed all of the company's audits in accordance with applicable auditing standards.

Numerous factored contributed to the Satyam fraud. The independent board members of Satyam, the institutional investor community, the SEBI, retail investors, and the external auditor—none of them, including professional investors with detailed information and models available to them, detected the malfeasance. The following is a list of factors that contributed to the fraud: greed, ambitious corporate growth, deceptive reporting practices—lack of transparency, excessive interest in maintaining stock prices, executive incentives, stock market expectations, nature of accounting rules, ESOPs issued to those who prepared fake bills, high risk deals that went sour, audit failures (internal and external), aggressiveness of investment and commercial banks, rating agencies and investors, weak independent directors and audit committee, and whistle-blower policy not being effective.

4.4. Aftermath of Satyam Scandal

Immediately following the news of the fraud, Merrill Lynch terminated its engagement with Satyam, Credit Suisse suspended its coverage of Satyam, and PricewaterhouseCoopers (PwC) came under intense scrutiny and its license to operate was revoked. Coveted awards won by Satyam and its executive management were stripped from the company. Satyam's shares fell to

11.50 rupees on January 10, 2009, their lowest level since March 1998, compared to a high of 544 rupees in 2008. In the New York Stock Exchange, Satyam shares peaked in 2008 at US $ 29.10; by March 2009 they were trading around US $1.80. Thus, investors lost $2.82 billion in Satyam. Unfortunately, Satyam significantly inflated its earnings and assets for years and rolling down Indian stock markets and throwing the industry into turmoil. Criminal charges were brought against Mr. Raju, including: criminal conspiracy, breach of trust, and forgery. After the Satyam fiasco and the role played by PwC, investors became wary of those companies who are clients of PwC, which resulted in fall in share prices of around 100 companies varying between 5% - 15%. The news of the scandal (quickly compared with the collapse of Enron) sent jitters through the Indian stock market, and the benchmark Sensex index fell more than 5%. Shares in Satyam fell more than 70%. The chart titled as "Fall from grace", shown in Exhibit 1 depicts the Satyam's stock decline between December 2008 and January 2009.

Immediately after Raju's revelation about the accounting fraud, "new" board members were appointed and they started working towards a solution that would prevent the total collapse of the firm. Indian officials acted quickly to try to save Satyam from the same fate that met Enron and WorldCom, when they experienced large accounting scandals. The Indian government "immediately started an investigation, while at the same time limiting its direct participation, with Satyam because it did not want to appear like it was responsible for the

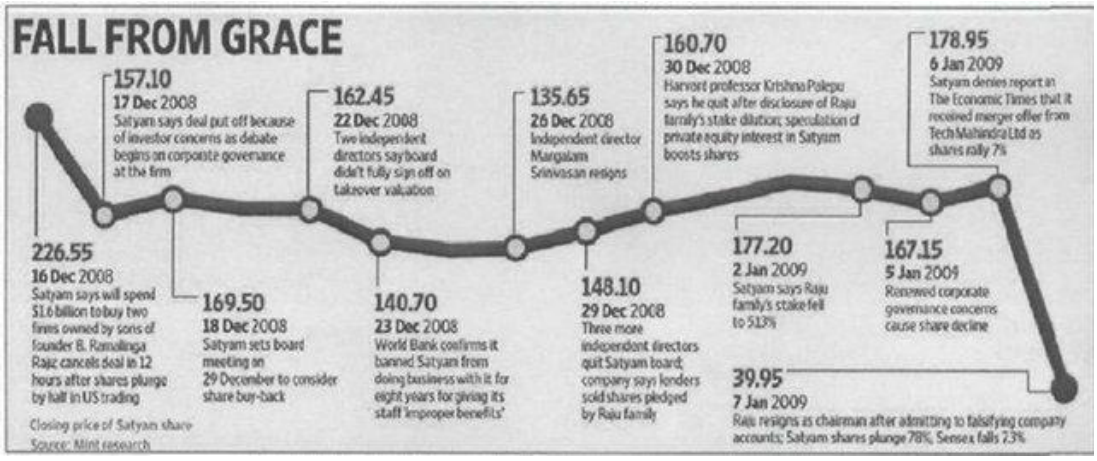

Exhibit 1. Stock Charting of Satyam from December 2008 to January 2009.

fraud, or attempting to cover up the fraud". The government appointed a "new" board of directors for Satyam to try to save the company. The Board's goal was "to sell the company within 100 days". To devise a plan of sale, the board met with bankers, accountants, lawyers, and government officials immediately. It worked diligently to bring stability and confidence back to the company to ensure the sale of the company within the 100-day time frame. To accomplish the sale, the board hired Goldman Sachs and Avendus Capital and charged them with selling the company in the shortest time possible.

By mid-March, several major players in the IT field had gained enough confidence in Satyam's operations to participate in an auction process for Satyam. The Securities and Exchange Board of India (SEBI) appointed a retired Supreme Court Justice, Justice Bharucha, to oversee the process and instill confidence in the transaction. Several companies bid on Satyam on April 13, 2009. The winning bidder, Tech Mahindra, bought Satyam for $1.13 per share—less than a third of its stock market value before Mr. Raju revealed the fraud—and salvaged its operations [32]. Both Tech Mahindra and the SEBI are now fully aware of the full extent of the fraud and India will not pursue

further investigations. The stock has again stabilized from its fall on November 26, 2009 and, as part of Tech Mahindra, Saytam is once again on its way toward a bright future.

4.5. Investigation: Criminal and Civil Charges

The investigation that followed the revelation of the fraud has led to charges against several different groups of people involved with Satyam. Indian authorities arrested Mr. Raju, Mr. Raju's brother, B. Ramu Raju, its former managing director, Srinivas Vdlamani, the company's head of internal audit, and its CFO on criminal charges of fraud. Indian authorities also arrested and charged several of the company's auditors (PwC) with fraud. The Institute of Chartered Accountants of India ruled that "the CFO and the auditor were guilty of professional misconduct". The CBI is also in the course of investigating the CEO's overseas assets. There were also several civil charges filed in the US against Satyam by the holders of its ADRs. The investigation also implicated several Indian politicians. Both civil and criminal litigation cases continue in India and civil litigation continues in the United States. Some of the main victims were: employees, clients, shareholders, bankers and Indian government.

In the aftermath of Satyam, India's markets recovered and Satyam now lives on. India's stock market is currently trading near record highs, as it appears that a global economic recovery is taking place. Civil litigation and criminal charges continue against Satyam. Tech Mahindra purchased 51% of Satyam on April 16, 2009, successfully saving the firm from a complete collapse. With the right changes, India can minimize the rate and size of accounting fraud in the Indian capital markets.

4.7. Lessons Learned from Satyam Scam

The 2009 Satyam scandal in India highlighted the nefarious potential of an improperly governed corporate leader. As the fallout continues, and the effects were felt throughout the global economy, the prevailing hope is that some good can come from the scandal in terms of lessons learned [35]. Here are some lessons learned from the Satyam Scandal:

• Investigate All Inaccuracies: The fraud scheme at Satyam started very small, eventually growing into $276 million white-elephant in the room. Indeed, a lot of fraud schemes initially start out small, with the perpetrator thinking that small changes here and there would not make a big difference, and is less likely to be detected. This sends a message to a lot of companies: if your accounts are not balancing, or if something seems inaccurate (even just a tiny bit), it is worth investigating. Dividing responsibilities across a team of people makes it easier to detect irregularities or misappropriated funds.

• Ruined Reputations: Fraud does not just look bad on a company; it looks bad on the whole industry and a country. "India's biggest corporate scandal in memory threatens future foreign investment flows into Asia's third largest economy and casts a cloud over growth in its once-booming outsourcing sector. The news sent Indian equity markets into a tail-spin, with Bombay's main benchmark index tumbling 7.3% and the Indian rupee fell". Now, because of the Satyam scandal, Indian rivals will come under greater scrutiny by the regulators, investors and customers.

• Corporate Governance Needs to Be Stronger: The Satyam case is just another example supporting the need for stronger CG. All public-companies must be careful when selecting executives and top-level managers. These are the people who set the tone for the company: if there is corruption at the top, it is bound to trickle-down. Also, separate the role of CEO and Chairman of the Board. Splitting up the roles, thus, helps avoid situations like the one at Satyam.

The Satyam Computer Services' scandal brought to light the importance of ethics and its relevance to corporate culture. The fraud committed by the founders of Satyam is a testament to the fact that "the science of conduct" is swayed in large by human greed, ambition, and hunger for power, money, fame and glory.

Questions and Solutions of the Case Study

Q1. Highlight the main features of the case.

Solution: The Satyam fraud is one of the biggest frauds in India's corporate history, B. Ramalinga Raju, founder and CEO of Satyam Computers announced on January 7 that his company had been falsifying its accounts for years, overstating revenues and inflating profits by $1 billion.

The CEO was desperately trying for a massive cover-up by tunneling an acquisition attempt of Matyas, if the deal was allowed to go through the company could have showed Matyas's profit as its own. Unfortunately they were unable to make the deal. When failed Ramlinga, the CEO of Satyam, realized there is no way out. He soon sent a letter to the board confessing about his doings over the past years and announced his resignation. Raju's departure was followed by the resignation of Srinivas Vadlamani, Satyam's chief financial officer, and Ram Mynampati was appointed as the interim CEO as per Ramalinga Raju's recommendation. Resigning as Satyam's chairman and CEO, Raju said in a letter addressed to his board, the stock exchanges and the market regulator Securities & Exchange Board of India (SEBI) that Satyam's profits were inflated over several years to "unmanageable proportions" and that it was forced to carry more assets and resources than its real operations justified. He took sole responsibility for those acts. "It was like riding a tiger, not knowing how to get off without being eaten," he said. "The aborted Maytas acquisition was the last attempt to fill the fictitious assets with real ones."

After some period Raju and his brother Rama (also a Satyam co-founder) had been arrested — and the government of India disbanded Satyam's board. Though control of the company will pass into the hands of a new board.

Meanwhile, a team of auditors from the Securities and Exchange Board of India (SEBI), which regulates Indian public companies, has begun an investigation into the fraud. Since Satyam's stocks or American Depository Receipts (ADRs) are listed on the Bombay Stock Exchange as well as the New York Stock Exchange (NYSE), international regulators could swing into action if they believe U.S. laws have been broken. On the other hand at least two U.S. law firms have filed class-action lawsuits against Satyam, but given the company's precarious finances, it is unclear how much money investors will be able to recover.

Later on April 13, 2009. Satyam Computers was sold to Tech Mahindra on an auction, who bought Satyam for $1.13 per share which is less than a third of its stock market value before Mr. Raju revealed the fraud and salvaged its operations.

The outrage over Raju's admission of systematic accounting fraud has broadened to wider concern about the potential damage to India's appeal for foreign investors and the IT services industry in particular. According to experts, the Satyam disaster will have an enormous impact on India's business scene over the coming months. The CEO of Satyam is not the only one to be blamed, but the auditors, bankers, and SEBI, the market watchdog, were equally responsible for their role in the accounting fraud.

Q2. What is your understanding of Fraud in Accounting?

Solution: According to my understanding, a fraud in terms of accounting is the deliberate misrepresentation of the data or the accounting records such as sales, revenues, overstating company stock prices in order to avoid tax, debts or to gain a favorable advantage. However, any employee who attempts for such an action is considered a criminal and is subject to prosecution.

Q3. What are the facts that lead to the Satyam scandal?

Solution: Numerous factors contributed to the Satyam fraud. The following is a list of factors that contributed to the fraud –

- Greed,
- Ambitious corporate growth,
- Deceptive reporting practices lack of transparency,
- Excessive interest in maintaining stock prices,
- Executive incentives, stock market expectations,
- Nature of accounting rules,
- Employee stock ownership plans issued to those who prepared fake bills,
- High risk deals that went sour,
- Audit failures (internal and external),
- Aggressiveness of investment and commercial banks,
- Rating agencies and investors,
- Weak independent directors and audit committee,
- whistle-blower policy not being effective etc.

Q4. In your view which parties are responsible for this? Defend your answer.

Solution: After investigate the revelation of the fraud has led to charges against several different groups of people involved with Satyam. As far I understood the case for the fraud of Satyam computers I found the two parties are directly responsible for the scandal. They are –

1. The independent board members of Satyam.
2. The internal and external Auditors.

In the case we found that the investigation that followed the revelation of the fraud has led to charges against several different groups of people involved with Satyam. Indian authorities arrested Mr. Raju, Mr. Raju's brother, B. Ramu Raju, its former managing director, Srinivas

Vdlamani, the company's head of internal audit, and its CFO on criminal charges of fraud. Indian authorities also arrested and charged several of the company's auditors (PwC) with fraud. The Institute of Chartered Accountants of India (ICAI) ruled that "the CFO and the auditor were guilty of professional misconduct." So the Board of directors and the Auditors was found guilty in the scandal of Satyam Computers fraud. Behind the fraud personal greediness and lack of transparency was main fact.

Q5. How could a Fraud like this have been prevented?

Solution: A fraud like this can be prevented which is not as easy neither tough as a job. Firstly, a fraud like this can be prevented by having in control our selfishness and excessive desire for more of something if it is needed. This is one of the main cause. Secondly, fraud can be stopped by keeping in check employee stock ownership plans issued to those who prepare fake bills. Thirdly, make strict rules and take the toughest action against culprit and set an example so that an employee thinks twice before doing any crime in the company.

Q6. If you were the Chief Financial Officer of Satyam, what would you have done differently if you knew that the Fraud was going on? Keep in mind that if you chose to disclose the Fraud then the company most likely would have been bankrupt and you would have been out of a job.

Solution: Since the enforcement of whistle-blowing act was very weak in India at that time, still I would make an attempt to blow the whistle as an anonymous. What surprises me is that being an accountant (or CFO), no entity can manage to cover-up such extreme degree of fraud. It might have been possible if Satyam was conducting its operations throughout India only but when Satyam got enlisted in NYSE the fall was inevitable. It was obvious that this situation will eventually arise when the World Bank put a bar against Satyam. Even if I would gotten myself involved in this fraud, the World Bank bar would be enough for me to wash my hands off.

Finally, it is of course a major concern that I might lose my job but it is very much possible that if I get caught for conducting a fraud at this level I might remain unemployed forever. Blowing the whistle also causes the other firm to prevent hiring that is why blowing the whistle while remaining anonymous is the best option to consider.

Jagannath International Management School

MOR, Pocket-105, Kalkaji, New Delhi-110019

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Case Study Evaluation(Auditing)
B.COM(H) SEM IV(2020-23)(Enron case study)

S.No	Uni. Roll	Name of the student	Date of Submission of case study	Presentation	Remarks	Marks out of 10
1	114188820	AKSHIT MEHRA	17-Jan-22	Done	Very Good	9
2	214188820	AKSHITA JAIN				
3	314188820	AMAN GOYAL				
4	414188820	ANKIT KAPOOR	17-Jan-22	Done	Good	8
5	514188820	ANUSHKA PAL				
6	614188820	ARPIT GUPTA				
7	714188820	ARYAN RASTOGI	17-Jan-22	Done	Excellent	10
8	814188820	BHAVYE GUPTA				
9	914188820	CHIRAG GOYAL				
10	1014188820	DEEPIKA DHALL	17-Jan-22	Done	Good	8
11	1114188820	DHANANJAY SHARMA				
12	1214188820	DISHA TYAGI				
13	1314188820	DIVYANSH AGGARWAL	18-Jan-22	Done	Good	8
14	1414188820	DIVYANSH KHANNA				
15	1514188820	FALGUNI GUPTA				
16	1614188820	GOKUL V PILLAI	18-Jan-22	Done		7.5
17	1714188820	HAARDIK GANDHI				

18	1814188820	HARDIK SINGH CHAUHAN			Good	
19	1914188820	HARRIS PAUL BABY	18-Jan-22	Done	very Good	9
19	2014188820	HARSH DUBEY				
21	2114188820	HARSH GUPTA				
22	2214188820	HARSHIT ARORA	18-Jan-22	Done	Very Good	9
23	2314188820	HIMANSHU				
24	2414188820	JAGDEEP SINGH				
25	2514188820	JATIN VERMA	18-Jan-22	Done	Excellent	9.5
26	2614188820	KABEER SACHDEVA				
27	2714188820	KARANBIR SINGH GABRIA				
28	2814188820	KRITI SOOD	19-Jan-22	Done	Good	7.5
29	2914188820	KUNAAL BHANDARI				
30	3014188820	KUSHAL SEJWAL				
31	3114188820	LAKSHAY GUPTA	19-Jan-22	Done	Good	8
32	3214188820	MITUL KAPOOR				
33	3314188820	MOHD FAIZAN AHMED				
34	3414188820	MUNEEBA TARIQ	19-Jan-22	Done	Good	7
35	3514188820	MUSKAAN				
36	3614188820	PALIWAL				
37	3714188820	NITIN SHUKLA	19-Jan-22	Done	Good	8
38	3814188820	PUNYA MADAAN				
39	3914188820	PUSHKAR GOEL				
40	4014188820	RIJUL RANA	19-Jan-22	Done	Good	8
41	4114188820	ROHAN PUHAR				
42	4214188820	BUTOLA				
43	4314188820	SHIVAM PANDEY	20-Jan-22	Done	Excellent	10
44	4414188820	SHIVAM PRATAP SINGH				
45	4514188820	SHREE NIDHI KUKRETI				

46	4614188820	SHUBH JAIN	20-Jan-22	Done	Good	7
47	4714188820	SUNIL KUMAR				
48	4814188820	TANISHK MINOCHA				
49	4914188820	TANMAY GUPTA	20-Jan-22	Done	Good	7
50	5014188820	UMAIR KHAN				
51	35114188820	ARYAN B. KAUSHIK				
52	35214188820	HRIDIKA KAPOOR	20-Jan-22	Done	Excellent	10
53	35314188820	KRITIKA MAINI				
54	35414188820	MANYA MALHOTRA				
55	35514188820	RISHABH SHARMA	20-Jan-22	Done	Average	6
56	35614188820	TWISHA GULATI		Done	Average	6
57	35124588820	GARIMA BISLA		Done	Average	6
58	35424588820	MUSKAN SABHARWAL	20-Jan-22	Done	Average	6
59	35524588820	RITIK THUKRAL		Done	Average	6
60	35624588820	RITIKA SHARMA		Done	Average	6
61	GN9811114930	TANVI MALIK		Done	Average	6

Dr. Niti Saxena