Satyam scandal essay

Mahindra Satyam. once known as Satyam Service Company Limited. is one of the successful planetary concern and information engineering services company. This company handles industry and functional expertness associating to engineering. and provides clients the best services to better concern procedures and their public presentations. B Rama Raju. and Ramalinga Raju founded Mahindra Satyam in 1987. and is headquartered in Hyderabad. India. for supplying package development and Consultancy services to big corporations. (Mahindra Satyam) Mahindra Satyam operates globally including the US. Canada. Brazil. United Kingdom. China. Singapore. Malaysia. and besides many Fortune 500 companies.

That being said Mahindra Satyam provides services at General Electric. General Motors. Nestle. and the US authorities. This company serves automotive merchandises. air power. farm equipment. cordial reception. information engineering. existent estate and the retail industries. Three chief sections that the company operates are IT services. Business Process Outsourcing (BPO) . and Software Products. (Mahindra Satyam) The IT service provides broad assortment of services. including package development. system care. packaged package integrating. and technology design services. Whereas. BPO section provides services related to Human resource. finance and accounting. and dealing processing. Last. Software Products section provides involves merchandise development. and creative activity of package. hypertext transfer protocol: //www. mahindrasatyam. com/about-mahindra-satyam/ICT-company. asp

Mahindra Satyam has four subordinates that operate in India. One of those. Satyam Infoways. operates in E-commerce. and EDI. Electronic Data

Interchange. Satyam Infoways is 2nd largest Internet service supplier in India. and the 4th largest outsourcing house in India after Infosys. Tata Consulting Services (TATA) . and Wipro. (The Economic Times. 2009)

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Satyam Computer Services was accused of fraud in 2009. blow uping its earning and assets for old ages. which had inauspicious effects on Indian Stock markets. The president of the company. Ramalinga Raju. reported false histories even though it serves tierce of the 500 luck companies. and has more than 50. 000 employees worldwide. The president. Raju. said that 50. 4 billion rupees of hard currency was inflated in the balance sheet for the 2nd one-fourth. Similarly. he besides overstated the grosss by 76 per centum. and net income by 97 per centum. He confessed that he has been distorting the histories for old ages. " It was like siting a tiger. non cognizing how to acquire off without being eaten" . he said to the media. Raju started distorting histories with the small sum at first but he kept doing this bigger every one-fourth alternatively of seeking to command when it was little. He besides explained that he wanted to make full the spread by purchasing two building houses but failed to make so.

The falsified sum was so high that Raju could non conceal it longer. hence confessed it to the stockholders and employees. (The New York Times) hypertext transfer protocol: //www. nytimes. com/2009/01/08/business/worldbusiness/08satyam. hypertext markup language? _r= 1 & A ; Besides. Satyam had been banned from World Bank

contracts for functioning undercover agent package on some World Bank computing machines. All these dirts dropped Indian stock monetary value and had inauspicious consequence on stock market. which led Sensex index to fell. Satyam portion fell more than 70 per centum. (The New York Times)

Work Cited

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