

## **Satyam disaster**

HOT topic of discussion these days is the 'Debacle of Satyam'. For the past many days, newspapers and television news channels have been flooded with headlines like 'Satyam sinks', 'Satyam in deep crisis', 'Satyam scandal', 'Satyam a big lie' et cetera.

For those who have not been following the story - Satyam Computers Ltd was, until a few days ago, the fourth largest IT Company of India. Apart from being listed on Bombay Stock Exchange, the company's shares were also listed on New York Stock Exchange and the company had won many national and international awards for excellence - in audit and corporate governance among so many others! Investors and employees considered themselves lucky to be a part of the Satyam family .

All was well till that historic day, a few days ago, when the founderchairman of the company confessed to fudging of books of accounts and large scale financial irregularities in the company. What was most amazing was that this was not a recent or one time phenomenon as informed by the founderchairman; this had been going on for the last almost six to seven years! Since that day, Satyam, which up till now was a dream for all, has turned into a nightmare, which is not likely to end soon. That a fraud of this magnitude (as of now the amount involved is estimated to be near about INRs 7,000 crores) could happen and continue undetected for so long is simply amazing. Obviously it could not have happened and could not have remained undetected for so long without the direct or indirect involvement of a large group of people from both within and outside the organisation.

Such a large scale falsification of books cannot be the handiwork of any one person - after all we are talking about the 'fourth largest IT company' and not a small proprietorship concern. Obviously there must be a group of people, who for reasons best known to them, chose to actually cook the books - these persons of course are the direct players in this drama.

At the same time there would have been many more - who knowingly or unknowingly contributed to this now unhappy situation - all indirect players in the act. Some would have contributed by turning a deaf ear to what they would have thought at that time 'does not concern me'. Others would have done their bit by turning a blind eye to everything and signing on the dotted line. Some others would have contributed by adopting a 'no questions asked' approach and many more by just being 'yes men'.

Each would have had his own reason for doing what he did - from salary hike, to promotions, to fat increments, to foreign visits, to power, to material benefits, to non material benefits, to being in good books, to pleasing the boss, to creating a good impression, to gaining more contracts - there would have been countless reasons and justifications which made each one do what he did and also feel that what he was doing was right.

The founder-chairman of the company and a few of his top associates have since been placed under arrest. However, the fact of the matter is that each of the above players is responsible for the debacle in his own way . Definitely, he who conceived and directed the whole show is the real culprit, however, what about those employees who kept the accounts and actually wrote the balance sheets and profit and loss statements, the auditors who did not do the job for which they were hired - 'audit', the directors who did not safeguard the interests of all stakeholders and preferred to 'sleep through' the board meetings, and the regulators and the governors who framed guidelines yet did not ensure their compliance?

The question still remains - had every player performed his role with due diligence, conscientiousness and sincerity, could a fraud of this magnitude ever happen? Could it have continued unnoticed for six to seven years or may be even more? Even now it has come to light because of self-admission and not because of any investigation or diligence of any person or agency .

Time has now come for each one of us to shoulder our responsibilities with honesty, commitment, dedication and diligence without leaving any room for temptations, weaknesses or personal gratifications of any kind - material or non material, short-term or long-term. Even if one of us chooses to remain a weak link in the entire corporate and social chain, many more 'Satyams' might happen in future. Who knows what is happening to thousands of employees, investors and other stakeholders of Satyam today might also happen to us sometime.