CHAPTER-VIII

CONCLUSION AND SUGGESTION
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-KAUTILYA'S ARTHHASTHA says 'in the welfare of the people lies in the king’s welfare and their happiness is his happiness. Business houses can’t do its economic activity by ignoring the society. Support from the society is a must, not only for survival but also for future growth. Image that society carries about the business houses play an important role and it has a multiple impact on the financial health of a company.

Present Research Study about Corporate Social Reporting Practices in Private Information Technology Sector in India (A comparative study of Infosys Technologies Ltd. And Satyam Computer Services Ltd.) For the Research period from 2003-04 to 2007-08 has been succeeded in observing following Conclusions and Suggestions.

Business depends on society for the needed inputs like money, men and skills. Business of corporate also depends on society for market where products may be sold, it also depends on society for market to raise funds in form of share capital, debentures and loans etc. thus, Business of corporate depends on the society for existence, sustenance and encouragement and being so much dependent, and corporate has definite responsibility towards society.

If we talk about the benefits of CSR, we can say that CSR creates a ‘feel good’ factor about the company, which is increasingly instrumental in relation of talented professionals; Social involvement of business fosters a harmonies and healthy relationship between the society and business to the mental benefit of both, Social responsibilities like Recycling, Reuse and Reduce waste 3Rs may have favorable financial effects and Social involvement may create a positive image for the company that may help in attracting customers, efficient personnel and investors.

“Inconsistencies In Sustainability Reporting” as per (GRI Homepage, 2009). Thousands of organizations in diverse sectors including automobiles, utilities, consumer products, pharmaceuticals, financial, telecommunications, transport, manufacturing, energy and chemical sectors, public authorities and non-profits have
published GRI reports adopting part of or all of the G3 Guidelines. GRI stresses that it's not important for an organization to cover all aspects of the Guidelines in their first report. The real focus is to analyze whether "an organization is serious about systematic disclosure of its non-financial information in a form that meets stakeholder expectations for rigor, consistency and timeliness. This seriousness can be demonstrated in only one way: by launching the reporting process."

**Purpose of Sustainability Reporting:** As per Vidya Sawhny, from GRI Home page (2009), the reason for sustainability reporting appears different for each organization based on its corporate, business and marketing objectives and strategies. Some organizations are measuring output, others are measuring internal improvements, and some are focused on measuring what they think their stakeholders are interested in. In reality, the purpose for environmental reporting is different for each organization. This implies that each business will focus on those aspects which it considers most important, and those that will help them generate maximum favorability in the community. For example, if stakeholders are concerned about the green investments and initiatives of suppliers/partners, then the organization will focus on highlighting the interests of their stakeholders in the environmental report to gain greater acceptability.

The notion of Corporate Social Responsibility has grown out of the changes that have taken place in the Social Contracts between Business and Society, i.e., the set of two-way understandings and expectations that characterize the relationship between Business Enterprise and Social forces. Basically, changes in the Social Contract may be said to have taken place as a result of growth in size of Corporate Enterprise, Education and awareness of the social impact of business activities, and institutional expression of the claims of society on business.

The origin of CSR in India is carried out in the sections including Industrialization in India and changing forms of charity and philanthropy age, Philanthropy during early industrialization (1850 and 1914), The "golden age" of Indian capitalism and philanthropy (1914–1960), Business and community development under
state-development (1960 to 1980) and thereafter the Stakeholder Theory has been developed.

**Megan Cannolly**, defines CSR in detail, as “the alignment of business operations with social values. CSR consists of integrating the interests of stakeholders—all those affected by a company's conduct—into the company's business policies and actions. CSR focuses on the social, environmental, and financial success of a company—the so-called bottom line— with the goal being to positively impact society while achieving business success.” It acknowledges the debt that the corporation owes to the community within which it operates, as a stakeholder in corporate activity.

The triple-bottom-line stresses upon the stakeholders in a business are not just the company’s shareholders. Sustainable development and economic sustainability and corporate profits to be analyzed in conjunction with social prosperity.

For the development of good standards of corporate responsibility for the business, there are a number of policies, which reflect the company’s ethos and attitude towards its employees, customers, other stakeholders and the community in general, should be established. For the future of CSR in India, the decisions made by the world's up-and-coming economies will shape the future of ethical business according to a leading academic. With growing globalization, Corporate Social Responsibility (CSR) had been increasing in importance as it helped organizations to improve their relationships with local communities, increase brand value, and build a good corporate image for themselves. Also, the socio economic developmental activities undertaken by companies increased the purchasing power of the community, leading to an expansion in their market size.

Future of CSR in the world can be realized by knowing that Businesses face a new risk realities emerging throughout the world. Following points may be included: Growing complexity associated with globalized, connected marketplace, Global warming as Challenge for CSR, Sustainable development and CSR’s Role, Disaster Recovery and Business Continuity Plan, Growing uncertainty related to rapid changes in competitive business Landscape as well as in geo-political & environmental conditions, Growing scrutiny of corporate behavior and performance by (investors,
Auditors, regulators, consumers and broader stakeholders), Growing expectations of transparency, accountability and independent Assurance, Growing recognition of intangible assets as primary source of value, New risks and innovative forms of risk management and communication.

As per the National Council for Applied Economics Research (NCAER) and Goldman Sachs, in 1997 and 2003, projected India as one of the largest markets in the world by the year 2020 and 2050 respectively, after the United States (US) and China (Rao and Natarajan 1997; Wilson and Purushothaman 2003), corporate social responsibility is a new business strategy to reduce investment risks and maximize profits by taking all the key stakeholders into confidence. The proponents of this perspective often include corporate social responsibility (CSR) in their advertising and social marketing initiatives.

Presently known with the name of ‘Infosys technologies limited’ was incorporated in 1981 as Infosys Consultants Private Limited, a private limited company under the Indian Companies Act, 1956, The name was changed to Infosys Technologies Private Limited in April 1992 and to Infosys Technologies Limited in June 1992, when the company became a public limited company. Now it is Named a leader in Global IT Infrastructure Outsourcing and has obtained Award for best investor relations by an APAC company in the US market at IR magazine US Awards 2008 and ICAI has also judged the Infosys Annual report 2007 as the best information technology, Communication and enterprise category and the company has been continued to be a pioneer in benchmarking it’s corporate governance’ policies with the best in the world.

On the other hand ‘Satyam computer services limited’ SATYAM COMPUTERS was incorporated under the laws of the Republic of India in June 1987, and became a global IT solutions provider, offering a comprehensive range of IT services, was awarded with the Best Employer in India 2007, TOP 2 CORPORATE GOVERNANCE & Most Admired Knowledge Enterprise Award. “Satyam was plunged into a crisis in January 2009 after its founder, B. Ramalinga Raju, said that the company's profits had been overstated for several years. In March 2009 the company announced it would begin soliciting bids from potential buyers. Tech Mahindra had offered the highest bid, Wilbur Ross and an Indian construction and IT services firm,
As Per the Comparative Analysis of Present Status of Selected Companies Infosys Technologies Ltd. and Satyam Computer Services Ltd. For five years Following points are revealed:

Analysis of the Sales figure of both the companies Infosys and Satyam for the five years reveals that the average sales for Infosys was Rs. 9889.2 crores, which is higher than the average sales Rs. 5197.2 crores, this is because the Infosys having greater market presence in terms of sales and financial soundness.

Analyzing the net profit of both the companies Infosys and Satyam, it is found that the Average net profit figures of Infosys is Rs.2754 crores and on the other hand the same for Satyam is Rs.1137 crores, means that the average net profit of Infosys is higher than that of Satyam because of higher profit earning capacity of Infosys due to market capitalization.

Analyzing the Earning per Share of Infosys and Satyam on the basis of average. The higher average of EPS of Infosys is 49.69 and on the other hand the same for Satyam is Rs 17.46 per share. The reason of higher EPS of Infosys is higher Capacity of Earning Profit available for Equity Share holders.

As per the analysis of the disclosure of Awards represents higher level of Attraction towards Infosys ltd. in comparison of Satyam ltd. as depicted in the table above for the heading Disclosure of Awards showing 14 awards in credit of Infosys ltd in comparison of 9 awards in credit of Satyam ltd. that makes Infosys ltd. better in comparison.

Main parameters for the disclosures of corporate social reporting practices include Employee Evolvement in decision making, Health, Safety, Security, R&D, Corporate Governance, Stakeholder engagement, Training and development, Raw material management, Energy management, Land management, Waste management, Waste reuse, Waste disposal, Pollution control management, Rural development, Domestic rehabilitation to the needy, Adventure foundation, Health

There is an increase in Stakeholder Activism about Organization for CSR Practices. There has been an emergence of Transparency for organization towards Society for reporting of CSR practices by the commencement of disclosures of Sustainability Report and Report on Social Audit Separately by some of the companies like Tisco, Infosys etc. The interest and action of Government has been Growing in the CSR polices of the companies. CSR disclosure policies represent the transparent view of organization towards the society. The companies have started following the growing trend for CSR expenditures.

On the basis of Disclosure and Analysis of Corporate Social Reporting Practices of the selected companies, it is found that as far as the contents and scope of the corporate social responsibility are concerned; During the Selected Research period Infosys is found better in disclosure of CSR practices than Satyam Computers.

The pioneer company ‘Tisco’ has very good standard of CSR practices than two of the selected companies comparatively. To the Extent sustainability standards are only maintained by pioneer company ‘Tata Iron and Steel Company Ltd’. Comparison of CSR disclosure policies of selected company with pioneer company represent that the sustainability standards are maintained in efficient manner in case of INFOSYS than that of SATYAM COMPUTERS.

Infosys has been reporting its efforts much more as compared to Satyam and The Facts of Corporate Governance are found as per disclosure in the Annual Report for Infosys than that of Satyam.

On the basis of Analysis of CSR reporting practices of the selected companies Infosys & Satyam with pioneer company (Tisco) it has been concluded that as far as the contents and scope of the corporate social responsibility are concerned; TISCO (the pioneer company for CSR Practices) has been reporting its Efforts much more then Infosys and Satyam & on the other hand, Infosys has been reporting its efforts much more as compared to Satyam.
On the basis of Analysis the impact of CSR on Employee's Productivity of the selected companies (including Tisco the pioneer company, Infosys and Satyam) through Karl Pearson's co-efficient of correlation and regression analysis with the 't' test for significance of correlation and it has been revealed that, there is a positive correlation between CSR expenditure of the companies and Employees' Productivity of the companies. During the year 2007-08 Staff Well fare expenses (The CSR Component) for Tisco is Rs. 1589.77 crores, for Infosys these are Rs. 49 crores and on the other hand the same for Satyam are Rs. 21.47 crores. And we conclude that there is a positive degree of correlation between CSR and employee productivity for the selected companies and pioneer company avoiding the exact category of the degree.

The degree of correlation for CSR and employee productivity in case of Satyam Computers is higher than that of Infosys but in comparison with pioneer company Tisco, the pioneer company has the higher degree of Correlation for CSR and employee productivity, than two of the selected companies. The correlation between CSR and Employee Productivity is not significant as per significance test for Correlation for any of the selected companies. Regression line analysis reveals the similar trend of CSR Practices and Employee Productivity for the companies. Through the analysis of correlation and Regression for an impact of CSR on Employee Productivity, the 'Satyam Computer' is found better than 'Infosys' but we can't avoid the negative trend values of CSR and Employees Productivity and that represents that there is some problem with the management of the company.

By an Analysis 'The Impact Of Corporate Social Reporting Practices On The Profitability of the Selected companies, on the basis of Karl Pearson's coefficient of correlation, significance 't' test and Regression Analysis, we conclude that the correlation between CSR and Profitability of the companies (Infosys and Satyam) is positive and as per regression analysis, the linear trend is found for CSR expenditure (Donation) by both the selected companies Infosys & Satyam, but the profitability affected by the CSR is not in trend similarity. The Expenditure of Donation (the CSR component) is Rs. 20 crore and Profit Rs. 4470 crore and on the other hand Donation Expenditure and corresponding profits are Rs 6.68 crore and Rs 1715.74 crore during the year 2007-08.
Conclusion and Suggestion

For company base conclusion we can say that The CSR practices effects the profitability of the organizations, following points can be included. There is positive degree of Correlation between CSR and Profitability for two of the selected companies. The degree of correlation between CSR and Profitability in case of selected companies Satyam Computers is higher than Infosys during the Research Period.

The correlation between CSR and Profitability of the Selected Company Infosys is not significant proves that there is no Correlation between CSR and Profitability of the Company. The Correlation between CSR and Profitability of the other Selected Company Satyam Computers is Significant and proves that there is Correlation between CSR and Profitability of the company. The Regression Analysis reveals that the linear trend is found for CSR expenditure by both the selected companies (Infosys and Satyam) but the profitability affected by the CSR is not in trend similarity. The negative trend value of CSR in case of Satyam for the year 2003-04 shows that, there is some problem with the management of the company during research period.

On the basis of perceptions of Investors and Employees it is concluded that the corporate social responsibility is the need of today as the there is the majority in views of the respondents for the same; CSR brings awareness of the corporate about the society it was accepted by majority of respondents.

'Social benefits are in Consideration to Social Cost' for this alternative type of question ‘yes’ was responded by 78% respondents, 11% respondents supported their view with ‘no’ and remaining 11% were not sure of their view. The question ‘Do you agree that company creates Social Cost?’ is analyzed on behalf of their response that 67% were ‘yes’, 23% were lying upon ‘no’ and remaining were not sure of their comment, so with the support of majority, we can conclude that companies create Social Cost.

The analysis of the question ‘CSR only relates to pollution control Pollution Control by the organizations’ reveals that 33% were supporting with ‘yes’ other 60% were supporting with ‘no’ on the other hand remaining 17% were not sure of their view. On the basis of above analysis Researcher concludes with the majority base
that CSR is not only about pollution control and there are many more areas concerning to CSR.

As per the analysis of Composite View of the Employees, Investors & customers, about the question ‘Do all organizations perform CSR activities?’ Researcher reveals that 47% of the respondents were with their favorable view, saying ‘yes’ 31% were with ‘no’ and on the other hand rest 22% were not sure of their answer with this base we can say that there are most of the organization who perform CSR activities through heart, but rest have yet not realized the importance of CSR.

By the analysis of the question “If an Organization performs Social Responsibility, It can increase its Profitability.” The facts being realized to conclude that, there are 73(73%) respondents were supportive to this theory, the 19(19%) were against with their response ‘No’ and on the other hand 18(18%) were not sure of their answer, but majority gives us the favorable mind set, for CSR implementation within the organization will affect the Profitability.

Analysis of the question ‘There is no relation between Social benefit by the organization and Growth & Development and Productivity’ on the basis of responses received through questionnaire reveals that 22% of the respondents were towards favorable view, 59% were towards negative view and on the other hand 19% were not sure of their response so they marked on Can’t say. Here in majority of the respondents suggests that there is relation between social benefit by the organization and Growth & Development and Productivity of the firm.

Analysis of the question “Do you agree that Corporate Social Reporting Practices of the organization affect its Employee’s Productivity?” which is of alternative category, reveals that majority respondents being 71(71%) are supporting their view responding ‘yes’ other 20(20%) were against this view saying ‘no’ and rest of 9(9%) were not sure of their view, on the basis of majority support of the respondents in favor of the question, we can say that CSR practices of the organization affect the Productivity of its Employees.
Analysis to retrieve the views of respondents for the problem “To spend the fund in the social benefits is wasteful and for no consideration” reveals that 8 respondent suggested with ‘yes’ other 67 suggested ‘no’ and remaining 25 did not suggested any of their view, so to give the comment for the above we conclude that to spend the fund in the social benefit is not wasteful and this will bring fruits to the organization in long term.

Analysis of perceptions of respondents for ‘Social activities by the organization and Growth options go together’ reveals that 47(47%) of the respondents were in favor about the thought with their response, 29(29%) were against this thought and on the other hand 24(24%) were not sure of their answer, majority takes us to the favorable conclusion, but it also should be kept in mind that it is under 50% of the respondents. So researcher can conclude with the base of majority of respondents that ‘Social activities by the organization and Growth options go together.’

Through the analysis of Employees, Investors and Employees about their perception of the query of ‘Do you agree that Corporate Social Reporting Practices of the organization impacts the profitability of that organization in any way?’ we generalize, that 64(64%) were with their favorable responding, replying (Yes), 16(16%) were against this thought and on the other hand 20(20%) were not sure of their response. But we can conclude that majority goes toward the favorable response (being greater than 50%) and we can say that CSR Practices of an organization will affect its profitability. As per majority base researcher finds that Corporate Social Reporting Practices of the organization impacts the profitability of that organization in some ways.

Researcher had analyzed the rank based question People/ Society should favor the organization for social activities in following manner. If we average the ranks given by the respondents then it is found that average rank in case of ‘keeping trust on the organization’ value being 54.5 is higher than the average rank of ‘taking stake in the organization’ value being 45.5, so we can say that the Society should give priority to ‘keeping trust on the organization’ before ‘taking stake in the organization’ to favor the organization for its social activities performed.
Analysis of the rank based question focusing upon 'The Priorities of an organization for social Responsibility' on the basis of average rank response analysis shows that the average rank is higher in case of making huge Profit. Average rank value being (33.67) so it is given first rank and second to Employee grievances Value being (33) and the third rank is given to Bonus to Share holders value being (32). It reveals that an organization has to make all of these things but it should be the first priority of an organization to make higher profits for organizational benefits than employee benefits and then to shareholder benefits.

Analysis of the alternative type question such as 'CSR activities benefits to' (a) The Employees' or (b) the Share holders or (c) The Suppliers (d) Other Stake holders or (e) All of above, on the basis of responses received through questionnaire reveals that the consent of the people goes 17% toward the Employees, 41% towards the Share holders, 18% towards the Suppliers, 19% Other Stake holders and 5% towards All of above category, the reason for the views going higher towards Share holders may be in most cases the respondents were Investors (share holders) along with their identity in form of employees and other stakeholders. To conclude researcher could go with 41% respondent, saying that CSR activities mostly benefits to Share holders.

Analysis of the perception of employees and investors about the question of alternative category 'Organizations may disclose CSR disclosure in: (a) Annual Report or (b) Separate Sustainability Report or (c) other ways or (d) all of above, reveals that respondents went higher in views with 56% for Annual Report, 19% for Separate Sustainability Report, 1% for other ways and 24% for the all of above alternatives reason for being higher in case of Annual Report may be the proportion of respondent in form of Investors being mostly aware of Annual Reports. So it can be concluded that Annual Report is suitable & convenient mode for the organizations of all size as per there capability but the large scale organization could disclose CSR practices in other separate sustainability Report.

Analysis of the rank based question 'CSR activities should be performed by the multinational companies'. (a) at micro level (with In the native country only) (b) at macro level (with in the globe) reveals that average higher rank for (b) was supported
by the respondents and we can conclude that **organizations should start CSR activities from their initiatives for its parent (domestic) country then it can expand its CSR initiatives towards the whole world.**

For the analysis of suggestion based questions, the all suggestions and views of respondents regarding different aspects of CSR and CSR practices were analyzed and best of the suggestions as per researcher’s opinion have been involved during Explanation of different aspects required in this research study for fulfillment of the research objectives.

Other findings include The Satyam Computers had been found in unethical conduct of business, corporate governance practices and manipulation of accounts for several years including selected research period but this fraud was declared after the Research Period as per the disclosure and confession of CEO of Satyam in January 2009 in a resignation letter to the company’s board of directors forwarded to stock exchange authorities as well as the regulator of the country’s capital markets, the Securities and Exchange Board of India (SEBI).

<table>
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<th>'Infosys Technologies limited’ holds a shining image for conduct of business and corporate governance practices even in the Research Period and after the selected Research Period also.</th>
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| So ‘Infosys Technologies Limited’ is better in CSR practices than ‘Satyam computer Services Limited’.

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**SUGGESTIONS:**

Suggestions are not mandatory in nature; however they are very important as to the improvement (if possible). In the conclusion here are the few suggestions which are arrived at on the basis of the facts observed through the analysis of the Corporate Social Reporting Practices by the selected companies, i.e., Infosys Technologies limited & Satyam Computer Services limited.
SUGGESTIONS FOR INVESTORS/STAKE HOLDERS:

There has always been an important source of removing the flaws in the corporate system, in the form of Active Investors' but the need is to be together and raise the voice against any sort of unprofessional conduct.

Corporate social reporting is the concept to enable the shareholders to have an insight as to efforts made by the company for the sake of the society; so they must ensure that the quantum of the information being provided by the company is sufficient for the same or not.

Active participation should be taken by the stakeholders to make sure that companies are reporting according to the rules standards laid down for the same are not.

SUGGESTIONS FOR THE COMPANIES:

Today the business system is full of complexities and competition; hence it has been required for the companies to function with the provisions as to Corporate Social Reporting Practices and Disclosures.

Companies should take the initiative to report as much as they can with reference to Corporate Social Reporting Practices and understanding the significance of the Corporate Disclosure so as to magnify the transparency of the organizational functioning.

To achieve greater transparency, companies must have a environmental audit, which should be carried out by a multi-disciplinary team having expertise in environmental matters (policy, regulation and management) as well as specific environmental matters (ecology, environmental technology and behavior of potential contamination) abatement of technologies and operational aspects.

In order to solve the pricing of natural resources, companies must introduce shadow prices. A shadow price is non-market observed price. Shadow pricing attempts to place a price tag on resources, which once achieved allows the relative scarcity of a resource to be measured. There are many approaches to determine the shadow pricing.
Now it is a high time that Eco-concern should become a part of the business. Holistic approach should be adopted to conserve the environment and not to try up the resources. Corporate sector should be committed to conserve bio-resources, for future generations.

SUGGESTIONS TO RESEARCHERS AND UNIVERSITIES:

It is suggested that more and more research should be undertaken to develop measurement techniques of environmental costs and benefits so that better accounting and reporting is possible.

SUGGESTIONS FOR THE SOCIETY:

Society must be aware of the importance of their own powers. Social groups should raise voice against unhealthy corporate practices.

Society owns the power to mould the corporate affairs to their benefit to a certain extent, and that power should be used by the society.

SUGGESTIONS TO THE GOVERNMENT:

Government is also required to take the necessary steps to ensure that the companies are maintaining the required parameters as to the disclosure practices especially with regard to Corporate Social Reporting Practices.

Government should be ensured that a particular portion of the companies' revenue is spent in the country in which they operate and from where they earn their revenue. Ultimately the society from which they reap heavy profits should also be benefited at large.

There have been found various fundamental flaws between the policy formulation and implementation. Hence a mechanism is required to ensure the purity between the two.
Government should also authorize SEBI, Company law board etc. to ensure that the rules of financial reporting are being followed or not. There might be a provision of some penalties in case of non-compliance of the reporting standards.

There is a need to harmonise the accounting standards of different countries and to develop an International accounting standards for environmental accounting and auditing.

The Companies Act 1956 must be suitably amended and it should make compulsory for corporate sector to report environmental matters in financial statements or in Directors’ report.

OTHER SUGGESTIONS:

As an Organization committed to perform its business in a sustainable manner, the key drivers for developing an environmental and social reporting practice could be either or all of the followings:

- Establishing a meaningful communication with the stakeholders, which enhances the trust and relationship, and helps in demonstrating your performance and plans for future improvement?

- Improving the reputation by demonstrating the concern about environmental and social issues, and by fostering transparency and accountability.

- Improving the environmental and social risk management by identification of such risks, their origin, which would facilitate better management?
The Best Of Past Of Satyam Computer Services Limited:

SATYAM COMPUTER SERVICES LIMITED: was incorporated in 1989 though it took of only in 1991-92. Ramalinga Raju very soon realized that there could be higher margins if one could convince companies abroad that Indian could develop the software in India and upload it to US companies Mainframe computers through a satellite data link. Satyam was one of the first companies to get a dedicated 64 kbps data link for the development. Satyam was among the first Indian companies to make the unique paradigm shift from onsite-led operations to offshore driven ones.

Satyam also became one of the few companies in the world to the top rating level 5 in the capability maturity model (CMM) instituted by Carnegie-Mellon University’s software engineering institute. Satyam’s foray in to corporate data and Internet services too was path breaking. While several e-mail companies were languishing in the pre Internet days due to unreasonably high license fees and port charges by Dot, Satyam Infoway moved in to this way space in 1995. It invested heavily in Internet providing networks. When the only Internet provider was the government monopolized VSNL. At that time the companies could only be listed in India after three years of profitable business, while Internet play required large funding for infrastructure and acquisitions. Satyam quickly moved to list (Satyam Infoway SIFY) on NASDAQ with great success. On 19 October 1999 it became the first Internet Company from India to be listed in the global markets. In June Satyam infoway reached a milestone with its subscriber base crossing to the two-lakh mark. SIFY posted a profit of Rs 67 crore for the year ended March 31 2000 against Rs 10 crore in the previous year. While high flying SIFY has caught people’s imagination, the flagship Satyam computer services, a software service company has grown from a turnover less than Rs 4.7 crore in 1993 to Rs 679 crore in 2000 (146times) and its net profit 149 times from 90 lakh to Rs 134
crore. Satyam today has become folklore in Andhra pradesh. Satyam’s principal executive office was located at Satyam Technology Center, Bahadurpallay Village, Qutbullapur Mandal, R.R. District – 500855, Hyderabad, Andhra Pradesh, India. **Services Offered:** Application Development & maintenance, Business Intelligence & Data Warehousing, Business Process Outsourcing, consulting & Enterprise Solutions, Embedded Services, Engineering Solutions, EAI & System Integration, Managed IT Services, Quality consulting, Enterprise Applications Technology, GIS Technology, HiTech Solutions, Infrastructure Management Solutions, MES & LIMS, Silicon Design services, Six Sigma consulting.

**Development Centers: 25** centers across- Australia, Canada, China, Germany, Hungary, India, Japan, Malaysia, Singapore, UAE, UK, USA.

Additional Information:

1. **Subsidiary:**
   - Nipuna Services Limited
   - Satyam Technologies Inc.
   - Satyam Computer Services (Shanghai) co Ltd
   - Citisoft Plc.

2. **Joint-ventures:**
   - Satyam Venture Engineering Services Pvt. Ltd.
   - CA Satyam ASP Pvt. Ltd.

   *During the Financial Year 2005-2006 Satyam Computer’s total Income was recorded Rs 5012.22 Crores Comprising Income from Software Services of Rs 4,634.31 Crores and other Income of Rs 377.91 Crores, the Company recorded a Net Profit of Rs 1239.75 Crores, North America, Japan, Europe and Rest of the world accounted for 65.63%, 1.45%, 18.20% and 14.72% of the total Revenues Respectively. The offshore Share of the Revenues during the year was 44.34% while that of the Onsite was 55.66%.*

   - During the year 2006-07 and 2007-08 Satyam Computers Reported the revenue with Rs. 6228.47 Crores and Rs 8147.28, representing an increase of 30.69%.
Satyam Computers Reported net profit for the year 2007-2008 with Rs 1423.74 Crores and Rs. 1715.74 Crores for the corresponding Period with the growth % of 20.55.

The Selected Company Satyam's network covers 67 countries across six continents. The company employs 40,000 IT professionals across development centers in India, the United States, the United Kingdom, the United Arab Emirates, Canada, Hungary, Singapore, Malaysia, China, Japan, Egypt and Australia. It serves over 654 global companies, 185 of which are Fortune 500 corporations. Satyam has strategic technology and marketing alliances with over 50 companies. Apart from Hyderabad, it has development centers in India at Bangalore, Chennai, Pune, Mumbai, Nagpur, Delhi, Kolkata, Bhubaneswar, and Visakhapatnam.

Scandal of Satyam Computer Services Ltd.: The Reputed Multinational Company Satyam Computer Services Ltd. (SCSL) as explained in the earlier section, can even be imagined about being involved in any scandal? The answer of the question will probably be no; but this has gone done in the history of Indian Corporate world, and the accused of this crime was none else, but The founder, CEO B. Ramalinga Raju, as per his disclosure in his crime admitting in the letter send to SEBI and other Media. The scam at Satyam Computer Services, the fourth largest company in India’s much showcased and fiscally pampered information technology (IT) industry, has had an unusual trajectory.

It began with a successful effort on the part of investors to thwart an attempt by the minority-shareholding promoters to use the firm’s cash reserves to buy out two companies owned by them — Maytas Properties and Maytas Infra. That aborted attempt at expansion precipitated a collapse in the price of the company’s stock and a shocking confession of financial manipulation and fraud from its chairman, B. Ramalinga Raju the original promoter’s share held by the Raju family and their subsequent acquisitions were not for keeping. Though the precise numbers quoted vary, according to observers the stake of the promoters fell sharply after 2001 when they held 25.60 per cent of equity in the company. This fell to 22.26 per cent by the end of March, 2002, 20.74 per cent in 2003, 17.35 per cent in 2004, 15.67 per cent in 2005,

The most recent decline is attributed to the decision of lenders from whom the family had borrowed to sell the shares that were pledged with them. But the earlier declines must have been the result either of sale of shares by promoters or of sale of new shares to investors. According to audited balance sheet figures (if they are to be trusted) available from the CMIE's database, the paid-up equity in Satyam Computer Services rose from Rs. 56.24 crore in March 2000 to just Rs. 64.89 crore by March 2006 and further to Rs. 133.44 crore in March 2007.

Overall, the number of shares held by the promoter group fell from 7.16 crore (22.8 per cent) to 5.8 crore (8.6 per cent) between September 2001 and September 2008. and “Satyam was plunged into a crisis in January 2009 after its founder, B. Ramalinga Raju, said that the company's profits had been overstated for several years. Finance professionals, however, say that the scam could not have happened without the complicity of company auditors. Satyam had engaged Price Water House as its auditors over past 10 years. The banks statements are something were checked the first and these had the cleanest state of transactions. The company's accounts were being restated. The reason behind the fraud has came in to knowledge of us, is the wrong effort being made by the Satyam’s.

As per BBC News Delhi, the Satyam scandal has shocked India. It is being called India's Enron. Many in the financial circles are dismayed that the biggest-ever corporate fraud in the country could have escaped unnoticed for so many years. It has brought into question the levels of corporate governance in the country, and has cast an ugly shadow on the once shining image of Indian industry overseas.

Present Position Of Satyam:

In March 2009 the company announced it would begin soliciting bids from potential buyers. On April 13, 2009, Kiran Karnik, the MD at Satyam announced that IT services provider Tech Mahindra had offered the highest bid at Rs 58 per share. Tech Mahindra will have to pay a total of Rs 2890 crore for 51% stake in Satyam. And the IT Company will have a market cap of Rs 5,666 crore on expanded equity. A US-
based investment firm owned by billionaire Wilbur Ross and an Indian construction and IT services firm, Larsen and Toubro were the other bidders. Cognizant Technology Solutions had expressed its interest in a joint bid with Wilbur Ross but backed out at the end". Now the company is known with the name of “Mahindra Satyam Limited.”

Wide Impact of Satyam’s Scam:

As per live mint.com Ahmedabad: The lessons learnt from Satyam fraud will help improve the level of corporate governance in India in the years to come, the apex body of chartered accountants, ICAI said on 22 April. “Satyam is a study in itself and a matter of research also. I think in periods to come you will find that it will help to improve the levels of corporate governance in the country,” Institute of Chartered Accountants of India (ICAI) president Amarjit Chopra said. “Probably, Satyam is the best things that could happen because it shall now prevent frauds in future.”

Speaking about lessons learnt from the 2009 fraud at the leading IT firm, Chopra said “The multi-crore Satyam Scam is a case study before the fraternity, which was primarily more a scandal of corporate governance. ‘It was the failure of audit committee chairman to raise the issue of funds to the tune of Rs 2,000 crore lying in Satyam’s current account, otherwise the scam could have surfaced much earlier,” he said, referring to striking points in the multi-crore Rs 7,000-crore scam. “In the wake of this magnitude scam we have urged the government to fix obligation of independent directors and what kind of role they can play in a firm,” he said.

- “The admission of fraudulent manipulation of the financial affairs has created an adverse impression in the minds of the trade, business and industry across the world.”
- This has also resulted in serious damage to the reputation of Indian Corporate sector and the regulatory mechanism in the eyes of the world,” the government said.
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PROPOSED RESEARCH AGENDA ON THE STRATEGIC IMPLICATIONS OF CSR

There are numerous unresolved theoretical and empirical issues relating to the strategic implications of CSR. These include the followings:

- Comparative Analysis of Corporate Governance Practices In Private Sectors in India.
- Disclosure of Corporate Governance by the companies and its implementation
- Disclosure of Sustainability Reports and examination of its impact
- Defining CSR, identifying institutional differences in CSR across countries,
- Describing CSR strategies, modeling the effects of CSR on the firm and stakeholder groups,
- Determining the effects of leadership and corporate culture on CSR activity, assessing the effect of CSR on the firm and stakeholder groups,
- Measuring the demand for CSR,
- Measuring the costs of CSR and assessing the current knowledge base.