



An exploratory study on the relevance of business ethics and values in the changing atmosphere for preventing corporate scams

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Abstract

Everyone in India has the widespread perception that their personal money represents hard-earned money and other people's or public's money represents easily-earned money in many cases. The moral principles that our society accepts make up ethics. Our Indian culture is recognized worldwide unique because it has blossomed values. The majority of people think that ethics and values only matter to the individual. However, it is important to keep in mind that businesspeople should adhere to the same standards of behaviour as regular men. Since business is a component of society, ethics is important in the business world as well. India has already had a number of corporate scandals or frauds, stock market frauds, and scams. These scandals and frauds rocked the nation and forced tighter controls on reporting, governance, and legislation. The deterioration in ethics and human values is one of the primary causes of these scams. In the increasingly conscience-focused economy of the twenty-first century, there is a growing need for more ethical business practices and endeavours. White collar crimes are those committed by someone with high-profile positions in the public or private sectors. These crimes are quite challenging to find. This paper examines the relevance of business ethics, values and corporate frauds in the present scenario. Besides, the need of business ethics, factors affecting business ethics, factors responsible for unethical practices and, ethical business practices of various aspects of a business has been studied.

Keywords: business, ethics, values, corporate governance, corporate scams

Introduction

An established set of moral guidelines that specify what is appropriate behavior is the basis of ethics. These requirements are commonly stated in terms of rights, duties, social obligations, justice, or specific characteristics. The acceptable norms of conduct in our society are referred to as ethics. Our Indian culture is recognized worldwide unique because it has blossomed values. The majority of people believe that ethics and values only matter to the person. However, it is important to keep in mind that business people should adhere to the same standards of behavior as other men. Because business is a component of society, therefore, ethics is also important in the context of business. The need for more ethical company practices and activities is rising in the 21st century's increasingly conscience-focused economy. New governmental initiatives and laws are simultaneously used to put pressure on the industry to raise business ethics. Additionally, it has also been felt that choices and acts made in business frequently have ethical and moral implications. Coordination between firm employees becomes challenging without clearly defined performance standards and rules. Growing businesses are more significant because they have an effect on people's lives and conditions by generating wealth, creating jobs and motivating others to expand their own business. "A company's lack of ethical behavior can result in a bad reputation, alienation of employees, suppliers and the local community". "This can happen from the way sales and marketing are handled through product development and customer service, and even to a certain extent finance,

production, and human resources management (HRM) etc". In order to ensure commercial success and uphold corporate social responsibility (CSR), ethics are crucial for a company. To ensure a legitimate business model with long-term viability, it is essential to adopt an ethics specific approach. According to a quote from Mahatma Gandhi, being an honest businessman is difficult but not impossible, but being honest and accumulating wealth is impossible. He promoted a straight forward and self-sufficiency way of living based on the maxim that, while there was always enough to meet every one's requirement, there was never enough to satisfy even a small number of people's greed. When considering the current commercial environment, it becomes clear how crucial it is to be embed fundamental ethical standards into the system. The art and science of management must make room for ethics and values.

India has already had a number of corporate scandals, stock market frauds and scams. The first significant fraud of this kind was committed by Satyam computer, the other major frauds are Harshad Mehta Scam, Kingfisher Airlines (KLA) scam, 2G Spectrum scam, Telgi scam, Commonwealth Games scam, PNB scam (for more other scams please see Table-1), etc. These scandals/fraudulent rocked the nation and forced tighter controls on reporting, governance and legislation. One of the main reasons behind these scams is the fall in ethics and the decline in human values. The decline in ethics and values affects even noble professions like education and health. Patients are admitted to private hospitals for longer periods of time so that they can be charged higher fees, expensive tests like MRI's are

frequently recommended without a need in order to meet predetermined commissions, and expensive alternatives for inexpensive medications are frequently supplied. Similarly, educational institutions demand significant donations for admissions, exam papers are leaked, private tuition is favoured over group classes, etc. With the development of trade and technology, corporate fraud has spread around the globe. India is much like every other nation affected by corporate wrongdoing. The rapidly expanding economy and industrial development of this emerging nation are to blame for the sharp rise in corporate scams in recent decades.

Review of literature

A lot of research studies are available on Business ethics. These includes Indian studies as well as overseas studies. Available studies mainly focused on ethical practices related to various aspects of business such as production, marketing, human resources. Some studies also available on Corporate Scams. There is no study available on the relevance of business ethics and values to prevent Corporate Scams in the changing scenario. The present study is an effort in this direction. A brief review of available studies on Business Ethics and Corporate Scams is given in Table-1 below:

Table 1: Review of Literature

S.N.	Author	Objectives	Findings
1	Maretno A Harioto (2017)	To examine the relationship between corporate social responsibility (CSR) and the frequency and severity of corporate fraud.	Study finds that businesses with higher levels of CSR for the community, their employees, the environment, and their products have less serious fraud and less likely to occur fraud.
2	Basu Sankarshan & Raman Sanjana Pattabi	This project seeks to determine the current state of business ethics in seven important sectors of corporate India. The reasons for unethical behaviour and flaws in the corporate governance structure in the chosen seven major sectors are covered in this study. The study also covers the impact of ethical behaviour on corporate governance.	Companies in India have made steps to reduce unethical behaviour, regardless of their sector. Although the extent to which business ethics are implemented varies depending on the organisation, companies do use them in their operations. Companies have code of conduct / ethics, and they punish violators.
3	Balaraman Premkumar (2017)	The main purpose of this paper was to look at how religion affect business ethics and morals, and to investigate the ethical causes of corporate scandals.	The study finds that today's globalized businesses must consider the moral and ethical standards covered in the study from different cultural and religious perspectives. This will improve corporate sustainability, brand image, and goodwill and aid to prevent ethical misbehaviour.
4	Said J, Alam MM & others (2017)	"This study intends to add ethical principles into the fraud triangle theory in the context of Malaysia's banking industry by the distribution of 108 questionnaires to the staff of the major three banks in Malaysia".	"The findings of the study showed that employee fraud was favourably connected with opportunity and rationalization, two components of the fraud triangle theory, and negatively correlated with ethical values". "This implies that strict ethical standards are necessary to prevent employee fraud".
5	Gupta PK & Sanjeev (2015)	A study on "Corporate frauds in India - Perceptions and emerging issues" conducted by the authors to assess the types of corporate frauds in India, how they are perceived and how they affect the commercial and economic systems of the nation. It also highlights new concerns so that existing legal and regulatory obligations might be rearranged and clarified.	In this study it was found that prevention of corporate frauds lowers anxiety, enhances the reputation of the company, and increases investor trust, all of which are crucial for the efficient allocation of resources in the financial markets. Study also found that regulatory system is unsound and the function of auditors needs to be urgently redefined. There is a lack of coordination between the many regulatory agencies, and after every fraud, there is finger-pointing. There is a lack of fraud reporting and the disclosure of a fraud prevention policy. Due diligence by banks and other financial institutions is ineffective, and boards of directors and other executive levels in businesses lack professionalism.
6	Rao Karanam Nagaraja	A study on "Analysis of Corporate Frauds in India from ethical perspective" conducted by the author. In this study author highlights the 14 major corporate frauds committed in India since independence and their impacts on the social and economic makeup of the nation.	Study found that one of the main factors contributing to corporate frauds is the deemphasizing of business ethics in most organizational cultures, which reduces all decisions to just being economically motivated. Study also found that the CEO, CFO, internal auditors, senior management, middle management, operational management and IT department are all highly involved in and accountable for corporate frauds.
7	Shefali (2020)	This study aims to comprehend the mechanism of whistle blowing in India and to validate the practice's existence in Indian scandals using scraps of press coverage as evidence.	After analysing cases of 11 corporate scandals study finds the existence of whistle blowing in Indian scandals. The press evidence supporting these scams was similarly considerable, consisting of 8-9 newspaper pieces. The results of the study showed that the management must be strong and supportive for the whistle blowing mechanism to function properly. Study suggests the protection of whistle blowers and various legal legitimacy under the law.
8	Parihar Roshan, Poonam & Sharma Devendra Jeet (2018)	This study attempts to investigate the reasons behind the erosion of ethics and values, suggest ways to improve them, and discuss the role of the educational system in installing ethical values in students by altering the curricula of Schools and Universities.	According to the study, unethical practices is increased by corruption, privatization, teacher absence, improper political interference, insufficient government policies, flawed course curricula, and a lack of faculty and principal training. These factors are also the main contributors to the decline in ethical standards. A person's personal and social life is also impacted by the ethical decline in terms of their family structure, broken marriages, and a drop in social interactions. In order to prevent decline in ethical values, this study has suggested to implement the value-based education in the curriculum.

Source: Authors on compilation

Purpose of the Study

This research paper's primary goal is to evaluate the relevance of business ethics and values in the present scenario including corporate scams. Besides, this study has been done to achieve the following objectives:

- To know the need for business ethics.
- To know the factors affecting business ethics.
- To know the factors responsible for unethical practices (scams) and value erosion.
- To know the ethical business practices of various aspects of a business.

Methodology

This study intended to know the relevance of business ethics in the present scenario. This study is based on secondary data. The required material for this study had been collected from various books, Journals, Magazines, Newspapers, Websites, and other related research papers and published work.

Need for Business Ethics

Corporate governance is concerned with commercial ethics. A person can choose between good and wrong and hence between several courses of conduct by using a set of values and principles known as an ethical code. Due to the fact that it fosters investor trust, which is so important for recruiting money, excellent corporate governance is good for business. In a nutshell, Business ethics and values are becoming more significant in India across all fields. Corporate governance encompasses all aspects of goal-setting and performance evaluation, as well as policies, risk tolerance, and accountability. A suitable structure of governance needs to be established alongside the business and expand in scope and complexity along with it. It ought to foresee any potential fraud opportunities.

Business ethics can be defined as the use of moral guidelines in business that looks into moral or ethical dilemmas that develop in a business environment. In other words, in the context of business, business ethics provide a set of commonly recognized principles. The study of ethics as a whole includes organizational ethics as well as business ethics. Business ethics and ethics in general have a close relationship. As a result, one's personal ethics and their organizational or commercial ethics cannot be entirely separated. Ethics is not a skill that one can be learned or developed. One must consciously develop and practice ethics as a discipline consistently and assiduously. Ethics is more than just an issue for scholarly discussion or debate. It is constantly visible in one's actions and behavior. It can be seen in actual circumstances. Beverly T. Watkins asserts that in today's market, a business executive must be courageous enough to establish a reputation for integrity and possess a clear awareness of the ethical implications of his or her choices. Government and legislative bodies typically create legislation, laws, rules, and regulations in important areas of interpersonal behaviour. The objective is to protect and promote the welfare of those who might be adversely affected by unethical behaviour. To improve and further strengthen the business's ethical practices among business people, community and professionals, a professional code or code of conduct is developed. Such codes have assumed great importance. The need for business ethics can be highlighted by the following points:

- All stakeholders' interests, including those of shareholders, employees, dealers, and suppliers, government, customers, creditors, and the local public, need to be safeguarded against unfair, unethical, and dubious ways of dealing and exploitation. If this is not done, the result will be a total collapse of the entire system.
- Every firm exists for its customers as its reason for being. Their needs should be satisfactorily met by a business. Customers' advantages and rights, however, are frequently disregarded. It is necessary for the business community to be morally obligated in order to protect customer rights and provide for their needs. "Exactly this is what business ethics accomplishes". "The most crucial consumer rights that must be safeguarded by moral behavior are the rights to knowledge, safety, choice, and hearing".
- Business codes, often known as business behavior codes, regulate how members interact with one another. In the current complex environment, a firm cannot function without faith in the moral fibre of its dealers, financiers, and other affiliated organizations.
- The idea of the nature and goals of business has drastically changed in the modern era. The social focus of business is now widely acknowledged. The business must acknowledge and carry out certain social responsibilities because it is an integral element of society. "Business nowadays must deal with pressing societal concerns including ecology and the protection of the environment, consumerism, resource use and development, people-oriented management and human dignity, energy conservation, the energy crisis, etc". The business must create ethical attitudes and procedures in order to address these social concerns successfully and adequately.
- A code of ethics should be created and published by business organizations. Customers, staff, dealers, and suppliers will have more faith in the organization's operations and business interactions as a result.

"A belief that has prevailed for a very long time explains that good ethics is good business". Edmond Learned, Arch Pooley, and Robert Katz, among other experts, support the belief. They observed that the businessman's reasons for supporting this saying are due to the following facts:

1. People are more likely to treat a company ethically when it acts ethically themselves.
2. Ethical conduct serves as a type of protection from retaliatory actions.
3. Ethical behavior is the recognition of significant societal and business dealings.
4. Ethical behavior is a way of judging accountability in business transactions.

Factors affecting business ethics

Business ethics promote empathy, compassion, acceptance, and diversity within the organization and assist build a culture of trust and honesty. The broad range of elements that fall under a corporation's ethical standards make up ethical issues in business. Determining ethical dilemmas can be challenging at times, particularly in circumstances when the law is vague or absent. Such unethical business practises could result in low employee engagement and satisfaction. Therefore, it is the managers and business owners'

responsibility to recognise the elements influencing corporate ethics. They must answer to a variety of parties, such as shareholders, clients, investors, and workers in a company. Business ethics extends beyond the bounds of rules and regulations. It combines formal and informal methods of operation. As a result, a variety of factors affect corporate ethics. These are some of the factors that affect corporate ethics:

The individual's own set of rules for conduct

The person's own personal ethics has an impact on his professional and organizational behaviour. The 'man' in the 'manager' is more powerful in setting out the directives and boundaries of behavior. The personal value system and concept of morality develop a background for identifying and evaluating the ethicality of his business decisions. Further, a person's value system and definition of moral standards are the result of his thought process, perception, and learning as well as the complex environment which influences his life. The process of cognition combines the internal meditation and analysis and the external activities of collection and compilation of information clues from the surroundings to develop an individual's idea of morality. The individual's upbringing has an impact on this process as well. "This could lead to a relativism in moral principles and the criteria for ethical decision-making in a business setting".

The policies of the company

Employee ethical behaviour is subject to the company's policy, which influences its range and depth. A policy that blatantly supports moral activity and stipulates unambiguous rules for it serves as a driving factor behind moral behaviour and choices. In this sense, the management team's leaders play a crucial role. According to Thomas Garrett in this instance, the top management's leadership and the environment it fosters serve as the best form of protection in this situation. When the leaders are ethical, the workers are aware of what is right. When a leader's example is backed up by clear policy, followers know exactly how to put that example into practise. The staff understand that honesty is the best policy in our business when the rules are followed and emphasised.

A manager's bosses' expectations of him in terms of ethics

A trustworthy boss can serve as an example for his staff. "The judgements and behaviours of his subordinates are influenced by the moral standards of the superior and his sensitivity to moral issues". "For instance, if the superior approves of immoral behaviours like overcharging the expense account, taking pricey gifts from strangers, eventually suspending the rules and standards for personal favours, etc., the subordinates assume that these behaviours are normal".

A nation's ethical climate

The overall atmosphere of the nation and the society's reliance on moral behaviour and character have a broad and profound impact on corporate ethics. "Society and business are inextricably linked, and business ethics involves general ethics, value system, morality, and societal culture". "The moral norms of society are reflected in the way business is conducted". "Businessmen cannot be expected to refrain

from engaging in such unethical practices for their own personal gain if society as a whole tolerates bribery, deceit, broken promises, and other such acts on occasion". "To foster ethics in business, we have to strengthen ethics in personal as well as social life".

Factors responsible for Unethical practices

Many businesses, large and small, appear to be engaging in unethical behavior nowadays. Anything that falls short of the requirements of a business code of conduct is considered to be an unethical business practice. This includes any behavior that is considered morally wrong and leads to the mistreatment of consumers, employees, and other stakeholders. The following are some of the main causes of this moral decline:

- People firmly believe that in the present corrupt times, it is impossible to survive without joining the corrupt system.
- The country's current legal and taxation structures have flaws.
- Providing misleading product information's by the companies/businesses to increase sales.
- Scarcity of resources in relation to demand.
- Unfair competition among business houses.
- Manipulating accounting practices by companies / businesses.
- The ineffective and sluggish criminal justice system.
- The nexus of politicians, bureaucrats, businesspeople, and middlemen, as well as the permeation of political pollution throughout all facets of citizen life.
- The failure of the contemporary educational system to instill moral principles.
- Technological encroachments that result in cybercrimes.
- Failure of the social control system and society's tolerance of crime.

Ethical business practices of various aspects of a business

Every facet of business and every business function are covered by business ethics. Ethical business practices in respect of various important aspects of the business may be as follows:

Ethics regarding buyers

The buyers must be seen by the sellers as a people and not as "sheep to be shorn" in order to make a profit. The buyer's rights must be respected by the seller. Seller is required to disclose buyer of any latent material flaws. When a vendor engages in fraud or lies to his advantage, this is immoral.

Ethics regarding Competitors

Business competition need to be ethically sound and fair. Business rivalries shouldn't escalate into a brutal conflict. An unethical competition involves the following types of decisions and actions:

1. Producing harm to a competitor by interfering with his production and distribution.
2. Unreasonable price cutting of products.
3. Making disparaging statements about the quality and other related features of competitors' products.
4. Fomenting labor disputes and work stoppages in competitors' firms.
5. Hiring away key employees of competitors.

6. Campaigning and spreading rumors about boycotting the competitors’ products.
7. Using the market power to corner the competitors and throw their products out of the market.
8. Exporting and bribing.
9. Making use of discriminatory or misleading advertising.

Ethics regarding employees

Employees are a valuable asset in any organization. The dignity of workers should be preserved. In the recruitment of employees, the ability of the candidate should be considered. If the recruitment is made based on prejudice or discrimination, it is, then, unethical and irrational. In respect of transfers and promotion, the principle of equality, justice, and fairness should never be neglected. Also, while paying the wages the principle of equal work equal pay should be applied. The merit, as well as seniority, should be given suitable and due weightage. Safe work -environment and adequate job security should be offered to employees. Ethics relating to employees insist that employees should never be treated as a ‘thing’ or ‘commodity’ but as human -being. In respect of the termination of services for the employees the concerned employee should be given a reasonable and fair chance to explain his position and plead his case before a decision of dismissal is taken.

Ethics regarding the information secrecy

Keeping a secret is a responsibility that both employers and employees have when a piece of information related to the business becomes more crucial. Certain decisions, resolutions, product processes, innovations, and actions are required, it must be kept a secret in the best interest of the company. Any deviation from this standard for one’s own benefit is unethical.

Ethics and Honesty

Honesty is a valuable quality in both a person’s personal and professional life. Honesty entails being sincere, morally upright, and transparency in all kinds of transactions. Double standards are immoral in business because they promote dishonesty. Dishonesty must always be criticized, and dishonest employees must face harsh consequences, according to ethics.

Corporate Scams

Corporate fraud is when a company or an individual knowingly alters and hides sensitive information to look more reputable. Businesses conduct these frauds (scams) using a variety of strategies, such as providing false information in prospectuses, falsifying accounting records, hiding debt, and more. Financial information falsification includes, but is not limited to, false accounting entries, fraudulent trades intended to inflate profits, the making public of price-sensitive information that is covered by insider trading laws, as well as fraudulent transactions intended to entice additional financial institutions to lend money.

Corporate fraud is not a recent occurrence in India. The perpetrators of a number of corporate scams have occasionally been brought to justice. The government and the people both pay a high price for these financial frauds. In the long term, the general population who spent their money suffers a significant loss even while the perpetrators are being prosecuted. Victims of corporate financial fraud are unable to easily obtain their money. Many times, their whole life is spent in achieving their money but still they do not get that amount. Strict penalties and rigid corporate requirements are now in place according to the new Companies Act of 2013. Every year, new instances of corporate fraud are discovered, suggesting that deterring these crimes by regulation alone won’t be sufficient.

Corporate fraud is when a business or organization purposefully falsifies or withholds information to make it seem reliable. “By falsifying financial documents, hiding debt, or failing to inform shareholders of loans and bonuses given to its executives, a business may commit fraud”. “The company will be able to raise money from lenders and investors if financial information is falsified, including through fake accounting entries, fictitious trades intended to exaggerate profits or conceal losses, and phoney transactions”. “The most frequent problems include lack of ethical business practices and behavior, ineffective boards of directors and top-level management, a lack of external audits, organizational strategy failures, unchecked CEO power, inadequate disclosures, lack of effective internal controls, bribery, a lack of accountability and proper internal audits, the questionable position of rating agencies, and a lack of adequate regulatory frameworks”. The thirteen biggest corporate frauds that have shaken India’s business environment are discussed, and is given in the Table-2 below.

Table 2: List of major corporate scams in India

Sl. No	Name of the corporate	Nature of Frauds
1.	Satyam Computers (Back in the 1990s, Satyam Computers was a very successful IT company that finally shut down in 2015). The company’s Ex chairman and CEO Ramalinga Raju’s resignation from his position following his admitting that he stole 7140 crore rupees from the business was one of the factors leading to the collapse.	The company’s founders devised clever methods for perpetrating massive frauds using fictitious invoices for services rendered to clients from throughout the world. As a natural next step, fraudulent proceeds had been received in a number of bank accounts opened in various countries, but these accounts were later shown to be empty. Given its size, the company’s financial records frequently displayed significant bank balances that were out of the ordinary for other IT businesses. All aspects of the operation were under the promoter’s control.
2.	Kingfisher Airlines (Kingfisher Airlines was established in 2003 and went out of business on October 20, 2012, after having its licence revoked. It is owned by	The business obtained loans from every imaginable source, including family members and the Kingfisher brand, which it overestimated in value. “The good times didn’t last for very long, and Vijay Malia (the owner) was compelled to sell the beloved liquor and beer business of his family in order to settle some of his

	the United Breweries Group, which is based in Bengaluru. The airline started operating for profit on May 9, 2005).	obligations". A group of banks led by State Bank of India have a combined exposure to the now-practically insolvent airline of about Rs. 9000 crores. Most workers lost their employment or left because they weren't paid for several consecutive months. The business even went so far as to fail to submit required payments to the government, including TDS and PF collected from employee pay checks.
3.	Jet Airways (After its former promoters failed to supply funding and the bankruptcy resolution procedure for the airline began in June 2019, Jet Airways halted operations).	"Lender's exposure to airlines is approximately Rs. 8500 crores, with total liabilities of about Rs 25000 crores, comprising loans to suppliers, staff, the AAI, and aircraft lessors". "The company engaged in a variety of dishonest activities, including": "Exaggerating commission payments made to a Dubai-related entity with a base in Dubai for years. Because of this, revenues were understated and costs were dramatically inflated". tracking of phoney Jet Miles bills, and "Any such activities that divert funds by issuing loans totaling around Rs. 3353 crores".
4.	Bhushan Steel (Erstwhile Bhushan Steel, which was brought before a bankruptcy court in 2017 because to mounting losses and debt defaults. More than Rs 63,000 crore was demanded from the business by the lenders and other creditors).	"Bhushan Steel was a one-off case of major Indian banks being defrauded. Although Tata Steel purchased the business, the legal dispute is still ongoing". "Promoters of the otherwise lucrative business with cutting-edge large-scale factories involved in a number of dishonest practises, such as": Transfer of money that the business lends to numerous connected parties in the form of loans or advances, Issue of bogus bills for capital and other transactions that were never made, and The promoter's misappropriation of proceeds for personal gain.
5.	Punjab National Bank (PNB) (In PNB Fraud Case, Bank is being held responsible for a forged letter of undertaking issued at its Brady House branch in Fort, Mumbai, for a total of Rs. 11,356.84 crore (US\$1.4 billion). [1] Nirav Modi, a jeweller and fashion designer, is accused of masterminding the scheme).	Punjab National Bank was the initial significant financial fraud in the nation, involving a huge value of over Rs. 150000 million. Public money was stolen by Mehul Choksi and Nirav Modi (Listed company Gitanjali Gems, which he owns) Both businesses engaged in the import and export of raw diamonds. Over time, both had built up chain stores selling diamonds in India and other well-known worldwide locations. He was creating large LCs without any underlying transactions and cheating PNB and other banks with the assistance of a few junior banking personnel (essentially paper money). He profited from a weakness in the IT system that made it impossible to reconcile LCs opened with supporting transactions. LCs were not recorded in the RTGS system, which all banks should have done. As a result, until the fraud was discovered, no one was aware that such LCs existed.
6.	ILFS (Infrastructure Leasing and Financial Services) (The financial services sector encountered a liquidity crisis as a result of IL&FS's violation of its loan agreements. 99,354 crore are owing by IL&FS and its affiliates).	India's most notable corporate fraud, the ILFS scam, caused a financial catastrophe because it was a crucial means of expanding the country's infrastructure. Despite the presence of representatives from the largest stockholders, despite having companies like LIC, SBI, and others on the board, fraud still occurred. Around Rs. 91000 crores of that debt exposure belonged to ILFS, which also included Rs. 200000 million funded by Provident funds and pension funds.
7.	Dewan Housing Finance Corporation Ltd. (DHFL), a deposit taking shadow bank, acquired by Piramal Capital and Housing Finance Limited in September, 2021. DHFL is a non-deposit taking housing finance company with its headquarters in Mumbai and branches in major Indian cities.	The promoters' claimed involvement in money laundering and direct participation in fund theft led to the first-ever fraud at a housing finance organisation, known as DHFL. One branch created almost 6 lac phoney accounts using the identities of lenders who had previously returned their borrowings. These accounts served as a source to lend money to promotional companies, which subsequently used the money to steal money. In the end, it was determined that these loans couldn't be paid back. DHFL, its directors Kapil Wadhawan and Dheeraj Wadhawan, and the other 13 defendants have been charged by the CBI with defrauding 17 banks of a total of Rs. 34,615 crores. The agency has never had a bank fraud case as large as this one.
8.	PMC (Punjab and Maharashtra Cooperative Bank) (The scam at PMC Bank was discovered in September 2019 after the RBI gave the urban cooperative bank instructions and appointed an administrator. It was found that the bank reportedly made-up accounts to conceal loans totalling more than 6,700 crore that were given to the nearly insolvent HDIL).	Promoters of DHFL continued to engage in fraud while de facto running PMC bank's (a cooperative bank) operations, employing the same techniques. "The majority of the bank's deposits come from middle-class customers who deposit their hard-earned cash in the bank for a variety of reasons, including retirement, medical expenses, children's education, and unexpected expenses". "60% of its clients have modest deposits totalling about \$10,000 apiece in the bank". "The investigation revealed that the real estate firm HDIL had borrowed almost 70% of its Rs 8,383 crore total loan book as of March 31, 2019". The bank was charged with conducting false transactions for a number of years in an effort to promote the sale of a house.
9.	Yes Bank (Fraud case involving Yes Bank and DHFL: ED seizes assets worth 415 crore. Sanjay Chhabria had assets worth 251 crore and Avinash Bhosale owned assets worth 164 crore of the total. In the Yes Bank-DHFL Fraud case, the Enforcement Directorate (ED) recently placed assets totalling 415 crore under provisional attachment).	A strong competitor to other private banks that had been growing quickly was brought to a premature and untimely end by fraud. The bank had a unique business strategy that included, among other things, a concentration on retail loans, a broad branch network, and an emphasis on technology. The following actions constitute the fraud: Inappropriate lending practises, loan renewals, and the practise of charging borrowers a high fee that did not correspond to industry norms, Gross under-provisioning of NPAs in comparison to RBI norms, and Overstatement of profits as a result of front-loading of commission revenue.
10.	2G Spectrum (The term "2G" refers to the second generation of GSM-based mobile networks. The 1G network employed analogue radio transmissions, which were distinct from the 2G networks' usage of digital ones. Multiplexing was used to enable 2G	The primary suspect in the 2G spectrum fraud is the former telecom minister A Raja. In the 2G spectrum scam, Indian politicians and government representatives fraudulently undercharged mobile telephony businesses for permissions for frequency allocation, which they subsequently used to establish 2G cell phone subscribers. The CAG claims that the telecom ministry undervalued the 2G spectrum it sold to new operators in 2008 and that the allotment price was unrealistic, resulting in a potential

	capabilities by enabling numerous users on a single channel. Cell phones were utilised for voice and data during the 2G era).	income loss to the government of up to Rs. 1,76,700 crore, which is the 2 nd largest scam in the world.
11.	Telgi (When he started to counterfeit stamp paper, Telgi advanced to more complicated forgery. He hired 300 people to work as agents who distributed the counterfeit goods to large-scale buyers including banks, insurance corporations, and stock trading houses).	The fabrication of bogus stamps and stamp paper was a component of the con. Abdul Karim Telgi, who originally worked as a vendor before moving on to work for travel agencies and coming up with the concept of bogus stamps, was the genius behind this fraud.
12.	Common Wealth Games (Fraud and bad administration at the 2010 Commonwealth Games in New Delhi hurt India's reputation as a nation rife with extensive fraud and abuse).	One of the biggest Indian frauds, the Commonwealth Games (CWG) scam, which involved the theft of almost one of the greatest scams in Indian history totalled Rs. 70,000 crores. According to estimates, just half of the budgeted sum was used to support Indian athletes. The athletes allegedly received requests to leave the government-allocated flats and move into run-down residences.
13.	Harshad Mehta (Harshad Mehta's father worked as a peon. He came to Mumbai with just Rs 40, or less than \$1, in his pocket and was born into abject poverty. However, Harshad Mehta saw a meteoric ascent over time to rank among the most significant and well-known brokers on the Bombay Stock Exchange).	Along with other bankers and politicians, Harshad Shantilal Mehta was a participant in the Bombay Stock Exchange market manipulation that led to the Indian stock market fraud in 1992. The hoax seriously disrupted the Indian stock market and duped investors of more than 10 million USD. When the money missing from the market for government securities was noticed, it led to the discovery of the Harshad Mehta fraud. The Bombay Stock Exchange's values fell when the swindle came to light. The exchange's massive increase over the previous year came tumbling down in a couple of days. The swindle cost several people their whole life savings. Due to their high levels of debt, several investors committed suicide as a result of the consequences.

Source: Authors own compilation

After examining the above aforementioned incidents, we came to the conclusion that everyone is fully involved and accountable, including the CEO, CFO, Board of Directors, Senior Management, Internal Auditors, IT Department, Middle Management, and Operational Management.

Both the causes and the remedies of corporate frauds may be categorized into the following 5 broad categories:

- Processes for making decisions,
- Personal values, and unrealistic,
- Success goals,
- Business culture, and
- Management

Conclusion

Business ethics promote empathy, compassion, acceptance, and diversity within the organization and assist build a culture of trust and honesty. It must be understood that operating a business necessitates careful consideration of a wide range of concerns, the most crucial of which is ethics. These challenges extend far beyond the conventional scope of producing money. Starting from the top down, ethics must be continuously encouraged. In the absence of ethical leadership, there will be no ethical following. The highest responsibility of a manager is having the moral fortitude to always act morally (even when no one is looking). A suitable structure of governance needs to be established alongside the business and expand in scope and complexity along with it. It should foresee any potential fraud opportunities. It also conveys that adherence to legal requirements, moral business conduct, accounting standards, and company rules is anticipated, and that anybody with knowledge or reason to believe that fraud has been attempted or committed is required to report it. Therefore, prevention presents a more realistic perspective. Corporate governance, in its simplest form, is a whole culture that establishes and monitors behavioural standards designed to catch the fraudster. Business ethics and principles are urgently needed in the present scenario. Numerous research on unethical behaviour in the workplace have revealed that

corporations frequently are unaware that they are behaving unethically, therefore they are unaware of whether the decision they have made is ethical or not.

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