

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:2431
ANSWERED ON:11.03.2010
CORPORATE GOVERNANCE
Maadam Shri Vikrambhai Arjanbhai

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Satyam scam highlighted the need for overhauling of corporate governance in the country;
- (b) if so, the details thereof; and
- (c) the steps taken by the Government in this regard?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

(a) to (c) : The case of Satyam, which came in light in January, 2009, is an aberration and cannot be generalized. There exists an elaborate regulatory framework which governs the functioning of the companies in India. The existing framework is based on effective, fair and true disclosures about the state of affairs of the companies. To facilitate such disclosures, the Ministry has set up an electronic registry where the companies can file their reports and returns and the stakeholders can easily access them. The Ministry has issued voluntary guidelines for Corporate Governance in December, 2009 and is promoting the adoption of Good Corporate Governance practices by the companies.