Q14

In the light of Satyam Scandal (2009), discuss the changes brought in the corporate governance to ensure transparency and accountability.

UPSC Civil Services Mains 2015 · GS II · 12 marks · Transparency and e-Governance

Important aspects of governance, transparency and accountability, e-governance - applications, models, successes, limitations, and potential; citizens charters, transparency and accountability and institutional and other measures.

Facts & figures for this PYQ only.

Numbers move. Confirm the latest Budget, Economic Survey or census round. This sheet is for revision, not a substitute for the model answer.

https://wrapexams.com/upsc/mains-answers/gs-2/2015/in-the-light-of-satyam-scandal-2009-discuss-the-changes-brought-in-the-corporate-governance-to-ensure-transparency-and-accountability/

Satyam confession, January 2009
Ramalinga Raju admitted inflated cash and revenue; the government reconstituted the board and oversaw a sale to a buyer consortium.

Companies Act, 2013
Replaced the 1956 Act's core company law; independent directors, RPT rules, CSR, SFIO and class action sit in this statute.

NFRA
National Financial Reporting Authority, provided in the 2013 Act, to regulate auditors of listed and specified companies.

SEBI Clause 49
Listing-agreement corporate-governance clause tightened after Satyam; later largely recast as SEBI LODR Regulations, 2015.

Auditor rotation
The 2013 Act requires periodic rotation of statutory auditors for listed and certain other companies to reduce long client capture.