AMBIT OF CORPORATE GOVERNANCE

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ABSTRACT

Corporate Governance can’t be defined precisely. Simply stated it is the management by the Board/CEOs with honesty, integrity and due respect to laws.

The dishonesty and greed of the Board/CEOs, has done great harm to stakeholders, namely Shareholders, Banks/FIs/Creditors/Debenture-holders/Suppliers, Customers, Employees, Government and Society. Satyam, Tata Finance, World-Com, Conseco, are some glaring examples of corporate frauds in India/abroad.

The Corporate scams/frauds served as a wakeup call for Governments to strengthen the existing system and frame new laws. It also provided good case study to the research scholars/students. Some countries like UK, USA, Germany, Korea, Japan and India have elaborate system. OECD also developed a framework.

Two pronged approach applied in the research: primary data based on interactions/meetings with board level/below board level executives/government authorities. Secondary data was gathered from standard sources. The findings of scams are startling. Worldwide the boards/CEOs have abused authority/misappropriated property, for their personal gains/lavish lifestyle. Many scams were perpetuated in collusion with statutory auditors. Implementation of proper system, by the Governments across the globe was too late and lot of wealth was siphoned off. The Board/CEOs are showing honesty and the corporate frauds/scams have reduced drastically. The topic offers a vast scope for the further research.

KEYWORDS: Corporate, Corporate Governance, Committees, Scams, Stakeholders, Auditors.