

Government asks Satyam to appoint new directors within seven days

The government Friday announced that it has asked scam-tainted IT bellwether Satyam Computers to appoint new directors within seven days.

'The government has asked Satyam Computers to appoint new directors within next seven days,' said Prem Chand Gupta, minister for company affairs.

The company's existing directors will have no powers until the board is reconstituted.

'The company law board has already issued an order to the existing directors of the board restraining them from exercising their functions and the order becomes effective immediately,' the minister added.

Investors and customers of the troubled IT giant have been watching the government closely and waiting for some quick action from the market regulator as well.

'The SEBI office at [Hyderabad](#) has already taken action which includes seizure of documents of the company and the ministry of corporate affairs has already sent a team of officers who are now inspecting Satyam's eight group companies,' said Gupta.

On issues of gross violation of corporate governance norms by the company, Gupta said: 'The Satyam case is an aberration, the government is determined to take all possible actions under the law to bring to book all those persons who are responsible for betraying the faith of lakhs of shareholders, employees and customers within and outside the country.'

As the enormity of the scandal broke out, role of auditors of the company, PricewaterhouseCoopers (PwC) came under the scanner. 'Action has already been initiated by the Institute of Chartered Accountants of India (ICAI) against the auditors of the company,' added Gupta.

Satyam chief B. Ramalinga Raju has been asked to appear before SEBI at 4 p.m. Saturday to answer the summons served on him in connection with a Rs.70-billion accounting fraud.

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