

# Damodaran flays passive corporate governance

MUMBAI, MAY 28 /—/ Former Securities and Exchange Board of India (Sebi) chairman M Damodaran on Tuesday came down heavily on corporate governance practices and cited instances of passiveness of directors, especially in oil companies and public sector banks.

Referring to the oil companies making huge losses due to rise in global oil prices, Mr Damodaran said independent directors in oil companies should "at least show dissent in board rooms." The former Sebi chief was speaking at CII's conference on corporate governance here on Tuesday.



"Who is picking up the bill? Either the shareholders or the tax payers," Mr Damodaran said adding that even the investors who have put in money in these companies do not ask the question.

"Do investors, both individual and institutional, attach the level of importance to corporate governance as they should?" he asked.

Citing example of public sector banks, Mr Damodaran said that a couple of days after monetary policy announcement by RBI, "bankers congregate in Delhi" to decide what they will do with interest rates. (PTI)