

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS
RAJYA SABHA
UN-STARRED QUESTION NO. 2765
ANSWERED ON TUESDAY, MARCH 25, 2025**

Independent Directors/Non-official Directors in Central PSUs

QUESTION

2765. SHRI YERRAM VENKATA SUBBA REDDY:

Will the Minister of CORPORATE AFFAIRS
be pleased to state:

- (a) the total number of Central PSUs and mandatory positioning of Independent Directors/Non-official Directors in each of these CPSUs;
- (b) whether it is a fact that 86 per cent of Independent Directors are lying vacant in the CPSUs;
- (c) if so, the details thereof, CPSU-wise;
- (d) whether any discussions have been held with the Ministry of Personnel and Department of Public Enterprises in this regard;
- (e) if so, the details thereof and outcome thereon; and
- (f) whether the Ministry would fast-track the appointments?

ANSWER

Minister of State in the Ministry of Corporate Affairs; Minister of State in the Ministry of Road Transport and Highways.

(Shri Harsh Malhotra)

(a): Ministry of Corporate Affairs administers the Companies Act, 2013. As per Section 2(45) of the Act, Government company is defined any company in which not less than fifty-one per cent of the paid-up share capital is held by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary company of such a government company". As per Public Enterprises Survey for FY 2023-24, there were 448 Central Public Sector Enterprises (CPSEs) as on 31.03.2024 of which 272 CPSEs were operational.

Section 149(4) of the Companies Act, 2013 mandates the appointment of independent directors by listed companies. Further, as per Rule 4 of Companies (Appointment and Qualifications of Directors) Rules, 2014 the following class of companies shall have at least two independent directors:

- (i) the Public Companies having paid up share capital of ₹ 10.00 crores or more; or
- (ii) the Public Companies having turnover of ₹ 100.00 crores or more; or
- (iii) the Public Companies which have, in aggregate, outstanding loans, debentures and deposits, exceeding ₹ 50.00 crores.

In cases of violations of section 149(4) of the Companies Act, 2013 appropriate action is taken.

As per extant Department of Public Enterprises (DPE) guidelines, the number of Independent / non-official part-time Directors on the Board of CPSE should be at least one-third of its actual strength and in case of listed CPSEs with non-Executive Chairman at least one-third of their Board should comprise Independent (non-official) Directors and in the cases of listed CPSEs with Executive Chairmen at least half of their Board should comprise Independent (non-official) Director.

(b) to (f): Filling up of vacant positions of Independent Directors is a continuous process. As informed by Department of Public Enterprises (DPE), proposals for appointment of IDs/NoDs on the Boards of CPSEs are initiated by the concerned administrative Ministry/ Department, which submits a panel of names to DPE. DPE places such proposals before the Search Committee chaired by the Secretary, Department of Personnel & Training and conveys the recommendations of Search Committee to the concerned administrative Ministry, which appoints the IDs/NoDs after completing due formalities in this regard and after obtaining the approval of the competent authority.
