

**GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF PUBLIC ENTERPRISES**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2942
TO BE ANSWERED ON THE 19th AUGUST, 2025**

Appointment of independent director across CPSE boards

2942. Dr. Ashok Kumar Mittal:

Will the Minister of FINANCE be pleased to state:

- (a) the immediate actions being taken to address the 86 per cent vacancy rate in the position of independent director across CPSE boards, and details of efforts being made to fill these vacancies promptly;
- (b) the steps taken in ensuring that the recruitment process for these critical independent director positions is expedited, while still maintaining corporate governance standards and due diligence;
- (c) the measures being implemented to prevent arbitrary extensions of directors' terms and ensure that replacements are made in a timely and transparent manner; and
- (d) the plans to strengthen the role of independent directors in maintaining statutory compliance and safeguarding stakeholder interests?

ANSWER

**THE MINISTER OF STATE FOR FINANCE
(SHRI PANKAJ CHAUDHARY)**

(a) to (c) : The proposals for appointment of non-official (Independent) Directors on the Boards of Central Public Sector Enterprises (CPSEs) are initiated by the concerned administrative Ministry/Department which submits a panel of names with the approval of their competent authority. These proposals are considered by the Search Committee and recommendations of Search Committee are conveyed to the concerned administrative Ministry/Department which makes the appointment after completing due formalities in this regard and after obtaining the approval of competent authority.

(d) : Schedule IV of Companies Act, 2013 prescribes Code for Independent Directors. The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors. The Code has inter alia provisions relating to guidelines of professional conduct, role & functions and duties of Independent Directors.
