

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

UNSTARRED QUESTION NO:1178
ANSWERED ON:04.03.2010
INDEPENDENT DIRECTORS
Ahir Shri Hansraj Gangaram

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government is contemplating to limit the maximum number of independent Directors on the Board of Directors of the companies; and

(b) if so, the details thereof?

Answer

THE MINISTER OF CORPORATE AFFAIRS (SHRI SALMAN KHURSHID)

(a) & (b) The Companies Bill, 2009 has not proposed any upper cap on the number of independent directors, but, sub-clause (3) of clause 132 of the Companies Bill, 2009 provides that at least one-third of total directors shall be independent directors to be appointed in every listed company having certain amount of paid up capital to be prescribed by the Central Government. This clause further provides that the Central Government may also prescribe the minimum number of independent directors in case of other public companies and subsidiary(s) of a public company.