

**GOVERNMENT OF INDIA  
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES  
LOK SABHA**

STARRED QUESTION NO:483  
ANSWERED ON:28.04.2015  
INDEPENDENT DIRECTORS IN PSUS  
Diwakar Shri Rajesh Kumar

**Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:**

- (a) the role and responsibilities assigned to the non-official/independent Directors in the Boards of Public Sector Undertakings (PSUs) including the details of the rules, guidelines and policy regulating their appointment in the Boards of PSUs.
- (b) the names of PSUs under his Ministry which do not have required number of non-official/independent directors in the Board and the reasons therefor including the action taken/being taken to fill up the vacancies and the time by which these vacancies are likely to be filled up;
- (c) whether the Government has received suggestions from various quarters to review the policy for appointment of non-official/independent Directors in the PSUs: and
- (d) if so, the details thereof and the reaction of the Government in this regard?

**Answer**

THE MINISTER FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI ANANTG. GEETE)

(a) to (d): A statement is laid on the Table of the House.

Statement referred to in reply to Lok Sabha Starred Question No. 483 for answer on 28.4.2015 regarding Independent Directors in PSUs

(a): The non-official Directors appointed on the Boards of Central Public Sector Enterprises (CPSEs) play a complementary role in providing professional and managerial advice to the Board. The role, functions and duties of independent directors are also laid down in the Companies Act, 2013. Within the policy framework including the eligibility criteria laid down by the Government from time to time, the non-official Directors are appointed on the Boards of CPSEs by the concerned administrative Ministries on the basis of recommendations of Search Committee and after obtaining approval of the competent authority.

(b): The appointment of non-official Directors on the Boards of CPSEs is a continuous process and the vacancies are filled as per process mentioned in reply to part (a) above. The list of CPSEs under the administrative control of Department of Heavy Industry under the Ministry of Heavy Industries & Public Enterprises which presently do not have requisite number of non-official Directors on their Boards is annexed. The process for filling up the vacancies in these CPSEs has been initiated.

(c) and (d) : The Government had initially laid down the guidelines for selection and appointment of non-official Directors on the Boards of CPSEs in 1992. The Government after consultations with relevant stakeholders has revised this policy from time to time and prescribed the present system of selection and appointment of non-official Directors on the Boards of CPSEs.