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## **INDEPENDENT DIRECTORS IN INDIA: A CRITIQUE OF THEIR ROLE AND LIABILITY UNDER SEBI (LODR), 2015**

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### **ABSTRACT**

Independent directors are considered one of the most important persons associated with a company and often described as the linchpin of corporate governance. They are entrusted with ensuring transparency and accountability, they are the one who are supposed to protect the interest minority shareholders in a company. In India, their role has been defined under Companies Act, 2013 and strengthened by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Independent directors are central to India's corporate governance framework under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR"). Recent reforms (2022-2025) have tightened board norms: for example, Regulation-17 now mandates an "optimum combination" of executive and non-executive directors with at least one woman and  $\geq 50\%$  non-executives.

However, this legal and regulatory framework has not been able to prevent multiple corporate governance failures and frauds, these failures have raised grave concerns regarding the true independence and effectiveness of Independent Directors. This paper tries to critically examine the role and liability of independent directors under the SEBI (LODR) framework. This paper analyses their statutory duties as a fiduciary of the companies, and personal civil and criminal liabilities if any, with reference to Indian statutes, judicial pronouncement and SEBI (LODR) framework. The study further delves on the ancillary challenges such as promotor dominance, information asymmetry and board capture. This paper draws comparative perspective from the legal frameworks of UK, USA and Singapore and proposes regulatory and institutional reforms to strengthen the independence and accountability of independent directors in India.

**Keywords:** Independent Directors, SEBI (LODR) Regulations, Corporate Governance, Companies Act 2013, Liability, Board Composition, India

## Introduction

Independent Directors have been positioned as the cornerstone of good corporate governance in India, expected to provide impartial oversight and protect shareholder interests<sup>1</sup>. Their role has gained prominence in the wake of corporate scandals such as *Satyam* and *IL&FS*, which highlighted governance failures. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) place significant responsibilities on Independent Directors, particularly in relation to board composition, committee oversight, and disclosure requirements<sup>2</sup>. However, challenges such as promoter dominance, information asymmetry, and conflicting expectations raise doubts about the efficacy of Independent Directors in practice. The high-stakes boardroom battle at Tata Sons (the *Cyrus Mistry-Nusli Wadia* saga) vividly illustrated this tension, a CEO's attempt to remove a vocal independent director (Nusli Wadia) prompted concern that promoting dissenting IDs risks ouster by controlling shareholders<sup>3</sup>.

In response, SEBI has progressively tightened the LODR framework. Regulation 17 (amended through 2023) now requires listed-company boards to have an “optimum combination” of executive and nonexecutive directors, with at least one woman director and  $\geq 50\%$  nonexecutive directors. If the chair is not a regular nonexecutive or is promoter-related, the board must include at least 50% independent directors, these prescriptions ensure that even promoter-connected firms meet higher ID thresholds<sup>4</sup>. Directors over age 75 may serve only via special resolution, and any new director (including an ID) must be approved by shareholders at the next general meeting (or within 3 months)<sup>5</sup>. Notably, Regulation 17 now explicitly addresses high-vote shares (“SR Equity Shares”) that can skew voting: companies issuing such shares must have at least half the board independent, reflecting concerns that differential voting rights could “undermine the one-share, one-vote principle<sup>6</sup>”. These targeted amendments extend ID responsibilities to protect debt investors as well as equity holders.

Alongside rule changes, enforcement action has underscored the accountability of independent

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<sup>1</sup> Jaya Mathew & Waradha Bhagawat, *Role of Independent Directors under Companies Act, 2013: Will It Lead to Better Corporate Governance in India?*, 4 GSTF J. LAW SOC. SCI. JLSS (2015).

<sup>2</sup> Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations of 2015, 201513.

<sup>3</sup> *Tata-Mistry Spat Shows Independent Company Directors Vulnerable in India*, BUSINESS STANDARD (Dec. 22, 2016), 6:41 PM IST, [https://www.business-standard.com/article/companies/tata-mistry-spat-shows-independent-company-directors-vulnerable-in-india-116122200816\\_1](https://www.business-standard.com/article/companies/tata-mistry-spat-shows-independent-company-directors-vulnerable-in-india-116122200816_1)

<sup>4</sup> 201513.

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

directors. SEBI and the Securities Appellate Tribunal (SAT) have signalled that IDs cannot be passive. In *Vishal Ahuja & Prashant Gadkari v. SEBI* (SAT 2024), for example, the Tribunal upheld ₹25 lakh penalties on two independent directors of Setubandhan Infrastructure Ltd., finding that their attendance and roles (one as audit committee chair) imposed an obligation to supervise financial reporting<sup>7</sup>. The IDs' plea that they were mere figureheads was rejected as inconsistent with annual reports showing active committee membership. Similarly, in 2023 SEBI fined independent director Sushil Patwari for insider trading in *Rupa & Co. Ltd.*, reinforcing that IDs (even part-time ones) are insiders subject to market abuse rules<sup>8</sup>. SEBI explicitly relies on Companies Act Schedule IV and LODR Regulation 18 to impose a "positive duty" on independent directors for oversight<sup>9</sup>.

These developments have attracted extensive commentary. Indian scholars point out that the ID model faces structural headwinds. In sum, India's recent regulatory overhaul has significantly raised the formal bar for independent directors: in board composition, committee responsibilities, and disclosure duties: especially for listed issuers of debt. Yet observers question whether these reforms alone empower IDs in practice. A dual challenge remains, on one hand, to ensure IDs are not mere "rubber stamps" amid entrenched promoter power; on the other, to calibrate liability so that directors can exercise judgment without undue fear. This study seeks to critically examine the role and liability of Independent Directors under the SEBI LODR framework, with a view to evaluating both regulatory ideals and ground realities.

## Chapter 1: Independent Directorship in India: Evolution and Regulatory Framework

The modern concept of independent directors in India began with the **Kumar Mangalam Birla Committee (1999)**<sup>10</sup> on corporate governance. The Birla Committee recommended a board with an "optimum combination" of executive and non-executive directors, mandating at least 50% non-executives and a significant presence of independent directors<sup>11</sup>. In 2001 SEBI implemented these recommendations via **Clause 49 of the Listing Agreement**, requiring that independent directors constitute at least one-third (if the chair is non-executive) or one-half (if

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<sup>7</sup> Vishal Ahuja & Prashant Prabhakar Gadkari v. SEBI, SAT Order (Oct. 24, 2024) (on appeal from Setubandhan Infrastructure Ltd.) (penalty of ₹ 25 lakh each upheld based on attendance and audit committee role), in *24 Landmark SAT Orders from 2024* (Regstreet Law comp.) at 22

<sup>8</sup> Adjudication Order in the Matter of Rupa and Company Limited (Adjudicating Officer, SEBI 2023).

<sup>9</sup> *Id.*

<sup>10</sup> KUMAR MANGALAM BIRLA, REPORT OF THE KUMAR MANGALAM BIRLA COMMITTEE ON CORPORATE GOVERNANCE (2000), [https://www.sebi.gov.in/sebi\\_data/commndocs/corpgov1\\_p.pdf](https://www.sebi.gov.in/sebi_data/commndocs/corpgov1_p.pdf).

<sup>11</sup> *Id.*

the chair is executive) of a listed board<sup>12</sup>.

In 2003 SEBI formed the **Narayana Murthy Committee**<sup>13</sup> to review Clause 49's implementation. It proposed strengthening director independence, clarifying the role of independent directors (IDs), and enhancing board accountability (e.g. risk management, technology disclosures)<sup>14</sup>. These led to a revised Clause 49 (2004) that expanded definitions and obligations of IDs. More recently, the **Uday Kotak Committee (2017)** focused on ensuring the "spirit, and not just the form," of independence – recommending, for example, more women IDs, tighter limits on inter-locking and promoter-related IDs, and stricter governance of related-party transactions<sup>15</sup>. SEBI accepted most recommendations in 2018, amending the Listing Obligations and Disclosure Requirements (LODR) 2015 accordingly.

These committee reforms were codified in law. **Companies Act, 2013 (Sections 149-152)** incorporated many Clause 49 norms<sup>16</sup>. Section 149 mandates that public (listed) companies have boards with at least 50% non-executive directors and, crucially, one-third of directors must be independent<sup>17</sup>. Under **SEBI (LODR) Regulations, 2015**, these requirements continue and expand. Regulation 17 requires boards to have  $\geq 50\%$  non-executives and at least one woman director, with IDs comprising at least one-third (or one-half, if there is no independent chair)<sup>18</sup>. Regulation 25 imposes ID-specific obligations, e.g. annual ID-only meetings, and similarly limits ID liability to failures of diligence or knowledge<sup>19</sup>.

Key regulators play complementary roles. **SEBI** designs and enforces listing rules (via clause 49 and LODR) and constituted the governance committees that shaped the regime. The **Ministry of Corporate Affairs (MCA)** enacted the Companies Act provisions on directors. **Stock exchanges** (BSE, NSE) integrate and enforce SEBI's listing requirements (formerly Clause 49, now LODR) through listing agreements and compliance monitoring. Together,

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<sup>12</sup> 201513.

<sup>13</sup> NARAYAN MURTHY, REPORT OF THE COMMITTEE ON CORPORATE GOVERNANCE (2003), [https://www.sebi.gov.in/reports/reports/mar-2003/the-report-of-shri-n-r-narayana-murthy-committee-on-corporate-governance-for-public-comments-\\_12986.html](https://www.sebi.gov.in/reports/reports/mar-2003/the-report-of-shri-n-r-narayana-murthy-committee-on-corporate-governance-for-public-comments-_12986.html).

<sup>14</sup> *Id.*

<sup>15</sup> UDAY KOTAK, REPORT OF THE COMMITTEE ON CORPORATE GOVERNANCE (2017), [https://www.sebi.gov.in/reports/reports/oct-2017/report-of-the-committee-on-corporate-governance\\_36177.html](https://www.sebi.gov.in/reports/reports/oct-2017/report-of-the-committee-on-corporate-governance_36177.html).

<sup>16</sup> Ministry of Corporate Affairs, *The Companies Act, 2013*, No. 18 of 2013, §§ 149–152, Gazette of India, Extra., pt. II, sec. 1 (Aug. 30, 2013), <https://ca2013.com/149-company-to-have-board-of-directors/>

<sup>17</sup> The Companies Act, 2013, No. 18, Acts of Parliament, 2013 (India).

<sup>18</sup> 201513.

<sup>19</sup> *Id.*

these stakeholders have progressively strengthened India's framework for independent directors, embedding their role and conditional liability in both law and regulation.

## Chapter 2: Regulatory Mandates for Independent Directors under SEBI (LODR) 2015

SEBI LODR Reg. 17 sets detailed board composition norms. Reg. 17(1)(a) requires an "optimum combination" of executive and non-executive directors, with at least one woman on the board and at least 50% non-executive directors. Top 1,000 listed entities must also have at least one independent woman director. Under Reg. 17(1)(b), where the chairperson is a non-executive, at least one-third of the board must be independent directors; if there is no non-executive chair (or the chair is a promoter/relative), at least half the board must be independent<sup>20</sup>. The board of the top 2,000 listed companies must have at least six members, and those with listed (super voting) shares must have 50% independents. Reg. 17 also limits multiple directorships: no person can serve on more than eight (seven from April 1, 2020) listed boards, with independent directors capped at seven. Moreover, any director (including an ID) aged 75 or above may hold office only by passing a special shareholder resolution, and companies must ensure compliance at appointment or prior thereto<sup>21</sup>.

### Meetings and Approval Processes

Regulation 17(2) mandates regular board meetings: the board "*shall meet at least four times a year, with a maximum time gap of one hundred and twenty days between any two meetings.*" The quorum for any board meeting of a HVDLE (high-value debt listed entity) is one-third of directors or three directors (whichever is higher), including at least one independent director. (SEBI has similarly required that all listed boards have a quorum of at least one-third membership, including an ID)<sup>22</sup>.

Director appointments and removals require shareholder approval under SEBI LODR. Reg. 25(2) provides that the **appointment, re-appointment or removal of an independent director** must be approved by special resolution of shareholders. Amendments (Nov. 2022) created a new Reg. 25(2A): if the special resolution for an ID's appointment fails to pass but the votes in favour exceed those against (both overall and among public shareholders), the

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<sup>20</sup> *Id.*

<sup>21</sup> *Id.*

<sup>22</sup> *Id.*

appointment is deemed valid<sup>23</sup>. Similarly, an ID appointed in this manner can be removed only by a resolution in which the votes in favour exceed those against, including among public shareholders.

### Duties and Role of Independent Directors

Reg. 25 imposes specific duties on independent directors. Sub-regulation 25(3) mandates that all independent directors meet at least once a year **without management or non-IDs present**. At this meeting the IDs must review the performance of non-independent directors and the board as a whole, evaluate the chairman's performance (with input from execs and non-exec), and assess the adequacy of information flow from management to the board<sup>24</sup>. Reg. 25(7) obliges listed companies to *familiarize* new IDs with the company and their roles. For example, companies must educate IDs about the nature of the industry, the company's business model, and the IDs' legal rights and responsibilities. Each ID must also annually reaffirm their independence: under Reg. 25(8), at the first board meeting each financial year (and on any material change), every ID must declare that he/she meets the independence criteria and is not aware of any conflict that could impair objective judgment<sup>25</sup>.

### Liability of Independent Directors and Enforcement

Importantly, Reg. 25(5) limits an ID's legal liability: an independent director will be held liable only for actions of the company **that occurred with his/her knowledge, consent or connivance, or where the ID failed to act with due care**<sup>26</sup>. This provision mirrors the Companies Act's "diligence" requirement and narrows LODR liability to willful or negligent breaches by an ID. SEBI enforcement and tribunal rulings have reflected this standard. In *SecureKloud Tech. Ltd. v. SEBI* (SAT Mumbai, 2023), the Tribunal observed that the violations (related-party approvals and conflicts of interest) were not "so serious" as to merit maximum penalties<sup>27</sup>. The SAT also reiterated that Regulation 16's bar on relatives (e.g. Sec.149(6) of Companies Act/LODR Reg.16(1)(b)(vi)) disqualifies a person whose immediate family works

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<sup>23</sup> *Id.*

<sup>24</sup> *Id.*

<sup>25</sup> *Id.*

<sup>26</sup> Ragini Ramachandran, Bhopal, Centre for Business and Commercial Law, National Law Institute University, Reviewing the Standard of Liability of Independent Directors. (2020), September 20, 2020.

[https://cbcl.nliu.ac.in/company-law/reviewing-the-standard-of-liability-of-independent-directors/?utm\\_source=chatgpt.com](https://cbcl.nliu.ac.in/company-law/reviewing-the-standard-of-liability-of-independent-directors/?utm_source=chatgpt.com)

<sup>27</sup> *SecureKloud Tech. Ltd. v. SEBI* (The Securities Appellate Tribunal 2023).

in the listed entity or its subsidiaries<sup>28</sup>. It noted that each ID must annually certify independence, implying ongoing diligence.

These cases underscore SEBI's expectation that IDs actively safeguard governance standards. SAT and SEBI orders since 2022 have fined or censured IDs for omissions, for example, failing to recuse themselves from conflicted decisions or neglecting to report material events as compliance officers. However, tribunals have also checked excessive penalties where contraventions were minor or quickly rectified.

### Chapter 3: Liability of Independent Directors under Companies Act and SEBI LODR

The Companies Act, 2013 limits independent director (ID) liability: **Section 149(12)** provides that an ID shall be held liable, only in respect of such acts of omission or commission by a “company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently<sup>29</sup>.” All directors (including IDs) also owe the general duties under **Section 166** (acting in good faith, with due care, skill and diligence, in the company's best interests, etc.). In cases of fraud, **Section 447** criminalizes “fraud” by any person in company affairs: defined to include any act or omission committed with intent to deceive and with the connivance of any other person. exposing even IDs to harsh penalties if they knowingly abet wrongdoing. Conversely, **Section 463** allows courts to relieve any officer (including an ID) from liability if he proves he “acted honestly and reasonably,” providing a defence in civil penalty proceedings<sup>30</sup>.

SEBI's Listing Obligations & Disclosure Requirements (LODR) 2015 largely mirror these rules. Regulation 25(5) of LODR echoes s.149(12): an ID is liable only for omissions “which had occurred with his knowledge, attributable through processes of the Board of Directors, and with his consent or connivance or where he had not acted diligently<sup>31</sup>”. SEBI also requires every listed firm to constitute an Audit Committee under Reg.18, with IDs tasked to oversee controls and disclosures, and incorporates the Schedule IV “Code for IDs” (mandating vigilance and ethical conduct)<sup>32</sup>.

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<sup>28</sup> *Id.*

<sup>29</sup> The Companies Act, 2013, No. 18, Acts of Parliament, 2013 (India).

<sup>30</sup> *Id.*

<sup>31</sup> 201513.

<sup>32</sup> *Id.*

Courts and tribunals have stressed that ID liability hinges on active knowledge and board involvement, not mere appointment. In *Pritha Bag v. SEBI* (SAT), the Tribunal distinguished “officers in default” (under Section 2(60)/ the equivalent under Companies Act 1956) from other directors, holding that only those who are ‘in charge of’ the default (i.e., through board processes and active participation) can be held liable<sup>33</sup>. Separately, SEBI has interpreted “connivance” to mean “knowingly permitting an omission or commission to take place,” and has held that an independent director, when aware of a board-level violation, must take “concrete corrective measures” (not merely remain passive)<sup>34</sup>. In *Official Liquidator, Supreme Bank Ltd. v. P.A. Tendolkar* (1973), the Supreme Court held that “a director cannot shut his eyes” to obvious irregularities in a company’s affairs, making clear that wilful inattention amounts to a breach of duty. Yet courts have also cautioned that independent and non-executive directors are not responsible for day-to-day operations, and liability cannot rest on title alone<sup>35</sup>. Instead, responsibility arises only where a director is shown to have knowledge of, or involvement in, misconduct through board processes, participation, or conscious neglect<sup>36</sup>.

Historically, regulators tightened s.149(12) (via the 2017 Amendment) and in March 2020 the MCA issued a circular cautioning that IDs should not face “unnecessary” civil/criminal proceedings absent solid proof<sup>37</sup>. Post-2015, however, SEBI and SAT have signalled stricter oversight of IDs’ conduct. Earlier’ IDs largely enjoyed immunity so long as they were not “officers in default.” Now, cases like *Setubandhan* and *Manpasand Beverages* demonstrate regulators demanding active vigilance. The emerging trend is that neither ignorance nor passive non-involvement will shield an ID if documents or board reports show they attended key meetings but failed to act. In sum, the law still limits ID liability to knowledge, connivance or lack of due care, but in practice courts and SEBI will probe those elements closely. Independent directors must therefore “act diligently,” remain informed of company affairs, and intervene when needed – otherwise they risk personal sanction even without direct proof of fraud.

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<sup>33</sup> *Pritha Bag v. Securities And Exchange Board Of India*, SAT 110 SCC Online (The Securities Appellate Tribunal 2019).

<sup>34</sup> *Id.*

<sup>35</sup> *Official Liquidator, Supreme Bank Ltd. v. P.A Tendolkar (Dead) By Lrs*, 1104 AIR (Supreme Court of India 1973).

<sup>36</sup> *Id.*

<sup>37</sup> Kota, H. B., & Tomar, S. (2010). Corporate governance practices in Indian firms. *Journal of Management & Organization*, 16(2), 266–279. <https://doi.org/10.1017/s1833367200002170>

## Chapter 4: Structural and Systemic Challenges

### Promoter Dominance and Board Capture

Many listed Indian firms remain dominated by promoters and founding families<sup>38</sup>. Independent directors are often appointed through processes controlled by insiders (e.g., nomination committees stacked with promoter nominees), undermining real independence<sup>39</sup>. Even after SEBI's 2021 "twin approval" rule, promoters effectively pick the candidate pool, and boards risk being filled with "friendly" outsiders unwilling to challenge management. For example, investigations into the NSEL crisis found that the board (including the promoter's representative) failed to discuss key compliance rules in meetings. Such promoter capture subverts the spirit of board independence.

### Information Asymmetry and Limited Access

Independent directors typically lack timely access to granular company data, relying instead on management-prepared summaries<sup>40</sup>. This "information asymmetry" severely constrains their oversight: without raw data, directors cannot meaningfully verify accounts or spot early red flags. In fraud cases (e.g. Satyam, IL&FS), pivotal information was concealed from the board, illustrating how critical data can be withheld from outside directors.

### Tokenism and Symbolic Appointments

Appointing independent directors is often a box-ticking exercise. Critics note persistent "tokenism" in boardrooms: even if quota requirements are met, independent directors may attend meetings only in name<sup>41</sup>. Nomination committees still dominated by insiders typically nominate acquiescent candidates, reinforcing this symbolic role.

### Enforcement Gaps and Regulatory Follow-Up

Despite strong formal rules, enforcement is uneven. Experts observe that ID mandates often

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<sup>38</sup> Vinit Chauhan & Ajay Garg, *Family-Controlled Businesses in India: A Shareholding Pattern-Based Definition*, 20 INT. J. INDIAN CULT. BUS. MANAG. 60 (2020).

<sup>39</sup> Mel Jameson, K Andrew Prevost & John Puthenpurackal, *Controlling Shareholders, Board Structure, and Firm Performance: Evidence from India*, 27 J. CORP. FINANCE (2014).

<sup>40</sup> Akshita Arora, *Do Independent Directors Enhance Better Corporate Governance in Companies in India?*, 27 PUBLIC ADM. POLICY 154 (2024).

<sup>41</sup> *Id.*

remain “more reflective than effective,” owing to entrenched cultural barriers<sup>42</sup>. High-profile scandals have sparked investigations, but regulatory follow-up has been slow and piecemeal. This inconsistency undermines confidence that independent directors’ roles will be adequately protected or that wrongdoing will be corrected.

## Chapter 5: Recommendations and Reforms

Key reforms should be legislative and regulatory, building on the existing framework and Indian practices:

1. **Strengthen ID selection and nomination:** Fully operationalize CA 2013 §150 (Independent Directors’ Databank) and SEBI LODR reforms. For instance, require companies to select IDs from the government-maintained databank (IICA), ensuring candidates have passed the prescribed online proficiency test. Empower the Nomination & Remuneration Committee (NRC) by requiring it to be at least two-thirds independent and to publish the specific skills sought in new IDs.
2. **Clarify and codify ID duties and liability:** Amend the Companies Act or SEBI regulations to harmonize with judicial precedent. For example, explicitly align ID liability with *Sunita Palita*: an ID should be culpable only if a violation occurred “with his knowledge” or where he failed grossly in oversight<sup>43</sup>. At the same time, make it mandatory (not just advisory) for boards to follow the Schedule IV Code (e.g. on information sharing and separate ID meetings) and punish wilful non-cooperation.
3. **Reform penalties and enforcement:** Amend SEBI LODR to prescribe proportionate penalties for both promoters and IDs when governance lapses occur. For example, make promoters criminally and monetarily liable if they mislead directors or withhold information. Conversely, protect IDs who demonstrate due diligence.

These reforms, grounded in India’s Companies Act and SEBI rules, aim to empower independent directors meaningfully. By tightening nomination procedures, clarifying duties, and improving board transparency, the law can reduce promoter dominance and information asymmetry, while preserving legitimate liability for willful neglect. Such measures would

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<sup>42</sup> Simran Jayarao & Tenzing Rawat, *Role of Independent Directors in Maintaining Corporate Governance: An Indian Perspective*, 6 INT. J. ADV. LEG. RESEARCH (2023).

<sup>43</sup> *SUNITA PALITA v. M/S. PANCHAMI STONE QUARRY AIR* (Supreme Court of India 2022).

strengthen corporate governance within the LODR framework without importing foreign models or heavy-handed intervention.

## Conclusion

In theory, the Companies Act, 2013<sup>44</sup> and SEBI's LODR 2015<sup>45</sup> designate independent directors as statutory guardians of corporate governance, tasked with protecting minority shareholders and exercising oversight<sup>46</sup>. The Act even limits ID liability (under Section 149(12)) to wilful neglect or collusion. In practice, however, enforcement gaps have emerged: high-profile failures (e.g. Satyam, IL&FS) exposed an “**accountability vacuum**” where even diligent IDs often escape sanction.

Persistent structural constraints blunt the ID's impact. Entrenched promoter dominance of boards and pervasive information asymmetries dilute independent judgment. Regulators and courts have also sent mixed signals – ambiguous liability norms and selective enforcement undermine clarity and deterrence. Consequently, the statutory ideal of robust board oversight has too often yielded only to token compliance.

Looking ahead, reformers acknowledge the need to strengthen independent directors institutionally. Recent SEBI amendments (2021–25) seek to democratize ID appointments and standardize evaluations, but deeper change is still needed. Effective corporate governance will require aligning law with practice – for example, by providing clear safe harbours and D&O insurance, mandatory training, and robust boardroom transparency; so that independent directors have the tools and protection needed to serve as true guardians of India's corporate governance.

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<sup>44</sup> The Companies Act of 2013.

<sup>45</sup> 201513.

<sup>46</sup> Dr. Ashish Kumar Srivastava, *Independent Directors: Guarding The Guardians*, 4 NATL. LAW UNIV. JODHPUR 12 (2021).