Bureaucrats' share in India Inc boards at 13-year low

Public-sector companies lead decline in absolute numbers

SACHIN P MAMPATTA
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The share of company directors with a civil services background has been declining in recent years. They accounted for 5.5 per cent of directorships in financial year 2012-13 (FY13), shows a *Business Standard* analysis of numbers from primeinfobase.com. This has declined to 3.9 per cent as of March 2026. The latest share is the lowest in data going back to FY13.

The current Narendra Modi regime came to power in 2014. The central government decides on director appointments for public sector companies. The number of public sector company directors who are bureaucrats has seen a fall in absolute terms from 148 in 2013 to 120 in 2026. Their share in public sector companies has fallen from 20.5 per cent in FY13 to 16.4 per cent as of March 2026, contributing to the declining share overall.

Private sector share is also down from 4.5 per cent in FY13 to 3.5 per cent as of March 2026, but this has been on the back of higher absolute numbers. The number of those with a civil servant background on private sector boards rose from 487 in FY13 to 709 as of March 2026. Former Economic Affairs Secretary Atanu Chakraborty's resignation as HDFC Bank chairman in March put the spotlight on bureaucrats serving on company boards.

Overall (public sector and private sector combined), the number of directorships has risen 84 per cent from 11,519 to 21,201 during this period with new companies also being listed. The number of civil servants occupying these posts only rose 31 per cent from 635 to 829 during this period, resulting in a decline in overall share.

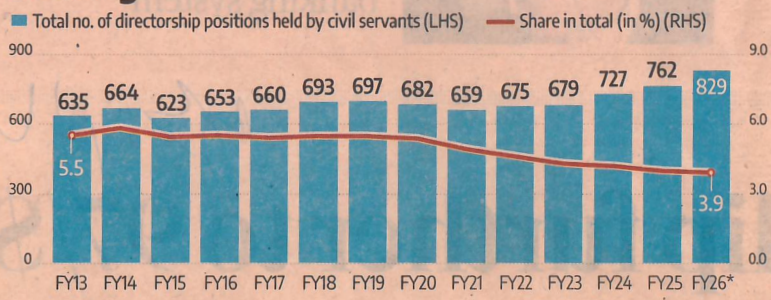
Stock exchanges have previously imposed fines on public sector companies, including NTPC (later waived) and Cochin Shipyard (waiver to be requested after compliance), for non-appointment of directors. Public sector company directors are often appointed by the government, and the companies have previously cited limited leeway to meet requirements promptly. Observers have noted that public sector companies have seen some appointments of personnel related to political parties as well. The private sector is more dominated by services and new-age technology companies now than was the case a decade ago. This shift away from older industries, which tend to be highly regulated, may also partly explain the dropping share, since many new-age companies have little interaction with civil servants.

"The more regulated you are, the more you'll want a bureaucrat on your board," said Amit Tandon, founder and managing director of proxy advisory firm Institutional Investor Advisory Services (IiAS) India. Those with civil service experience often help companies navigate a changing regulatory environment. But the number of such directors on the boards of listed companies may remain limited by the fact that only very large or well-known companies would be able to attract such names. The number of such companies and positions on their boards remain limited, which also limits growth in terms of absolute number of bureaucrat directors.

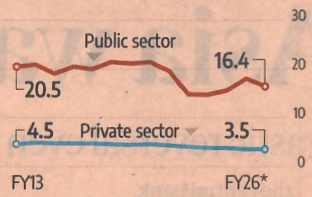
Systems and compliance tend to be better for larger companies, which gives comfort to civil servants who are looking for a post-retirement position, noted KS Ravichandran, a Coimbatore-based company secretary. Ravichandran has also served as an independent director on a bank's board, and as the chair for its nomination and remuneration committee, a body which aids the selection of other directors to the board. Companies themselves look for people with domain expertise as well as general ability to add value to the venture, according to Ravichandran. "A sector-expert alone may not be sufficient," he said.

Stock exchanges have also previously levied fines on other public sector companies, including Shipping Corporation of India Limited and Garden Reach Shipbuilders and Engineers, for not having the requisite number of directors in 2025.

Shifting board clout



Share of directorship positions held by civil servants (in %)



Note: *Latest data as of March 24, 2026
Source: primeinfobase.com, Business Standard calculations