

**[TO BE PUBLISHED IN THE GAZETTE OF INDIA, EXTRAORDINARY,
PART II, SECTION 3, SUB-SECTION (i)]**

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

New Delhi, the 6th April, 2011

G.S.R. No. .- In exercise of the powers conferred by clause (b) of sub-section (1) of section 642, read with sub-section (1B) of section 314 of the Companies Act, 1956, the Central Government hereby makes the following rules to amend the Director's Relatives (Office or Place of Profit) Rules, 2003, namely:-

1. (1) These rules may be called Director's Relatives (Office or Place of Profit) Amendment Rules, 2011.

(2) They shall come into force on the date of their publication in the Official Gazette.
2. In the Director's Relatives (Office or Place of Profit) Rules, 2003, (hereinafter referred to as the said rules), in rule 3, for the figures "50,000", the figures "2,50,000" shall be substituted.
3. In the said rules, for the figures "50,000", the figures "2,50,000" shall be substituted.
4. In the said rules, for rule 7, the following rule shall be substituted, namely:-

The selection and appointment of a relative of a director holding office or place of profit in the company shall be approved by adopting the same procedure applicable to non-relatives :

Provided that, in the case of listed public companies, the selection of director for holding place of office or profit in the company shall have to be also approved by a Selection Committee.

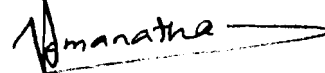


EXPLANATION.- For the purpose of this sub-rule, the expression "Selection Committee" means a committee, the majority of which shall consist of independent directors and an expert in the respective field from outside the company :

Provided that in case of unlisted companies, independent directors are not necessary but outside experts should be there in the Selection Committee:

Provided further that in the case of private companies, independent directors and outside experts are not necessary.

[F.No.17/75/2011-C.L.V]



(Dr T.V. Somanathan)

Joint Secretary to the Government of India