

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

GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS

New Delhi, the, 14 July, 2011

NOTIFICATION

GSR – In exercise of the powers conferred by the sub section (1) of Section 641 of the Companies Act, 1956, the Central Government hereby makes the following further amendments in Schedule XIII of the Companies Act, 1956: -

1. In GSR 396(E) dated 23rd May, 2011 in Para 1(i) the words “fourth proviso” may be read as “third proviso”.

2. In Schedule XIII, in part II, in Section II --- in sub-para (C), the fourth proviso shall be substituted by the proviso as under: -

“Provided further that approval of Central Government is not required for a subsidiary of a listed company, if –

- i. *the Remuneration Committee and Board of Directors of the holding company give their consent for the amount of such remuneration of the applicant and for the said amount to be deemed remuneration by the holding company for the purpose of section 198 of the Companies Act, 1956 and;*

- ii. *a special resolution has been passed at the general meeting of the company for payment of remuneration of the applicant and;*
- iii. *the remuneration of the applicant is deemed to be remuneration paid by holding company and;*
- iv. *all members of the subsidiary are bodies corporate.*

Provided that a listed company or a subsidiary of a Listed company shall not require Central Government approval for the payment of remuneration to its managerial personnel, if the remuneration is fixed by Board of Industrial and Financial Reconstruction."

3. In Schedule XIII, in part II, in Section II -
in sub-para (C), after fourth proviso, the following proviso shall be inserted, namely :-

"Provided that no approval of Central Government is required if the managerial person is not having any interest in the capital of the company or its holding company, directly or indirectly or through any other statutory structures and not having any direct or indirect interest or related to the directors or promoters of the company or its holding company at any time during last two years before or on the date of appointment and is having a graduate level qualification with expert and specialized knowledge in the field of his profession."

4. After Explanation VI, to the Section II in part II of Schedule XIII of the Companies Act, 1956 following shall be inserted:-

"Explanation VII: For the purpose of Section II of this part, "Statutory Structure" means any entity which is entitled to hold shares in any company formed under any statute."

5. It shall come into force from the date of its publication in the Official Gazette

(F.No. 14/3/2011-CL.VII)


(J.N. Tikku)
Joint Director

Note : The Principal Schedule was inserted by the Companies (Amendment) Act, 1988 vide No. G.S.R.559(E), dated 10.06.1998 and subsequently amended vide—

- (i) GSR 784(E), dated 13.07.1998
- (ii) GSR 723(E), dated 18.09.1990
- (iii) GSR 510(E), dated 14.07.1993
- (iv) GSR 48(E), dated 01.02.1994
- (v) GSR 418(E), dated 12.09.1996
- (vi) GSR 215(E), dated 02.03.2000
- (vii) GSR 36(E), dated 16.01.2002
- (viii) GSR 70(E) dated 08.02.2011
- (ix) GSR 396(E) dated 23.05.2011

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