

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

STARRED QUESTION NO:74
ANSWERED ON:21.02.2003
RULES FOR APPOINTMENT OF MANAGING DIRECTORS IN SEZS
ANANTA NAYAK

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

:

- (a) whether the restrictions were imposed in the past for the appointment of Managing Directors from the Non-Resident Indians in the Special Economic Zones (SEZs);
- (b) if so, the rules applicable for the same;
- (c) whether the Government have now waived those rules; and
- (d) if so, the details of new rules made now?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY)

(a) to (d): There was no bar to the appointment of Non-Resident Indians as Managing Directors in the Special Economic Zones. However, in terms of the provisions of the Companies Act 1956, for appointment of a Managing Director, the person should have been a resident in India for a period of 12 months prior to his appointment. This condition has been relaxed for companies in Special Economic Zones through an amendment vide Gazette Notification No.G.S.R.670(E) dated 30.9.2002 to the effect that a person, being a non-resident in India shall enter India only after obtaining a proper employment visa from the concerned Indian Mission abroad. Further, such person shall be required to furnish, along with the visa application form, a profile of the company and the principal employer, and the terms and conditions of his appointment.