

**MINISTRY OF CORPORATE AFFAIRS**

**PRESS RELEASE**

The Ministry has received requests from several stakeholders seeking clarifications on some of the Rules prescribed under the Companies Act, 2013 (Act), including issues relating to appointment and qualification of Independent Directors (IDs). A General Circular has been issued by the Ministry today (9<sup>th</sup> June, 2014) providing clarity relating to pecuniary interest of IDs, commencement and tenure of IDs under the Act and issue of letter of appointment to existing IDs. It has been clarified that in case of an ID, 'pecuniary relationship' does not include receipt of remuneration, as ID, from the holding, subsidiary or associate company. It has also been clarified that if a company intends to continue an existing ID, his appointment would need to be made expressly afresh under the Act before 31<sup>st</sup> March, 2015, and his earlier tenure will not be counted for such fresh appointment under the Act.

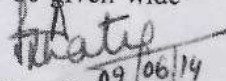
The said Circular is available on the Ministry's website at [www.mca.gov.in](http://www.mca.gov.in)

PRESS RELEASE  
No. 1/22/2013-CL-V

Dated the 9<sup>th</sup> day of June, 2014

Ministry of Corporate Affairs

The Press Information Officer, Press Information Bureau, Ministry of Information and Broadcasting, with the request that the above mentioned Press Note may be given wide publicity.

  
(Amardeep S. Bhatia)  
Joint Secretary to the Government of India  
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