PRESS RELEASE

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**Appointment of Foreign Nationals as directors on the board of Indian companies- Provision under FEMA.**

In response to queries received on the above subject, it is clarified that under the Foreign Exchange Management Act, 1999, appointment of a foreign national as a director on the board of directors of an Indian company does not require the Reserve Bank's approval.

It is further clarified that the Reserve Bank has also granted general powers to an Indian company to make payment in rupees towards sitting fees or commission or remuneration and travel expenses to and from and within India to its non-whole time director who is resident outside India and is on a visit to India for the company's work.

**P.V.Sadanandan**
**Manager**

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