

Appointment and Qualification of Directors

1.1 Meaning of Director and Board of Directors

Director means a director **appointed** to the Board of a company. (i.e. if a person exercises the powers of a director but is not designated as a director, he shall not be regarded as director.)

Note – As per Sec 149(1), only an individual can be a director.

Board of Directors, in relation to a company, means the **collective body** of the directors of the company.

Note – Directors can exercise powers only when they act collectively. An individual director has no authority to act on behalf of the company, unless he is so authorized by the Act, articles, a resolution of the Board of Directors or a resolution of the members.

1.2 Disqualifications of Directors [Sec 164]

Sec 164(1) – Ground for Disqualification

a - Declared **unsound** by a competent court

b - **undischarged** insolvent

c - **applied** to be adjudged as insolvent **and** his application is **pending**

d - **convicted** by court of any offence (whether involving moral turpitude or under the Companies Act, 2013/ 1956) and sentenced to an **imprisonment of 6 months or more**

Disqualification **for a period of 5 years** from date of expiry of sentence
If imprisonment is for **7 years or more** - **Lifetime** disqualify

e - **Order** of court or tribunal disqualifying him

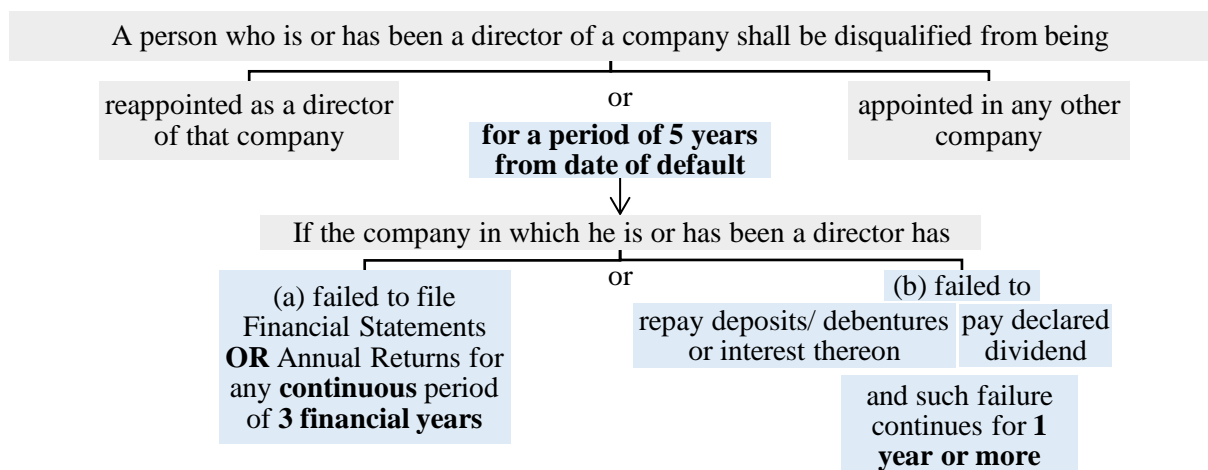
f - **failed to pay call on shares** of the company held by him & **6 months** have elapsed from the due date for payment of call
*** Disqualify** even if shares are **jointly** held

g - **convicted** of offence dealing with **Related Party Transactions** u/s 188 at any time during preceding **5 years**

h - does not hold **DIN**

i - violated provisions of **Sec 165(1)** (Maximum permissible directorships)

Sec 164(2) – Disqualification by reason of default made by a company



Important points

- i. Where a person is appointed as director of a company which has committed a default specified under Sec 164(2), he shall not incur disqualification for a period of **6 months from the date of his appointment**.
- ii. Even if default made good by the company, the directors who got disqualified by reason of sec 164(2) shall continue to be disqualified.
- iii. The report of the auditor shall state as to whether any director is disqualified u/s 164(2) [Sec 143(3)].
- iv. Sec 164(2) shall not be applicable to government company, not defaulted in filing annual financial statement and annual returns.

Sec 164(3) – Articles of a **private company** (not public company) may provide for additional grounds for disqualification of a director.

1.3 Vacation of Office by Directors [Sec 167]**Sec 167(1) – Grounds of vacation of office of a director**

- Where he incurs a **disqualification specified in sec 164**
- Where he **absents himself** from **all** the Board Meetings held during a period of **12 months** (It is irrespective whether leave of absence was granted to him or not. However, if such non attendance is involuntary, such as due to temporary physical disability by reason of an accident, it shall not be grounds for vacation.)
- Where he acts in contravention of or fails to disclose his interest required under **Sec 184**
- Where he is **removed** in pursuance of the provisions of the Act
- Where he, having being appointed a director **by virtue of his holding any office or employment** in the holding, subsidiary or associate company, ceases to hold such office or other employment in that company

Reading postponement of vacation of office (Section 167) with Section 164

The clauses (d) & (e) of sec 164(1) shall apply to disqualify the director and **NO postponement shall apply to disqualification**. However, **postponement of vacation of office shall be there** in the following cases:

- i. For first 30 days (unconditional postponement)
- ii. If appeal is filed within such 30 days, then until expiry of 7 days from the date of disposal of such appeal
- iii. If *further* appeal is filed within such 7 days, then until the date of disposal of such *further* appeal

Reading Sec 164(2) with Sec 167

In case a company makes a default specified in section 164(2), all the directors of such defaulting company shall be disqualified for appointment or reappointment as director for a period of 5 years.

As per section 167, if a director who becomes disqualified under section 164(2), is also a director in any other company, then,

- i. his office of director in all such **other companies** shall become **vacant**
- ii. his office of director in **defaulting company** shall **not become vacant**

Vacation of office is automatic

Director ceases to be a director on happening of any of the events specified under section 167. No opportunity of being heard is required to be given to the director. The Board is neither required to pass a resolution nor does it have any power to waive any ground for vacation of office.

Consequences of vacation of office of all the directors [Section 167(3)]

In such case, appointment of requisite number of directors shall be made by the **Promoters** of the company. In his absence, by the **Central Govt**. All such directors hold office till directors are appointed by the company in the General Meeting.

Sec 167(4) – Articles of a **private company** (not public company) may provide for additional grounds for vacation of office of a director.



1.4 Types of Director

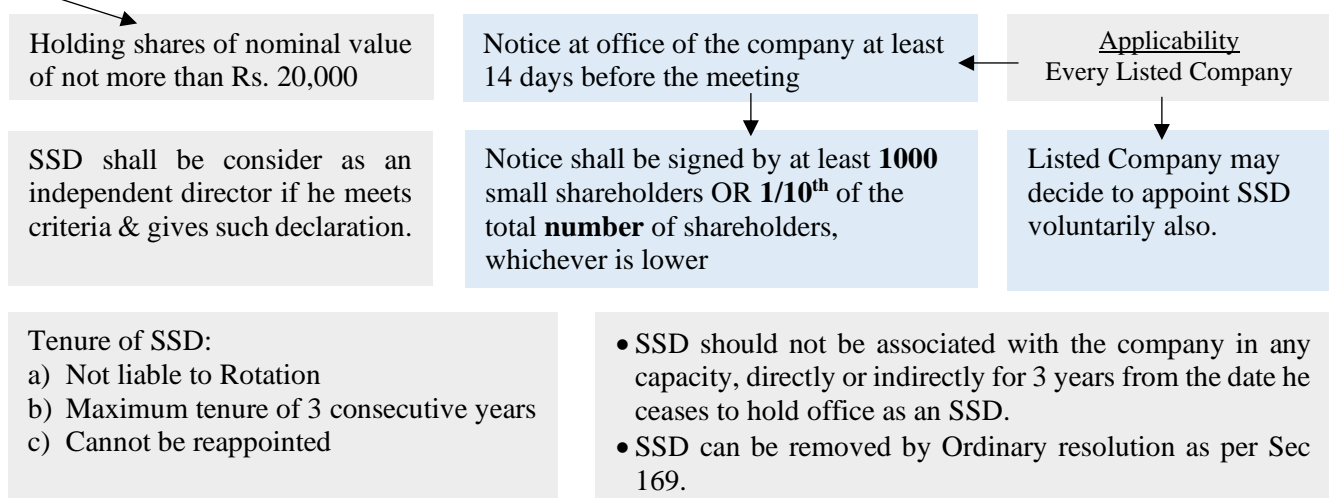
Type	Appointing Authority	Tenure	Other Points
First Director [Sec 152(1)]	<p>a. The names of the first directors shall be generally specified in the Articles at the time of incorporation of the company.</p> <p>b. If Articles are silent, but Table F is applicable, then the first directors shall be determined in writing by majority of subscribers the memorandum.</p> <p>c. Otherwise, all subscribers to the memorandum who are individuals shall be deemed as first directors.</p>	Until directors are duly appointed by the company as per provisions of the Act.	<p>a. If all subscribers are body corporates (in case of point c), then the company shall have no first directors.</p> <p>b. In case of OPC, the individual, being the sole member, shall be deemed to be first director of the company till the director(s) are duly appointed by the member as per the provisions of the Act.</p>
Additional Director [Sec 161(1)]	<p>Board of Directors by majority, subject to:</p> <p>a. Articles must authorize (Table F authorizes). If articles do not allow, members must pass special resolution to alter articles to authorize Board; only then will it be possible. Mere ordinary resolution shall not suffice.</p> <p>b. The person so to be appointed has not failed to be appointed in a general meeting.</p>	<p>Upto the next AGM</p> <p>If AGM not held upto last due date, then term expires on such due date and such additional director shall vacate his office.</p>	<p>a. Resolution by Circulation is allowed.</p> <p>b. An additional director may be executive or non-executive.</p> <p>c. He has same rights and duties as any other director.</p> <p>d. Additional director is “not a retiring director”. Thus, his appointment as a regular director requires compliance of sec 160.</p> <p>e. Such can be appointed in GM, only if deadlock in the Board.</p>
Alternate Director [Sec 161(2)]	<p>This section allows the Board to appoint an alternate director in place of a director (i.e. original director) during his absence from India for a period of 3 months or more.</p> <p>The Board can only appoint alternate director if it is authorized by:</p> <p>a) the Articles OR</p> <p>b) Ordinary resolution at a general meeting</p> <p>Note – Members or original director cannot appoint alternate director. Only Board of Directors can.</p>	<p>When original director returns back to India</p> <p>However, if the original director returns to India temporarily in a manner such that he would not be able to transact business, then the alternate director shall continue.</p> <p>An alternate director shall not hold a term longer than that of the original director.</p>	<p>a. A person cannot be an alternate director for more than one director of the same company.</p> <p>b. An already existing director cannot be an alternate for any other director in the same co.</p> <p>c. A person can be alternate for an independent director only if he also meets the criteria for independence as per 149(6).</p> <p>d. The provisions of automatic reappointment u/s 152(7) apply to the original director only.</p> <p>e. Sec 184 disclosures shall apply when the alternate director himself is interested. The original director's interest is not relevant.</p> <p>f. Resolution by Circulation is allowed.</p> <p>g. He has same rights and duties as any other director and is not an agent or proxy of the original director in any manner.</p> <p>h. Alternate director is “not a retiring director”. Thus, his appointment as a regular director requires compliance of sec 160.</p>



Type	Appointing Authority	Tenure	Other Points
Nominee Director [Sec 161(3)]	Subject to the Articles of the company, the Board may appoint any person as director nominated by any institution in pursuance of the provisions of any law or any agreement or by the CG/ SG by virtue of its shareholding in a government company.	-	-
Casual Vacancy Director [Sec 161(4)]	If articles specify the manner to fill in the casual vacancy, such should be followed. However, if the articles are silent , then such should be filled by the Board. Approval shall be required by the members in the immediately next general meeting. [Applicable to both Private & Public companies]	Upto the date which the director in whose place he is appointed would have held office had it not been vacated	a. Resolution by Circulation is not allowed. A resolution is required to be passed in the board meeting. b. A casual vacancy can only be filled if appointment of such director was made in a General Meeting . c. Casual vacancy may be due to death, resignation, removal, disqualification etc. i.e. all reasons other than retirement or expiry of tenure. d. If a director does not assume office, no casual vacancy can arise. e. It is not obligatory to fill the vacancy. The Board can resolve to keep it unfilled. f. Casual vacancy director is “ not a retiring director ”. Thus, his appointment as a regular director requires compliance with sec 160.

1.5 Small Shareholder Director – SSD [Sec 151]

Small Shareholders of a company may appoint a SSD by giving a notice in writing.



1.6 Appointment of Director by Proportional Representation [Sec 163]

- **If the articles provide** for appointment of directors by proportional representation, then **not less than 2/3rd** of the total number of directors shall be appointed by proportional representation.
- The tenure of such directors shall be for **3 years**. **No rotation** of directors. Directors **cannot be removed** by merely following Sec 169. In fact, Sec 163 overrides the entire Companies Act, 2013.
- Method of voting – Single transferrable vote, cumulative voting or any other mode



1.7 Rotation of Directors [Sec 152(6)] & Automatic Reappointment [Sec 152(7)]

Sec 152(6) – Rotation of Directors

“Unless the articles provide for the retirement of all directors at every annual general meeting, not less than two-third of the total number of directors of a public company shall –

- i. *Be persons whose period of office is liable to determination by retirement of directors by rotations; and*
- ii. *Save as otherwise expressly provided in this Act, be appointed by the company in general meeting.”*

At least 2/3rd (round UP) of total number of directors shall be **rotational directors**. However, the articles of the company may require a higher number.

Of the rotational directors, 1/3rd (round OFF) shall **retire at each AGM**.

The director liable to retire by rotation shall be those who have been longest in the office. In case, two or more directors were appointed on the same day, then the directors liable to retire shall be determined as per any agreement between them or by lots, in absence in any agreement.

For **counting of total number of directors**, the following shall be excluded:

- Independent directors
- Nominee directors appointed by a financial institution established under a separate Act of the Parliament and containing provisions overriding the Companies Act, 2013.

While directors like **additional directors, alternate directors or casual vacancy directors** are not considered as retiring director for purpose of rotation, they are still counted for ‘Total number of directors’.

Important Points

- i. Where a **company does not hold AGM upto the last due date**, the directors liable to retire at the AGM shall have to vacate their offices on the last date AGM ought to have been held. [B.R. Kundra v Motion Pictures Association (1976)].
- ii. The provisions of rotation of directors do not apply to a private company, if it has not committed any default in filing with the Registrar its financial statements or annual return

Sec 152(7) – Automatic reappointment of retiring director

At the Annual General Meeting, there are 3 options

Reappoint the retiring director

Appoint another director in place of retiring director

Resolve to keep the position vacant

If the position of the retiring director has not been filled up at the AGM and the meeting has not resolved not to fill the vacancy, the AGM shall adjourn to **the same place, same time, next week** (if that day is national holiday, then to the next succeeding day which is not a holiday).

If at the **adjourned meeting** also, the vacancy in place of the retiring director has not been filled up at the AGM and the meeting has not resolved not to fill the vacancy, the retiring director shall be deemed to be reappointed.

However, a retiring director shall **not be deemed to be reappointed** in the following cases:

- i. Where a resolution for the reappointment of such director was put and lost
- ii. Where appointment of such director was made in contravention of sec 162
- iii. Where the retiring director has in writing, expressed his unwillingness to be reappointed
- iv. Where the retiring director is disqualified or not qualified for appointment



1.8 Right of persons other than retiring director to stand for directorship [Sec 160]

‘Retiring director’ means a director retiring by rotation.

Person eligible to give notice for directorship	Requirements of Notice	Duty of the company to inform its members
<ul style="list-style-type: none"> • Any person (whether or not he is a member of the company) may give a notice of his own candidature • A member may give a notice of candidature of himself or any other person 	<ul style="list-style-type: none"> • The notice shall be given at least 14 day before the general meeting at the registered office of the co. • The notice shall be signed. • A sum of Rs. 1 lakh or such higher amount as may be prescribed, shall be deposited along with the notice 	<p>The company shall inform its members about the candidature of the person proposed as a director at least 7 days before the general meeting by:</p> <ul style="list-style-type: none"> i. serving individual notices to the members through electronic mode to such members who have provided their email addresses to the company for communication purposes, and in writing to all other members (The company shall not require to serve such individual notices if the company advertises the candidature of the proposed director at least 7 days before the general meeting in at least one vernacular newspaper in the principal vernacular language and at least one English newspaper circulating in the district in which the registered office of the company is situated) AND ii. by placing such notice on the website of the company, if any

Refund of Deposit

The amount deposited with the company shall be **refunded**, if the person proposed as director –

- Gets elected as a director (i.e. if an ordinary resolution is passed for his appointment); or
- Gets more than 25% of total valid votes cast (where or a show of hands or on a poll)

In a **section 8** company, even where a person fails to secure more than 25% of valid votes, the Board of Directors may decide to refund the deposit made of such person.

No requirement of deposit in certain cases

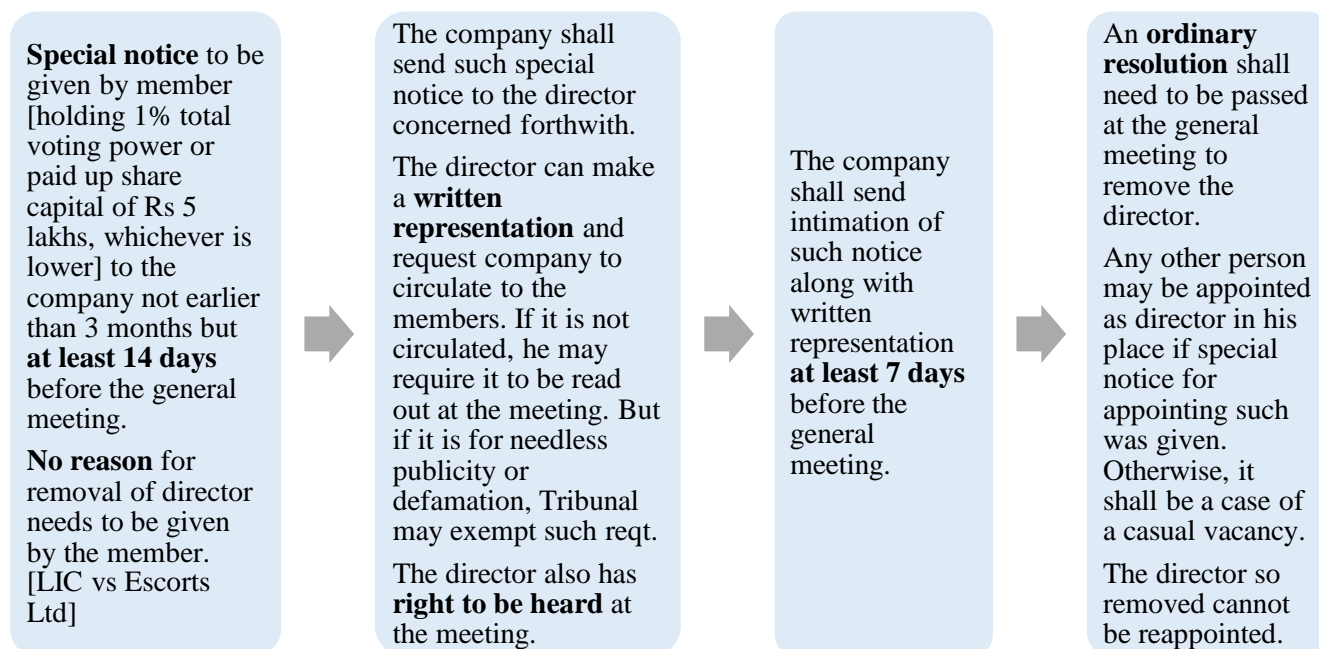
- In case of appointment of an **independent director**
- In case of a director recommended by the **Nomination and Remuneration Committee or by the Board of Directors**, in the case of a company not required to constitute the Nomination and Remuneration Committee

Important points

- Articles cannot take statutory right given under section 160.
- Appointment of director in contravention of sec 160 shall render such appointment invalid.
- Sec 160 shall not apply to a private company, if it has not committed any default in filing with the Registrar its financial statements or annual return.



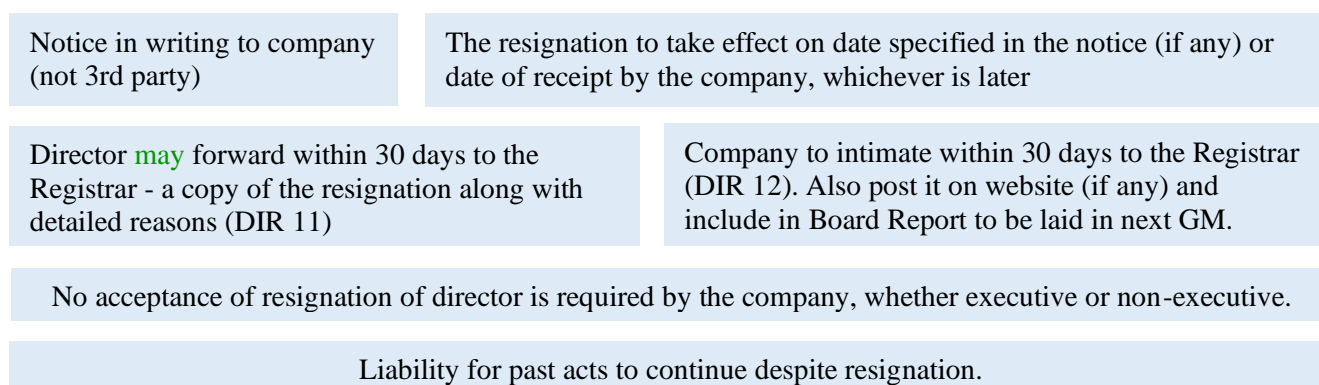
1.9 Removal of director [Section 169]



Director that cannot be removed under section 169:

- Independent Director** reappointed for a **second term** [Require special resolution & reasonable opportunity of being heard]
- Directors **appointed by the tribunal** under section 242
- Directors appointed by **proportional representation**
- Nominee director** appointed by any financial institution constituted under a special Act of the Parliament, it the provisions contained in the special Act restrain removal of such nominee directors by the member

1.10 Resignation of director [Section 168]



1.11 Number of Directors [Sec149(1)]

Minimum Number of Directors in a

- Public Company – 3
- Private Company – 2
- One Person Company (OPC) – 1

A company may, by its **articles**, provide a **higher number** as the minimum strength of the Board of directors. However, if the articles provide a number lower than the statutory minimum number of directors, such a provision shall be void, and of no legal effect.



Maximum number of directors – 15

- i. If the company wants to appoint more than 15 directors, it can do so after passing a **special resolution**.
- ii. A company may in its Articles provide that the maximum number of directors shall be less than 15. In such case, any increase in the number of directors beyond the number specified in the articles, shall require alteration of the articles through a special resolution by complying with the provisions contained in Section 14.
- iii. Exemption to **Sec 8 Co.** which have not committed a default in filing FS + AR or **Govt. Co.** which have not committed a default in filing FS + AR

1.12 Maximum Number of Directorships [Sec 165]

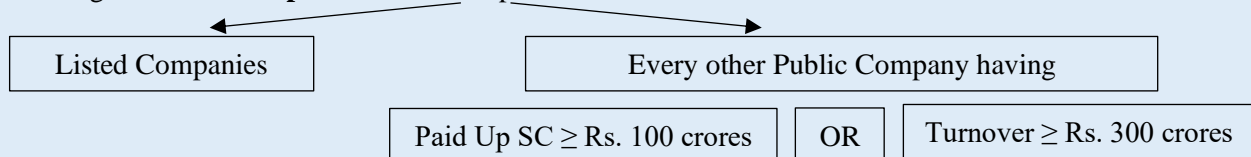
- Maximum limit for **All Cos.** – 20
- Maximum limit for **Public Cos.** – 10 (A **public company** shall for the purpose of this section shall **include** a private company which is either a **holding company or a subsidiary company of a public company**)

Important points

- i. For reckoning the limit of directorship, the following directorships shall be **excluded**:
 - a. **Section 8 company** (if such company has not committed any default in filing with the Registrar its financial statements or annual return) OR
 - b. **Dormant company**
- ii. The members of a company may, by special resolution, specify any lesser number of companies in which the director of the company may act as a director.
- iii. A person cannot be a **Small Shareholder Director** in more than 2 companies at the same time. It shall need to be ensured that the second company in which he is appointed as a SSD shall not be in a business which is competing or is in conflict with the business of the first company. [Sec 151]

1.13 One Woman Director [Second Proviso to Sec 149(1)]

The following **classes of companies** have been prescribed to have at least one woman director:



For this purpose, the paid up share capital or turnover shall be as on the last date of latest audited financial statements. These companies shall comply with the provisions within 6 months from the date of incorporation.

Casual Vacancy

Any vacancy in the office of one woman director shall be filled by the board at the earliest but **not later than** –

- a. Next board meeting or
- b. 3 months from the date of such vacancy, whichever is **later**

Where a company has two or more woman directors, an vacancy arises in the office of one or more woman director such that at least one woman director continues to be in office, the company may decide not to fill such vacancy, and in case the company decides to fill such vacancy, such may be filled up by appointing a woman director or a person other than woman director.

However, if there is only one woman director and the vacancy arises in the office of such woman director, the company shall have to fill such vacancy by appointing woman director only.

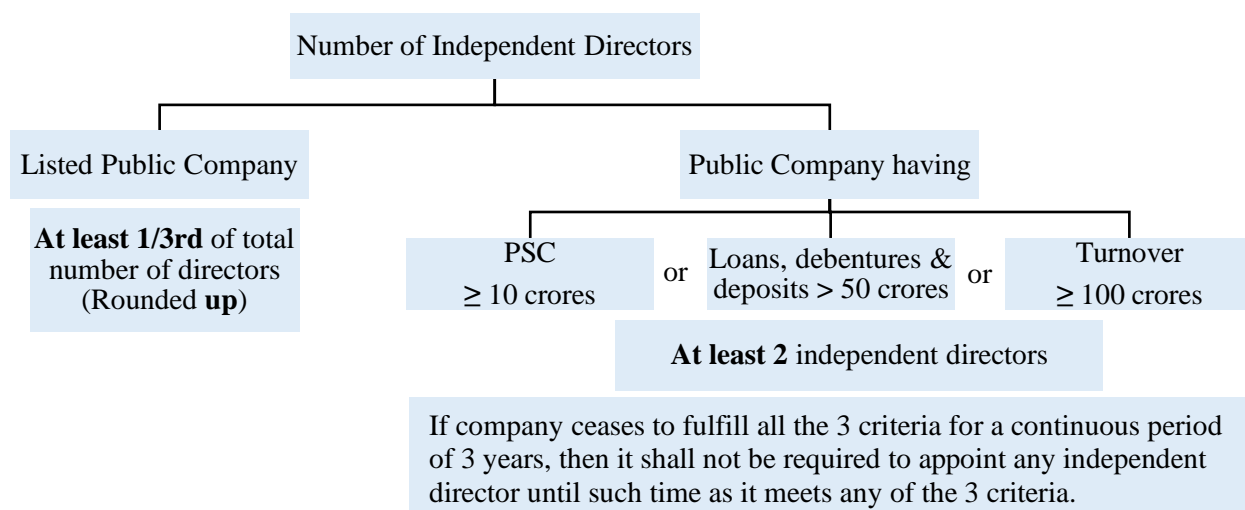
1.14 Resident Director [Section 149(3)]

Every company shall have at least one director who stays in India for a period of at least 182 days during the financial year.

In case of newly incorporated company, this requirement shall apply proportionately at the end of the financial year in which the company is incorporated.



1. 15 Independent Directors [Section 149]



Exemption: The following classes of **unlisted** public companies shall not be required to have any independent director:

- Joint Venture
- Wholly Owned Subsidiary
- Dormant Company

Also, the provisions for independent directors are not applicable to Sec 8 Co. & Specified IFSC Public Co.

Term of office:

1st term – of maximum 5 consecutive years

2nd term – may be reappointed for 5 consecutive years, if a special resolution is passed and disclosure of such appointment is made in the Board report

An independent director **re-appointed for a second term** can only be **removed by passing a special resolution** & after giving him **reasonable opportunity of being heard**.

Cooling period: No independent director shall hold office for more than 2 consecutive terms (less than 5 years shall constitute a term as well). After such, he shall need to serve a minimum cooling period of **3 years** to be eligible for being appointed again. In such cooling period, he cannot be appointed or associated with the company in any capacity.

Filing up casual vacancy: At the earliest, but **not later than** – Immediately next board meeting or 3 months, whichever is later

Declaration: Every independent director shall give a declaration that he meets the criteria of independence at – First board meeting, First board meeting in every financial year, and whenever there is any change in the circumstances which may affect his status as an independent director.

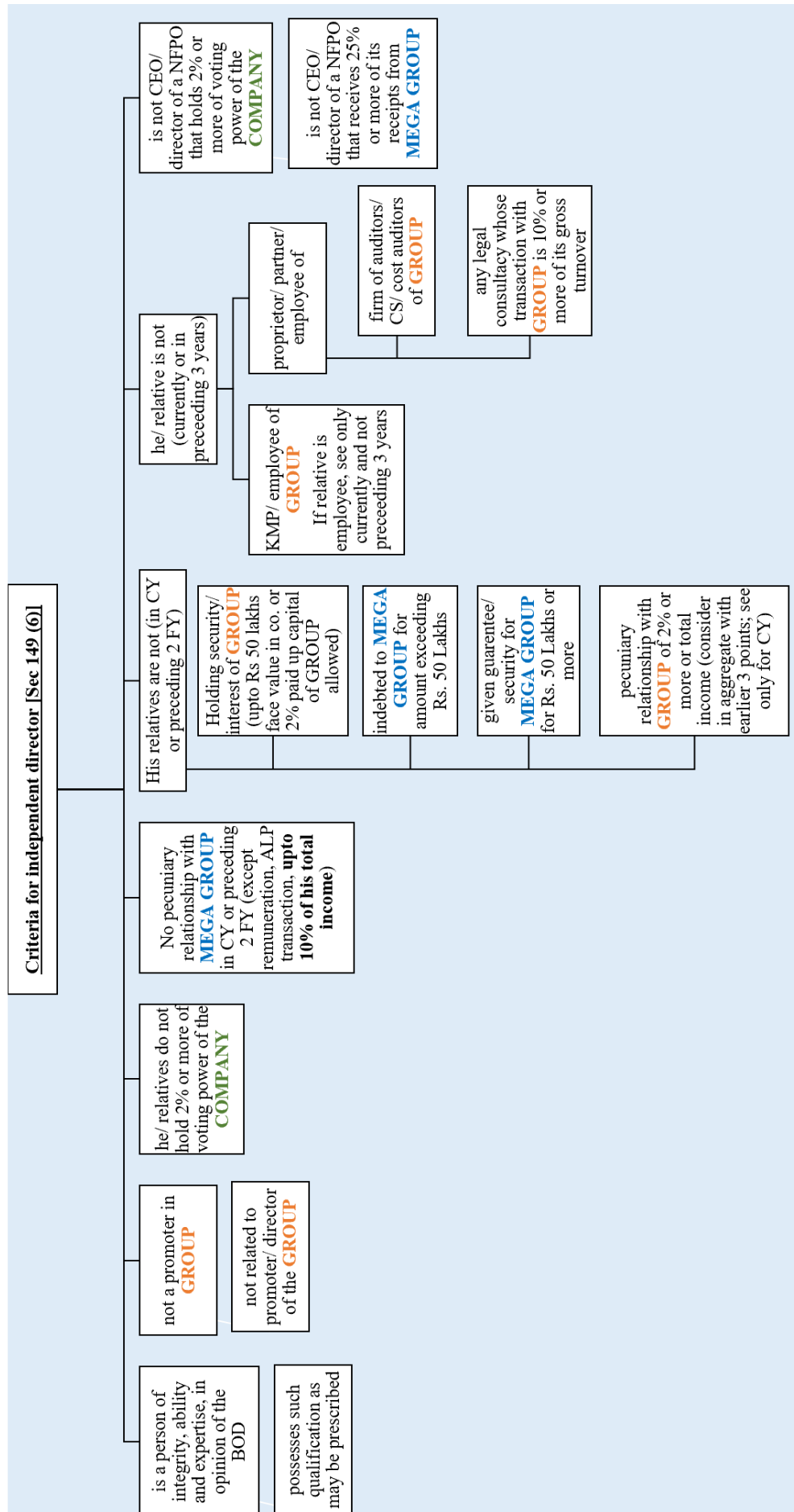
Remuneration: No stock options may be given to independent directors. He may be given remuneration by way of sitting fees. Also, he may be paid profit linked commission as approved by the members.

Exemption from liability: Liability shall only arise in respect of acts which occurred with his knowledge, attributable through Board process, and with his consent or connivance or where he had not acted diligently.

Higher number of Independent directors may be required **depending on the requisite composition of the Audit committee or the Nomination & Remuneration committee**.

Independent directors are required to abide by the provisions of **Schedule IV** which contains guidelines of professional conduct, role and functions, duties, manner of appointment etc for independent directors.





GROUP = Co. + Holding + Subsidiary + Associate
MEGA GROUP = Co. + Holding + Subsidiary + Associate + Promoter + Director of any

Note: Associate includes Joint Venture.



1.16 Director Identification Number (DIN) [Sec 152(3) and Sec 153 to Sec 159]

DIN means an identification number allotted by Central Government to any individual, intending to be appointed as director or to any existing director of a company, for the purpose of his identification as a director of a company.

Application

Every applicant, who intends to be appointed as director of an **existing** company shall make an application electronically in Form DIR-3 to the Central Government along with specified fees.

(In case of a **new** company, if proposed directors do not have DIN, the particulars of maximum 3 directors shall be mentioned in Form No. INC-32 (SPICe) and DIN may be allotted to maximum 3 proposed directors through such form.)

The applicant shall download Form DIR-3 from the portal, fill in the required particular sought there in, verify and sign the Form and after the attaching copies of the **following documents**, scan and file the entire set of documents electronically –

- i. Photograph
- ii. Proof of identity
- iii. Proof of residence
- iv. Board resolution proposing his appointment as director in an existing company
- v. Specimen signature duly verified

Form DIR-3 shall be signed and submitted electronically by the applicant using his own Digital Signature Certificate and shall be verified by a CS in full time employment of the company or the managing director or director or CEO or CFO of the company in which the applicant is intended to be appointed as director in an existing company.

Note – In case the name of a person does have a last name, then his or her father's or Grandfather's surname shall be mentioned in the last name along with the declaration in Form DIR-3A.



On the submission of the Form DIR-3 on the portal and payment of fees, an **application number** shall be generated.



After generation of application number, the Central Government shall process the applications received and decide on the **approval or rejection** thereof.

In case of Approval

The CG shall communicate to the applicant along with the DIN allotted within a period of **1 month** from the receipt of such application.

In case of Defective or incomplete application

The CG shall give intimation of such defect or incompleteness, by placing it on the website and by email, directing the applicant to rectify such by resubmitting the application within a period of **15 days**.

If the defects are partially rectified or the information given is still found to be defective
CG shall reject the application

If the defects are not removed within the given time
CG shall treat and label such application as invalid in the electronic record

CG shall then inform the applicant either by way of letter by post or electronically or in any other mode. The fee so paid with the application shall neither be refunded nor adjusted with any other application.



Intimation

Applicant director
Intimate DIN within **1 month** from receipt of DIN Form – DIR 3B



Company in which to be director
Intimate DIN within **15 days** from receipt from director Form – DIR 3C



Registrar or any other officer or authority as may be specified by the CG



Cancellation or Surrender or Deactivation of DIN

The Central Government or Regional Director (Northern Region), Noida or any officer authorised by the Regional Director may cancel or deactivate the DIN in the following cases –

- Duplicate** DIN – If a person has two DINs, the data of both shall be merged
- DIN was obtained in a wrongful manner or by **fraudulent** means (Opportunity of being heard shall be given)
- Death** of the individual
- Declared as a person of **unsound** mind by a competent Court
- Adjudicated as **insolvent**
- Surrender of DIN (DIR 5)** – Application by the DIN holder to surrender DIN along with declaration that he has never been appointed as director in any company and the said DIN has never been used for filing of any document with any authority

Intimation of Changes in Particulars

Every individual who has been allotted a DIN shall in case of any change in his particulars as stated in Form DIR-3, intimate such changes to the Central Government **within a period of 30 days of such changes in Form DIR-6**. The form shall be digitally signed by a CA in practice or a CS in practice or a cost accountant in practice.

The Central Government, upon being satisfied after verification, shall incorporate the changes and inform the applicant.

The DIN cell of the Ministry shall intimate the changes to the concerned Registrar(s) under whose jurisdiction the registered office of the company(s) in which such individual is a director is situated.

The **concerned individual** shall intimate the change **to the company** or companies in which he is a director within **15 days** of such change.

Directors KYC

Every individual who holds DIN as at 31st March of any financial year shall, submit e-form **DIR-3-KYC** to the Central Government **on or before 30th September of immediately next financial year**. (14th October 2019 for the financial year ending 31st March, 2019.)

The Central Government or Regional Director (Northern Region) or any officer authorized such shall deactivate the DIN of an individual who does not intimate his particulars in DIR-3-KYC within stipulated time. The de-activated DIN shall be re-activated only after e-form DIR-3-KYC is filed along with fee as prescribed.

Now, **DIR-3-KYC-WEB** can also be filed after the first time instead, if no changes are to be made.

Important points

- It is mandatory for every director to have a DIN (Director Identification Number) as per sec 154 or such other number as maybe prescribed under section 153.
- No individual who has already been allotted a DIN shall apply or obtain or possess another DIN.
- If any return, information or particulars required to be furnished relates to a director or contains any reference to a director, every person or company shall mention the DIN in such.
- DIN includes Designated Partner Identification No. issued under the Limited Liability Partnership Act, 2008.
- The Director Identification Number so allotted under these rules is **valid for the life-time** of the applicant and shall not be allotted to any other person.

1. 17 Appointment of Directors to be Voted Individually [Sec 162]

Every director must be appointed by passing a **separate resolution**. Two or more persons cannot be appointed as directors by a single resolution.

However, if two or more persons are to be appointed as directors by a **single resolution**, the following procedure shall need to be followed:

- A **unanimous resolution** shall need to be passed in the general meeting to authorise appointment of two or more persons to be appointed as directors by a single resolution.
 - An **ordinary resolution** shall need to be passed for appointed such directors.
- If appointment of directors is made in contravention of section 162, then such appointments shall be void (irrespective whether any objection was raised towards it in a general meeting or not).
 - The acts of the directors shall be valid until the defect in appointment is noticed by the company [Sec 176].
 - The provisions of automatic reappointment shall not apply [Sec 152(7)].
 - Sec 162 only applies to resolutions to be passed in a general meeting.



1. 18 Duties of directors [Sec 166]

- a. Duty to act as per articles of the company
- b. Duty to act in good faith to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment
- c. Duty to exercise due care skill and diligence and shall exercise independent judgment
- d. Duty to avoid conflict of interest with company
- e. Duty not to make any undue gain (Otherwise liable to pay to the company an amount equal to that gain)
- f. Duty not to assign his office (Any assignment of office made by director shall be void.)
- g. **Prohibition of assignment of office** - No director shall assign his office to any other person. Any assignment of office made by a director shall be void.

1. 19 Register of Directors & KMP and their shareholding [Sec 170 & 171]

- Various particulars with respect to every director & KMP along with **details of securities** held by them shall be maintained in such Register.
- **Any appointment or change shall be intimated to the Registrar within 30 days in DIR-12.**
- It shall be kept at the **Registered Office** of the company and be open for **inspection** by members during business hours. It shall be also kept open for inspection at every AGM by anyone attending the AGM.
- A member has the **right to take extract** from and copies of such Register. On request made by member, it shall be provided, free of cost, within 30 days.
- If **inspection is refused** or copies not sent within 30 days, the Registrar shall on application, order immediate inspection or supply of copies.
- The provisions for inspection and supply of copies **do not apply to** Government company, in which entire paid up share capital is held by Central Government and/or State Government(s) provided they have not defaulted in filing to the registrar its financial statements and annual returns.

1. 20 Consent to act as Director [Sec 152(5)]

A person appointed as a director shall not act as a director, unless he gives his consent to hold office as a director with the company (DIR 2, on or before appointment) and such consent has been filed by the company with the ROC (DIR 12, within 30 days of his appointment).

1. 21 Directors of company required to file e-form ACTIVE [INC 22A]

Every Company incorporated on or before the 31st December, 2017 shall file the particulars of the Company and its registered office, in ACTIVE on or before 25.04.2019.

If a company fails to file the e-form ACTIVE within specified period, the DIN of its existing directors shall be marked as “Director of ACTIVE non-compliant company”. Only after the filing is done, then the DIN of such director shall be marked as “Director of ACTIVE compliant company”

