

DIRECTOR AT A GLANCE.

Sec.		Brief Contents	Applicability
252	Minimum number of directors	PVT. COM- 2, PUB.COM-3., SSD is required, if PSC is Rs.5 cr or more. Small shareholder is 1000 or more.	All.
253	Only individuals to be directors	DIN is also required.	All.
254	First Director.	Subscriber of memorandum deemed to be director	All.
255	Rotational Director.	2/3 rd Rotational director is mandatory as per AOA until the AOA requires all directors are Rotational.	Public company.
256	Directors retiring by rotation and filling of vacancies	1/3 rd Rotational director must Retire at every AGM.	Public company.
257	Right of persons other than retiring directors to stand for directorship	Notice of Candidature +Deposit of Rs. 500/-+ OR to be passed in GM= Candidate is appointed as director.	Public company
258	Increase or reduce number of directors	Ordinary Resolution (OR) is required.	All
259	Increase in number of director to require CG sanction	increase is within the permissible maximum under its AOA as first registered or 12 Dir. Whichever is higher.	Public company
260	Additional directors	BR/RBC; if AOA auth.; Tenure upto next AGM	All
262	Filling of casual vacancies .	Vacancy not in Normal course, BR only,	Public company.
263	Appointment of directors to be voted on individually	A resolution agreed to by the meeting without any vote being given against it + Single Resolution for the appointment of two or more persons as director	Public company
265	Proportional representation for the appointment of directors	overrides the entire Act.; single transferable vote or system of cumulative voting . once in 3 year.;	Public company
267	Certain persons not to be appointed managing directors	Insolvent; composition with creditors; convicted;-- Life time disqualification.	All
268	Amendment of provisional relating to MD, WTD	CG approval	Public company
269	Appointment of MD, WTD or manager	Appointment of MD, WTD or manager is mandatory if PSC is Rs. 5 cr. or more. Option to make appointment as per Sch-xiii or take approval of CG. Penalty- Co-50000/-; Off.-1 lakhs.	Public company
270 272 273	Share qualification .	If AOA requires; within 2 months ; max. value -- 5000/ of nominal value or 1 share whichever is higher, Fine- Rs. 500/ +Rs.5000(sec.283)	Public company
274	Disqualifications of directors	unsound mind; undischarged insolvent; applied to be adjudicated as an insolvent; convicted; not paid call for 6 months; disqualified by court U/S 203; default in filling AA+AR for 3 years; default in Dividend, deposit , debenture for 1 year.	All
275	Number of Directorship.	No person to be a director of more than 15 companies.	
277	Choice by person becoming director of more than 15	Vacate excess Directorship within 15 days.	
278	Exclusion of certain directorships for the purposes of sections 275, 276 and 277	PUNA---- Pvt. Company(P); Unlimited Liability company(U); NPO(N); Alternate Directorship(A)	
279	Penalty	Rs. 50000/- per company after fifteen.	

DIRECTOR AT A GLANCE. -----CORPORATE AND ALLIED LAWS

283	Vacation of office by directors	12 grounds for vacation. Exhaustive List for Public company but inclusive List of Private company. Fine – Rs, 5000/- for everyday of default.	All
284	Removal of directors	Special Notice + Ordinary resolution. directors cannot be removed- CLIPS (C)director appointed by CG U/S 408; (L)director of a private company, holding office for Life on the 1 st day of April, 1952. (I)director appointed by a financial institution. (P)Directors appointed by Proportional representation. (S)Director appointed by BIFR under SICA.	ALL
286	Notice of meetings		All
285	No. of Board meeting.	At least once in every 3 calendar months and atleast 4 Board meeting in every year. CG may exempt by notification.	All
287	Quorum for meetings	A-1/3 rd of its total strength, or 2 directors, whichever is higher; B-Where at any time the number of interested directors exceeds or is equal to 2/3 rd of the strength, the number of the remaining non interested directors, being not less than 2, shall be the quorum .	All
288	Procedure where meeting adjourned for want of quorum	Meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday then to next day.	All
289	Passing of resolution by circulation	Resolution has circulated in draft, to all the directors, then in India not being less in number than the quorum and to all other directors at their usual address in India, and Approved by-- such of the directors as are then in India, or by majority of such of them, as are entitled to vote on the resolution.	All
292	Certain powers to be exercised by BOD only	BCD BIL. B-buy back, C-calls on share, D-issue debenture, B-borrowing, I-investment, L- loan. BIL can be delegated.	All
293	Restrictions on power of BOD.	BoD shall not , except with the consent of GM,- ○sell, lease undertaking ; ○remit, or give time for the repayment of, any debt due by a director; ○invest, the amount of compensation received by the company in respect of the compulsory,; ○borrow moneys excess of the paid-up capital and its free reserves, ○contribute, to charitable and other funds	Public company
293 A	political contributions	Prohibitions-- Government company; and Other company which has been in existence for less than 3 F/Ys Restrictions-- amount which may be so contributed in any FY shall not exceed 5% of its average net profits ; BR; Disclosure in P&L A/C. Default –3 years imp. Fine—3 times of PC	All
293 B	Power of Board to make contributions to the National	Allowed without any restrictions.	All

DIRECTOR AT A GLANCE. -----CORPORATE AND ALLIED LAWS

	Defense Fund, etc.		
295	Loans to directors, And Specified person .	<i>CG approval is required;</i> <i>Default:- with fine upto 50,000 or with simple imprisonment for a term upto 6months.</i>	Public company
297	BR to be required for certain contracts	<i>BR and previous approval of CG if company having a PSC of not less than 1 crore.</i>	All
299	Disclosure of interest by director	Director who is interested in a contract entered into by company, shall disclose his interest at a meeting of the BOD. Every director who fails to make disclosure shall be punishable with fine upto 50,000	All
300	Duty of Interested director	Interested director not to participate or vote in Board's proceedings; fine- Rs.5000	Public company
301	Registrar of contracts.	Particulars of all contracts or arrangements to which section 297 or section 299 applies	All
303	Registrar of Directors.	Register of its directors, managing director, manager and secretary,	All
307	Register of Directors Shareholding..		All
309	Managerial Remuneration.	Remuneration payable to the directors of a company, including any MD or WTD, shall be determined in accordance with Sec. 198 and this Section., either by the AOA of the company, or by a Resolution, passed by the company in GM,	Public company
312	Assignment of office	Prohibited	All
313	Alternate director	Original Director is absent for a period of <i>not less than 3 months from the State in which meetings of the BOD</i> are ordinarily held	All
314	office or place of profit	314(1)- SR after appointment ; Remuneration Rs. 10000 or more 314(1B)-Prior SR+CG approval; Remuneration Rs. 10000 or more Specified persons Are different in both Secs 314(1) and 314(1B).	All
316	Number of companies of which one person may be appointed managing director	No company shall, appoint any person as MD if he is either the MD or the manager of any other company (including a private company which is not a subsidiary of a public company), <i>except as provided in sub-section(2).</i> <i>i.e BR with the consent of all the directors present at the meeting + specific notice</i>	Public company
317	MD not to be appointed for more than 5 years	<i>extension shall not be sanctioned earlier than two years OF date on which it is to come into force.</i>	Public company
318	Compensation for loss of office	Payment may be made by a company, except in the cases specified in sub-section (3) and subject to the limit specified in sub-section (4),	All
322	Director , etc., with unlimited liability in limited liability company	if so provided by the memorandum <i>fine up to 10,000 and shall also be liable for any damages</i>	All
323	SR of limited company making Liability of Director., unlimited	A limited company may, if so authorised by its AOA, by SR, alter its MOA so as to render unlimited the liability of its directors or of any director or manager.	All