

Sec	Topic	Brief Contents
149	Company to have Board of directors.	Mim Dir.- 3Pub com, 2 pvt com, 1 OPC
		Atleast one Woman Dir. For
		Listed company
		Other specified -public company having - (a) PSC Rs.100cr or more (b) turnover Rs.100cr or more
		Resident Director* atleast one
		Every company
	Independent Dir. ID	Listed com-1/3 rd of Bod following Public companies shall have at least two ID — Companies having PSC Rs.10cr or more; or — Companies having turnover Rs.100cr or more; or — Companies have, in aggregate, outstanding loans, debentures and deposits, exceeding Rs 50 crore rupees:
	Tenure of ID	Maximum Tenure 5 Years Maximum term 2 terms
150	Manner of selection of ID	— An ID may be selected from a data bank , maintained by anybody, institute or association, as may be notified by CG — appointment of ID shall be approved by OR and reappointment in next term by SR
151	Appointment of small shareholders director.	A listed company may have one director elected by such small shareholders. “Small shareholders” means a shareholder holding shares of nominal value of not more than Rs.20000/-
152	Appointment of directors.	1 st Dir.- First Director shall be appointed As per AoA ,otherwise subscriber of MOA shall be the first Director.
		Condition for appointment- DIN is compulsory a declaration that he is not disqualified to become a director under this Act. consent (Form DIR-2) by Director to act as director
		Composition of BOD As AoA— Option-1- Unless the articles provide for the retirement of all directors at every AGM Option-2-not less than 2/3 rd directors shall be Rotational .
		Automatic appointment
153	Application for DIN,	Every individual intending to be appointed as director , make an application for allotment of DIN in form Form DIN-3
154	Allotment of DIN	The CG shall, within one month, allot a DIN to an applicant
155	More than one DIN is not allowed.	No individual, who has already been allotted a DIN under section 154, shall apply for, obtain or possess another DIN.
156	Director to intimate DIN.	Every existing director shall, within one month of the receipt of DIN from the CG, intimate his DIN to the company or all companies wherein he is a director.
157	Company to inform DIN to	Every company shall, within 15 days of the receipt of intimation ,furnish the DIN of all its directors to the Registrar .

	ROC.	
Sec. 158	Obligation to indicate DIN.	Every person or company, while furnishing any return, information or particulars shall mention DIN .
Sec. 159	Punishment for contravention.	contravenes --- section 152, section 155 and section156, such person shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to Rs.50000/ and where the contravention is a continuing one, with a further fine which may extend to Rs.500/ for every day .
Sec. 160.	Right of persons other than retiring directors to stand for directorship.	Notice to be appointed as director by any person atleast 14 days before GM. Deposit-Rs.100000 Resolution – OR Refund of Deposits-If he gets 25% of Vote.
Sec. 161	Additional Dir. 161(1)	Authorization- AoA Resolution-BR in BM or RBC <i>Who cannot be appointed as additional Dir --person who fails to get appointed as a director in a general meeting,</i> <i>Tenure-up to the date of the next AGM or the last date on which the AGM should have been held, Whichever is earlier.</i>
	Alternate director 161(2)	Authorization--if so authorised by its articles or by a OR Resolution-BR in BM or RBC <i>Who cannot be appointed as Alternate director -- a person, not being a person holding any alternate directorship for any other director in the company,</i> <i>during his absence for a period of not less than 3 months from India ,</i> Alternate of ID must be an ID Tenure of Alternate Director- An alternate director shall not hold office <ul style="list-style-type: none"> ■ for a period longer than that permissible to the original director and ■ Alternate Director shall vacate the office, if and when the original director returns to India. Provision relating to automatic appointment shall be applicable to original director .
	Nominee director. 161(3)	Subject to the articles of a company, the Board may appoint any person as a director nominated by--any institution in pursuance of any Act or of any agreement or the CG or SG.
	Casual Vacancy 161(4)	Applicable – only on public company, Vacancy- office of any director appointed by the company in GM is vacated before his term of office expires in the normal course, the resulting casual vacancy may, in default of and subject to any regulations in the articles of the company, be filled by the Board of directors at a meeting of the Board. Tenure- Director appointed in casual vacancy ,shall hold office only up to the date up to which the director in whose place he is appointed would have held office if it had not been vacated.
Sec. 162	Appointment of Directors to be	Appointment of more than one Directors by single Resolution. Sec.162

	voted Individually.	Two Resolutions are required to be passed. Resolution-1- A resolution agreed to by the meeting <i>without any vote being given against it</i> Resolution-2- Single Resolution <i>for the appointment of two or more persons as director.</i>
Sec. 163	Option to adopt Principle of proportional representation .	As per AOA of a company at least $\frac{2}{3}^{\text{rd}}$ of the directors shall be appointed by proportional representation, ⊗ whether by single transferable vote or ⊗ by a system of cumulative voting or otherwise.
164.	Disqualifications for appointment of director.	Disqualifications for appointment of director. 164. — unsound mind; — undischarged insolvent ; — applied to be adjudicated as an insolvent a; — convicted for at least six months and five years has not elapsed from the date of expiry of the sentence : — if convicted for more than 7 years, he shall be disqualified for life.(Disq. is suspended during appeal) — he is disqualified by court or Tribunal. .(Disqualification. is suspended during appeal) — Call defaulter for 6 months or more — convicted U/S 188 during the last preceding five years ; or.(Disq. is suspended during appeal) — he has not obtained DIN (2) if he is or has been a director of defaulting company, disqualified for 5 years or more – (3) It is an exhaustive list for public Company and inclusive List for A private company .
Sc. 165.	Number of directorships.	Max ^m directorship All companies-20 out of them maximum public companies 10, company may by SR reduce the number.
Sec. 166	Duties of directors.	— Act as per AOA — To Act in good faith and in the best interest of the company — director of a company shall exercise his duties with due and reasonable care — director to exercise — A director of a company shall not assign his office and any assignment so made shall be void. A director of a company shall not achieve or attempt to achieve any undue gain or advantage
Sec. 167	Vacation of office of director.	— he incurs any of the disqualifications specified in section 164 ; — he absents from BM during a period of 12 months with or without leave — he acts in contravention of the provisions of section184 — he becomes disqualified by an order of a court or Tribunal ; — he is convicted for not less than six months ; — he is removed in pursuance of the provisions of this Act ; — he, having been appointed a director by virtue of his holding any office or other employment in the holding, subsidiary or associate company, ceases

		to hold such office or other employment in that company.
Sec. 168	Resignation of director.	Notice+ DIR 12 shall be filled by company Director shall file Form DIR 11 with ROC
Sec. 169	Removal of directors.	Special notice and Ordinary Resolution Director
170	Register of directors and KMP.	<ul style="list-style-type: none"> o such particulars of its directors and KMP as may be prescribed, • details of securities held by each of them in the company or its holding, subsidiary, subsidiary of company's holding company or associate companies.
171	Members' right to inspect.	The register kept under section 170(1) – — shall be open for inspection during business hours and — the members shall have a right to take extracts therefrom and
172	Punishment.	If a company contravenes provisions of this Chapter and for which no specific punishment is provided therein, the company and every officer of the company who is in default shall be punishable with fine which shall not be less than Rs.50,000/- but which may extend to Rs.500000/-.
173	Meetings of Board. Sec.173.	<p>First BM-Within 30 days of Incorporation</p> <p>Mim BM in a year- 4</p> <p>Max gap in 2 BM- 120 days</p> <p>Participation- Physically or through video conferencing</p> <p>Notice- not less than 7 days' notice in writing</p> <p>BM on shorter Notice- Conditionally allowed</p> <p>only one BM in each half year required for OPC, Small company and Dormant Company</p>
174	Quorum for BM.	<p>— one-third of its total strength or</p> <p>— two directors,</p> <p style="text-align: right;">whichever is higher,</p> <p><i>Participation by video conferencing shall also be counted quorum</i></p> <p>----Where at any time the number of interested directors exceeds or is equal to two thirds of the total strength of the Board of directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.</p>
175.	Passing of resolution by circulation.	<p>— the resolution has been circulated in draft, to all the directors,</p> <p>— has been approved by a majority of the directors or members, who are entitled to vote on the resolution.</p> <p>— Where not less than one-third of directors require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board</p>
176.	Defects in appointment of directors not to invalidate actions taken.	<p>defect or disqualification or termination has been shown to the company—act done by director is not valid.</p> <p>defect or disqualification or termination has not been shown to the company—act done by director is valid.</p> <p>Work done in the capacity as MD or WTD is not valid.</p>
177.	Audit committee.	<p>every listed company and</p> <p>Compulsory formation such other class or classes of companies, as may be prescribed,</p>

184	Disclosure of interest by director.	Routine Disclosure	1 st BM after appointment //1 st BM of every f/y // if interest is changed than 1 st BM after such change.
		Disclosure if interested	Contract with company or firm and concerned director is interested
		Disclosure in form MBP-1	
		Contravention- imp- one year or with fine Mim-Rs.50,000/- Max- may extend to one lakh rupees, or with both	
Sec. 185	Loan to directors, etc.	Loan, guarantee or Security	Director or other person to whom Director is interested—Not allowed
			To MD/WTD- Allowed as per term of employment or SR
		Contravention	Company- Fine- 5L to 25 L
			director or the other person-- Fine- 5L to 25 L or Imp. 6 months or both
186	Loan and investment by company.		
187	Investments of company to be held in its own name.		
188.	Related party transactions.	Resolution	Company + Related Party= BR in BM/ sometimes SR
		Transaction	a. sale, purchase or supply of any goods or materials ; b. selling or otherwise disposing of, or buying, property of any kind ; c. leasing of property of any kind ; d. availing or rendering of any services ; e. appointment of any agents for purchase or sale of goods, materials, services or property ; f. such related party's appointment to any office or place of profit in the company, its subsidiary company or associate company ; and g. underwriting the subscription of any securities or derivatives thereof, of the company :
189.	Register of contracts or arrangements in which directors are interested.	<p>— Every company shall keep one or more registers giving separately</p> <p>— the particulars of all contracts or arrangements to which sections 184(2) or section 188 applies,</p> <p>— after entering the particulars, such register or registers shall be placed before the next meeting of the Board and signed by all the directors present at the meeting.</p>	
190.	Contract of employment with MD/WTD	<p>Every company shall keep at its registered office, –</p> <p>— a copy of the contract with MD & WTD; or</p> <p>— if contract is not in writing, a written memorandum setting out its terms. shall be open to inspection by any member</p>	
191.	Payment to director for loss of office, etc., in connection with transfer of		

	undertaking, property or shares.	
192.	Restriction on non-cash transactions involving directors.	Arrangement between=Company +Other//==OR shall be passed if... — a director of the company or its holding, subsidiary or associate company or a person connected with him acquires or is to acquire assets for consideration other than cash, from the company ; or — the company acquires or is to acquire assets for consideration other than cash, from such a director or person so connected, if the director or connected person is a director of its holding company, OR shall also be passed there.
193.	Contract by one person company.	
194.	Prohibition on forward dealings in securities of company by director or key managerial personnel.	No director of a company or any of its key managerial personnel shall buy in the company, or in its holding, subsidiary or associate company – a right to call for delivery or a right to make delivery a right, as he may elect, to call for delivery, or to make delivery Consequences of contravention — imprisonment for a term which may extend to two years or — with fine one lakh rupees but which may extend to five lakh rupees, or with both.
195.	Prohibition on insider trading of securities.	No person including any director or key managerial personnel shall enter into insider trading If any person contravenes the provisions of this section, he shall be punishable with <ul style="list-style-type: none"> ✚ imprisonment for a term which may extend to five years or ✚ with fine Mim- five lakh rupees Max. 25 lakh or three times the amount of profits , whichever is higher, or with both.
196.	Appointment of managing director, whole-time director or manager.	No company shall appoint or employ at the same time a managing director and manager Max term of MD/WTD/Manager—5 years, extension- not earlier than 1 year before the expiry of his term
		Term of appointment No company shall appoint or re-appoint any person as its managing director, whole-time director or manager for a term exceeding five years at a time : Provided that no re-appointment shall be made earlier than one year before the expiry of his term. Sec.196(2)
		Disqualification — is below the age of 21 years or has attained the age of 70 years : Provided if attained the age of 70 years, appointment may be made by SR — is an undischarged insolvent or has at any time been adjudged as an insolvent — has at any time suspended payment to his creditors or makes, or has at any time made, a composition with them ; or — has at any time been convicted by a court of an offence and sentenced for a period of more than six months :

		Manner of Appointment	Subject to the provisions of section 197 and Schedule V, Appointment shall be approved by <ul style="list-style-type: none"> • Board of directors at a meeting • which shall be subject to approval by a OR at the next GM and • by the CG if Sch v is not satisfied .
197.	Overall maximum managerial remuneration		
198.	Calculation of profits.		
199.	Recovery of remuneration in certain cases.		
200.	Central Government or company to fix a limit with regard to remuneration.		
201.	Forms of, and procedure in relation to, certain applications.		
202.	Compensation for loss of office of managing or whole-time director or manager.		
203.	Appointment of key managerial personnel.		
204.	Secretarial audit for bigger companies.		<ul style="list-style-type: none"> — Every listed company and — a company belonging to other class of companies as may be prescribed shall annex with its Board's report, a secretarial audit report given by a company secretary in practice, in such form as may be prescribed.
205.	Functions of the company secretary.		<ul style="list-style-type: none"> — to report to BoD about compliance with Act, the rules and applicable laws; — to ensure that the company complies with secretarial standards ; — to discharge such other duties as may be prescribed