

Appointment of an Additional Director

CHECK-LIST

Items to be verified before Appointment

1. Check whether the Articles of the company confer rights on the Board of Directors, the power to appoint additional Director. If not, alter the Articles, to confer such power [Section 161(1)].
2. Ensure that the person proposed to be appointed as an additional director is not appointed as alternate director to any other director of the company in which he is proposed to be appointed as an additional director. [Proviso to Section 161(2)].
3. The Person proposed to be appointed as additional director shall not be a person who failed to get appointed as a director in the general meeting of the company.
4. The person should not be disqualified to become director of the company under section 164 of the Companies Act, 2013.
5. Check whether the person proposed to be appointed does not hold directorship in maximum permissible number of companies. (Section 165)
6. Check whether the appointment is within the maximum number of Directors provided in the Article of Association of Company.
7. Recommendation of appointment of the Director by the Nomination and Remuneration Committee, if constituted in the company.

Points to be verified with proposed Director

- Director Identification Number (If Already Obtained)
- Check whether the director has given consent to act as director in DIR-2
- Declaration that he is not disqualified to act as director in DIR-8
- Disclosure of interest in other entities in form MBP-1
- Declaration on Independence (In case of Additional Director -Independent)

At the Board meeting

- Ensure that the proposed director shall hold office of the Director upto the date of the next annual General meeting or the last date on which AGM should have been held.
- Authorisation to Director, Company Secretary or CFO of Company for filing of requisite form and return with ROC.
- Take note of Disclosure of Interest of the Director.
- Authority to Issue Letter of Appointment if Any.
- Authority to Any director or CS to Apply DIN of the proposed director in case he is not having DIN.

After the Board meeting

- Check whether the company has filed DIR -12 with the Registrar within 30 days of date of Appointment.

- Check whether an intimation has been made to the stock exchanges where the securities of the company are listed, within 24 hours of appointment.(Regulation 30 of SEBI(LODR) Regulations, 2015)
- Check whether the same has been posted on the website of the company (if any) within 2 working days (Regulation 46(3) of SEBI (LODR) Regulations 2015.
- Check whether necessary entries have been made in the Register of Directors and Key Managerial personnel/Register of contracts in which directors are interested.
- Whether the director Certifying the DIR-12 has been authorised by the Board by passing a resolution to sign the forms DIR-12.

Method of calculation Number of Directorship:

- i. Total number of Directorship including alternate directorship does not exceed 20 at the same time. (directorship in dormant company is not included)
- ii. Maximum number of directorship in public companies or private companies which is a subsidiary of public companies does not exceed 10.
- iii. Maximum number of Directorship in listed companies is not more than 8 with effect from April 01, 2019 and not more than seven with effect from April 01, 2020. (Rule 17A of LODR)
