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## **Removal of Director under section 169 of the Companies Act, 2013.**

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Section 169 of the Companies Act 2013 deal with removal of a director and states that a company can remove a director before the ending of his tenure of directorship by passing an ordinary resolution.

Except

- The Director appointed by the Tribunal under section 242 of the Act of 2013.
- The Director if he has been appointed under the principle of proportional representation under section 163.

The reasonable opportunity of being heard will be given to the concerned director who is being removed.

In case of **independent director** re-appointed for second term under sub-section (10) of section 149 shall be removed by the company **only by passing a special resolution** and **after giving him a reasonable opportunity of being heard:**]

Further, a special notice is required for removal of a director and such director is entitled to attend the general meeting whether he holds any shares in the company or not .Such Director is entitled to attend the meeting and be heard at the meeting and allowed to give written representation against the action of removal from directorship and can ask the company to circulate the same to all the members of the company and the company is bound to circulate the same if there is adequate time and If time is too short, his representation has to be read out at the meeting.

The Tribunal on being satisfied on an application of the aggrieved person or the company, can order that no such representation is to be circulated or read out in the meeting, if it feels that such power is being abused to secure needless publicity for defamatory matter and and the Tribunal may order the company's costs on the application to be paid in whole or in part by the director notwithstanding that he is not a party to it.

Another director may be appointed in place of the director so removed by giving a special notice under sub-section 169 (2) and such director shall hold office till the date up to which his predecessor would have held that office.

If no new director is appointed in the general meeting where a director is removed, the board can fill it as a casual vacancy.

**169 (8) Nothing in this section shall be taken—**

(a) as depriving a person removed under this section of any compensation or damages payable to him in respect of the termination of his appointment as director as per the terms of contract or terms of his appointment as director, or of any other appointment terminating with that as director; or

(b) as derogating from any power to remove a director under other provisions of this Act.

Thus, the rights of the removed director will sustain as per the terms of agreement signed between the company and him in respect of compensation and damages payable to him in respect of termination.

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