

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA  
UNSTARRED QUESTION NO. 1234  
ANSWERED ON FRIDAY, THE 09<sup>TH</sup> FEBRUARY, 2018  
[MAGHA 20, 1939 (SAKA)]**

**RELIEF TO WRONGLY DISQUALIFIED DIRECTORS**

**QUESTION**

**1234. SHRI PRABHAKAR REDDY KOTHA:**

**Will the Minister of CORPORATE AFFAIRS  
be pleased to state:**

- (a) whether the Government has taken a decision to disqualify the directors of the companies;**
- (b) if so, the details thereof and the reasons therefor;**
- (c) whether the Ministry has been in receipt of many requests seeking reprieve from the Ministry as they were wrongly disqualified and if so, the details thereof;**
- (d) whether the Ministry has made any review on the matter and if so, the details thereof; and**
- (e) the measures being taken by the Government to consider and protect such disqualified directors?**

**ANSWER**

**MINISTER OF STATE FOR LAW AND JUSTICE (SHRI P. P. CHAUDHARY)  
AND CORPORATE AFFAIRS**

**(a) to (e): The disqualification of director of a company is by operation of law as laid down under the provisions of Section 164 of the Companies Act, 2013. Section 164 (2) (a), inter-alia, prescribes that no person who is or has been a director of a company which has not filed financial statements or annual returns for any continuous period of three financial years shall be eligible to be re-appointed as director of that company or appointed as director in other company for a period of five years from the date on which the said company fails to do so. Further, Section 167(1) (a) of the Act prescribes that the office of a director shall become vacant in case he incurs any of the disqualifications specified in section 164 of the Act. Further, Rule 14(2) of the Companies (Appointment and Qualification of Directors) Rules, 2014 requires the companies to intimate the particulars of their directors on such failure by filing a prescribed form DIR-9 to Registrar of Companies [ROCs]. 3,09,619 Directors were identified as disqualified under Section 164(2)(a) read with Section 167 of the Companies Act, 2013 for non-filing of Financial Statements or Annual Returns for a continuous period of immediately preceding 3 (three) financial**

**years (2013-14, 2014-15 & 2015-16). The Central Government has launched Condonation of Delay Scheme, 2018 [CODS-2018] effective from 01.01.2018 till 31.03.2018 giving an opportunity to non-compliant companies to file their statutory returns and become compliant and consequently the disqualification of their directors shall get regularised.**

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