



ARE YOU A DIRECTOR?

KNOW YOUR DUTIES AND LIABILITIES!

This book written by Dr. K.S. Ravichandran on Duties and Liabilities of Directors is a one stop solution for all the queries that would come to your mind when you think about being in the most coveted position in a company i.e., being a part of the Board of Directors.

Liabilities of directors such as contractual liabilities and liabilities arising from their conduct or failure to follow their Duties has been extensively discussed in Chapter 4 of the book. It will be interesting to note that the notion that a non-executive director may be penalized for all the non-compliances of the company is incorrect as unless the penal clause imposes strict liability on directors on account of the person being an officer in default or if the penal clause itself imposes liability on all directors, merely being a non-executive director, does not expose the person to any statutory liability unless the person concerned had committed or is involved in any contravention or fraud or he/she has consented to or connived for the commission of the contravention or fraud.

If a business judgement and which ultimately turns out to be a flop, directors will not be held liable. However, it is important to note that Business Judgement Rule protects only those who have acted in good faith.

The book contains certain case studies which are easy to read and understand and give insights to practical situations. The famous case of Tata Consultancy Services Ltd. v/s Cyrus Investments Private Limited has also been discussed. In the aforementioned case, Ratan Tata was alleged as a shadow director by the opposite party, but the Supreme Court held that *"If someone, aggrieved after his removal from office can engage in shadow-boxing through the companies controlled by him, he cannot accuse the very same person who chose him as successor to be a shadow director. Someone who gained entry through the very same door, cannot condemn it when asked to exit."*



This book not only covers the various aspects of the law but also provides remedy to most of your doubts as it has chapters that contain more than a hundred FAQs and its possible answers and case studies illustrating possible situations a director might find himself in. For example, some of the questions answered are as follows: -

- Do you think that your legal heirs will be held responsible for your financial liabilities in the capacity of a director?
- Whether as a director you will be liable for the frauds perpetrated by another director?
- Will your resignation be valid if the company fails to intimate the ROC about your resignation?

This book is more than just a handbook for corporate directors.

Happy Reading!!!

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