

How to obtain a Director Identification Number (DIN)

Introduction

To maintain a database of all the individuals who are directors of a company in India, the government in 2006 introduced a system of generating a unique number specific to each individual for their identification as a director. That unique number is called director identification no. The database contains all the personal information about every individual who is a director in India.

The DIN is an 8 digit unique identification number through which personal information about a person being a director of a company/companies could be known.

The concept was brought by the government in 2006 with the insertion of Section 266A to 266G in companies act, 1956. In present scenario in the new **Companies Act, 2013** it is introduced in a more simplified way and now it is easier to obtain DIN. **Section 153 and 154** of the Companies' Act, 2013 and Companies (Appointment and Qualifications of Directors) rules, 2014 are statutory provisions related to DIN.

According to Companies' Act, 2013 and related rules of the Companies (Appointment and Qualifications of Directors) rules, 2014, "**Director Identification Number**" (**DIN**) means "an identification number allotted by the Central Government to any individual, intending to be appointed as director or to any existing director of a company, for the purpose of his identification as a director of a company"

To Obtain Director Identification Number

Section 153 of the Companies Act, 2013 is the charging Section which says every individual who wants to be a director of a company shall obtain unique director identification no. by making an application to the central government.

The step by step process for obtaining a DIN is as follows-

- **For applicants who want to be a director of an already existing company-**
 - Through the portal of ministry of corporate affairs, download and print a **FORM DIR-3**,
 - Fill the necessary particulars sought in the form. (In case the name of a person does not have a last name, then his or her father's or grandfather's surname shall be mentioned in the last name along with the declaration in **Form No. DIR-3A**.)

- Verify and sign the form
 - Attach documents-
 1. Photograph
 2. Identity proof
 3. Residential proof
 4. Board resolution in which the applicant was proposed to be the director of the company
 5. Specimen signature duly verified.
 - Scan the form along with the attachments
 - Submit it in the portal by using own digital signature certificate
 - Verify it digitally through a company secretary or managing director or director or CEO or CFO of the company in which the applicant was proposed to be the director.
 - An application number shall be allotted to the applicant.
- **For an existing company who propose persons who have no approved DIN for appointment as directors**
 - The proposed persons shall make application following the same above mentioned steps to the central Government through the portal of ministry of corporate affairs.
 - Through **FORM INC-32** make available the particulars of maximum 3 persons the company propose to be directors
 - DIN may be allotted through form **INC-32 (SPICe)**

Allotment of Director Identification Number

After considering the submitted form by the applicant, the central Government take decision for rejection or approval of the application.

❖ If approved

- The central government shall convey the information to the applicant along with the DIN either through letter by post, electronically or any other mode.
- The central government shall intimate such information within one month from the date of receipt of the application for DIN.

❖ If found defective or incomplete

- The central government shall direct the applicant to rectify those defects and incompleteness by placing the information in the website and email the applicant.

- The applicant has to resubmit the form after rectification to the central government within 15 days.
- ❖ **If rejected due to the defect being rectified partially or the application information is still found to be defective**
 - Direct the applicant to file a fresh application with correct and complete information, or
 - If the applicant didn't rectify the application within 15 days the central government could label the application as invalid.

After Generation of DIN

❖ Intimation of DIN to the Company

- Within 1 month from obtaining DIN, every person functioning as director shall intimate his DIN to the company in which he a director or if he is a director in more than one company, to all the companies in which he/she is a director.
- Within 1 month from obtaining DIN , every person functioning as directors of a company or companies before 30th June 2007 as per **Form 3B** shall intimate the DIN to his/her company or companies in which he/she is a director .

❖ Intimation of DIN to the registrar

Under **Section 157**, every company shall give information of the DIN of its director or directors to the registrar or any officer or authority along with fees (specified by central government) through **FORM DIR-3C** within 15 days from the date of intimation of the DIN by the director/directors to the said company under Section 156.

NOTE: central government shall specify fees or additional fees, officer, authority within the time mentioned i.e. **270 days** as per **Section 403** of the Companies Act, 2013.

Cancellation or Surrender or Deactivation of DIN

❖ Cancellation

The Central Government or Regional Director (Northern Region), Noida or any officer authorised by the Regional Director may after due verification of particulars or documentary proof or fees attached with the application received could cancel the DIN if-

- a) the DIN is found to be duplicated ,this case arise when a concerned person apply for DIN or has DIN and the information found to be exactly duplicate of a person who already has DIN;
- b) The DIN was obtained in a wrongful manner or by fraudulent means provided that an opportunity of hearing has been provided to the concerned person;
- c) After the death of the concerned individual;
- d) Concerned person found to be of unsound mind or adjudicated as insolvent by a competent Court;

❖ **Deactivation when DIN Surrendered**

Government shall deactivate every DIN Surrendered by a director -

- When an Application has been made through **FORM DIR-5** by the director to surrender his/her DIN, along with
- A Declaration that he was never appointed as director of any company, and
- A Declaration that the DIN was never used to file any document before any authority.
- To deactivate such DIN the central government must verify e-records.

❖ **Deactivation in Other Circumstances**

- When a DIN holder does not fill the necessary particulars in **E-FORM DIR-3 KYC** within the time limit stipulated under rule 12 A of Companies (Appointment and Qualifications of Directors) rules, 2014.
- In these circumstances the Central Government or Regional Director (Northern Region), or any officer authorized by the Central Government or Regional Director (Northern Region) shall, deactivate the Director Identification Number (DIN) of that DIN holder.

Note: A deactivated DIN could again be reactivated by filing necessary particulars through **E-FORM DIR-3-KYC** along with fee as prescribed under **Companies (Registration Offices and Fees) Rules, 2014**.

****Rule 12A-Directors KYC**

This new rule has been inserted by the Companies (Appointment and Qualification of Directors) fourth Amendment Rules, 2018. This new rule states -

- Every individual who has been allotted a DIN as on 31st March of a financial year shall submit **E-FORM DIR-3-KYC** to the Central Government on or before **30th April** of the immediate next financial year.
- Every individual who has already been allotted a DIN as at 31st March, 2018, shall submit **E-FORM DIR-3 KYC** on or before **15th September, 2018**.

Changes in particulars of the DIN Holder

Any change in particulars of form DIR-3 must be intimated to the central government within **30 days**, step by step process for making changes and for intimation is as follows-

- Download the **FORM DIR-6** from the portal of ministry of corporate affairs
- Fill in the relevant changes
- Verify the form and attach scanned copy of documents as proof for the changes done
- submit the form electronically
- Make the form digitally signed by the chartered accountant in practice or a company secretary in practice or a cost accountant in practice.
- The central govt. shall duly verify the changed particulars and the proofs enclosed with it and incorporate the said changes
- Inform the said changes incorporated to the applicant by post/electronically/by using any other mode.
- The DIN cell of the ministry of corporate affairs shall intimate the changes incorporated to the registrar. (Here Registrar refers to whose jurisdiction the registered office of the company in which the applicant of DIR-6 being a director is situated)
- The applicant shall also intimate the changes to the company or companies in which he is a director within fifteen days from such change being incorporated by the central government.

Punishment for Contravention

Offence- contravention by an individual or a director with the provisions of Section 152, Section 155 and Section 156 of companies act 2013

Punishment or Fine- imprisonment of maximum six months or fine of maximum fifty thousand rupees

Offence-continuous contravention by an individual or a director with the provisions of Section 152, Section 155 and Section 156 of companies act 2013

Fine- maximum of five hundred rupees per day after the first during which the contravention continues.

Offence- Company fails to intimate DIN of its director/directors to the registrar with additional fees under Section 157 of the companies act, 2013 before expiry of 270 days

Fine - To company-minimum twenty-five thousand rupees and maximum one lakh rupees

-To every officer of the company who is in default - minimum twenty-five thousand rupees and maximum one lakh rupees

Important points on Director Identification Number

- ❖ A DIN obtained by a person is valid for the life time of that person only
- ❖ A DIN shall not be allotted to any person during his lifetime.
- ❖ Section 154 prohibits a person to obtain 2 identification in his name.
- ❖ In case of rejection or invalidation of an application via form DIR-3 for obtaining a DIN, the fee so paid with the application shall neither be refunded nor adjusted with any other application.
- ❖ All DIN allotted to the individuals before the commencement of the above mentioned rules shall be deemed to have been allotted to them under these new rules.
- ❖ Every person or company has an obligation to mention DIN of a director while furnishing any return, information or particulars under the Companies' Act, 2013 when such return, information or particular relate to that director or is in reference to that director.