

VIVEKANANDA COLLEGE THAKURPUKUR

KOLKATA-700063

NAAC ACCREDITED 'A' GRADE



Topic: Director Identification Number (DIN)

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Name of the Teacher: PINAKI GHOSH

Name of the Department: COMMERCE

Director Identification Number (DIN)

Director Identification Number (DIN) is a kind of number which is purely applicable in the world corporate sector for that reason most of the common people is not having intensive idea about this number. Director Identification Number (DIN) is a mandatory requirement for all existing and new directors (or proposed directors) of a company. A DIN is issued in accordance with the directions provided by the amendment to the Companies Act. It is an 8-digit Unique Identification Number allotted to all directors. It has lifetime validity. The Director Identification Number provides a unique identity to the director helps in maintaining information of all directors in a database. Now, the definition in accordance to the eye of law is given below:

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.

Provided that the Director Identification Number (DIN) obtained by the individuals prior to the notification of these rules shall be the DIN for the purpose of the Companies Act, 2013.

Provided further that Director Identification Number (DIN) includes the Designated Partnership Identification Number (DPIN) issued under section 7 of the Limited Liability Partnership Act, 2008 (6 of 2009) and rules made there under.

1. Application for allotment of Director Identification Number

Section 153 of the Companies Act, 2013 defines the term 'Application for allotment of Director Identification Number' as under -

Every individual intending to be appointed as director of a company shall make an application for allotment of Director Identification Number to the Central Government in such form and manner and along with such fees as may be prescribed.

2. Allotment of Director Identification Number

Section 154 of the Companies Act, 2013 defines the term 'Allotment of Director Identification Number' as under, -

The Central Government shall, within one month from the receipt of the application under section 153, allot a Director Identification Number to an applicant in such manner as may be prescribed.

3. Prohibition to obtain more than one Director Identification Number

Section 155 of the Companies Act, 2013 defines the term 'Prohibition to obtain more than one Director Identification Number' as under, -

No individual, who has already been allotted a Director Identification Number under section 154, shall apply for, obtain or possess another Director Identification Number.

4. Director to intimate Director Identification Number

Section 156 of the Companies Act, 2013 defines the term 'Director to intimate Director Identification Number' as under, -

Every existing director shall, within one month of the receipt of Director Identification Number from the Central Government, intimate his Director Identification Number to the company or all companies wherein he is a director.

5. Company to inform Director Identification Number to Registrar

Section 157 of the Companies Act, 2013 defines the term 'Company to inform Director Identification Number to Registrar' as under,-

a. Every company shall, within fifteen days of the receipt of intimation under section 156, furnish the Director Identification Number of all its directors to the Registrar or any other officer or authority as may be specified by the Central Government with such fees as may be prescribed or with such additional fees as may be prescribed within the time specified under section 403 and every such intimation shall be furnished in such form and manner as may be prescribed.

b. If a company fails to furnish Director Identification Number under sub-section (1), before the expiry of the period specified under section 403 with additional fee, the company shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees and every officer of the company who is in default shall be punishable with fine which shall not be less than twenty-five thousand rupees but which may extend to one lakh rupees.

6. Obligation to indicate Director Identification Number

Section 158 of the Companies Act, 2013 defines the term 'Obligation to indicate Director Identification Number' as under-

Every person or company, while furnishing any return, information or particulars as are required to be furnished under this Act, shall mention the Director Identification Number in such return, information or particulars in case such return, information or particulars relate to the director or contain any reference of any director.

7. Punishment for contravention

Section 159 of the Companies Act, 2013 defines the term 'Punishment for contravention' as under,-

If any individual or director of a company, contravenes any of the provisions of section 152, section 155 and section 156, such individual or director of the company shall be punishable with imprisonment for a term which may extend to six months or with fine which may extend to fifty thousand rupees and where the contravention is a continuing one, with a further fine which may

extend to five hundred rupees for every day after the first during which the contravention continues.

8. The Provisions relating to DIN are contained in the rule 9,10,11,12 of the Companies (Appointment and Qualification of Directors) Rules,2014, The rules are:

Rule 9 - Application for allotment of Director Identification Number

(1) Every individual, who is to be appointed as director of a company shall make an application electronically in Form **DIR-3**, to the Central Government for the allotment of a Director Identification Number (DIN) along with such fees as provided in the Companies (Registration Offices and Fees) Rules, 2014.

(2) The Central Government shall provide an electronic system to facilitate submission of application for the allotment of DIN through the portal on the website of the Ministry of Corporate Affairs.

(3) (a) The applicant shall download Form **DIR-3** from the portal, fill in the required particulars sought therein and sign the form and after attaching copies of the following documents, scan and file the entire set of documents electronically-

(i) photograph;

(ii) proof of identity;

(iii) proof of residence;

(iv) verification by the applicant for applying for allotment of DIN in Form **DIR-4**; and

(v) specimen signature duly verified.

(b) Form **DIR-3** shall be signed and submitted electronically by the applicant using his or her own Digital Signature Certificate and shall be verified digitally by -

(i) a chartered accountant in practice or a company secretary in practice or a cost accountant in practice; or

(ii) a company secretary in full time employment of the company or by the managing director or director of the company in which the applicant is to be appointed as director.

Rule10 - Allotment of DIN

(1) On the submission of the Form **DIR-3** on the portal and payment of the requisite amount of fees through online mode the provisional DIN shall be generated by the system automatically which shall not be utilized till the DIN is confirmed by the Central Government.

(2) After generation of the provisional DIN, the Central Government shall process the applications received for allotment of DIN under sub-rule (2) of rule 9, decide on the approval or

rejection thereof and communicate the same to the applicant along with the DIN allotted in case of approval by way of a letter by post or electronically or in any other mode, within a period of one month from the receipt of such application.

(3) If the Central Government, on examination, finds such application to be defective or incomplete in any respect, it shall give intimation of such defect or incompleteness, by placing it on the website and by email to the applicant who has filed such application, directing the applicant to rectify such defects or incompleteness by resubmitting the application within a period of fifteen days of such placing on the website and email:

Provided that the Central Government shall -

(a) reject the application and direct the applicant to file fresh application with complete and correct information, where the defect has been rectified partially or the information given is still found to be defective;

(b) treat and label such application as invalid in the electronic record in case the defects are not removed within the given time; and

(c) inform the applicant either by way of letter by post or electronically or in any other mode.

(4) In case of rejection or invalidation of application, the provisional DIN so allotted by the system shall get lapsed automatically and the fee so paid with the application shall neither be refunded nor adjusted with any other application.

(5) All Director Identification Numbers allotted to individual(s) by the Central Government before the commencement of these rules shall be deemed to have been allotted to them under these rules.

(6) The Director Identification Number so allotted under these rules is valid for the life-time of the applicant and shall not be allotted to any other person.

Rule 11 - Cancellation or surrender or Deactivation of DIN

The Central Government or Regional Director (Northern Region), Noida or any officer authorized by the Regional Director may, upon being satisfied on verification of particulars or documentary proof attached with the application received from any person, cancel or deactivate the DIN in case -

(a) the DIN is found to be duplicated in respect of the same person provided the data related to both the DIN shall be merged with the validly retained number;

(b) the DIN was obtained in a wrongful manner or by fraudulent means;

(c) of the death of the concerned individual;

(d) the concerned individual has been declared as a person of unsound mind by a competent Court;

(e) if the concerned individual has been adjudicated an insolvent:

Provided that before cancellation or deactivation of DIN pursuant to clause (b), an opportunity of being heard shall be given to the concerned individual;

(f) on an application made in Form **DIR-5** by the DIN holder to surrender his or her DIN along with declaration that he has never been appointed as director in any company and the said DIN has never been used for filing of any document with any authority, the Central Government may deactivate such DIN:

Provided that before deactivation of any DIN in such case, the Central Government shall verify e-records.

Explanation

For the purposes of clause (b) -

(i) the term “wrongful manner” means if the DIN is obtained on the strength of documents which are not legally valid or incomplete documents are furnished or on suppression of material information or on the basis of wrong certification or by making misleading or false information or by misrepresentation;

(ii) the term “fraudulent means” means if the DIN is obtained with an intent to deceive any other person or any authority including the Central Government.

Rule 12 -Intimation of changes in particulars specified in DIN application

(1) Every individual who has been allotted a Director Identification Number under these rules shall, in the event of any change in his particulars as stated in Form **DIR-3**, intimate such change(s) to the Central Government within a period of thirty days of such change(s) in Form **DIR-6** in the following manner, namely; -

(i) the applicant shall download Form **DIR-6** from the portal and fill in the relevant changes, attach copy of the proof of the changed particulars and verification in the Form **DIR-7** all of which shall be scanned and submitted electronically;

(ii) the form shall be digitally signed by a chartered accountant in practice or a company secretary in practice or a cost accountant in practice;

(iii) the applicant shall submit the Form **DIR-6**;

(2) The Central Government, upon being satisfied, after verification of such changed particulars from the enclosed proofs, shall incorporate the said changes and inform the applicant by way of a letter by post or electronically or in any other mode confirming the effect of such change in the electronic database maintained by the Ministry.

(3) The DIN cell of the Ministry shall also intimate the change(s) in the particulars of the director submitted to it in Form **DIR-6** to the concerned Registrar(s) under whose jurisdiction the registered office of the company(s) in which such individual is a director is situated.

(4) The concerned individual shall also intimate the change(s) in his particulars to the company or companies in which he is a director within **fifteen days** of such change.

