

Chapter - 1

"Appointment and Qualification of Directors"

(xiii)	<u>Directors' Identification Number (DIN) [Sec. 153 - 159; Rules 9 - 12B]</u>
(a)	<u>Meaning of DIN [Rule 2(1)(d)]:</u>
	DIN means an identification number allotted by the C.G. 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.
(b)	<u>Application for allotment of DIN (Sec. 153):</u>
	Every individual intending to be appointed as director of a company shall make an application for allotment of DIN to the C.G. in prescribed manner. (Rule 9)
	Rule 9 - Application for allotment of DIN before appointment in an existing company
	- Application to be submitted in Form DIR-3.
	- DIR-3 shall be filed electronically along with following documents:
	(i) photograph;
	(ii) proof of identity;
	(iii) proof of residence;
	(iv) board resolution proposing his appointment as director in an existing company; and
	(v) specimen signature duly verified.
	- Form DIR-3 shall be signed by the applicant using his or her own Digital Signature Certificate
	- DIR-3 shall be verified digitally by a CS in full time employment of company or by the MD or director or CEO or CFO of the company in which the applicant is intended to be appointed as director in an existing company
(c)	<u>Allotment of DIN (Sec. 154)</u>
	The C.G. shall, within one month from the receipt of the application u/s 153, allot a DIN to an applicant in such manner as may be prescribed. (Rule 10)

<u>Rule 10 - Allotment of DIN</u>	
Applicant submit DIR-3 on Portal along with fees	
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Application No. shall be generated by system automatically	
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Application will be processed and decision to be taken on approval or rejection	
↓	
Application Approved	Application rejected
↓	↓
Communicate to Applicant within 30 days along with DIN	Communicate to Applicant within 30 days
	↓
	Fees paid shall neither be Refunded nor adjusted
	↓
	Defects to be rectified within 15 days
<p>(d) <u>Prohibition to obtain more than one DIN (Sec. 155)</u></p> <p>No individual, who has already been allotted a DIN u/s 154, shall apply for, obtain or possess another DIN.</p> <p>Note: In respect of an individual who is in possession of Multiple DINs, he can retain the Oldest DIN only. DINs obtained later have to be surrendered.</p>	
<p>(e) <u>Director to Intimate DIN (Sec. 156)</u></p> <p>Every existing director shall, within 1 month of the receipt of DIN from the C.G., intimate his DIN to the company or all companies wherein he is a director.</p>	
<p>(f) <u>Company to Inform DIN to Registrar (Sec. 157)</u></p> <p>Every company shall, within 15 days of the receipt of intimation u/s 156, furnish the DIN of all its directors to the Registrar in prescribed manner.</p>	
<u>Rule 10A:</u>	Self Study from the book
<u>Penalty for Failure to inform:</u>	Self Study from the book

	<p>(g) <u>Obligation to indicate DIN (Sec. 158)</u></p>
	<p>Every person or company, while furnishing any return, information or particulars as are required to be furnished under this Act, shall mention the DIN in such <u>return, information or particulars</u> in case such return, information or particulars relate to the director or contain any reference of any director.</p>
	<p>(h) <u>Punishment for Contravention (Sec. 159)</u></p>
	<p>If any individual or director of a company makes any default in complying with any of the provisions of Sec. 152, Sec. 155 and Sec. 156, such individual or director of the company shall be liable to a penalty which may extend to ₹ 50,000 and where the default is a continuing one, with a further penalty which may extend to ₹ 500 for each day after the first during which such default continues.</p>
	<p>(i) <u>Cancellation or surrender or Deactivation of DIN - Rule 11</u></p>
	<p>C.G. or Regional Director (Northern Region) or any officer authorised by the Regional Director may, upon being satisfied on verification of particulars or documentary proof attached with the application received, cancel or deactivate the DIN in case:</p>
	<p>(a) 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;</p>
	<p>(b) the DIN was obtained in a wrongful manner or by fraudulent means:</p>
	<p>Provided that before cancellation or deactivation of DIN pursuant to clause (b), an opportunity of being heard shall be given to the concerned individual;</p>
	<p>(c) of the death of the concerned individual;</p>
	<p>(d) the concerned individual has been declared as a person of unsound mind by a competent Court;</p>
	<p>(e) the concerned individual has been adjudicated an insolvent:</p>
	<p>(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:</p>
	<p>Before deactivation of any DIN in such case, C.G. shall verify e-records.</p>

	<p>(j) <u>Intimation of changes in particulars specified in DIN application - Rule 12</u></p> <p>----- Self Study from the book -----</p> <p>[DO Practice - Questions on Section 153 to 159 and Rules 9 to 12B]</p> <p>(xiv) <u>Duties of Directors (Sec. 166)</u></p> <p>----- Self Study from book -----</p> <p>(xiv) <u>Register of Directors and KMP and their Shareholding (Sec.170 and Rule 17, 18)</u></p> <p>----- Self Study from book -----</p> <p>(xv) <u>Member's Right to inspect (Sec. 171)</u></p> <p>----- Self Study from book -----</p> <p>(xvi) <u>Punishment (Sec. 172)</u></p> <p>----- Self Study from book -----</p> <p>DO Practice - Comprehensive Questions</p>
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