Digital Signature and DIN

1. Requirement as to Digital Signature Certificate and Director Identification Number (DIN)

The most primary thing required to incorporate any company is to obtain a valid Digital Signature Certificate and a Directors Identification Number for proposed directors of the proposed company. However, now DIN is not required prior to the incorporation of a company, w.e.f. 26-1-2018.

Physical documents can be authenticated by handwritten signatures. Electronic documents require digital signatures. For secured authentication of data contained in the e-documents in India, the Government of India has enacted the Information Technology Act, 2000, which provides for legal recognition of electronic records and digital signatures to enable the conclusion of contracts and creation of rights and obligations through the electronic media.

Rule 8(4) of the Companies (Registration Offices and Fees) Rules, 2014 provides that every person authorised for authentication of e-forms, documents or applications, etc., which are required to be filed or delivered under the Companies Act, 2013 or rules made thereunder, shall obtain a digital signature certificate from the Certifying Authority for the purpose of such authentication and such certificate would not be valid, unless it is of Class II or Class III specification under the Information Technology Act, 2000.

Further, the Companies Act, 2013 provides for allotment of a unique Director Identification Number (DIN) to any individual, intending to be appointed as a director or proposed director in a company for the purpose of his identification. Section 152(3) of the Companies Act, 2013 says that no person would be appointed as a director, unless he has been allotted a 'Director Identification Number' under section 154 of the Act. Thus, it is a mandatory that a person who is going to be appointed as a director should have a valid DIN. Further, Companies (Amendment) Act, 2017[1] provides that any other number as may be prescribed under section 153 by the Central Government may be treated as identification number for this purpose.

Thus, while taking steps for incorporating a new company, it must be ensured that atleast one of the proposed directors or promoters must have a valid digital signature certificate to digitally sign the necessary e-forms like INC-32 and other documents however, directors of the proposed company are not required to obtain a DIN prior to incorporation, if they do not have a valid DIN, w.e.f. 26-1-2018.

A professional engaged to file application for incorporation of company or to certify Forms INC-32 (SPICe), INC-33 (SPICe) and INC-34 (SPICe) is also required to have a valid Digital Signature Certificate (DSC).

In a case where proposed director or promoter does not possess digital signature certificate, then, it must be obtained by approaching any of the certifying authorities identified by Government of India.

2. Digital Signature Certificate

Various aspects of digital signature have been provided hereunder:

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[1] Effective from 9-2-2018.

(i) Meaning of Digital Signature

As per section 2(1)(ta) of the Information Technology Act, 2000 as amended by Information Technology Act, 2008, Electronic Signature means authentication of any electronic record by a subscriber by means of the electronic technique specified in the second schedule and includes digital signature. The term 'Digital Signature' is defined in section 2(1)(p) of the Information Technology Act, 2000. Accordingly, Digital Signature means authentication of any electronic record by a subscriber by means of an electronic method or procedure in accordance with the provisions of section 3 of that Act.

A digital signature is transformation of a data or message into a message digest by using a technical process; then encrypting (encoding) it and sending it along with the message which is also in encrypted (encoded) form. It allows the receiver to authenticate the sender of the message and verify the integrity of the signed message.

Digital signature basically serves following purposes :

(a) *Authenticity :* The sender of the message is actually that who has sent the message and has signed the message deliberately.

(b) *Integrity :* The data is integrated and is not tampered.

(c) *Privacy/Secrecy :* The transactions are private.

(d) *Repudiation :* The sender cannot repudiate the message.

(e) *Identity :* The message signed is identified.

Digital signature, therefore, not only ensures that the received message is exactly the sent one, but also verifies that the sender actually had sent it. Digital signature therefore provides maximum assurance of both signer authentication and document integration. Such authentication and integration excludes impersonation and forgery. It gives assurance of the origin and delivery of the date. It therefore protects the receiver against repudiation by the sender. Non-repudiation prevents a person from modifying and terminating legal obligations arising out of a transaction effected by computer based means.

(ii) Relevant legal provisions regarding Digital Signature under Information Technology Act, 2000

Under the Information Technology Act, 2000 as amended by Information Technology Act, 2008, electronic signature including digital signature has been legally recognized. The Act contains various provisions relating to electronic signature including digital signatures. Relevant provisions are as under :

(a) Authentication of electronic records

Chapter II of the Information Technology Act, 2000 (the Act) exclusively deals with digital signatures and electronic signature. Section 3 under this chapter provides for authentication of electronic records. Sub-section (1) provides that subject to the provisions of this section any subscriber may authenticate an electronic record by affixing his digital signature.

According to sub-section (2), the authentication of electronic record shall be effected by the use of asymmetric crypto system and hash function, which envelop and transform the initial electronic record into another electronic record. Sub-section (3) states that any person by the use of a public key of the subscriber can verify the electronic record.

The private key and the public key are unique to the subscriber and constitute a functioning key pair.

(b) Digital signature certificate

Electronic Signature Certificate is issued under section 35 of Information Technology Act,

2000 and includes Digital Signature Certificate. Section 2(1)(q) explains the meaning of "Digital Signature Certificate" It means a Digital Signature Certificate issued under sub-section (4) of section 35. Section 35 deals with the procedure of making application to the certifying authority for issue of electronic signature certificate. It provides that any person may make an application to the Certifying Authority for the issue of an Electronic Signature Certificate in such form as may be prescribed by the Central Government. Such an application should be accompanied with a fee not exceeding twenty-five thousand rupees as may be prescribed by the Central Government to be paid to the Certifying Authority, provided that different fee may be prescribed for different classes of applicants. A certification practice statement or where there is no such statement, a statement containing such particulars, as may be specified by regulations must accompany an application for issue of digital signature certificate.

On receipt of an application, the Certifying Authority may, after consideration of the certification practice statement or the other statement and after making such enquiries as it may deem fit, grant the Electronic Signature Certificate or for reasons to be recorded in writing, reject the application after providing a reasonable opportunity of showing cause to the applicant against the proposed rejection.

Section 37 of the Act relates to suspension of digital signature certificate under certain circumstances and section 38 of the Act provides for revocation of digital signatures certificates under certain circumstances. Moreover, section 41 deals with the procedure of acceptance of digital signature certificate by a subscriber. Lastly, sections 73 and 74 of Information Technology Act provides for punishment of imprisonment for a term which may extend to two years or with a fine which may extend to one lakh rupees or with both, in case of false or fraudulent publishing of Electronic Signature Certificate including Digital Signature Certificate.

(iii) Digital signature certificate under MCA-21

A digital signature is an electronic signature duly issued by the Certifying Authority that shows the authenticity of the person signing the same. Every user who is required to sign an e-Form for submission with MCA requires Digital Signature. The persons requiring Digital Signature includes the company representatives, professionals and others who are required to affix digital signatures for submitting an e-Form.

For MCA, the following four types of users are identified as users of Digital Signature Certificates (DSCs) :

(a) MCA (government) employees.

(b) Professionals (Chartered Accountants, Company Secretaries, Cost accountants and Lawyers) who interact with MCA and companies in the context of the Companies Act.

(c) Authorized Signatories and Directors of Companies.

(d) Representatives of Bank and Financial Institutions.

Digital Signature Certificates are used in MCA-21 in terms of the following :

(a) Signing of e-Forms and documents

Digital Signature Certificates are used in e-Forms to ensure the signatory authentication and data authentication. The e-Form and documents have to be digitally signed during submission of requests by the users (Directors, Professionals, etc.). Wherever, a request for a service is approved and the workflow is completed, the employee of MCA would digitally sign the e-Form as a proof of having processed/approved the request in recognition of delivery of service.

(b) Secure login

MCA employees, directors and professionals would login to the MCA portal using digital signature certificates instead of a password. Digital signature certificate based solution provides a much secure way of login over normal user ID/password method.

The person requiring digital signature certificate can approach any of the certifying authorities for issuance of digital signature certificate. It is normally required to get a digital signature certificate renewed every one or two years. There are charges associated with issuance and renewal of digital signature certificate and these charges vary from one certifying authority to other.

Thus, digital signature certificates (DSC) are the digital equivalent (i.e., electronic format) of physical or paper certificates. Examples of physical certificates are drivers' licenses, passports or membership cards. Certificates serve as a proof of identity of an individual for certain purpose; for example, a driver's license identifies someone who can legally drive in a particular country. Likewise, a digital certificate can be presented electronically to prove one's identity, to access information or services on the Internet or to sign certain documents digitally.

A licensed certifying authority issues the digital signature. Certifying authority means a person who has been granted a licence to issue a digital signature certificate under section 24 of the Indian Information Technology Act, 2000.

(c) Types of Digital Signature Certificates

Class 1 : These certificates do not hold any legal validity as the validation process is based only on a valid e-mail ID and involves no direct verification.

Class 2 : Here, the identity of a person is verified against a trusted, pre-verified database.

Class 3 : This is the highest level where the person needs to present himself or herself in front of a Registration Authority (RA) and prove his/her identity.

DSC of Class 2 and Class 3 category issued by a licensed Certifying Authority (CA) needs to be obtained for e-Filing on the MCA Portal.

The time taken by CA to issue a DSC may vary from few hours to a one day.

The Certifying Authorities are authorized to issue a Digital Signature Certificate with a validity of one or two years.

You can store your Digital Signature in a Smart Card e-token to carry the same for digitally signing the e-Forms.

(d) Affixation of digital signature to an e-Form

Click the Digital Signature field in the e-Form. The system will prompt you to sign the e-Form through a digital signature that is stored on your e-token/Smart Card.

Digital signature certificate (DSC) is not required by companies but by individuals. For example, the director or the company secretary, signing on behalf of the company requires a DSC.

(e) All directors of company are not required to obtain DSC

Only the directors, who will be the authorised signatories of the company, for the e-Filing purpose, are required to obtain a DSC. However to obtain DIN every person is required to obtain DSC. Further, now in case of SPICe forms for incorporation DSC of every subscriber is mandatory.

(f) Multiple DSC for professionals rendering services to different companies

A DSC is unique to each individual. If a professional has obtained a DSC, he/she can use the

same DSC for e-Filing of forms for multiple companies, provided he/she has been authorized to do so by the respective companies.

(g) Company secretary in whole-time employment is required to obtain a DSC

If the Company Secretary is an authorised signatory, he/she is required to obtain a DSC.

One should keep the media carrying his digital signature safely and not disclose the password to anybody.

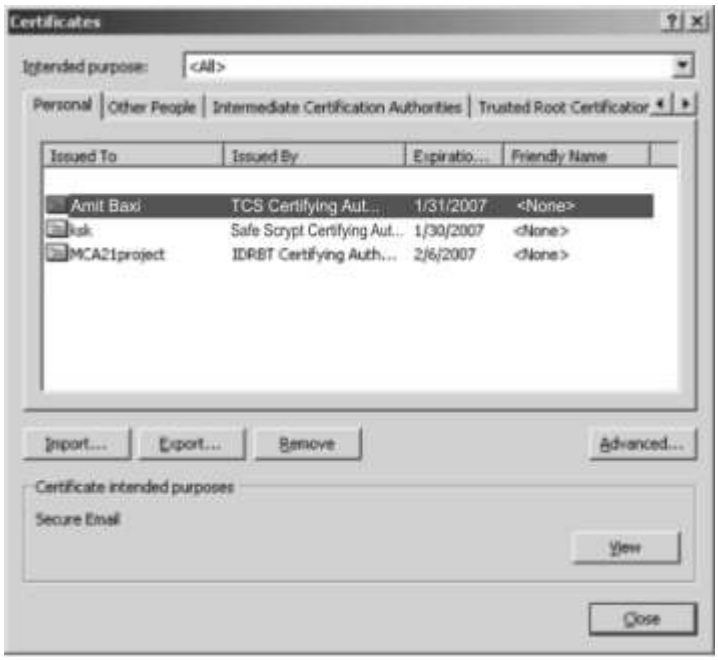
Digital Signatures are password protected and cannot be copied from digitally signed documents.

(iv) How to install digital signature?

As per Office Order F.No. CCA/DC(T)2013-98(pt), dated 25.10.2013 issued by Office of CCA, Ministry of Communications & Information Technology, digital Signature (.pfx) file can only be stored in Cryptographic token (commonly known as e token). For installing a DSC stored in e-token following steps are required to be followed :

Plug in the e-token in the USB port of the computer system. The e-token software would automatically install the Digital Signature on the computer system. The Digital Signature can be checked as under :

Open Internet Explorer→Tools → Internet Options → Content → Certificates

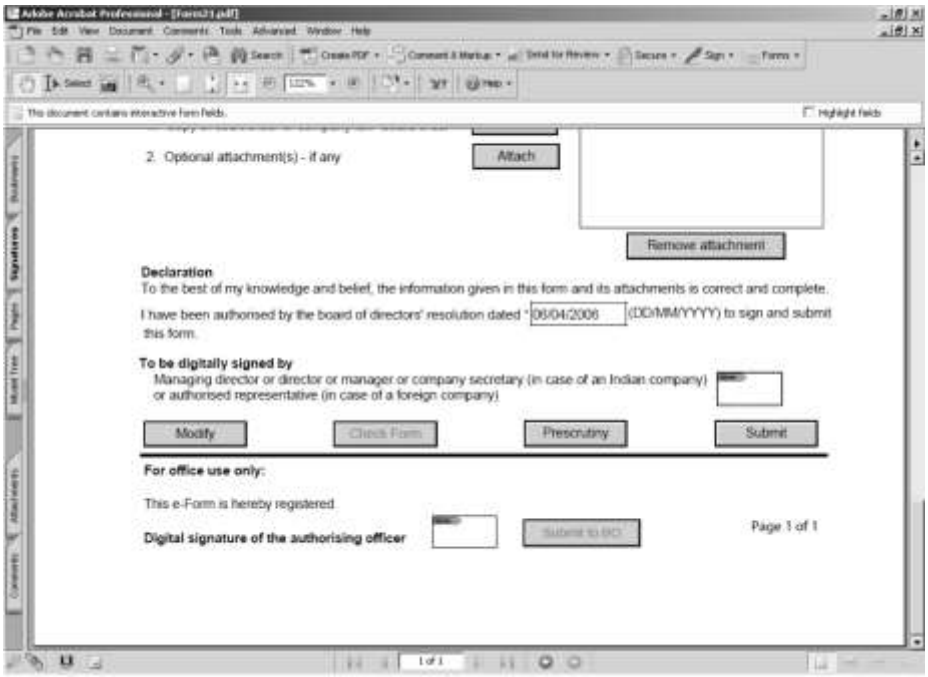


(v) How to sign e-form digitally under MCA 21

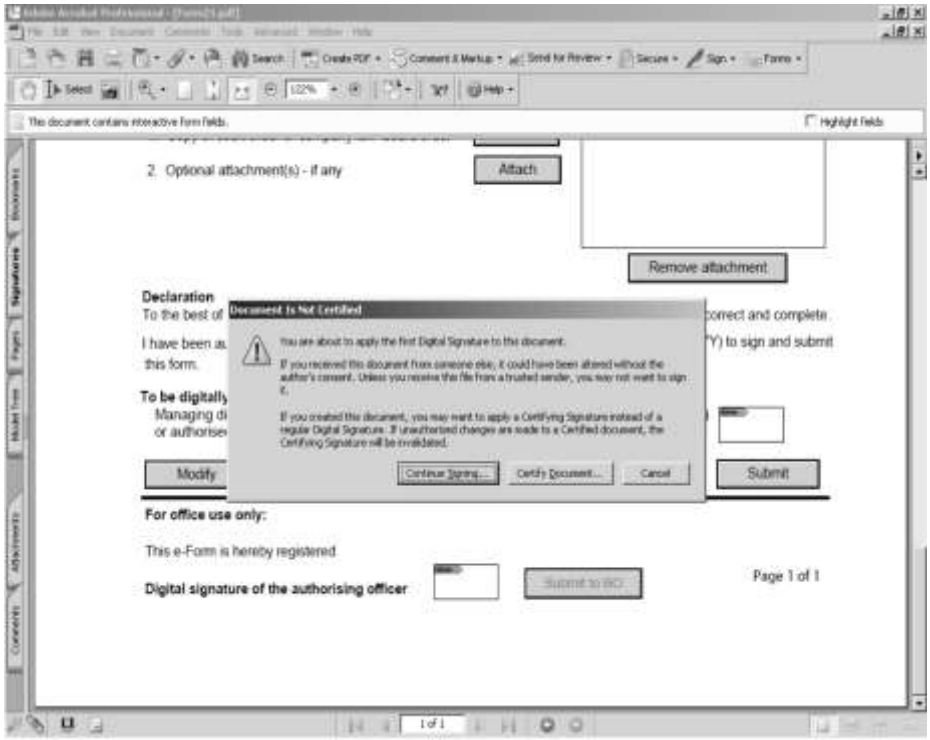
(1) Fill all the Mandatory Fields.

(2) Click on Check Form Button.

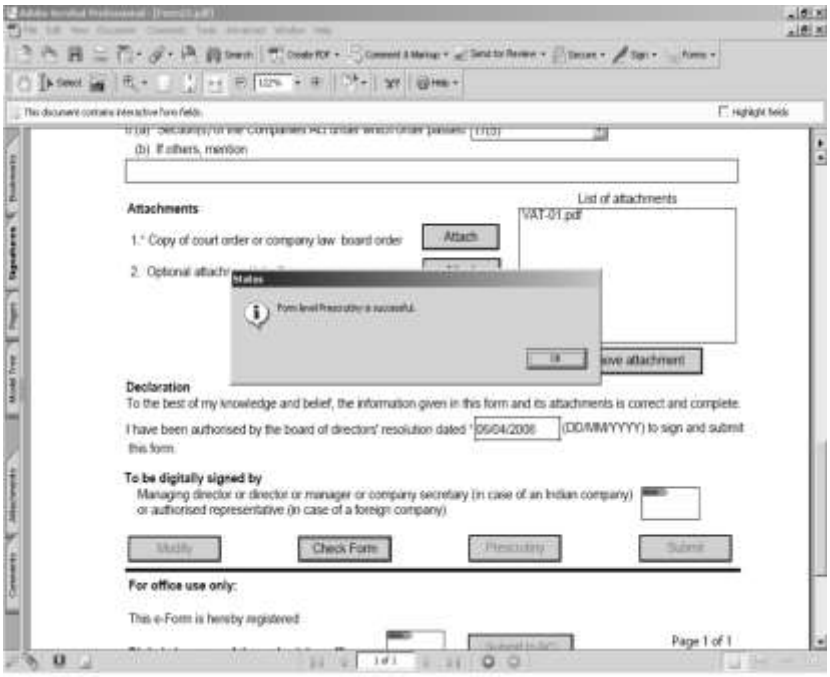
(3) If the message box appears "Form level Prescrutiny is successful". Then only the form can be signed.



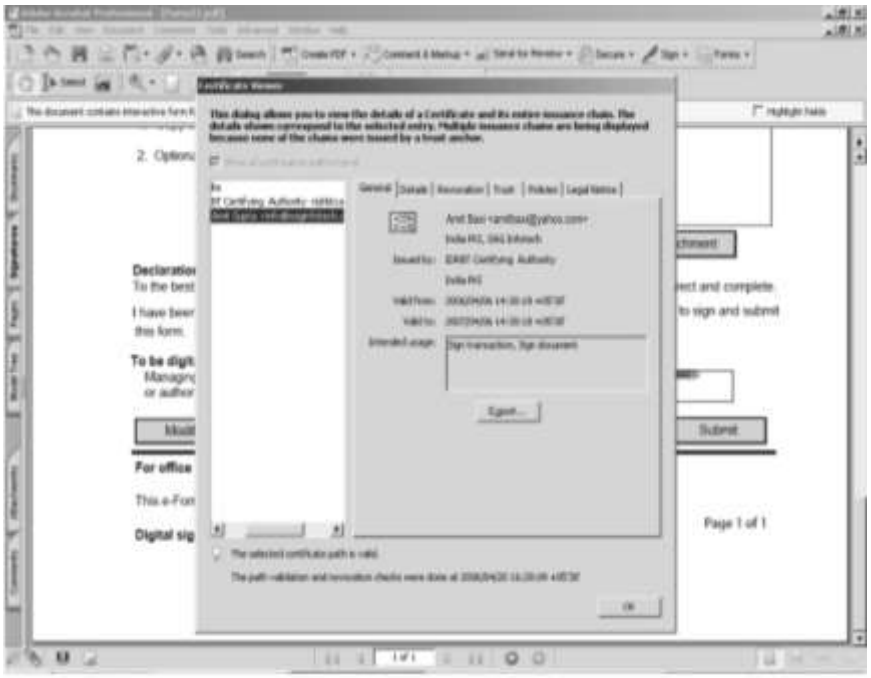
(4) Click on Signature Field.



(5) Click on “Continue Signing” Button.

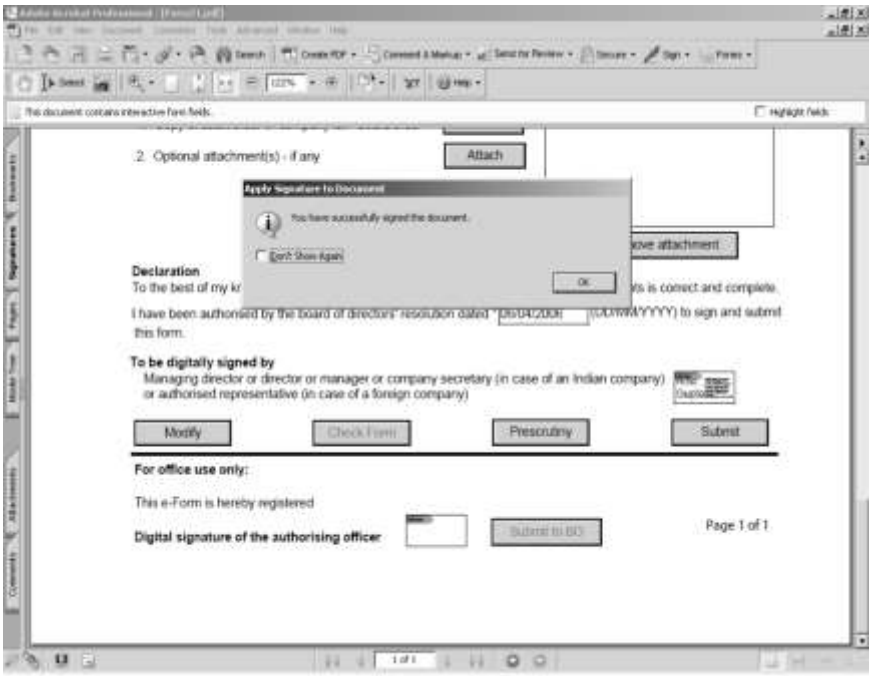


(6) Click on "View Digital ID" button to view all the Signatures available and Select a Digital ID from the List and Click on OK button.

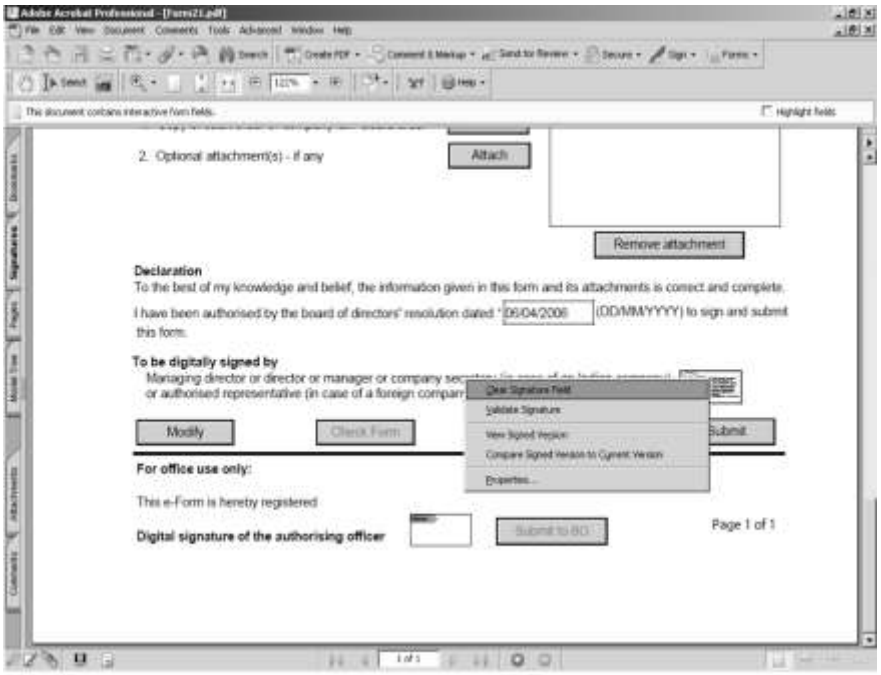


(7) Click on "Preview" button to view the Signature Preview.

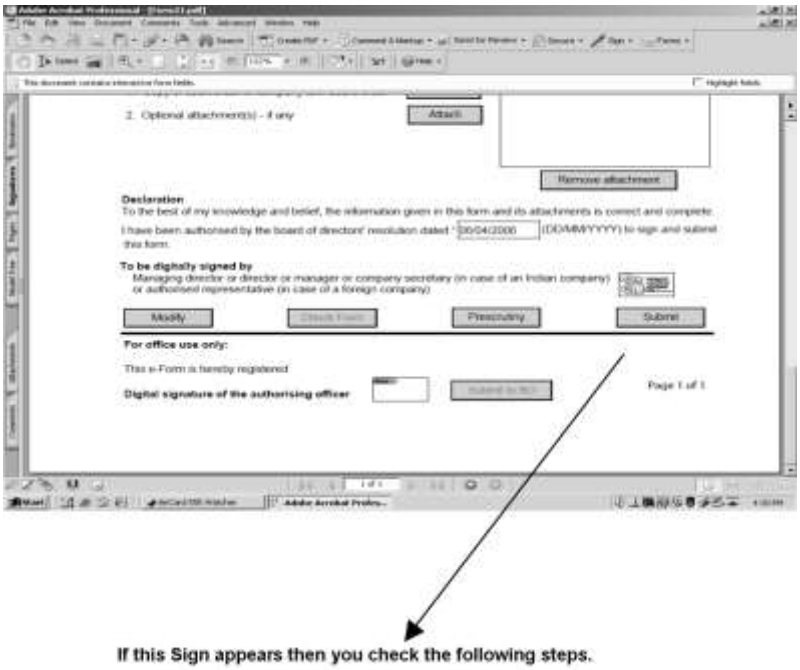
(8) Click on “Sign and Save” button.



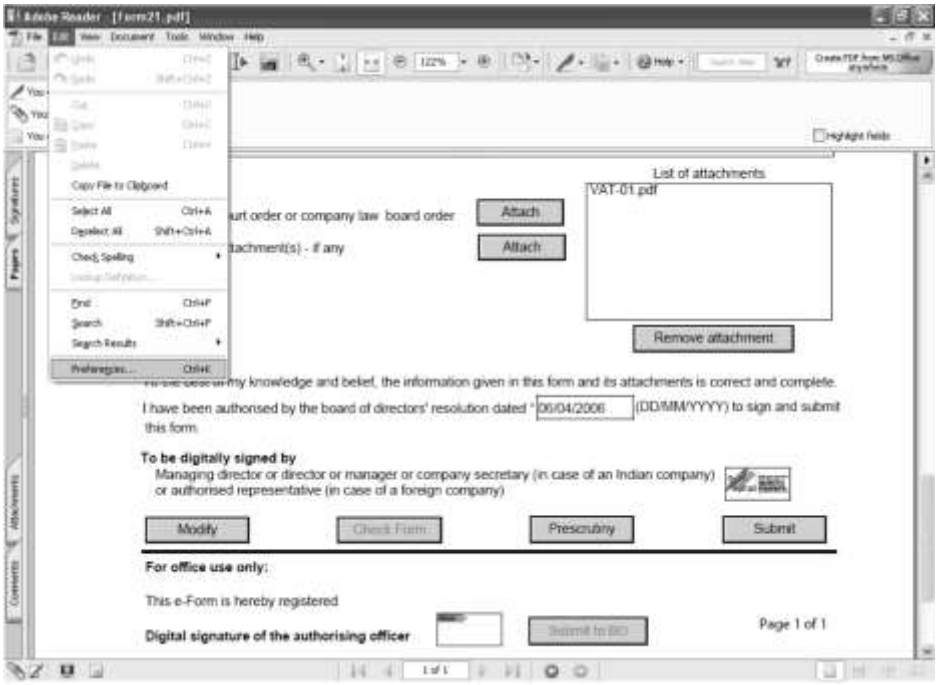
(9) If the message box appears “You have successfully signed the document.” Then click on OK button.



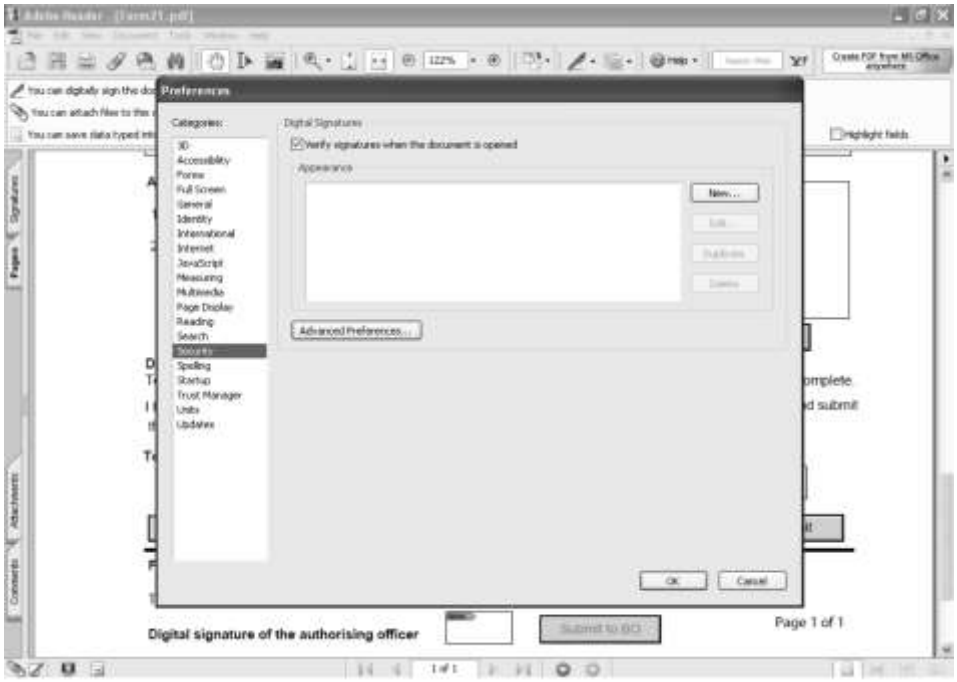
(10) To Clear a Signature, Right click on Signature Field and click on "Clear Signature Field".



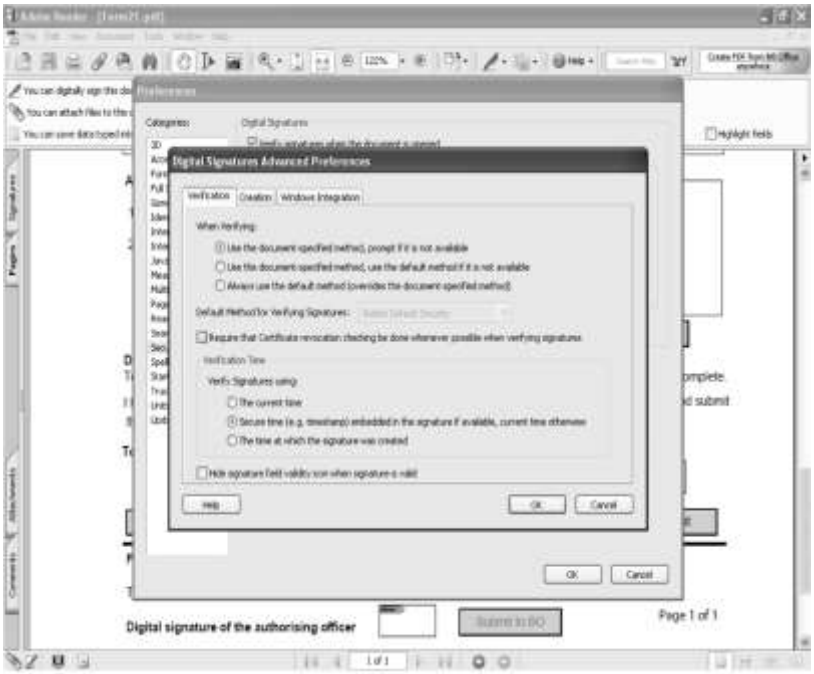
First you Install the "CCA Root Certificate", if you have not installed.
After that you install "CA Root Certificate", if you have not installed.



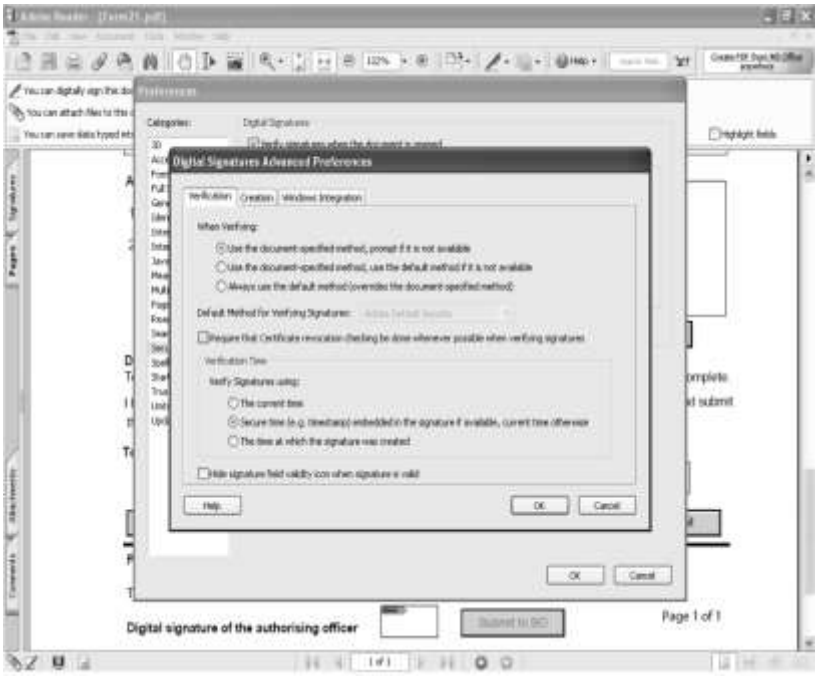
Click on "Edit" – "Preference"



Click on "Security" – Check (if unchecked) on "Verify signature when the document is opened" – "Advanced Preferences"



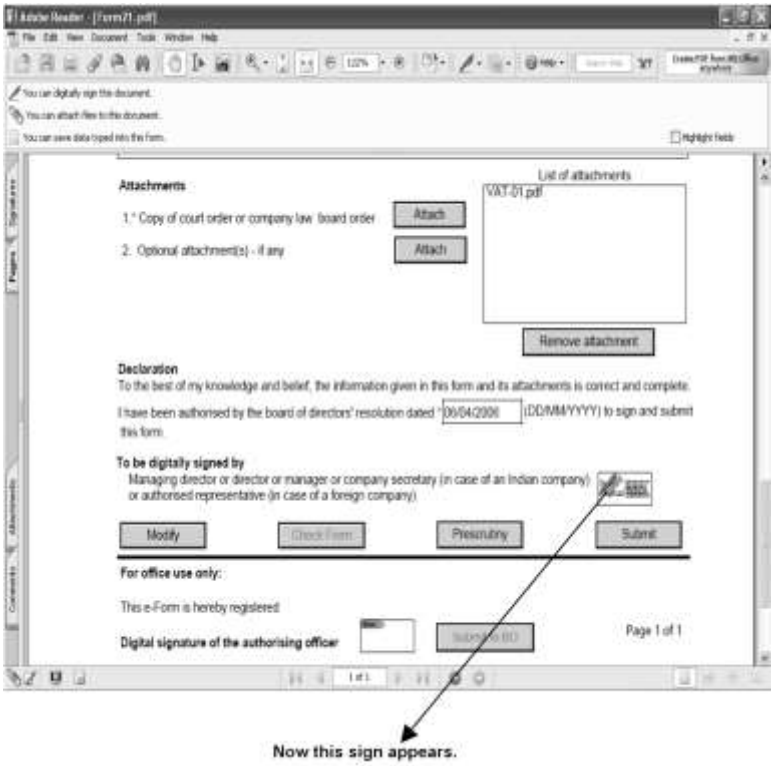
Click on "Verification" – Uncheck (if Checked) "Require that certificate revocation checking be done whenever possible when verifying signature".



Click on "Windows Integration"

Check all three options if Uncheck.

Then Click on "Ok" – again "Ok" – Save the Document – Close the document – Open the Document



3. Director Identification Number [DIN]

The procedure relating to obtaining DIN and other related aspects enshrined in sections 153 to 159 and the Companies (Appointment and Qualification of Directors) Rules, 2014 are stated herein below:

(i) Meaning of director identification number

The term "Director Identification Number" (DIN) has been defined in rule 2(d) of the Companies (Appointment and Qualification of Directors) Rules, 2014. It 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.

First proviso of rule 2(d) provides that the Director Identification Number (DIN) obtained by the individuals prior to the notification of the Companies (Appointment and Qualification of Directors) Rules, 2014, i.e. 1-4-2014 would be the DIN for the purpose of the Companies Act, 2013.

(ii) Application for obtaining Director Identification Number

Section 153 of the Companies Act, 2013 provides that every individual intending to be appointed as director of a company is required to make an application for allotment of Director Identification Number to the Central Government (power delegated to Regional Director, Joint Director, Deputy Director or Assistant Director posted in the office of Regional Director at Noida) in such form and manner and along with such fees as may be prescribed.

Further, Companies (Amendment) Act, 2017[2] provides that Central Government may prescribe any other identification number to be treated as DIN for the purposes of

[2] Effective from 9-2-2018.

Companies Act, 2013 and in case any individual holds or acquires such identification number, section 153 would not apply or apply in such manner as may be prescribed.

Rule 9 of Companies (Appointment and Qualification of Directors) Rules, 2014 prescribes the following manner of making an application for allotment of DIN before appointment in an existing company—Vide *Companies (Appointment and Qualification of Directors) Amendment Rules, 2018, dt. 26-1-2018*:

(a) Form of application

Every applicant who intends to be appointed as director of an existing company is required to make an application for obtaining Director Identification Number in Form No. DIR-3 electronically to the Central Government.

(b) Fees

A fee of ` 500 as provided in the Companies (Registration Offices and Fees) Rules, 2014 is required to be paid along with the application for DIN.

(c) Downloading and filing up of Form DIR-3

From the MCA portal, an applicant is required to download Form DIR-3, fill in the required particulars sought therein, verify and sign the form and after attaching copies of the following documents, scan and file the entire set of documents electronically—

(A) photograph;

(B) proof of identity;

(C) proof of residence;

(D) Board resolution proposing his appointment as director in an existing company; and

(E) specimen signature duly verified.

(d) Form DIR-3 to be digitally signed by applicant and verified by company secretary or other officers of company

In terms of clause (b) of rule 9(3) of Companies (Appointment and Qualification of Directors) Amendment Rules, 2018, Form No. DIR-3 has to be signed and submitted electronically by the applicant using his or her own Digital Signature Certificate and is required to be verified digitally by a company secretary in full time employment of the company or the managing director or director or CEO or CFO of the company in which the applicant is to be appointed as director in an existing company.

Thus, other professionals like chartered accountant or cost accountant or company secretary who are in practice are not eligible to verify Form DIR-3, w.e.f 26-1-2018.

(e) Declaration in Form DIR-3A

In case, the name of a person does not have a last name, then his or her father's or grandfather's surname would be mentioned in the last name along with the declaration in Form No. DIR-3A. [*Sub-rule (4) of rule 9 of Companies (Appointment and Qualification of Directors) Rules, 2014*].

(f) Form of application in case of proposed companies

Proviso to rule 9(1) of the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 states that where the proposed directors of a company to be incorporated do not have a valid DIN, the particulars of maximum three directors could be mentioned in Form No. INC-32 (SPICe) and DIN may be allotted to maximum three proposed directors through Form INC-32 (SPICe).

Further, as per rule 38(2) of the Companies (Incorporation) Fifth Amendment Rules, 2016, the application for allotment of Director Identification Number upto three Directors would be filed in Form No. INC-32 (SPICe).

Thus, DIN for proposed first directors maximum upto three can be applied only in Form INC-32 (SPICe) and Form DIR-3 would be applicable for allotment of DIN to directors proposed to be appointed in existing companies, not having an approved DIN. It can be inferred that DIN would be allotted to individuals proposed to be appointed as directors only at the time of their appointment as such in companies.

(iii) Allotment of DIN

As stated in section 152(3), a person would not be appointed as a director unless he has been allotted a DIN under section 154 or any other number as may be prescribed under section 153.

According to section 154, of the Companies Act, 2013 the Central Government[1] would allot a Director Identification Number to an applicant within one month from the receipt of the application under section 153 of the Companies Act, 2013, in the following manner as prescribed in Rule 10 of Companies (Appointment and Qualification of Directors) Rules, 2014:—

(a) Generation of application number

In terms of rule 10(1), on submission of the Form DIR-3 on the portal and payment of requisite amount of fees by the applicant through online mode, an application number would be generated by the system automatically.

(b) Processing of application by RD

After generation of "application number", the Central Government would process the applications and decide on the approval or rejection thereof.

(c) Defective or incomplete applications

If on examination, the Central Government finds the application for allotment of DIN to be defective or incomplete in any respect, it would give intimation of such defect or incompleteness, by placing it on the website and by e-mail to an applicant who has filed such application, directing him/her to rectify such defects or incompleteness by resubmitting the application within a period of fifteen days of such placing on the website and e-mail. Thereafter, the Central Government may—

(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.

(d) Grounds for rejection of application

While processing the application, it may be rejected by the concerned authority on certain following grounds —

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[3] Power of Central Government delegated to Regional Director, Joint Director, Deputy Director or Assistant Director posted in the office of Regional Director at Noida vide *Notification No. S.O. 1354, dt. 21-5-2014, [F.No. 1-6-2014-CL.V].*

1. Proof of identity has not been attested by an authorized person.

2. Proof of residential address has not been attested by an authorized person.

3. The supporting document for identity proof is not valid as it has not been issued by any Government Authority

4. The enclosed evidence has handwritten entries.

5. Date of Birth is not matching with the date of birth mentioned in the proof attached.

6. Applicant's Name is not matching with the name mentioned in the proof attached

7. Address is not matching with the address details mentioned in the proof attached

8. Applicant's Father's Name is not matching with the father's name mentioned in the proof attached.

9. The submitted application is duplicate DIN application i.e. an approved DIN already exists in this name.

10. Identification number entered in application does not match with the identity proof enclosed.

11. The gender is not entered correctly in DIN form.

12. ID proof not attached with the application.

(e) Communication of approval of application

In case the Central Government approves the application for allotment of DIN, an applicant may be communicated 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. In case of rejection or invalidation of application, the fee so paid with the application would neither be refunded nor adjusted with any other application.

(f) Life time validity of Director Identification Number

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

(iv) Director to intimate Director Identification Number to the company

Section 156 provides that every existing director, within one month of the receipt of Director Identification Number from the Central Government, is required to intimate his Director Identification Number to the company or all companies wherein he is a director. In terms of rule 10A(1) of Companies (Appointment and Qualification of Directors) Rules, 2014, every director, functioning as a director in one or more companies on or before the 30th June, 2007 and who has not yet intimated his DIN to such company or companies should, 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 as per Form No. DIR-3B.

Thus, if an existing director is appointed as a director in the proposed company, it must be ensured that he has intimated his Director Identification Number to the company within one month of receipt of Director Identification Number.

Moreover, section 152(4) requires every person proposed to be appointed as a director in general meeting of a company to furnish his DIN and a declaration that he is not disqualified to become a director under Companies Act, 2013.

(v) Company to inform DIN to Registrar

As per sub-section (1) of section 157, every company, within fifteen days of the receipt of

intimation under section 156, is required to 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. As per rule 10A(2) of Companies (Appointment and Qualification of Directors) Rules, 2014, such intimation has to be given in Form No. DIR-3C.

If such intimation is not given within the period of fifteen days, then the intimation should be within the time specified under section 403 i.e., within a period of 270 days from the expiry of fifteen days with such additional fees as may be prescribed within the time specified under section 403. However, vide *Companies (Amendment) Act, 2017*[4], this shelter period of 270 days has been removed.

Where a company fails to furnish Director Identification Number within fifteen days, the company would be liable to a penalty of twenty five thousand rupees and every officer in default would be liable for a minimum penalty of ` 25,000. In case of continuing failure, both are liable for a further penalty of one hundred rupees for each day after the first, during which the default continues, subject to maximum of ` 1,00,000. [*Section 157(2)* amended vide *Companies (Amendment) Ordinance, 2018, dt. 2-11-2018*].

(vi) Intimation of DIN for KYC of Directors to Central Government

MCA has introduced a new framework for KYC of all directors who have obtained DIN, to update its registry by insertion of rule 12A under the Companies (Appointment & Qualification of Directors) Rules, 2014 which would be effective from 10-7-2018. In terms of section 12A, every individual who has been allotted DIN as on 31st March of a financial year is required to submit his particulars in e-form DIR-3-KYC on or before 30th April of the immedicate next financial year to the Central Government without any fee. However, in case of any delay in filing particulars of KYC within stipulated time, a fee of Rs. 5,000 would be payable for KYC of such director.

For instance, an individual has been allotted DIN on 10th January, 2019 then he has been to submit e-form DIR-3-KYC uptill 30th April, 2019 or else he would be liable to pay a delayed fee of Rs. 5,000 thereafter, for KYC purposes.

Moreover, as regards financial year i.e. 2018-19 is concerned an individual who has been allotted DIN on or before 31st March, 2018 but has not intimated it for KYC purpose, he can now submit e-form DIR-3 KYC alongwith fee of Rs. 5,000 only.

(vii) Obligation to indicate DIN in return, etc.

Section 158 mandates that every person or company, while furnishing any return, information or particulars as are required to be furnished under the Companies Act, 2013 must 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.

(viii) Prohibition to obtain more than one Director Identification Number

Section 155 stipulates that no individual, who has already been allotted a Director Identification Number under section 154, would apply for obtaining or possessing another Director Identification Number.

The default in compliance to the above provision will result not only in the cancellation or deactivation of DIN but also the penalty prescribed under section 159.

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[4] Effective from 7-5-2018.

(ix) Intimation of changes in particulars of directors

Rule 12 of Companies (Appointment and Qualification of Directors) Rules, 2014 casts a duty upon a director that in the event of any change in his particulars as stated in Form DIR-3, he/she is required to intimate such changes to the Central Government in Form DIR-6 within 30 days of such changes in the particulars. Such changes are also required to be intimated to the concerned company or companies within fifteen days of such change.

The applicant is required to download Form DIR-6 from the portal, fill in the relevant changes, verify the Form and attach duly scanned copy of the proof of the changed particulars and submit electronically. Further, this form has to be digitally signed by a chartered accountant in practice or a company secretary in practice or a cost accountant in practice.

Upon being satisfied and after verifying such changed particulars with the enclosed proofs, the Central Government would 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.

The DIN cell of the Ministry would 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.

(x) Penalty for contravention of provisions of sections 152, 155 and 156

In terms of section 159, an individual or a director of a company would be liable to a penalty 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 during which the contravention continues, in the following cases :—

(i) If a person proposed to be appointed as a director does not furnish his DIN. [*Section 152*]

(ii) If a person is functioning as a director in one or more companies on or before the 30-6-2007 and who has not yet intimated his DIN in Form No. DIR-3B to such company or companies within one month of the receipt of Director Identification Number. [*Section 156*]

(iii) If a person who has been allotted a Director Identification Number apply to obtain or possess another Director Identification Number. [*Section 155*]

(xi) Cancellation, surrender or deactivation of DIN

According to rule 11 of Companies (Appointment and Qualification of Directors) Rules, 2014, any person can move application for cancellation or deactivation of DIN along with the fee as specified in Companies (Registration Offices and Fees) Rules, 2014 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 by wrongful manner or 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) the concerned individual has been adjudicated an insolvent.

Further, a DIN holder himself can make an application along with the fee as specified in Companies (Registration Offices and Fees) Rules, 2014 for surrendering 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. In such case, the Central Government would verify e-records before deactivation of any such DIN.

An application received in the abovementioned cases has to be scrutinised by the Central Government or Regional Director (Northern Region), Noida or any other officer authorised by the Regional Director. On verification of particulars of documentary proof attached with the application received and after being satisfied, the Central Government or Regional Director (Northern Region) Noida or any other officer authorised by the Regional Director may cancel or deactivate the allotted DIN.

An opportunity of being heard has to be given to the concerned individual before cancellation or deactivation of DIN under clause (b). Further, for the purposes of clause (b), the term "wrongful manner" means if the DIN obtained without legally established documents and the term "fraudulent means" means if the DIN is obtained unlawfully to deceive any other person or any authority including the Central Government.

Further, an individual who does not intimate his particulars in e-form DIR-3-KYC within the time stipulated in rule 12A, Central Government or Regional Director or any officer authorised by them has the power to deactivate the DIN of such individual which would be re-activated only after filing e-form DIR-3-KYC alongwith fee as prescribed under Companies (Registration Offices & Fees) Rules, 2014.