

# THE COMPANIES (APPOINTMENT AND QUALIFICATION OF DIRECTORS) RULES, 2014

MINISTRY OF CORPORATE AFFAIRS  
NOTIFICATION  
New Delhi, the 31st March, 2014

*[Amended upto date((Last amendment on 20.01.2023))]*

**G.S.R. 259 (E).**—In exercise of the powers conferred under second proviso to sub-section (1), sub-section (4), clause (f) of sub-section (6) of [section 149](#), sub-sections (3) and (4) of [section 150](#), [section 151](#), sub-section (5) of [section 152](#), [section 153](#), [section 154](#), [section 157](#), [section 160](#), sub-section (1) of [section 168](#) and [section 170](#) read with [section 469](#) of the Companies Act, 2013, and in supersession of the Companies (Central Government's) General Rules and Forms, 1956 or any other rules prescribed under the Companies Act, 1956 (1 of 1956) on matters covered under these rules, except as respects things done or omitted to be done before such supersession, the Central Government hereby makes the following rules, namely:

**1. Short title and commencement.**—(1) These rules may be called the Companies (Appointment and Qualification of Directors) Rules, 2014.

(2) They shall come into force on the 1st day of April, 2014.

**2. Definitions.**—(1) In these rules, unless the context otherwise requires,—

(a) "**Act**" means the Companies Act, 2013 (18 of 2013);

(b) "**Annexure**" means the Annexure to these rules;

(c) "**digital signature**" means the digital signature as defined under clause (p) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000);

(d) "**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 thereunder;

(e) "**electronic record**" means the electronic record as defined under clause (t) of sub-section (1) of section 2 of the Information Technology Act, 2000 (21 of 2000);

(f) "**electronic Registry**" means an electronic repository or storage system of the Central Government in which the information or documents are received, stored, protected and preserved in electronic form;

(g) "**Fees**" means the fees as specified in the Companies (Registration Offices and Fees) Rules, 2014;

(h) "**Form**" or "**e-Form**" means a form set forth in Annexure to these rules which shall be used for the matter to which it relates;

(i) "**Regional Director**" means the person appointed by the Central Government in the Ministry of Corporate Affairs as a Regional Director;

(j) "**section**" means section of the Act;

(k) For the purposes of clause (d) of sub-section (1) of [section 164](#) and clause (f) of sub-section (1) of [section 167](#) of the Act, "or otherwise" means any offence in respect of which he has been convicted by a Court under the Act or under the Companies Act, 1956.

(2) Words and expressions used in these rules and not defined but defined under the Act or under the Securities Contracts (Regulation) Act, 1956 (42 of 1956) or the Securities and Exchange Board of India Act, 1992 (15 of 1992) or the Depositories Act, 1996 (22 of 1996) or the Information Technology Act, 2000 (21 of 2000) or the Companies (Specification of definitions details) Rules, 2014 shall have the meanings respectively assigned to them in the Act or in those Acts or such rules.

**3. Woman director on the Board.**—The following class of companies shall appoint at least one woman director-

(i) every listed company;

(ii) every other public company having -

(a) paid-up share capital of one hundred crore rupees or more; or

(b) turnover of three hundred crore rupees or more:

Provided that a company, which has been incorporated under the Act and is covered under provisions of second proviso to sub-section (1) of [section 149](#) shall comply with such provisions within a period of six months from the date of its incorporation:

Provided further that any intermittent vacancy of a woman director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy whichever is later.

*Explanation.*- For the purposes of this rule, it is hereby clarified that the paid up share capital or turnover, as the case may be, as on the last date of latest audited financial statements shall be taken into account.

**4. Number of Independent directors.**— ((Renumbered by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 vide Notification No. G.S.R. 839(E) dated 5th July, 2017, w.e.f. 05.07.2017.))[1]The following class or classes of companies shall have at least two directors as independent directors -

(i) the Public Companies having Paid up share capital of ten crore rupees or more; or

(ii) the Public Companies having turnover of one hundred crore rupees or more; or

(iii) the Public Companies which have, in aggregate, outstanding loans, debentures and

deposits, exceeding fifty crore rupees:

Provided that in case a company covered under this rule is required to appoint a higher number of independent directors due to composition of its audit committee, such higher number of independent directors shall be applicable to it:

Provided further that any intermittent vacancy of an independent director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later:

Provided also that where a company ceases to fulfil any of three conditions laid down in sub-rule (1) for three consecutive years, it shall not be required to comply with these provisions until such time as it meets any of such conditions;

*Explanation.* - For the purposes of this rule, it is here by clarified that, the paid up share capital or turnover or outstanding loans, debentures and deposits, as the case may be, as existing on the last date of latest audited financial statements shall be taken into account:

Provided that a company belonging to any class of companies for which a higher number of independent directors has been specified in the law for the time being in force shall comply with the requirements specified in such law.

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2017 vide Notification No. G.S.R. 839(E) dated 5th July, 2017, w.e.f. 05.07.2017.))[(2) **The following classes of unlisted public company shall not be covered under sub-rule (1), namely:-**

- (a) a joint venture;
- (b) a wholly owned subsidiary; and
- (c) a dormant company as defined under [section 455](#) of the Act.]

**5. Qualifications of independent director.**— ((Renumbered by the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2018 vide Notification No. G.S.R. 431(E) dated 7th May, 2018, w.e.f. 07.05.2018.))<sup>[1]</sup>An independent director shall possess appropriate skills, experience and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

((Inserted by the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2018 vide Notification No. G.S.R. 431(E) dated 7th May, 2018, w.e.f. 07.05.2018.))[(2) **None of the relatives of an independent director, for the purposes of sub-clauses (ii) and (iii) of clause (d) of sub-section (6) of [section 149](#),**-

- (i) is indebted to the company, its holding, subsidiary or associate company or their promoters, or directors; or
- (ii) has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, its holding, subsidiary or associate company or their promoters, or directors of such holding company,

for an amount of fifty lakhs rupees, at any time during the two immediately preceding financial

years or during the current financial year.]

((Substituted by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019 vide Notification No. G.S.R. 804(E) dated 22nd October, 2019, w.e.f. 01.12.2019. Prior to substitution, the Rule stood as under:

**"6. Creation and maintenance of data bank of persons offering to become independent directors.**— (1) Any body, institute or association (hereinafter to be referred as "the agency"), which has been authorised in this behalf by the Central Government shall create and maintain a data bank of persons willing and eligible to be appointed as independent director and such data bank shall be placed on the website of the Ministry of Corporate Affairs or on any other website as may be approved or notified by the Central Government.

(2) The data bank referred to in sub-rule (1) shall contain the following details in respect of each person included in the data bank to be eligible and willing to be appointed as independent director—

(a) DIN (Director Identification Number);

(b) the name and surname in full;

\*[\*\*\*]

(d) the father's name #[\*\*]

(e) the date of Birth;

(f) gender;

(g) the nationality;

(h) the occupation;

(i) full Address with PIN Code (present and permanent);

(j) phone number;

(k) e-mail id;

(l) the educational and professional qualifications;

(m) experience or expertise, if any;

(n) any legal proceedings initiated or pending against such person;

(o) the list of limited liability partnerships in which he is or was a designated partner along with—

(i) the name of the limited liability partnership;

(ii) the nature of industry; and

(iii) the duration-with dates;

(p) the list of companies in which he is or was director along with —

(i) the name of the company;

(ii) the nature of industry;

- (iii) the nature of directorship — Executive or Non-executive or Managing Director or Independent Director or Nominee Director; and
- (iv) duration — with dates.

(3) A disclaimer shall be conspicuously displayed on the website hosting the databank that a company must carry out its own due diligence before appointment of any person as an independent director and "the agency" maintaining the databank or the Central Government shall not be held responsible for the accuracy of information or lack of suitability of the person whose particulars form part of the databank.

(4) Any person who desires to get his name included in the data bank of independent directors shall make an application to "the agency" <sup>§[\*\*]</sup>.

(5) The agency may charge a reasonable fee from the applicant for inclusion of his name in the data bank of independent directors.

(6) Any person who has applied for inclusion of his name in the data bank of independent directors or any person whose name appears in the data bank, shall intimate to the agency about any changes in his particulars within fifteen days of such change.

(7) The databank posted on the website shall —

- (a) be accessible at the specified website;
- (b) be substantially identical to the physical version of the data bank;
- (c) be searchable on the parameters specified in sub-rule (2);
- (d) be presented in a format or formats convenient for both printing and viewing online; and
- (e) contain a link to obtain the software required to view or print the particulars free of charge."

\*Omitted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, the clause "(c) *income-tax PAN;*".

#Omitted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, the words "*and mother's name and Spouse's name (if married);*".

\$Omitted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, the words "*in Form DIR-1*".

## **6. Compliances required by a person eligible and willing to be appointed as an independent director.□**

(1) Every individual –

- (a) who has been appointed as an independent director in a company, on the date of commencement of the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, shall within a period of ((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020 vide Notification No. G.S.R. 145(E) dated 28th February, 2020, w.e.f. 28.02.2020, for the words "*three*

*months*".))(((Substituted by the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2020 vide Notification No. G.S.R. 268 (E) dated 29th April, 2020, w.e.f. 29.04.2020, for the words "*five months*".))(((Substituted by the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2020 vide Notification No. G.S.R. 396(E) dated 23rd June, 2020, w.e.f. 23.06.2020, for the words "*seven months*".))(((Substituted by the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2020 vide Notification No. G.S.R. 589(E) dated 28th September, 2020, w.e.f. 28.09.2020, for the words "*ten months*".))**[thirteen months]]] from such commencement; or**

**(b) who intends to get appointed as an independent director in a company after such commencement, shall before such appointment,**

**apply online to the institute for inclusion of his name in the data bank for a period of one year or five years or for his life-time, and from time to time take steps as specified in sub-rule (2), till he continues to hold the office of an independent director in any company:**

**Provided that any individual, including an individual not having DIN, may voluntarily apply to the institute for inclusion of his name in the data bank.**

**(2) Every individual whose name has been so included in the data bank shall file an application for renewal for a further period of one year or five years or for his life-time, within a period of thirty days from the date of expiry of the period upto which the name of the individual was applied for inclusion in the data bank, failing which, the name of such individual shall stand removed from the data bank of the institute:**

**Provided that no application for renewal shall be filed by an individual who has paid life-time fees for inclusion of his name in the data bank.**

**(3) Every independent director shall submit a declaration of compliance of sub-rule (1) and sub-rule (2) to the Board, each time he submits the declaration required under sub-section (7) of [section 149](#) of the Act.**

**(4) Every individual whose name is so included in the data bank under sub-rule (1) shall pass an online proficiency self-assessment test conducted by the institute within a period of ((Substituted by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 vide Notification No. G.S.R. 774(E) dated 18th December, 2020, w.e.f. 18.12.2020, for the words "*one year from*".))**[two years from]** the date of inclusion of his name in the data bank, failing which, his name shall stand removed from the databank of the institute:**

**((Substituted by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 vide Notification No. G.S.R. 774(E) dated 18th December, 2020, w.e.f. 18.12.2020, for the provisos"**

**"\*[Provided that an individual shall not be required to pass the online proficiency self-assessment test, when he has served as a director or key managerial personnel, for a total period of not less than ten years, as on the date of inclusion of his name in the databank, in one or more of the following, namely:-**

**(a) listed public company; or**

**(b) unlisted public company having a paid-up share capital of rupees ten crore or more; or**



(c) body corporate listed on a recognized stock exchange:]

Provided further that for the purpose of calculation of the period of ten years referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more #[companies or bodies corporate] at the same time shall be counted only once."

\*Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020 vide Notification No. G.S.R. 145(E) dated 28th February, 2020, w.e.f. 28.02.2020, for the proviso "*Provided that the individual who has served for a period of not less than ten years as on the date of inclusion of his name in the databank as director or key managerial personnel in a listed public company or in an unlisted public company having a paid-up share capital of rupees ten crore or more shall not be required to pass the online proficiency self-assessment test:*".

#Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2020 vide Notification No. G.S.R. 145(E) dated 28th February, 2020, w.e.f. 28.02.2020, for the words "*companies*".))[*Provided that an individual shall not be required to pass the online proficiency self-assessment test when he has served for a total period of not less than three years as on the date of inclusion of his name in the data bank,-*

(A) as a director or key managerial personnel, as on the date of inclusion of his name in the databank, in one or more of the following, namely:-

- (a) listed public company; or
- (b) unlisted public company having a paid-up share capital of rupees ten crore or more; or
- (c) body corporate listed on any recognized stock exchange or in a country which is a member State of the Financial Action Task Force on Money Laundering and the regulator of the securities market in such member State is a member of the International Organization of Securities Commissions; or
- (d) bodies corporate incorporated outside India having a paid-up share capital of US\$ 2 million or more; or
- (e) statutory corporations set up under an Act of Parliament or any State Legislature carrying on commercial activities; or

((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2021 vide Notification No. G.S.R. 579(E) dated 19th August, 2021 w.e.f. 19.08.2021, for the clause"

*"(B) in the pay scale of Director or above in the Ministry of Corporate Affairs or the Ministry of Finance or Ministry of Commerce and Industry or the Ministry of Heavy Industries and Public Enterprises and having experience in handling the matters relating to corporate laws or securities laws or economic laws; or".))*[(B) in the pay scale of Director or equivalent or above in any Ministry or Department, of the Central Government or any State Government, and having experience in handling,—

- (i) the matters relating to commerce, corporate affairs, finance, industry or public

enterprises; or

(ii) the affairs related to Government companies or statutory corporations set up under an Act of Parliament or any State Act and carrying on commercial activities.]

(C) in the pay scale of Chief General Manager or above in the Securities and Exchange Board or the Reserve Bank of India or the Insurance Regulatory and Development Authority of India or the Pension Fund Regulatory and Development Authority and having experience in handling the matters relating to corporate laws or securities laws or economic laws:

Provided further that for the purpose of calculation of the period of three years referred to in the first proviso, any period during which an individual was acting as a director or as a key managerial personnel in two or more companies or bodies corporate or statutory corporations at the same time shall be counted only once.]

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2021 vide Notification No. G.S.R. 579(E) dated 19th August, 2021 w.e.f. 19.08.2021.)) [Provided also that the following individuals, who are or have been, for at least ten years :—

- (A) an advocate of a court; or
- (B) in practice as a chartered accountant; or
- (C) in practice as a cost accountant; or
- (D) in practice as a company secretary,

shall not be required to pass the online proficiency self-assessment test.]

((Inserted by the Companies (Appointment and Qualification of Directors) Second Amendment, Rules, 2022 vide Notification No. G.S.R. 439(E) dated 10th June, 2022, w.e.f. 10.06.2022.)) [(5) Any individual whose name has been removed from the databank under sub-rule (4), may apply for restoration of his name on payment of fees of one thousand rupees and the institute shall allow such restoration subject to the following conditions, namely :-

(i) his name shall be shown in a separate restored category for a period of one year from the date of restoration within which, he shall be required to pass the online proficiency self-assessment test and thereafter his name shall be included in the databank, only, if he passes the said online proficiency self-assessment test and in such case, the fees paid by him at the time of initial registration shall continue to be valid for the period for which the same was initially paid; and

(ii) in case he fails to pass the online proficiency self-assessment test within one year from the date of restoration, his name shall be removed from the data bank and he shall be required to apply afresh under sub-rule (1) for inclusion of his name in the databank.]

*Explanation:* For the purposes of this rule,-

(a) the expression “institute” means the ‘Indian Institute of Corporate Affairs at Manesar’ notified under sub-section (1) of [section 150](#) of the Companies Act, 2013 as the institute for the creation and maintenance of data bank of Independent Directors;

(b) an individual who has obtained a score of not less than ((Substituted by the Companies



(Appointment and Qualification of Directors) Fifth Amendment Rules, 2020 vide Notification No. G.S.R. 774(E) dated 18th December, 2020, w.e.f. 18.12.2020, for the words "sixty percent.".)][fifty percent] in aggregate in the online proficiency self-assessment test shall be deemed to have passed such test;

(c) there shall be no limit on the number of attempts an individual may take for passing the online proficiency self-assessment test.]

**7. Small shareholders' director.**—(1) A listed company, may upon notice of not less than one thousand small shareholders or one-tenth of the total number of such shareholders, whichever is lower, have a small shareholders' director elected by the small shareholders:

Provided that nothing in this sub-rule shall prevent a listed company to opt to have a director representing small shareholders suo motu and in such a case the provisions of sub-rule (2) shall not apply for appointment of such director.

(2) The small shareholders intending to propose a person as a candidate for the post of small shareholders' director shall leave a notice of their intention with the company at least fourteen days before the meeting under their signatures specifying the name, address, shares held and folio number of the person whose name is being proposed for the post of director and of the small shareholders who are proposing such person for the office of director:

Provided that if the person being proposed does not hold any shares in the company, the details of shares held and folio number need not be specified in the notice:

(3) The notice shall be accompanied by a statement signed by the person whose name is being proposed for the post of small shareholders' director stating -

- (a) his Director Identification Number;
- (b) that he is not disqualified to become a director under the Act; and
- (c) his consent to act as a director of the company

(4) Such director shall be considered as an independent director subject to, his being eligible under sub-section (6) of [section 149](#) and his giving a declaration of his independence in accordance with sub-section (7) of [section 149](#) of the Act.

(5) The appointment of small shareholders' director shall be subject to the provisions of [section 152](#) except that-

- (a) such director shall not be liable to retire by rotation;
- (b) such director's tenure as small shareholders' director shall not exceed a period of three consecutive years; and
- (c) on the expiry of the tenure, such director shall not be eligible for re-appointment.

(6) A person shall not be appointed as small shareholders' director of a company, if the person is not eligible for appointment in terms of [section 164](#).

(7) A person appointed as small shareholders' director shall vacate the office if -

- (a) the director incurs any of the disqualifications specified in [section 164](#);

(b) the office of the director becomes vacant in pursuance of [section 167](#);

(c) the director ceases to meet the criteria of independence as provided in sub-section (6) of [section 149](#).

(8) No person shall hold the position of small shareholders' director in more than two companies at the same time:

Provided that the second company in which he has been appointed shall not be in a business which is competing or is in conflict with the business of the first company.

(9) A small shareholders' director shall not, for a period of three years from the date on which he ceases to hold office as a small shareholders' director in a company, be appointed in or be associated with such company in any other capacity, either directly or indirectly.

**8. Consent to act as director.**—Every person who has been appointed to hold the office of a director shall on or before the appointment furnish to the company a consent in writing to act as such in **Form DIR-2**:

Provided that the company shall, within thirty days of the appointment of a director, file such consent with the Registrar in **Form DIR-12** along with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014.

((Inserted by Companies (Appointment and Qualification of Directors) Amendment Rules, 2022 vide Notification No. G.S.R. 410(E) dated 1st June, 2022, w.e.f. 01.06.2022.))[**Provided further that in case the person seeking appointment is a national of a country which shares land border with India, necessary security clearance from the Ministry of Home Affairs, Government of India shall also be attached alongwith the consent.**]

**9.** ((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 vide Notification No. G.S.R.51(E) dated 22nd January, 2018, w.e.f. 26.01.2018, for the heading "*Application for allotment of Director Identification Number*".))[**Application for allotment of Director Identification Number before appointment in an existing company**].- ((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 vide Notification No. G.S.R.51(E) dated 22nd January, 2018, w.e.f. 26.01.2018, for the sub-rule "(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.*".))[**(1) Every applicant, who intends to be appointed as director of an existing company shall make an application electronically in Form DIR-3, to the Central Government for allotment of a Director Identification Number (DIN) along with such fees as provided under the Companies (Registration Offices and Fees) Rules, 2014.**

Provided that in case of proposed directors not having approved DIN, the particulars of maximum three directors shall be mentioned in **Form No. INC-32 (SPICe)** and DIN may be allotted to maximum three proposed directors through **Form INC-32 (SPICe)**

(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 ((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, for the words "*therein and sign the form*".))**[therein, verify 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;

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 vide Notification No. G.S.R.51(E) dated 22nd January, 2018, w.e.f. 26.01.2018.))**[(iii) board resolution proposing his appointment as director in an existing company;]**

((Omitted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, the sub-clause "*(iv) verification by the applicant for applying for allotment of DIN in Form DIR-4; and*".))**[\*\*\*]**

- (v) specimen signature duly verified.

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2018 vide Notification No. G.S.R.51(E) dated 22nd January, 2018, w.e.f. 26.01.2018, for clause "*(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.*".))**[(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 a company secretary in full time employment of the company or by the managing director or director or CEO or CFO of the company in which the applicant is intended to be appointed as director in an existing company.]**

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014.))**[(4) 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.]**

**10. 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 ((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, for the words "*the provisional DIN shall be generated by the system automatically which shall not be utilized till the DIN is confirmed by the Central Government*".))**[an application number shall be generated by the system automatically].**

((Inserted by Companies (Appointment and Qualification of Directors) Amendment Rules, 2022 vide Notification No. G.S.R. 410(E) dated 1st June, 2022, w.e.f. 01.06.2022.))**[Provided that no application**

number shall be generated in case of the person applying for Director Identification Number is a national of a country which shares land border with India, unless necessary security clearance from the Ministry of Home Affairs, Government of India has been attached alongwith application for Director Identification Number.]

(2) After generation of ((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, for the words "*the provisional DIN*".))[application number], 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, ((Omitted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, the words "*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.

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014.))**10A.(1) 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 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 as per Form**

**DIR-3B.**

(2) The intimation by the company of Director Identification Number of its directors under [section 157](#) of the Act shall be furnished in **Form DIR-3C** within fifteen days of receipt of intimation under [section 156](#).]

**11. Cancellation or surrender or Deactivation of DIN.**- ((Renumbered by the Companies (Appointment and Qualification of Directors) fourth Amendment Rules, 2018 vide Notification No. G.S.R. 615(E) dated 5th July, 2018, w.e.f. 10.07.2018.))[1]The Central Government or Regional Director (Northern Region), Noida or any officer authorised by the Regional Director may, upon being satisfied on verification of particulars or documentary proof attached with the application received ((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014.))[alongwith fee as specified in Companies (Registration Offices and Fees) Rules, 2014] 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.

((Inserted by the Companies (Appointment and Qualification of Directors) fourth Amendment Rules, 2018 vide Notification No. G.S.R. 615(E) dated 5th July, 2018, w.e.f. 10.07.2018.))[(2) **The Central Government or Regional Director (Northern Region), or any officer authorised by the Central**



Government or Regional Director (Northern Region) shall, deactivate the Director Identification Number (DIN), of an individual who does not intimate his particulars in **e-form DIR-3-KYC** ((Inserted by the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2019 vide Notification No. G.S.R. 528(E) dated 25th July, 2019, w.e.f. 25.07.2019.))[or the web service DIR-3-KYC-WEB, as the case may be] within stipulated time in accordance with Rule 12A.

(3) The de-activated DIN shall be re-activated only after **e-form DIR-3-KYC** ((Inserted by the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2019 vide Notification No. G.S.R. 528(E) dated 25th July, 2019, w.e.f. 25.07.2019.))[or the web service DIR-3-KYC-WEB, as the case may be] is filed along with fee as prescribed under Companies (Registration Offices and Fees) Rules, 2014.]

**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;-

((Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2014 vide Notification No. G.S.R. 671 (E) dated 18th September 2014, w.e.f. 18.09.2014, for the sub-clause "(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".))[(i) The applicant shall 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];

(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.

((Inserted by the Companies (Appointment and Qualification of Directors) fourth Amendment Rules, 2018 vide Notification No. G.S.R. 615(E) dated 5th July, 2018, w.e.f. 10.07.2018.))[**12A Directors KYC:- Every individual** ((Substituted by the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2019 vide Notification No. G.S.R. 528(E) dated 25th July, 2019, w.e.f. 25.07.2019, for the words "*who has been allotted*".))][**who holds**] a Director Identification Number (DIN) as on 31st March of a financial year as per these rules shall, ((Substituted by the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2019 vide Notification No.



G.S.R. 528(E) dated 25th July, 2019, w.e.f. 25.07.2019, for the words

*"submit **e-form DIR-3-KYC** to the Central Government \*[on or before 30th June of immediate next financial year]"*

\*Substituted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2019 vide Notification No. G.S.R. 339(E) dated 30th April, 2019, w.e.f. 30.04.2019, for the words "*on or before 30th April of immediate next financial year*".))[submit **e-form DIR-3-KYC** for the said financial year to the Central Government on or before 30th September of immediate next financial year].

Provided that every individual who has already been allotted a Director Identification Number (DIN) as at 31st March, 2018, shall submit **e-form** ((Substituted by the Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2018 vide Notification No. G.S.R. 798 (E) dated 21st August, 2018, w.e.f. 21.08.2018, for the words "**DIR-3 KYC on or before 31st August, 2018**".))[**DIR-3 KYC on or** ((Substituted by the Companies (Appointment and Qualification of Directors) Sixth Amendment Rules, 2018 vide Notification No. G.S.R. 904(E) dated 20th September, 2018, w.e.f. 20.09.2018, for the words "*before 15th September, 2018*".))[**before 5th October, 2018**]].]

((Inserted by the Companies (Appointment and Qualification of Directors) Third Amendment Rules, 2019 vide Notification No. G.S.R. 528(E) dated 25th July, 2019, w.e.f. 25.07.2019.))[**Provided further** that where an individual who has already submitted **e-form DIR-3 KYC** in relation to any previous financial year, submits **web-form DIR-3 KYC-WEB** through the web service in relation to any subsequent financial year it shall be deemed to be compliance of the provisions of this rule for the said financial year:

Provided also that in case an individual desires to update his personal mobile number or the e-mail address, as the case may be, he shall update the same by submitting **e-form DIR-3 KYC** only:

Provided also that fee for filing **e-form DIR-3 KYC** or **web-form DIR-3 KYC-WEB** through the web service, as the case may be, shall be payable as provided in Companies (Registration Offices and Fees) Rules, 2014.]

((Inserted by d the Companies (Appointment and Qualification of Directors) Fourth Amendment Rules, 2019 vide Notification No. G.S.R. 750(E) dated 30th September, 2019, w.e.f. 30.09.2019.))[**Note:** For the financial year ending on 31st March, 2019, the individual shall submit **e-form DIR-3 KYC** or **web form DIR-3 KYC-WEB**, as the case may be, on or before the 14th October, 2019.]

((Inserted by the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2019 vide Notification No. G.S.R. 368(E) dated 16th May, 2019, w.e.f. 16.05.2019.))[**12B. Directors of company required to file e-form ACTIVE.**- (1) Where a company governed by Rule 25A of the Companies (Incorporation) Rules, 2014, fails to file the **e-form ACTIVE** within the period specified therein, the Director Identification Number (DIN) allotted to its existing directors, shall be marked as "Director of ACTIVE non-compliant company".

(2) Where the DIN of a director has been marked as "Director of ACTIVE non-compliant company", such director shall take all necessary steps to ensure that all companies governed by rule 25A of the Companies (Incorporation) Rules, 2014, where such director has been so appointed, file **e-form ACTIVE**.

(3) After all the companies referred to in sub-rule (2) file the **e-form ACTIVE**, the DIN of such director shall be marked as "Director of ACTIVE compliant company".]

**13. Notice of candidature of a person for directorship.**- The company shall, at least seven days before the general meeting, inform its members of the candidature of a person for the office of a director or the intention of a member to propose such person as a candidate for that office-

(1) by serving individual notices, on the members through electronic mode to such members who have provided their email addresses to the company for communication purposes, and in writing to all other members; and

(2) by placing notice of such candidature or intention on the website of the company, if any:

Provided that it shall not be necessary for the company to save individual notices upon the members as aforesaid, if the company advertises such candidature or intention, not less than seven days before the meeting at least once in a vernacular newspaper in the principal vernacular language of the district in which the registered office of the company is situated, and circulating in that district, and at least once in English language in an English newspaper circulating in that district.

#### **14. Disqualification of directors under sub-section (2) of section 164.-**

(1) Every director shall inform to the company concerned about his disqualification under ((Inserted by the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2023 vide Notification No. G.S.R. 38(E) dated 20th January, 2023, w.e.f. 23.01.2023.))[sub-section (1) or] sub-section (2) of [section 164](#), if any, in **Form DIR-8** before he is appointed or re-appointed.

((Inserted by the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2023 vide Notification No. G.S.R. 38(E) dated 20th January, 2023, w.e.f. 23.01.2023.))[(1A) Whenever a company receives the information in Form DIR-8, company shall, within thirty days of such receipt, file **Form DIR-9** with the Registrar.]

(2) Whenever a company fails to file the financial statements or annual returns, or fails to repay any deposit, interest, dividend, or fails to redeem its debentures, as specified in sub-section (2) of [section 164](#), the company shall Immediately file **Form DIR-9**, to the Registrar furnishing therein the names and addresses of all the directors of the company during the relevant financial years.

(3) When a company fails to file the **Form DIR-9** within a period of thirty days of the failure that would attract the disqualification under sub-section (2) of [section 164](#), officers of the company specified in clause (60) of [section 2](#) of the Act shall be the officers in default.

(4) Upon receipt of the **Form DIR-9** under sub-rule (2), the Registrar shall immediately register the document and place it in the document file for public inspection.

(5) Any application for removal of disqualification of directors shall be made in **Form DIR-10** ((Inserted by the Companies (Appointment and Qualification of Directors) (Amendment) Rules, 2023 vide Notification No. G.S.R. 38(E) dated 20th January, 2023, w.e.f. 23.01.2023.))[and filed before the Regional Director].

**15. Notice of resignation of director**- The company shall within thirty days from the date of receipt of notice of resignation from a director, intimate the Registrar in **Form DIR-12** and post the

information on its website, if any.

**16. Copy of resignation of director to be forwarded by him.**- Where a director resigns from his office, he ((Substituted by the Companies (Appointment and Qualification of Directors) Second Amendment Rules, 2018 vide Notification No. G.S.R. 431(E) dated 7th May, 2018, w.e.f. 07.05.2018, for the word "shall".))[may] within a period of thirty days from the date of resignation, forward to the Registrar a copy of his resignation along with reasons for the resignation in **Form DIR-11** along with the fee as provided in the Companies (Registration Offices and Fees) 2014.

((Inserted by the Companies (Appointment and Qualification of Directors) Amendment Rules, 2015 vide Notification No. G.S.R. 42(E) dated 19th January, 2015, w.e.f. 19.01.2015.))[Provided that in case a company has already filed **Form DIR-12** with the Registrar under rule 15, a foreign director of such company resigning from his office may authorise in writing a practising chartered accountant or cost accountant in practice or company secretary in practice or any other resident director of the company to sign **Form DIR-11** and file the same on his behalf intimating the reasons for the resignation.]

**17. Register of directors and key managerial personnel.**- (1) Every company shall keep at its registered office a register of its directors and key managerial personnel containing the following particulars, namely:-

- (a) Director Identification Number (optional for key managerial personnel);
- (b) present name and surname in full;
- (c) any former name or surname in full;
- (d) father's name, mother's name and spouse's name(if married) and surnames in full;
- (e) date of birth;
- (f) residential address (present as well as permanent);
- (g) nationality (including the nationality of origin, if different);
- (h) occupation;
- (i) date of the board resolution in which the appointment was made;
- (j) date of appointment and reappointment in the company;
- (k) date of cessation of office and reasons therefor;
- (l) office of director or key managerial personnel held or relinquished in any other body corporate;
- (m) membership number of the Institute of Company Secretaries of India in case of Company Secretary, if applicable; and
- (n) Permanent Account Number (mandatory for key managerial personnel if not having DIN);

(2) In addition to the details of the directors or key managerial personnel, the company shall also include in the aforesaid Register the details of securities held by them in the company, its holding company, subsidiaries, subsidiaries of the company's holding company and associate companies relating to-

- (a) the number, description and nominal value of securities;
- (b) the date of acquisition and the price or other consideration paid;
- (c) date of disposal and price and other consideration received;
- (d) cumulative balance and number of securities held after each transaction;
- (e) mode of acquisition of securities;
- (f) mode of holding — physical or in dematerialized form; and
- (g) whether securities have been pledged or any encumbrance has been created on the securities.

**18. Return containing the particulars of directors and the key managerial personnel-** A return containing the particulars of appointment of director or key managerial personnel and changes therein, shall be filed with the Registrar in **Form DIR-12** along with such fee as may be provided in the Companies (Registration Offices and Fees) Rules, 2014 within thirty days of such appointment or change, as the case may be.

[F. No. 1/22/2013-CL-V]  
RENUKA KUMAR, Jt. Secy.

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