

DECODING FORM DIR-3 KYC

**Don't Lose
Your
Directorship!**

**Ensure your KYC is Completed by
August 31, 2018 to avoid
Disqualification**



A. INTRODUCTION

Ministry of Corporate Affairs (MCA) vide Notification dated 5th July, 2018 has amended Companies (Appointment and Qualification of Directors) Rules, 2014 by inserting Rule 12A and made Directors KYC mandatory which is effective from 10th July 2018.

Directors KYC will be made by filing e- Form DIR-3 KYC, which is one step forward towards MCA's effort to systematically weed out fake Companies and its Directors.

In India approx. 50Lac individuals have been allotted Directors Identification Number (DIN) and all of them (***including Disqualified Directors***) are required to file e-Form DIR 3 KYC by 31st August, 2018 without any fees and after 31st August 2018 the same can be filed with a fee of Rs.5000/-.

(MCA website is showing additional precaution by mentioning that after 31st August 2018 e-Form DIR 3 KYC may be filed with fees as may be prescribed and without prejudice to any other action that may be taken, which is not mentioned in the Notification dated 5th July 2018)
e-Form DIR-3 KYC will be made available on website of MCA with effect from July 14, 2018.

Amita Desai & Co. Company Secretaries

B. DUE DATE OF FILING :

According to the aforesaid Notification, every individual who has been allotted Director Identification Number ("DIN):

- (i) **as at 31st March 2018** is required to submit Form DIR-3 KYC **on or before 31st August, 2018** and ;
- (ii) as on 31st March of a financial year **after 31st March , 2018**, is required to submit e-Form DIR-3 KYC **on or before 30th April** of immediate next financial year.

C. CERTIFICATION BY PROFESSIONAL

e-Form DIR 3 KYC is required to be signed digitally by the applicant director and the same is required to be certified and verified by practicing Chartered Accountant or Company Secretary or Cost and Management Accountant. Professional is required to declare that he has been duly engaged for the purpose of certification/verification of the form and he is certifying the followings:

- (a) That he has satisfied himself about the identity of the applicant and his address based on the perusal of the original of the attached document and in case, where the applicant is residing outside India the particulars have to be verified from the documents duly attested by the attesting authority as prescribed.
- (b) That he has verified and attested the documents of the applicant based on the Originals documents produced before me.
- (c) That he has gone through the provisions of the Companies Act, 2013 and rules made thereunder for the subject matter of this form and matters incidental thereto and he has verified the particulars mentioned in the form (including attachment(s)) from the original records maintained by the Company/applicant which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed.
- (d) **That Mobile Number and Email ID of the applicant belong to the applicant who is signing the form.**
- (e) That all the required attachments have been completely and legibly attached to this form;
- (f) **That he has kept a copy of this form and attachments thereto, in his records for further reference.**
- (g) That he is understood that he shall be liable for action under section 448 of the Companies Act, 2013 for wrong certifications, if any found at any stage.

D. DEACTIVATION AND RE-ACTIVATION

In case of non-filing of e-Form DIR-3 KYC by any individual as per dates mentioned above , his/ her DIN will be **De-activated** by the Central Government or Regional Director (Northern Region) or any officer authorised by the Central Government for this purpose.

The de-activated DIN shall be re-activated only after e-form DIR-3 KYC is filed with additional fees.

E.MANDATORY INFORMATION/ DETAILS FOR FILING FORM DIR-3 KYC

1. Director Identification Number (DIN)
2. Full Name of the Director
3. Fathers Name of the Director Other
4. Whether a citizen of India or not
5. Nationality
6. Whether resident in India or not
7. PAN
8. Date of Birth
9. Gender
10. Aadhar Card Number
11. Passport Number (Mandatory in case of Foreign National)
12. **Personal Mobile and Personal Email Id of the Director**
13. Permanent Residential address&Present Residential address

F.MANDATORY ATTACHMENTS TO E-FORM DIR -3 KYC

Proof of Identity and Proof of Address of individual

G.PRECAUTION FOR ANY PROFESSIONAL BEFORE CERTIFICATION OF E-FORM DIR 3 KYC

A word of caution to professional before he certifies e-Form DIR-3 KYC :

- To obtain Engagement Letter from the applicant confirming his engagement for the purpose ;
- To obtain declaration from applicant confirming (a) his Mobile Number with a copy of mobile bill , (b) Email- ID belongs to him only and (c) he is qualified or disqualified to be Director by MCA ;
- To verify / attest all documents after review of Originals only and
- To keep a copy of e-Form DIR 3 KYC with all attachments attached thereto for his record.

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H. FILING OF E-FORM DIR KYC WITH OWN DIGITAL SIGNATURE:

Since every individual is required to file e-Form DIR-3 KYC with his / her own Digital Signature (DSC), he/ she need to have DSC , for which following documents and details are required to obtain DSC.

Sr. No	Documents required for getting Digital Signature Certificate
1	Photograph in JPEG format
2	Self certified Proof of identity : (Any one of the following) (i) PAN Card (Mandatory for Indian National) (ii) Passport (Mandatory for foreign National) (iii) Voter Identity Card (iv) Driving License (v) Passport (vi) Aadhar Card
3	Self certified Proof of residence (Any one of the following): (i) Voter Identity Card (For Resident Only) (ii) Driving License (iii) Passport (iv) Aadhar Card (For Resident Only) (v) Electricity Bill not older than 1 month (vi) Telephone Bill not older than 1 month (vii)Utility Bill for Gas or Water not older than 1 month
4	Email ID for video verification
5	Mobile number for verification (in case Foreign Director - Indian Mobile number for verification)
Note:	If Director is residing outside India: Supporting documents should be apostilled/ attested by the Consulate of the Indian Embassy or Foreign Notary Public .

OUR VIEWS

Originally vide the Companies Amendment Act, 2006 dated 29th May 2006, provisions for DIN was mandated by inserting Section 266 A to 266 G and e-Form DIN -1 was prescribed . PAN was not mandatory to fill while applying for DIN.

Later MCA vide Circular No. 11 of 2011 dated 7th April, 2011 had mandated that all existing DIN holders who have not furnished their PAN earlier at the time of obtaining DIN were required to furnish their PAN by filing e-Form DIN -4 by 31st May, 2011 failing which their DIN will be disabled and they shall also be liable for heavy penalty. The last date was further extended vide various Circular No. 32 of 2011 dated 31st May, 2011, Circular No. 66 of 2011 dated 4th October 2011 , Circular No. 70 of 2011 dated 15th December, 2011 and Circular No.4 of 2012 dated 09th March , 2012.

Off : 1005, Solaris Hubtown, Andheri East End of Andheri Flyover, Andheri East, Mumbai-400 069

Tel : 91 22 26845919/20/21 Cell 09820177691

Website : www.amitadesai.com email : info@amitadesai.com

Amita Desai & Co. Company Secretaries

With this backdrop of updating the data based of all Individuals who are having DIN to uodate with PAN details, the MCA has commenced this massive drive of KYC of all DIN holders to clean the Corporate sector from shell companies and bogus directors. MCA has put onus on professionals to ensure that the DIN holders credentials are verified.

Further MCA has also mandated that while filing e-Form DIR-3 KYC the applicant need to use PAN based DSC in case of Indian Nationals i.e., DSC should contain PAN as specified in the form and in respect of Foreign Nationals, applicant's name in DSC would be matched with his/her name entered while filing the e-Form DIR-3 KYC. In case the PAN /Name in DSC does not match with PAN/Name entered in the form, the applicant is required to get a DSC with PAN/Name as specified in the form. While filing the e-Form DIR 3 KYC, the Unique Personal **Mobile Number and Personal Email ID** is required to be mandatorily mentioned and would be duly verified by **One Time Password (OTP)** so that the applicant is aware about his DIN .

With digitization, MCA is striving to clean the corporate sector from non-compliant, negligent and errant individuals from the management of business.

Disclaimer

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Amita Desai & Co. Company Secretaries

Mumbai Off :

1005, Hubtown Solaris
Off Western Express Highway
East End of Andheri Flyover, Mumbai

Landline: + 91-22-2684-5920/21
Fax: + 91-22-6678-7499
Mobile : + 91-982-017-7691

Off : 1005, Solaris Hubtown, Andheri East End of Andheri Flyover, Andheri East, Mumbai-400 069

Tel : 91 22 26845919/20/21 Cell 09820177691

Website : www.amitadesai.com email : info@amitadesai.com