



# THE INSTITUTE OF Company Secretaries of India

## भारतीय कम्पनी सचिव संस्थान

IN PURSUIT OF PROFESSIONAL EXCELLENCE

Statutory body under an Act of Parliament

(Under the jurisdiction of Ministry of Corporate Affairs)

CL: MCA: 2023

Shri Manoj Govil, IAS  
Secretary  
Ministry of Corporate Affairs  
Government of India  
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New Delhi -110001

Ministry of Corporate Affairs

Dy. No. 1935 /R & /MCA

Date

25/8/2023

August 24, 2023

**Subject: Filing of resignation by KMPs under the Companies Act, 2013**  
**Ref: ICSI Letter dated March 23, 2017 and October 12, 2018**

Dear Sir,

As you are kindly aware, the Companies Act, 2013 and the rules framed thereunder have provided for dedicated forms for the directors declaring their appointment and resignation. The Key Managerial Personnel have come to play as much an equivalent role in the overall functioning of the companies and are considered to be responsible for the overall decision making in the corporates.

### Companies (Appointment and qualifications of Directors) Rules, 2014

*Rule 16: Where a director resigns from his office, he 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) Rules, 2014.*

*Rule 18: 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.*

Although, rule 18 provides for filing of return in case of change in particulars of appointment of both director and KMP, however, it has been noticed that the same is not being done at the time of resignation by a KMP (Company Secretaries in particular). Even though, both Directors and KMPs are employees of the company as per the contract of employment; rule 16 provides the facility to forward copy of resignation in Form DIR-11 to directors only.

The same is posing challenges both to the individuals especially Company Secretaries in their capacities as KMPs, at the time of resignation and future appointments as well as posing as a governance issue hindering better compliance and regulation.

*Manoj Govil*

#### Vision

"To be a global leader in promoting good corporate governance"

#### Motto

सत्यं वद। धर्मं चर। इष्टं कुरु। तृप्तो भवेत्। ह्यु त्वां कुरु।

#### Mission

"To develop high calibre professionals facilitating good corporate governance"



### Submission

In view of the above it is submitted that Rule 18 of the Companies (Appointment and Qualification of Directors) Rules, 2014 may be revised as follows:

#### Rule 16 Copy of resignation of director to be forwarded by him

*“Where a director or Key Managerial Personnel resigns from his office, he 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) Rules, 2014.”*

Such requirement would help in strengthening the governance framework and provide the Company Secretaries with an opportunity to make good compliances pertaining to their resignation.

We shall be pleased to provide any further information or clarification in this regard on hearing from your goodself.

Thanking You,

Yours faithfully,

(CS Manish Gupta)

President

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