

Conversion of a Private Limited Company into a Public Limited Company

Related Provisions

<u>Provisions</u>	<u>Particulars</u>
<u>Section 21</u>	Change of name by company
<u>Section 23</u>	Registration of change of name and effect thereof
<u>Section 31</u>	Alteration of Articles by special resolution
<u>Section 39</u>	Copies of Memorandum and Articles, etc., to be given to members
<u>Section 44</u>	Prospectus or statement in lieu of prospectus to be filed by private company on ceasing to be private company
<u>Section 266</u>	Restrictions on appointment or advertisement of director

Procedure

1. Convene a board meeting and decide the time, date, place and agenda for the general meeting to approve the draft notice of the general meeting to alter the Articles of Association and change the Objects clause as well in the Memorandum of Association along with the Articles of Association and consequently the name by passing a special resolution.
2. Send 21 days clear notice of the general meeting in writing to all the eligible members of the company, attach along with the notice suitable explanatory statement for the proposed special resolutions.
3. Take a decision in the aforesaid board meeting with regard to increasing the paid up capital of the company to Rs. 5 lakhs if the existing capital is less than Rs. 5 lakhs or such higher amount as may be prescribed. Such increase is not required if the existing private limited company is registered under Section 25 of the Act.
4. In the general meeting pass a special resolution for deletion of the restrictive conditions of section 3(1)(iii) from its articles and for deletion of the word 'Private' from the name of the company.
5. File minutes of the meeting in the minutes book within 30 days of the conclusion of the meeting.
6. File **Form No. 23 within 30 days** of passing a special resolution with the Registrar of Companies with requisite fees prescribed under Schedule X of the Act.

7. File **within 30 days** of passing of the above special resolution , the prospectus in the form as per **Schedule II** or the statement in lieu of prospectus in the form as per **Schedule IV** , with the Registrar, alongwith the filing fee.
8. Make an application to the Registrar of Companies for issue of a fresh certificate of incorporation with the changed name.
9. Appropriate alterations will be made by the Registrar in the Memorandum of Association of the company immediately after issuing of fresh certificate of incorporation.
11. Increase the number of directors from 2 to 3 and number of members to 7 in case the number of directors is less than 3 and members is less than 7.
12. Amend the Articles of Association in relation to quorum for general meeting, period of notice required for general meetings, and mode of appointment/retirement by rotation of the director, etc. bypassing a special resolution. File a copy of the amended Articles with the Registrar of Companies.
13. It is not required to obtain certificate of commencement of business in case of conversion of private company into public.
14. Hold a statutory meeting if the conversion is within 6 months of the incorporation of the company and comply with all the provisions with regard to holding of statutory meeting.
15. No consent is required to be obtained from the existing directors to act as such after conversion, such consent is however is required for the subsequent appointment(s).
16. The change of name on conversion will not affect any rights or obligations of the company and any legal proceedings by or against the company which was commenced in its former name, can be continued under its new name.

Documentation

1. Application to the Registrar of Companies for issue of fresh certificate of incorporation.
2. Board Resolution for conversion of the company into a public company.
3. Special Resolution for conversion of the company into a public company.
4. FORM 23 regarding Registration of resolution(s) and agreement(s)