

Conversion of a Public Limited Company to a Private Limited Company

Related Provisions

<u>Provisions</u>	<u>Particulars</u>
<u>Section 23</u>	Registration of change of name and effect thereof
<u>Section 31</u>	Alteration of Articles by special resolution

Procedure

1. Convene a board meeting to 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 subject to the approval of the concerned Registrar of Companies 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, along with the notice attach suitable explanatory statement for the proposed special resolutions.
3. In case of a listed company, send three copies of notice of the general meeting to stock exchange. [Clause 31 (c) of the Listing Agreement].
4. In the general meeting convened pass a special resolution for altering the Articles of Association for such conversion, subject to the approval of Registrar of Companies and also to incorporate essential characteristics of a private company.
5. File minutes of the meeting in the minutes book within *30 days* of the conclusion of the meeting.
6. In case of a listed company, send a copy of the proceedings of the general meeting to the stock exchange. [Clause 31 (d) of listing Agreement]
7. File **Form No. 23** of Companies General Rules and Forms along with a copy of special resolution with the Registrar, within *30 days* of passing of the resolution after paying requisite fees.
8. Note that if default is made in complying with the aforesaid requirement of filing, the company and every officer of the company who is in default shall be punishable with

fine of Rs. 200/- *per day* during which the default continues. The said offense is also compoundable by the Central Government under Section 621-A of the Act.

9. Within *3 months* of passing special resolution for such conversion, make an application to the Registrar of Companies in **Form No. 1B** of Companies General Rules and Forms. [Rule 4B of the said Rules]
10. The conversion of the company from public to private will be approved by the Registrar of Companies on being satisfied and the conversion will become effective from that date.
11. File printed copy of the Articles, as altered within *one month* of the date of receipt of the order of approval along with the filing fee with the Registrar of Companies. [Section 31(2A)]
12. Make an application to the Registrar of Companies for issue of a fresh certificate of incorporation in the changed name.
13. Make necessary changes in the Memorandum and Articles, letterheads, records, documents and registers of the company. Adopt a new common seal in the next board meeting.
14. In case of a listed company, send six copies (one of which will be certified copy) of the amendment made in the articles as soon as they have been adopted by the company in the general meeting. [Clause 33 of Listing Agreement]
15. The change of name on conversion shall 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 conversion of Public Company to Private Company.
2. Application to Registrar of Companies for issue of fresh Certificate of Incorporation.
3. Board Resolution for conversion of the company into a private company.
4. Special Resolution for conversion of the company into a private company.
5. FORM 23 regarding Registration of resolution(s) and agreement(s).
6. FORM 1B regarding Application for approval of the Central Government for change of name or conversion of a public company into a private company.

