

Conversion of Private Company into Public Company being a subsidiary of a Public Company by virtue of Companies (Amendment) Act, 2000.

Related provisions

<u>Provisions</u>	<u>Particulars</u>
Section 3	Definitions of “company”, “existing company”, “private company” and “public company”

Procedure

1. Convene a board meeting and consider the following items :
 - (i) Amend the Articles of Association of the company and delete the restrictive clauses prescribed under section 3 (1) (iii) of the Act and increase the minimum number of directors from 2 to 3.
 - (ii) Increase the paid-up share capital to at least rupees five lacs.
 - (iii) Change the company name by deleting the term 'private' from its name and approve draft notice of the general meeting.
2. Send *21 days* clear notice of the general meeting in writing to all the eligible members of the Company, alongwith the notice, attach suitable explanatory statement for the proposed special resolutions.
3. Consider the following items at the general meeting :
 - (i) Passing of a special resolution for alteration in the Articles of Association.
 - (ii) Change of name of the company by deleting the word 'Private'
 - (iii) Issuance of shares under section 81(1A) of the Companies Act for increasing the paid-up share capital.
4. File **Form No. 23** *within 30 days* of passing a special resolution with the Registrar of Companies alongwith requisite fees prescribed under Schedule X of the Act.
5. Convene a board meeting and allot shares. Make the allotment of shares in such a manner so that the number of members increases from 2 to 7.

6. File a Return of allotment with the concerned Registrar of Companies in **Form No. 2** of Companies general Rules and Forms *within 30 days* of the date of allotment by the Board.
7. Submit Certificate of Incorporation to the Registrar of Companies for deletion of the word 'private' from its name.
8. Increase the number of directors of the company from 2 to 3, either by appointing an additional director under section 260 of the Act or by appointing a director at a general meeting by following the procedure under section 257 of the Act.
9. Also increase the no. of its members from 2 to 7.
10. Make necessary changes in all copies of the Articles of Association of the company.

Documentation

1. Application to Registrar of Companies for issue of fresh Certificate of Incorporation.
2. Board Resolution for conversion of the company into a Public Company being a subsidiary of a Public Company.
3. Special Resolution for conversion of the company into a Public Company being a subsidiary of a Public Company.
4. FORM 23 regarding Registration of resolution(s) and agreement(s).
5. FORM 2 regarding Return of Allotment.