CONVERSION OF SECTION 8 COMPANY INTO A COMPANY OF ANY OTHER KIND

- A company registered under **Section 8** i.e. companies with charitable objects may convert itself into company of any other kind only after complying with such conditions as may be prescribed under Companies Act, 2013.
- For conversion of Section 8 company into any other type of company, company need to pass **Special Resolution** in the **General meeting**.
- **Within 30 days** of passing special resolution company need to file **MGT – 14** with RoC along with the prescribed fees.
- Company need to file an application with **Regional Director (RD)** in **Form INC – 18** along with:
  a) Copy of Special Resolution.
  b) Notice of General Meeting.
  c) Explanatory Statement.
- The copy of application made to RD in Form INC – 18 shall also be forwarded to **Concerned/ Regulatory Authority** having jurisdiction over the company.
- Such Concerned/ Regulatory Authority shall have a right to submit their representation to the RD **within 60 days** of receipt of application after giving opportunity to the company.
- The copy of application made to RD in Form INC – 18 is also required to be filed with RoC.
- The company shall within **a week** of making application to RD shall **publish** a **Notice at its own expenses** in one English and one vernacular language **newspapers** where registered office of the company is situated.
- Such notice shall also be posted in **website** of the company.
- The copy of such newspaper publication is required to be filed with RD in **Form INC – 19**.
- Company need to ensure that all **Financial Statements and Annual Returns** has been duly filed.
- In the event the application is made after the expiry of **3 months** from the date of preceding financial year to which the financial statement has been filed, a statement of the financial position duly **certified by CA** made up to a date not **preceding 30 days** of filing the application shall be attached.
- Where the Section 8 company has got any special **status/approval**, then **NOC** need to be obtained from such authority who has given such status.

- The **Board of Directors** of the company need to provide a **declaration** that no profit of the company has been distributed amongst the members of the company in the form of Bonus share or Dividend.
- The company is also required to provide a **certificate** issued by **practising professionals CA/CS/CWA** confirming that all the conditions specified under the Act for conversion has been duly complied and such certificate need to be attached with Form INC – 18.
- On receipt of application and if RD deems fit, RD shall issue an **approval letter** and pursuant to that all the **concession/benefits** enjoyed or availed by such Section 8 company stands to be **lapsed**.
- On receipt of approval from RD, company shall pass **Special Resolution** in general meeting for making **alteration in MoA/AoA** .
- Company shall file approval letter of RD along with the copy of such altered MoA/AoA and declaration from Directors, if any in **Form INC – 20** with RoC within 30 days of receipt of approval letter from RD.
- On receipt of Form INC – 20, RoC will issue a **certificate of Incorporation** which shall be a conclusive evidence that the company has been converted.

Thanks and Regards

PARASH
parash415@gmail.com