

CHANGE IN NAME OF THE COMPANY

A company's name is considered as identity of the company (Public or Private), which may be changed with the approval of members in the general meeting. According to section 21 of the Companies Act, 1956, a special resolution is required to be passed at the general meeting along with the approval of the Central Government (Powers have been delegated to the Registrar of Companies).

Steps involved for change in the name of a company

Please find below the procedure for altering name clause of Memorandum and Articles of Association of the company:

Board meeting for deciding the agenda for change in name

The Board of directors of a company should first consider the need and reason for changing name of the company. Change of name for an existing company may be due to:

- (a) the new name is corresponding to a new business which it has proposed to undertake;
- (b) a company, which has been carrying on its business for a long time and has established a standing in the market, may decide to shorten its name and may like to be known by its abbreviated name as for example "LIC Ltd." in place of Life Insurance Corporation of India Ltd., etc.

Seeking name availability for proposed new name from the ROC

An application in e-Form 1A is required to be made along with necessary filing fee of Rs. 500 to the ROC for getting confirmation regarding availability of the proposed new name. The Registrar shall intimate the applicants about the status of availability of name.

Approval of members in general meeting

After getting name availability confirmation from the ROC, the Board shall convene a general meeting of members for the purpose of getting member's approval through passing special resolution u/s 21. The resolution so passed shall be subject to approval of the Central Government. (powers have been delegated to the Registrar of Companies).

As change of name of company involves amendment in Memorandum (MOA) and Articles of Association (AOA) etc., so special resolutions also required to be passed for alteration of MOA and AOA.

Registration of Special Resolution with ROC through form-23 (Section-192)

As desired by section 192 (4)(a) Company shall also file certified copy of the special resolution along with explanatory statement with ROC **through form-23 within 30 days of general meeting.**

Filing of form-1B with ROC u/s 21

In accordance with section 21 an application in form 1B is to be made to the ROC **(Powers delegated to the ROC by Central Government)** for approval of change of name of the company along with requisite fee.

Some important points to be observed for quick ROC approval are:

- (a) company should furnish sufficient reasons for change in name;
- (b) proposed name should not be undesirable as per the Govt. guidelines;
- (c) for the application of abbreviated name, the company is well established and has a reputation in the market. On being satisfied the Registrar shall accord his approval for the change in name and shall issue a certificate of such effect.

Continuation of all legal proceedings by or against the company with the new name

As per section 23 change of name in the company **shall not affect any rights or obligations of the company.** Any legal proceedings, which might have commenced in the former name, shall be continued with the new name.

Change of name by Non-Banking Financial Company for name change

As per RBI guidelines, the NBF Companies are **required to collect approval of RBI for change in their names.** Therefore, the ROC shall require the "No Objection Letter" from the RBI before confirming name availability.

Such companies are required to submit an application to the RBI at their Regional Office, where the registered office of the company is situated. Annexure to be filed with application are:

1. Reason for change in name
2. Copy of the Board resolution
3. Auditors' certificate for non-acceptance of public deposit
4. Future business plans of the company.

After collecting "No Objection Letter" from the RBI, the same is required to be submitted to the ROC, in order to allow ROC to decide availability of name.

Rectification of name of an existing company (Section-22)

In case if the name of a company on its registration or on registration with changed name, it has come to the knowledge of the company or if in the opinion of the Central Government the name of the company is identical or closely resembles the name of a company which is already in existence, such company on the knowledge of the facts itself or by the Central Government, may be asked by the Central Government to change the name within 12 months of incorporation or change in the name of the company as the case may be.

Procedure for rectification of name is as follows:—

- (a) Apply to the ROC in Form 1A for name availability along with fee of Rs. 500;
- (b) Hold a board meeting and collect the approval of board by passing a board resolution to change the name.
- (c) Also fix the date and time for a general meeting and adopt the notice to be sent to the members.
- (d) after getting the member's approval through an ordinary resolution, apply to the Regional Director in **e-Form 24A**, (to whom power is delegated under section 22), for obtaining approval for the change in name.
- (e) After receiving the approval from the Regional Director, apply to the Registrar for issuance of a fresh certificate of incorporation.

1. Specimens of Special Resolutions for change in the name of the company

“RESOLVED THAT pursuant to the provisions of section 21 and other applicable provisions of the Companies Act, 1956 if any, and subject to the availability of name and the approval of the Registrar of Companies the name of the company be changed from **ABC PRIVATE LIMITED** to **XYZ PRIVATE LIMITED** and the Name of ABC Private Limited, wherever it appears in the Memorandum, Articles, documents, etc. be substituted by the new name 'XYZ Private Limited' in due course.”

2. Specimen of special resolution for amendment in Clause No. I of MOA regarding change in name.

“RESOLVED THAT Clause I of the Memorandum of Association of the Company be substituted by the following:

'The Name of the company is **XYZ PRIVATE LIMITED**'

3. Specimen of special resolution for amendment in Clause No. ____ of AOA regarding change in name

RESOLVED THAT Clause _____ of the Articles of Association of the company be substituted by the following:

"The Company" means **XYZ PRIVATE LIMITED**

4. Specimen of General Meeting Resolution for rectification of name of the Company u/s 22

"RESOLVED THAT pursuant to the directions of the Central Government (powers delegated to the Regional Director) and in accordance with section 22 of the Companies Act, 1956, the name of the Company be and is hereby changed from LIMITED to LIMITED and that consequential amendment be made to the Memorandum of Articles of Association of the company.

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