



PROCEDURE FOR CONVERSION OF PRIVATE
LIMITED COMPANY TO PUBLIC LIMITED
COMPANY



BACKGROUND

The purpose of this presentation is to highlight the brief procedure for conversion of Private Limited Company to Public Limited Company as per the relevant sections of Companies Act, 2013, rules made thereunder and other statutory laws.



BACKGROUND

In the event where a Company which is incorporated as a Private Limited Company is desirous of converting into a Public Limited Company, thereby bringing significant changes in its strength of Members, Directors and simultaneously permitting raising of funds from public.

Thus in such scenarios there is a provision under the Companies Act, 2013 to undertake such conversions.

Pre-requisites for filing an application for conversion from Private to Public Company

Minimum Limit of Shareholders

Since there is a minimum requirement of at least 7 shareholders in a Public Limited Company, therefore post conversion, it is mandatory to ensure that minimum strength of 7 Shareholders is maintained in the Company.

Strength of Board of Directors

Since there is a minimum requirement of at least 3 Directors in a Public Limited Company, therefore post conversion, it is mandatory to ensure that minimum 3 Board of Directors are appointed in the Company.





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PRIVATE LIMITED COMPANY TO
PUBLIC LIMITED COMPANY

Steps for Conversion

Step 1

The first step is to hold Meeting of Board of Directors (“BOD”) of the Company for the aforesaid purposes:

- a) to consider reason for conversion and suitable alterations in the Memorandum of Association (“MOA”) and Articles of Associations (“AOA”) of the Company reflecting the changes arising due to conversion;*
- b) to consider convening of General Meeting of Shareholders of the Company for according their consent to the said conversion;*

Step 2

Next step is to hold General Meeting of Shareholders of the Company for according their consent to the said conversion along with the necessary alterations in the MOA and AOA reflecting changes arising from the said conversion by means of passing special resolution.

Step 3

Post the General Meeting, Company shall file the Application for conversion with Registrar of Companies (“ROC”) in the prescribed e form within 15 days from the passing of special resolution in the General Meeting.

Step 4

Further Company shall also file another prescribed e-form with Registrar of Companies (“ROC”) within 30 days of the passing of aforesaid special resolution.



Steps for Conversion

Step 5

On the receipt and scrutiny of Application, ROC shall close the former registration and issue fresh certificate of incorporation thereby evidencing the conversion from Private Limited Company to Public Limited Company.

Step 6

Post conversion Company shall apply for conversion in the database of all tax authorities i.e. PAN/TAN, and any other registrations and all its official documents are required to be altered / updated accordingly. Further undertake necessary updation of bank records.



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