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## **Newsletter for August, 2015** **By Amita Desai & Co.**



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## MCA UPDATES:

### **A. Companies (Management and Administration) Amendment Rules, 2015**

- The MCA vide its Notification dated on 28th August, 2015 issued the Companies (Management and Administration) Amendment Rules, 2015 incorporating amendment in Companies (Management and Administration) Rules, 2014.
- The Ministry issued the following amendments in the Companies (Management and Administration) Rules, 2014
- **In Rule 23 Sub rule (1)**

A special notice required to be given to the Company shall be signed, either individually or collectively by such number of members holding not less than one percent of total voting power or holding shares on which an aggregate sum of **not more than five lakh rupees** has been paid up on the date of the notice

As per the amendment the words for the words "**not more than five lakh rupees**", shall be substituted with the words "**not less than five lakh rupees**" shall be substituted.

- Also MCA introduced a revised format for MGT – 7 (Annual Return).
- The Link of the Notification is as follows:  
[http://www.mca.gov.in/Ministry/pdf/Amendment\\_Rules\\_31082015.pdf](http://www.mca.gov.in/Ministry/pdf/Amendment_Rules_31082015.pdf)



## **RBI UPDATES:**

### **A. Section 23 of the Banking Regulation Act, 1949 - Relaxations in Branch Authorisation Policy**

- The Reserve Bank of India (RBI) vide Circular No.148 dated August 6, 2015 issued circular in reference to Section 23 of the Banking Regulation Act, 1949 - Relaxations in Branch Authorisation Policy.
- As refer to circulars DBOD.No.BAPD.BC.54 and 60/22.01.001/2013-14 dated September 19, 2013 and October 21, 2013 respectively on the above subject, permitting domestic scheduled commercial banks (other than RRBs) to open branches in Tier 1 to Tier 6 centres without the need to take permission from Reserve Bank of India in each case, subject to reporting and certain other conditions.
- In line with this rationalization, and in order to allow banks greater operational freedom, the instructions regarding merger, closure, shifting, part shifting, opening of extension counters and reporting requirements have been reviewed. The existing instructions have been dispensed with and banks may now undertake these activities in accordance with the instructions given below:
- **Merger/Closure/ Shifting of branches**
  - i) Banks may shift, merge or close all branches except rural branches and sole semi-urban branches at their discretion.

ii) Shifting, merger, or closure of any rural branch as well as a sole semi urban branch would require approval of the DCC/DLRC. Further, while shifting/merging/closing sole rural or semi urban branches, banks may ensure that the banking needs of the centre continue to be met through either satellite offices/mobile vans or through Business Correspondents. Thus the centre should not be left unbanked.

iii) Banks should, however, ensure that customers of the branch, which is being shifted/merged/closed, are informed well in time before actual shifting/merger/closure of the branch, so as to avoid inconvenience to them. Further, while considering shifting/merger/closure of branches, banks should ensure that they continue to fulfil the role entrusted to these branches under the Government sponsored programmes and DBT Schemes.

iv) It may further be ensured that branches are shifted/ within the same or to a lesser population category, i.e., semi urban branches to semi urban or rural centres and rural branches to other rural centres.

v) In all such cases, the license, if any was issued, of the merged/closed/shifted branch may be surrendered to the Regional Office concerned of DBS except in respect of branches in Maharashtra and Goa, which should be surrendered to DBR, CO, Mumbai.

Thus banks may shift their metropolitan, urban and semi urban branches outside the State, and their rural branches outside the block without prior approval of RBI.

➤ **Part-shifting of Branches**

Banks may require shifting some activities/part shift activities of a branch in any centre due to space/rent constraints, and may do so without seeking prior approval of Reserve Bank of India. However, it may be noted that banking activity, i.e., deposit or loan business cannot be maintained at both places, and the new location for part shifting would have to be within 1 km of the existing location. They may also spin off certain activities such as Government business into separate branches at their discretion.

➤ **Opening of Extension Counters**

Presently banks can open Extension Counters in the premises of institutions where they are the principal bankers, or obtain a NOC from the principal banker. With a view to enabling customer choice and operational freedom, the requirement of being the principal banker for opening of EC is not required.

➤ **Rationalisation of Reporting Requirements**

a) Presently, in terms of circular DBOD.No.BAPD.BC.60/22.01.001/2013-14 dated October 21, 2013, banks are required to report details of opening of a new place of business including Mobile branch/Mobile ATMs, closure, merger, shifting or conversion of any existing place of business immediately and in any case not later than two weeks after opening/closure/merger/shifting/conversion to the Regional Office concerned of DBS except in respect of branches in Maharashtra and Goa, which should be reported to DBR, CO, Mumbai. The banks should also report the details of opening, closure and shifting of call centres to Regional Office concerned of DBS, or DBR, CO (in respect of call centres in Maharashtra & Goa).

b) In addition, banks should submit within fourteen days of every quarter, information relating to opening, closure, merger, shifting and conversion of branches in Proformae I & II to Department of Statistics and Information Management, Banking Statistics Division, (DSIM), Reserve Bank of India, Central Office, C-8/9, Bandra-Kurla Complex, Mumbai-400 051.

In view of the reporting requirement at 6 b) above, banks, including LABs are no longer required to report details of opening of a new place of business including Mobile branch/Mobile ATMs/ call centres, closure, merger, shifting or conversion of any existing place of business including call centres to the Regional Office concerned of DBS/ DBR CO. They may however, ensure that the reporting to DSIM continues.

➤ The Link of the Notification is as follows:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9974&Mode=0>

**B. Conduct of Government Business by Agency Banks – Payment of Agency Commission**

➤ The Reserve Bank of India (RBI) vide Circular No.153 dated August 13, 2015 issued circular in reference to Conduct of Government Business by Agency Banks – Payment of Agency Commission.

➤ As refer to paragraphs 2 to 7 of our Master Circular No RBI /2015-16/81 dated July 01, 2015 on the captioned subject, wherein government transactions eligible for and not eligible for agency commission are discussed.

➤ In this connection, it is clarified that the following activities do not come under the purview of agency bank business and are therefore not eligible for payment of agency commission.

(a) Furnishing of bank guarantees/security deposits, etc through private sector banks by government contractors/suppliers, which constitute banking transactions undertaken by banks for their customers.

(b) The banking business of autonomous/statutory bodies.

(c) Payments of a capital nature such as capital contributions/subsidies/grants made by governments to cover losses incurred by autonomous/statutory bodies.

(d) Prefunded schemes which may be implemented by a Central Government Ministry/Department (in consultation with CGA) and a State Government Department through any bank without reference to RBI.

➤ The Link of the Notification is as follows:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9985&Mode=0>

### **C. Foreign Direct Investment-Reporting under FDI Scheme on the E-Biz platform**

➤ The Reserve Bank of India (RBI) vide Circular No.157 dated August 21, 2015 invited attention of Authorised Dealers Category-I (AD Category - I) banks to the provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations 2000, notified by the Reserve Bank vide Notification No. FEMA 20/2000-RB, dated 3rd May 2000, as amended from time to time. Attention of AD Category – I banks is also invited to A.P. (DIR Series) Circular No.6 dated July 18, 2014.

➤ With a view to promoting the ease of reporting of transactions under foreign direct investment, the Reserve Bank of India (RBI), under the aegis of the e-Biz project of the Government of India has enabled online filing of the Foreign Currency Transfer of Shares (FCTRS) returns for reporting transfer of shares, convertible debentures, partly paid shares and warrants from a person resident in India to a person resident outside India or vice versa.

➤ The design of the reporting platform enables the customer to login into the e-Biz portal, download the reporting form (FCTRS), complete and then upload the same onto the portal using their digitally signed certificates. The Authorised Dealer Banks (ADs) will be required to download the completed forms, verify the contents from the available documents and if necessary, call for additional information from the customer and then upload the same for RBI to process and allot the Unique Identification Number (UIN). The FCTRS services of RBI will be made operational on the e-Biz platform from August 24, 2015.

➤ It may be noted that for the present, the online reporting on the e-Biz platform is an additional facility to the Indian residents to undertake their FCTRS reporting and the manual system of reporting as prescribed in terms of A.P. (DIR Series) Circular No.6 dated July 18, 2014 would continue till further notice.



- The ADs will be required to access the e-Biz portal [which is hosted on the National Informatics Centre (NIC) servers] using a Virtual Private Network (VPN) Account obtained from NIC. ADs may refer to A.P.(DIR Series) Circular No.95 dated April 17, 2015 for financial aspects of obtaining/using the VPN accounts.
- The link for the same is as follows:  
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=9993&Mode=0>

## **D. Detection of counterfeit Notes**

- The Reserve Bank of India (RBI) vide Circular No.162 dated August 27, 2015 issued circular with reference to the Detection of counterfeit Notes.
- As refer to Circular DCM (FNVD) No. 5840/16.01.05/2012-13 dated June 27, 2013 on "Detection and Reporting of Counterfeit Notes" wherein the procedure for detection of counterfeit notes has been reviewed in consultation with the Government and it has been observed that certain modifications are required for bringing improvement in reporting of counterfeit notes and facilitating maintenance of records by banks. Accordingly, the following changes in the instructions were made as under:

- **Detection**

- i. **Over the Counter**

Bank notes tendered over the counter should be examined for authenticity through machines and such of these determined as a counterfeit one, shall be stamped as "COUNTERFEIT NOTE" and impounded as detailed in Annex I which can be found in the notification. Each such impounded note shall be recorded under authentication, in a separate register.

- ii. **Bulk Receipts at Back Office / Currency Chest**

Procedure as at 2 (i) is to be followed where notes are received directly at the back office/ currency chest through bulk tenders.

- When a bank note tendered at the counter of a bank branch or treasury is found to be counterfeit, an acknowledgement receipt in the format (Annex II) [which may be found in the notification] must be issued to the tenderer, after stamping the note as in Paragraph 2 ibid. The receipt, in running serial numbers, should be authenticated by the cashier and tenderer. Notice to this effect should be displayed prominently at the offices / branches for information of the public. The receipt is to be issued even in cases where the tenderer is unwilling to countersign it.
- No credit to customer's account is to be given for counterfeit notes, if any, in the tender received over the counter or at the back-office / currency chest.



- In view of the revision in the system of detection of counterfeit notes by banks, the following changes may be noted with respect to existing compensation and penalty for non-detection of counterfeit notes:

- Compensation

The instructions on compensation to banks at 25% of the notional value of counterfeit notes detected and reported and the system of lodging claims for compensation by Forged Note Vigilance Cell of banks stand withdrawn.

- Penalty

Penalty at 100% of the notional value of counterfeit notes, in addition to the recovery of loss to the extent of the notional value of such notes, will be imposed under the following circumstances:

a) When counterfeit notes are detected in the soiled note remittance of the bank.

b) If counterfeit notes are detected in the currency chest balance of a bank during Inspection / Audit by RBI.

- The link for the same is as follows:

<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10002&Mode=0>

## **E. Cash Withdrawal at Point-of-Sale (POS)- Enhanced limit at Tier III to VI Centres**

- The Reserve Bank of India (RBI) vide Circular No. 164 dated August 27, 2015 issued circular on Cash Withdrawal at Point-of-Sale (POS) - Enhanced limit at Tier III to VI Centres.
- As refer to Circular No DPSS.CO.PD.No.147/02.14.003/2009-10 dated July 22, 2009 and DPSS.CO.PD.No.563/02.14.003/2013-14 dated September 5, 2013 on the above mentioned subject wherein cash withdrawal at Point of Sale (POS) was enabled for all debit cards/open loop prepaid cards issued by banks upto Rs.1000/- per day.
- On a review it had been decided to enhance the limit for cash withdrawal at POS (for debit cards and open system prepaid cards issued by banks in India) from Rs.1000/- to Rs.2000/- per day in Tier III to VI centres with immediate effect. The per-day limit in Tier I and II centres remained unchanged.
- Customer charges, if any, levied on cash withdrawals shall not exceed 1% of the transaction amount at all centres irrespective of the limit of Rs 1000 / Rs 2000.

- Such cash withdrawal facility may be provided by banks subject to following conditions:
  - i. The facility is made available at merchant establishments designated by the bank after a process of due diligence. Such merchant establishments may be advised to clearly indicate / display the availability of this facility along with the charges, if any, payable by the customer.
  - ii. The facility is available irrespective of whether the card holder makes a purchase or not. In case the facility is availed along with the purchase of merchandise, the receipt generated shall separately indicate the amount of cash withdrawn.
  - iii. Banks offering this facility shall have an effective customer redressal mechanism. Complaints in this regard will fall within the ambit of the Banking Ombudsman Scheme.
- Card issuing banks that have enabled this functionality may create sufficient awareness of this facility amongst their customers.
- Banks are advised to submit data on cash withdrawals to the Chief General Manager, Department of Payment and Settlement Systems, Mumbai, 400001 on quarterly basis within 15 days of the end of quarter as per the format enclosed in the notification.
- The link for the same is as follows:  
<https://www.rbi.org.in/Scripts/NotificationUser.aspx?Id=10004&Mode=0>



## **SEBI UPDATES:**

### **A. Formats under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(Regulations).**

- SEBI vide circular No. 03 dated August 05, 2015 issued the following instructions regarding Formats under SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011(Regulations).
- The formats for the reports/disclosures to be filed under the Regulations have been prescribed by SEBI vide circular No SEBI/CFD/DCR/SAST/ 1/2011/09/23 dated September 23, 2011, SEBI/CFD/DCR/SAST/ 2/2011/10/20 dated October 20, 2011and CIR/CFD/POLICYCELL/11/2013 dated October 21, 2013.
- In order to ensure that adequate disclosures are made to help investors in taking an informed decision, it has been decided to modify the formats for disclosures under regulation 31of the Regulations.
- The format for disclosures under regulation 31(1)/(2)of the Regulations is placed as Annexure-1 which can be found in the notification.
- The Link for the above specified Circular is provided herein below:  
[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1438767276433.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1438767276433.pdf)

## **B. Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) (Fourth Amendment) Regulations, 2015**

- SEBI vide Notification No. 08 dated August 14, 2015 issued the instructions regarding Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015.
- The Link for the above specified Notification is provided herein below:  
[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1439551592983.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1439551592983.pdf)

## **C. Securities And Exchange Board Of India (Substantial Acquisition Of Shares And Takeovers)(Third amendment) Regulations, 2015**

- SEBI vide Notification No. 09 dated August 14, 2015 issued the instructions regarding Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2015.
- In exercise of the powers conferred under section 30 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to amend the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, namely:-
- These regulations may be called the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) (Third Amendment) Regulations, 2015.
- They shall come into force on the date of their publication in the Official Gazette.
- In the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, in regulation 1, in sub-regulation (3), the proviso shall be substituted by the following, namely:-

"Provided that these regulations shall not apply to direct and indirect acquisition of shares or voting rights in, or control over a company listed without making a public issue, on the institutional trading platform of a recognised stock exchange."

- The Link for the above specified Notification is provided herein below:  
[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1439551624721.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1439551624721.pdf)

## **D. Securities And Exchange Board Of India (Delisting Of Equity Shares) (Second Amendment) Regulations, 2015**

- SEBI vide Notification No. 10 dated August 14, 2015 issued the instructions regarding Securities and Exchange Board of India (Delisting Of Equity Shares) (Second Amendment) Regulations, 2015.
- In exercise of the powers conferred by section 31 read with section 21A of the Securities Contracts (Regulation) Act, 1956 (42 of 1956), section 30, sub-section (1) of section 11 and sub-section (2) of section 11A of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following Regulations to further amend the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, namely:-
- These regulations may be called the Securities and Exchange Board of India (Delisting of Equity Shares) (Second Amendment) Regulations, 2015.
- They shall come into force on the date of their publication in the Official Gazette.
- In the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, in regulation 3, in sub-regulation (1), the proviso shall be substituted with the following namely:-

"Provided that these regulations shall not apply to securities listed without making a public issue, on the institutional trading platform of a recognised stock exchange."
- The Link for the above specified Notification is provided herein below:  
[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1439551654643.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1439551654643.pdf)

## **E. Securities And Exchange Board Of India (Alternative Investment Funds) (Amendment) Regulations, 2015**

- SEBI vide Notification No. 11 dated August 14, 2015 issued the instructions regarding Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2015.
- In exercise of the powers conferred by sub-section (1) of section 30 read with sub-section (1) of section 11, clause (ba) and clause (c) of sub-section (2) of section 11 and sub-section (1) and (1B) of section 12 of the Securities and Exchange Board of India Act, 1992 (15 of 1992), the Board hereby makes the following regulations to amend the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, namely,-
- These regulations may be called the Securities and Exchange Board of India (Alternative Investment Funds) (Amendment) Regulations, 2015.

➤ They shall come into force on the date of their publication in the Official Gazette.

➤ In the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, in regulation 15, in sub-regulation (1), after clause (g), the following shall be inserted, namely:-

“(h) Investment by Category I and Category II Alternative Investment Funds in the shares of entities listed on institutional trading platform after the commencement of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015 shall be deemed to be investment in ‘unlisted securities’ for the purpose of these regulations.”

➤ The Link for the above specified Notification is provided herein below:  
[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1439551679537.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1439551679537.pdf)

## **F. Securities And Exchange Board Of India (Issue Of Capital And Disclosure Requirements) (Fifth amendment) Regulations, 2015**

➤ SEBI vide Notification No. 12 dated August 14, 2015 issued the instructions regarding Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) (Fifth Amendment) Regulations, 2015.

➤ The Link for the above specified Notification is provided herein below:  
[http://www.sebi.gov.in/cms/sebi\\_data/attachdocs/1439551701999.pdf](http://www.sebi.gov.in/cms/sebi_data/attachdocs/1439551701999.pdf)

# **ARTICLE OF THE MONTH**

## **Conversion of Section 8 Company into a normal profit making company**

### **What is s section 8 Company?**

Section 8 Company which were formerly known as section 25 companies under Company Act, 1956, are companies which are incorporated on license issued by the Central Government( now powers are with Registrar of Companies) with the object of promoting commerce, art, science, sports, education, research, social welfare, protection of environment or any such other object.

Thus section 8 companies are non profit companies ( NGOs) incorporated and governed by the Companies Act, 2013. For a section-8 company its Memorandum and Articles of Association are the main and guiding instruments. No stamping of memorandum or Articles required for a section 8 companies. There should be a minimum of three trustees in a section-25 Company. There is no upper limit to the number of trustees. Central Government has the power to grant the license directing that such an association may be registered as a company with limited liability, without the addition of the words 'Limited' or 'Private Limited' to its name. Due to better Laws, recognition & administration, Section 8 Companies have the most reliable strongest organizational structure of NGOs in India

### **Conversion of Section 8 Company**

#### **A) If license is revoked by Central Government**

As per sub section 6 of Section 8 , Central Government may, by order, revoke the license granted to a company registered under this section if the Company contravenes any of the requirements of this section or any of the conditions subject to which a license is issued or the affairs are conducted fraudulently or in a manner violative of the objects of the company or prejudicial to public interest, and without prejudice to any other action against the company under this Act, direct the company to convert its status and change its name to add the word "Limited" or the words "Private Limited", as the case may be, to its name and thereupon the Registrar shall, without prejudice to any action that may be taken under sub-section (7) of Section 8, on application, in the prescribed form, register the company accordingly.

#### **B) On its own motion**

A section 8 Company may convert itself into a private Company or public Company by way of passing a special resolution in general meeting and complying such other conditions given under Rule 21 & 22 of Companies (Incorporation) Rules, 2014.



## **Procedure for Conversion of Section 8 Company into a normal profit making company**

### **A. If License is Revoked by Central Government**

In case license of section 8 Company is revoked by Central Government due to any of reason as specified under section 8(6) of the Companies Act, 2013. The Company shall apply to Registrar in Form No. INC 20 along with the fee to convert its status and change name accordingly.

### **B. On its Own Motion**

A Section 8 company may convert itself into company of any other kind after complying with conditions given under Rules 21 and 22 of Companies (Incorporation) Rules, 2014. The detailed procedure to this effect is given as under:

1. The Board should be advised and note that the Regional Director may impose certain conditions considering the facts and circumstances of each case including the following conditions, namely;-
  - (a) the company shall **give up** and shall not claim, with effect from the date its conversion takes effect, **any special status, exemptions or privileges** that it enjoyed by virtue of having been registered under the provisions of section 8;
  - (b) if the company had acquired any immovable property free of cost or at a concessional cost from any government or authority, it may be required to **pay the difference between the cost at which it acquired such property and the market price of such property** at the time of conversion either to the government or to the authority that provided the immovable property;
  - (c) any **accumulated profit** or unutilised income of the company brought forward from previous years shall be first utilized to settle all outstanding statutory dues, amounts due to lenders claims of creditors, suppliers, service providers and others including employees and lastly any loans advanced by the promoters or members or any other amounts due to them and the balance, if any, **shall be transferred to the Investor Education and Protection Fund within thirty days of receiving the approval** for conversion;
2. The Board also take note that **declaration** may be required to be given to the effect that no portion of the income or property of the Company has been or shall be paid or transferred directly or indirectly by way of dividend or bonus or otherwise to persons who are or have been members of the Company or to any one or more of them or to any persons claiming through any one or more of them.
3. Then in the **Board Meeting** be convened to decide on convening of Extraordinary General Meeting (EGM) for the conversion of Company into a profit making Company.

4. In the **EGM** a special resolution will be passed approving conversion of section 8 company into a company of any other kind and alteration of its Memorandum of Association (MoA) and Articles of Association (AoA) suitably.

The **explanatory statement** of EGM Notice should have mention of the following details

- The date of incorporation of the Company;
  - The principal objects of the Company as in Memorandum of Association;
  - The reasons as to why the activities for achieving the objects of the Company cannot be carried on in the current structure;
  - If the principal or main objects of the Company are proposed to be altered, what would be the altered objects and the reasons for the alteration;
  - What are the privileges or concessions currently enjoyed by the Company, such as tax exemptions, approvals for receiving donations or contributions including foreign contributions, land and other immovable properties, If any, that were acquired by the Company at concessional rates or gratuitously and, if so, the market prices prevalent at the time of acquisition and the price that was paid by the Company, details of any donations or bequests received by the Company with conditions attached to their utilization etc.,
  - Details of impact of the proposed conversion on the members including the details of any benefits that may accrue to the members as a result of the conversion;
5. The Company shall file **Form MGT-14** with ROC in 30 days from date of EGM.
6. The Company shall, within a week from the date of submitting the applications to the Regional Director, (however due to technical reason , it requires to publish it prior to making an application as Form INC 18 mandates such News paper Notice) publish a notice in **Form No. 19** at least once in a vernacular newspaper to the principal vernacular language of the district in which the registered office of the Company is situated and having a wide circulation in that district and at least once in English Language in an English newspaper having a wide circulation in that District; and it also need to put it on the website of the Company, if any, and as may be notified or directed by the Central Government.
7. The Company shall file an application in **Form No. INC 18** with the Regional Director with the fee along with the following and copy of it to be also filed with Registrar of Companies:-
- A certified true copy of the special resolution;
  - A copy of the notice convening the general meeting including the explanatory statement for approval of the members for such conversion;
  - Proof of serving of notice served to all the authorities as below:
    - a) Chief Commissioner of Income Tax having jurisdiction over the company;
    - b) Income tax officer who has jurisdiction over the company;
    - c) The Charity Commissioner;
    - d) The Chief Secretary of the State in which the registered office of the company situated;

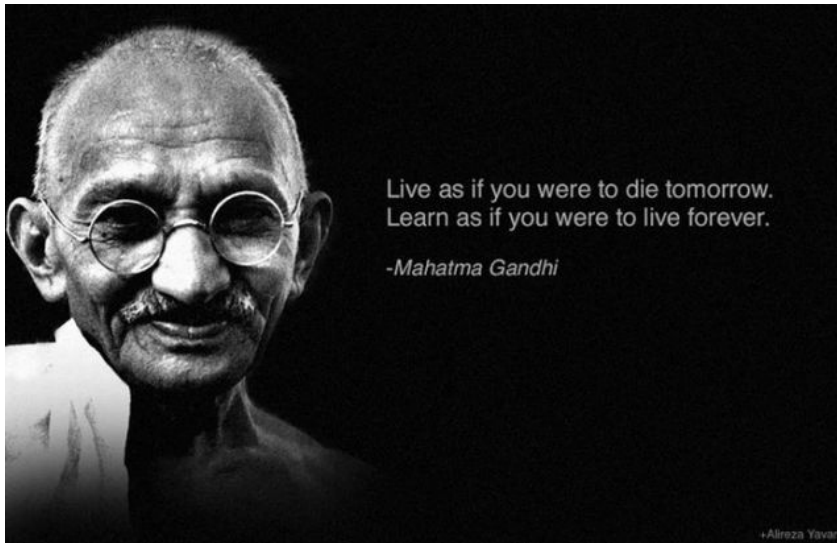
- e) Any organization or Department of the Central Government or State Government or other authority under whose jurisdiction the company has been operating.
8. The Company shall file all its financial statements and annual returns up to the financial year preceding the submission of the application to the Regional Director and all other returns required to be filed under the Act up to the date of submitting the application to the Regional Director.
9. In the event of the application is made after the expiry of three 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 Chartered Accountant made up to a date not preceding 30 days of filing the application shall be attached.
10. A certificate is required from practicing Chartered Accountant or Company Secretary or Cost Accountant certifying that the conditions laid down in the Act and the Rules relating to conversion of a company registered under Section 8 into any other kind of company have been complied with, is also to be attached with the application.
11. The Regional Director may require the Company to furnish the approval or concurrence of any particular authority for grant of his approval for such conversion and he may also obtain the report from the Registrar.
12. Before imposing any the conditions or rejecting the application, the Regional Director shall give a reasonable opportunity of being heard to the Company.
13. On receipt of the approval of the Regional Director, the Company shall convene a General Meeting of its members to pass a Special Resolution for amending its Memorandum of Association and Articles of Association as required under the Act consequent to the conversion of the section 8 Company into a Company of any other kind.
14. The Company shall thereafter file with registrar,
- A certified copy of the approval of the Regional Director within 30days from the date of receipt of the order in **Form no. INC 20** along with the fee;
  - Amended Memorandum of Association and Articles of Association of the Company;
  - A declaration by the directors that the conditions, if any imposed by the Regional Director have been complied with.
15. On receipt of the documents the Registrar shall register the documents and issue a fresh Certificate of Incorporation as a normal profit making company.

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## INSPIRATIONAL QUOTES

THERE WILL BE **OBSTACLES.**  
THERE WILL BE **DOUBTERS.**  
THERE WILL BE **MISTAKES.**  
BUT WITH **HARD WORK,**  
THERE ARE **NO LIMITS.**

**SUCCESS IS NO ACCIDENT.**  
It is hard work, perseverance,  
learning, studying, sacrifice  
and most of all, **love** of what you are doing.  
- Pele



### **Disclaimer**

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