



Instruction Kit for eForm INC-18

(Application to Regional Director for conversion of section 8 company into any other kind of company)

Table of Contents

About this Document	2
Part I – Law(s) Governing the eForm.....	2
Section and Rule Number(s).....	2
Purpose of the eForm.....	2
eForm Number as per Companies Act, 1956.....	3
Part II – Instructions to fill the eForm	3
Specific Instructions to fill the eForm INC-18 at Field Level	3
Common Instructions to fill the eForm.....	6
Part III - Important Points for Successful Submission	7
Fee Rules.....	7
Processing Type.....	8
SRN Generation.....	8
Challan Generation	8
Email.....	8
Rejection Codes	8

(Application to Regional Director for conversion of section 8 company into any other kind of company)

About this Document

The Instruction Kit has been prepared to help you file eForms with ease. This document provides references to law(s) governing the eForms, instructions to fill the eForm at field level and common instructions to fill all eForms. The document also includes important points to be noted for successful submission.

User is advised to refer instruction kit specifically prepared for each eForm.

This document is divided into following sections:

[Part I – Laws Governing the eForm](#)

[Part II – Instructions to Fill the eForm](#)

[Part III – Important Points for Successful Submission](#)

Click on any section link to refer to the section.

Part I – Law(s) Governing the eForm

Section and Rule Number(s)

eForm INC-18 is required to be filed pursuant to Section 8 (4) (ii) of the Companies Act, 2013 and Rule 21(3) of Companies (Incorporation) Rules, 2014 which are reproduced for your reference:

Section 8(4) (ii):

A company registered under this section may convert itself into company of any other kind only after complying with such conditions as may be prescribed.

Rule 21(3):

The company shall file an application in **Form INC-18** with the Regional Director with the fee along with a certified true copy of the special resolution and a copy of the Notice convening the meeting including the explanatory statement for approval for converting itself into a company of any other kind. Company shall also attach the proof of serving of the notice served to all the authorities mentioned in sub-rule (2) of rule 22.

Purpose of the eForm

An existing company registered under section 8 seeks to convert itself into a company of any other kind shall make an application to the Regional Director for conversion of its status. Once the approval is given by the Regional Director, the company shall cease to enjoy all the privileges/concessions obtained by it on account of being a Section 8 company.

(Application to Regional Director for conversion of section 8 company into any other kind of company)

eForm Number as per Companies Act, 1956

This eForm has been introduced in the Companies Act, 2013.

Part II – Instructions to fill the eForm

Specific Instructions to fill the eForm INC-18 at Field Level

Instructions to fill the eForm are tabulated below at field level. Only important fields that require detailed instructions to be filled in eForm are explained. Self-explanatory fields are not discussed.

S. No/ Section Name		Field Name	Instructions
1	(a)	Corporate Identification Number (CIN) of the company	<ul style="list-style-type: none"> Enter a valid CIN. On clicking the Pre-Fill button, system will automatically display the name, registered office address, email ID license number issued under section 8, date of incorporation and type of company.
6		The proposed object of the company after conversion and the changes in the activities and operations of the company and manner of application of its income and assets, after the proposed conversion	<ul style="list-style-type: none"> Describe the proposed objects of the company after the conversion. Explain the changes in activities and operations of the company after conversion Explain the manner of application/ use of the company's income and assets after the proposed conversion.
8		Detailed reasons for conversion into any other kind of company	<ul style="list-style-type: none"> Explain in detail the reason for converting the section 8 company into any other kind of company.
9	(c)	SRN of form MGT.14	Enter the SRN of eForm MGT-14 or old eForm 23 filed for special resolution authorizing conversion of section 8 company into any other kind.
10		Whether the company is	Enter the name of the regulatory body and date of obtaining the approval for conversion from such body.

(Application to Regional Director for conversion of section 8 company into any other kind of company)

S. No/ Section Name	Field Name	Instructions
	regulated under a special Act	
11	Particulars of existing Director(s) and key managerial personnel	Enter DIN/ Income tax PAN of the director and KMP associated with CIN only. On clicking the Pre-Fill button, system will automatically display the name and select the designation from the values given in drop down.
13	Whether the company has acquired any immovable property through lease or otherwise from any Government or authority or body corporate or person since incorporation at concessional rate or free of cost	The company is required to attach the proof of payment for the difference amount between cost of acquisition and market price at the time of conversion to the government or such authority if it has acquired any immovable property free of cost or at concessional rate since incorporation.
15	Whether there is any surplus amount after payment of dues to be transferred to IEPF as per applicable rule	User is required to specify the balance amount of accumulated profit or unutilized income after payment of all outstanding statutory or other dues as the same is required to be transferred to IEPF by the company within 30 days of approval of conversion.
19	I the director of the Company hereby	Enter director's full name who is authorized by the Board of directors for the same.
<ul style="list-style-type: none"> The company is required to publish a notice in Form INC-19 in newspaper within a week from the date of this application and shall also send a copy of the notice along with application to the specified authorities as per rules of the state in which the registered office of the company is situated. User is required to file copy of publication of notice and also proof of serving such notice to the specified authorities. 		
Declaration	resolution number	<ul style="list-style-type: none"> Enter the serial number of the resolution and date of board meeting authorizing the director to sign and submit the application.

(Application to Regional Director for conversion of section 8 company into any other kind of company)

S. No/ Section Name	Field Name	Instructions
	I	<ul style="list-style-type: none"> • Select a professional (Chartered Accountant/ Company Secretary/ Cost Accountant) from the list of drop down values who has been engaged for giving declaration for compliance of conditions for conversion of section 8 into any other kind. • Enter valid membership number and certificate number of the practicing professional.
To be digitally signed by	DSC	Ensure that eForm is digitally signed by the director giving the declaration at serial no 19.
Attachments	<p>The following attachments are mandatory:</p> <ol style="list-style-type: none"> 1. Memorandum of association 2. Articles of association 3. Certified true copy of board resolution(s) authorizing conversion 4. Certified true copy of the special resolution passed for approval for conversion into any other kind and notice convening the general meeting along with the relevant explanatory statement annexed thereto 5. Certificate from CA/CS/CWA (in practice) certifying that the conditions laid down in the Act and rules, have been complied with 6. Statement of assets and liabilities of the company as on the date not earlier than thirty days of that date duly certified by the auditor 7. Copy of valuation report by a registered valuer about the market value of assets 8. Audited financial statements, the Board's reports, annual returns and the audit reports for each of the two financial years immediately preceding the date of the application or, where the company has functioned only for one financial year, for such year 16. NOC from all the creditors is mandatory in case yes is selected in field 7. <p>The following attachments are optional:</p> <ol style="list-style-type: none"> 9. Statement of financial position if applicable 10. Full details of fixed assets alienated if any, during the preceding three financial years. 11. Written consent of the lenders is mandatory if any loan is outstanding. 12. NOC from the concerned authority in case special status is mandatory when the company has obtained any special status/ privilege 13. Proof of payment of differential amount is mandatory if the company has acquired any immovable property through lease or otherwise from any Government or 	

(Application to Regional Director for conversion of section 8 company into any other kind of company)

S. No/ Section Name	Field Name	Instructions
		<p>authority or body corporate or person since incorporation at concessional rate or free of cost.</p> <p>14. Details of donation/grant/benefit received since incorporation of company is mandatory if company has received any donation and/or grant/benefits from any person or authority since incorporation.</p> <p>15. Copy of NOC received from sectoral regulatory authority is mandatory if company is being regulated by any sectoral regulator.</p> <p>Any other information can be provided as an optional attachment(s).</p>

Common Instructions to fill the eForm

Buttons	Particulars
<p>Pre-Fill</p> 	<p>The Pre-fill button can appear more than once in an eForm. The button appears next to a field that can be automatically filled using the MCA database.</p> <p>Click this button to populate the field.</p> <p>Note: You are required to be connected to the Internet to use the Pre-fill functionality.</p>
<p>Attach</p> 	<p>Click this document to browse and select a document that needs to be attached to the eForm. All the attachments should be scanned in pdf format. You have to click the attach button corresponding to the document you are making an attachment. In case you wish to attach any other document, please click the optional attach button.</p>
<p>Remove Attachment</p> 	<p>You can view the attachments added to the eForm in the List of attachment field.</p> <p>To remove any attachment from the eForm, select the attachment in the List of attachment field and click the Remove attachment button.</p>

(Application to Regional Director for conversion of section 8 company into any other kind of company)

Buttons	Particulars
<p>Check Form</p> 	<ol style="list-style-type: none"> 1. Click the Check Form button after, filling the eForm. System performs form level validation like checking if all mandatory fields are filled. System displays the errors and provides you an opportunity to correct errors. 2. Correct the highlighted errors. 3. Click the Check Form button again and. system will perform form level validation once again. On successful validations, a message is displayed “Form level pre scrutiny is successful”. <p>Note: The Check Form functionality does not require Internet connectivity.</p>
<p>Modify</p> 	<p>The Modify button is enabled, after you have checked the eForm using the Check Form button.</p> <p>To make changes to the filled and checked form:</p> <ol style="list-style-type: none"> 1. Click the Modify button. 2. Make the changes to the filled eForm. 3. Click the Check Form button to check the eForm again.
<p>Pre scrutiny</p> 	<ol style="list-style-type: none"> 1. After checking the eForm, click the Prescrutiny button. System performs some checks and displays errors, if any. 2. Correct the errors. 3. Click the Prescrutiny button again. If there are no errors, a message is displayed “No errors found.” <p>The Prescrutiny functionality requires Internet Connectivity.</p>
<p>Submit</p> 	<p>This button is disabled at present.</p>

Part III - Important Points for Successful Submission

Fee Rules

S. No	Purpose of the form	Normal Fee	Additional Fee (Delay Fee)	Logic for Additional Fees	Remarks

Instruction Kit for eForm INC-18

(Application to Regional Director for conversion of section 8 company into any other kind of company)

				Event Date	Time limit(days) for filing	
1.	Conversion of Section 8 Company	Rs 2,000/-	#N/A	#N/A		

Fees payable is subject to changes in pursuance of the Act or any rule or regulation made or notification issued thereunder.

Processing Type

The eForm will be processed by the office of Regional Director.

SRN Generation

On successful submission of the eForm INC-18, SRN will be generated and shown to you which will be used for future correspondence with MCA.

Challan Generation

On successful submission of the eForm INC-18, Challan will be generated depicting the details of the fees paid by the user to the Ministry. It is the acknowledgement to the user that the eForm has been filed.

Email

When an eForm is approved/ rejected by the authority concerned, an acknowledgement of approval/ rejection with related documents, if any is sent to the user in the form of an email to the email id of the company. In case email is not possible, a printout is generated and sent to the applicant by regular mail.

Rejection Codes

When an eForm is processed by the authority concerned, it may be rejected on the following grounds:

Rejection Code	Description
1	Furnish the license allotted under section 8
2	Elaborate the proposed objects along with details of its operations and utilizing of its assets and income after the proposed conversion
3	Clearly describe the activities of the company done in pursuance of section 8

(Application to Regional Director for conversion of section 8 company into any other kind of company)

Rejection Code	Description
4	Brief out reasons for conversion into any other kind of company
5	Provide certified true copy of board resolution
6	Provide certified true copy of special resolution authorizing for conversion of section 8 into any other kind and Notice convening the general meeting along with the relevant explanatory statement
7	Furnish proof of approval of regulatory body approving conversion
8	Furnish MOA/AOA
9	Furnish the certificate from CA/CS/CWA in practice that the conditions laid down in the Act/rules have been complied with
10	Furnish the statement of assets and liabilities as on date.
11	Furnish the consent of lenders for proposed conversion.
12	Provide valuation report by registered valuer.
13	Furnish statement of financial position duly certified by Chartered Accountant.
14	Furnish NOC from the concerned authority in case of special status.
15	Furnish details of all the fixed assets alienated, if any during the three preceding financial years.
16	Elaborate reasons as to why the activities for achieving the objects of the company cannot be carried on in the current structure i.e. as a section 8 company.
17	Describe the proposed altered objects along with reasons thereof.
18	Refer the benefits that accrue to members after conversion.
19	Refer SRN of Form MGT.14 for which special resolution authorizing for conversion of section 8 into any other kind is filed.
20	Furnish the proof of serving the notice to all the authorities as mentioned in rule 22.
21	Furnish the details of donation/grant/benefit received since incorporation of company.
22	Furnish copy of notice published in two different newspapers.
23	Publication of notice in newspaper is not within a week from the date of application.
24	Notice is not published on the website of the company, if any, and as notified/directed by Central Government.

Instruction Kit for eForm INC-18

(Application to Regional Director for conversion of section 8 company into any other kind of company)

Rejection Code	Description
25	Publication is not in two languages i.e. one in English and in principal vernacular language of the district in which the registered office of the company is situated.
26	Copy of NOC received from sectoral regulatory authority.
27	Furnish the reasons/clarifications for objections raised by authorities.
Others	In this case the description is entered by Back Office User.