

Preface to Second Edition

The Companies registered under Section 8 of the Companies Act, 2013 are specifically formed with an object to promote commerce, arts, science, sports, education, research, social welfare, protection of environment or for any such similar object. Section 8 companies also enjoy certain exemptions and privileges from various provisions of the Companies Act, 2013.

Registration as Section 8 Company entails licensing requirements from the Central Government. Further, Alteration of MoA and AoA of a Section 8 company requires prior approval of the Central Government. There is no restriction for a Section 8 company to earn profit in carrying on its objects, but it cannot distribute to its shareholders the profits earned and the profits have to be re-deployed in furthering its objects.

Many times the companies and the professionals face doubts pertaining to compliance requirements to be adhered by section 8 companies. This booklet titled “Frequently Asked Questions on Section 8 Companies” is prepared to clarify certain questions with respect to the Compliance aspects of section 8 Companies.

I commend the dedicated efforts put in by CS Bharati Yadav, Executive Academics in revising the manuscript of this publication under the guidance of by CS Lakshmi Arun, Director, Directorate of Academics, ICSI under the stewardship of CS Asish Mohan, Secretary, ICSI.

I appreciate the Professional Research & Publication Committee (PRPC) and CS Pawan Chandak, Central Council Member and Chairman PRPC, CS Sachin Bhagwat and CS Amit Mehta for the inputs and guidance in revising the publication. Further, I thank CS Mamta Binani, Past President ICSI, for conceptualizing an idea of bringing out a publication on FAQs on Section 8 Companies.

I am confident that the publication will prove to be of immense benefit to companies and professionals. In any publication, there is always scope for further improvement. Given the fact that improvement is a continuous process, suggestions of the readers to improve this publication are most welcome.

Place: New Delhi

(CS Manish Gupta)

Date : June 10, 2023

President

The Institute of Company Secretaries of India