

## CHANGE IN CONSTITUTION & SHAREHOLDING Chapter 9

### Change in Constitution/ Shareholding

9.1 Change in constitution from individual/Joint holders to a Partnership Firm/company or from Partnership Firm to a Company shall be permissible at any stage provided the entire shareholding/ ownership of the firm/company/project is with the original allottee and/or his/her family members (spouse, son, daughter, parents, brothers, sisters, grandson, granddaughter and their spouses). Applicable processing fee shall be payable in such cases. Prior written permission of Corporation shall be mandatory. In case of allotment in favour of NRI/ person with disability, the allottee must retain at least 51% stake till project completion.

9.2 In case the change in constitution involves induction of a third party (other than family members as defined in clause 9.1) into the firm/company/project, the same can be allowed on payment of fee equivalent to 50% of a normal transfer fee, as defined in para 8.7(i) of EMP, for dilution of equity up to 26% and 100% of transfer fee for dilution of equity above 26% and up to 49%, subject to the condition that the original allottee/his family members retain at least 51% share in the firm/company/ project. Applicable service tax and interest on fee @ 12% p.a. shall be payable from the date of dilution of equity till the date of payment. In case the share of the original allottee/partners/shareholders and their family members in the firm/company/project falls below 51%, it shall amount to transfer and the provisions of chapter 8 of EMP-2015 related to transfer of plot shall be applicable.

9.3 In cases where a Private Limited Company becomes a Public Limited Company listed with recognized stock exchange, the change in constitution may be allowed on payment of the applicable processing fee subject to the condition that the allottee or his associates (family members), retain the largest share holding with management control, otherwise it will be treated as a case of transfer.

9.4 In case the allottee is a company and intends to implement the proposed project through its subsidiary company, such a request can be considered by the Managing Director subject to the condition that the entire paid up capital of the subsidiary company is held by the allottee company and its shareholders/promoter Directors. Similarly, implementation of project through holding company of the allottee company as well as through a concern/company promoted/owned by the original allottee / partners of allottee firm /promoter/directors of allottee company and their family members shall also be covered under this clause. Applicable processing fee shall be payable in such cases.

In case of change in constitution where the conveyance deed is already executed in favour of the original allottee, the title of the plot shall be got transferred in the name of new entity by way of registered deed.