



# **SNS COLLEGE OF ENGINEERING**

**Kurumbapalayam (Po), Coimbatore - 641 107**

**An Autonomous Institution**

**Accredited by NBA - AICTE and Accredited by NAAC - UGC with 'A' Grade**

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## **DEPARTMENT OF MANAGEMENT STUDIES**

**COURSE NAME : 19BA104- LEGAL ASPECTS OF BUSINESS**

**I YEAR / I SEMESTER**

**Unit - 4 : COMPANY LAW 2013 & IPR**

**TOPIC: Formation, Memorandum and Articles of Association**



## Alteration of various clauses in a Memorandum of Association

### Altering the Name Clause

1. **Sections 4, 13(2), 13(3), and 16** of the Act provide for the alteration in the Name Clause of a Memorandum of Association.
2. A company that has passed a special resolution for the purpose can change its name by filing an application (**Form INC 24**) in the Reserve Unique Name (RUN) web portal service approved by the **Ministry of Corporate Affairs (MCA)**.
3. The RUN service can be availed only after log-in into the MCA portal.
4. The MCA takes 2-3 days to approve the newly proposed name.
5. Once the name of the company is altered, the RoC will replace the old name with the newly altered name in the register of companies.
6. The issue of the fresh certificate of incorporation marks the end of the company's name change.



## **Altering the Registered Office clause**

Sections 12(4), 12(5), 13(4), 13(5), and 13(7) of the Act give the provisions as to the change in the registered office clause of a Memorandum of Association.

In case the company wishes to shift the registered office from one city to another within the jurisdiction of the same RoC, it should file e-Form MGT-14 and INC-22 within 30 days of passing a special resolution.

## **Altering the Object Clause**

Under Section 13(9) of the Act, the Object Clause in the Memorandum of Association of any company can be altered by passing a special resolution in this regard. The said Section provides that any company that wishes to alter its Object Clause must pass a special resolution and get it approved by the RoC within 30 days of passing the resolution. For that, the company should file Form MGT 14, following which the RoC shall register such a proposed change and issue a certificate thereof.



## Altering Share Capital Clause

Sections 13 and 61 deal with the alteration of the share capital clause in a Memorandum of Association, provided the company's Article of Association (AOA) permits it. Such an alteration may include the following;

- Increase the authorized share capital of the company;
- Increase or decrease the amount of each share;
- Convert its fully paid-up shares into stock or vice versa, and
- Cancellation of shares.

The alteration of the Share Capital Clause of a company requires the passing of an ordinary resolution at a general meeting in that regard. Within 30 days from passing the resolution, Form MGT 14 must be filed with the RoC, who shall then register the change in the Register of Companies.



## **Altering Liability Clause**

The Liability Clause in a Memorandum of Association can be altered by passing a special resolution in this regard. Within 30 days of passing the resolution, the company must file an application (Form MGT 14) with the RoC.

## **Altering Subscription Clause**

The Subscription Clause in the Memorandum of Association cannot be altered throughout the life of the company.



## **Documents required for alteration of Memorandum of Association**

Generally, to alter any clause in a Memorandum of Association, the following documents are required to be sent along with the application filed under Section 13 of the Act;

Copy of the Memorandum of Association along with the proposed changes;

A detailed report of the details of the board and general meetings in which the resolution allowing such an alteration was passed;

A certified copy of the resolution passed by the Board, and

The list of creditors and debenture holders, along with their names, addresses, debts, claims, or other liabilities due to them.



Basis of Comparison	MOA	AOA
Meaning	A document including every fundamental information essential for the incorporation of an organization.	A document including every rules and regulations governing an organization.
Purpose	The purpose of MoA is defining objectives and conditions of an organization and its incorporation.	The purpose of AoA is defining rules and regulations governing the internal management of the organization for the accomplishment of its goals.
Status	MoA is subordinate to the Companies Act.	AoA is subordinate to MoA.
Defines	An MoA defines the objectives, powers, and limits of an organization.	An AoA defines the powers, rights, duties, and liabilities that comes with the members of the company
Retrospective Effect	An organization cannot amend its MoA	An organization can amend its AoA.



Basis of Comparison	MOA	AOA
Relationship	An MoA connects the outsiders with the organizations.	An AoA connects the members of an organization with the company itself.
Registration	MoA is a document compulsory for every organization irrespective of its nature and type.	It is mandatory for a private company. However, a public company limited by shares can adopt Table F of the Companies Act, 2013.
Compulsion	It is mandatory to fill MoA..	It is not mandatory to fill AoA.
Alteration	An organization can alter MoA after passing a SR (Special Resolution) in the Annual General Meeting. Besides, it also require a previous approval of Company Law Board and Central Government	An organization can alter the Articles after passing SR (Special Resolution) at the Annual General Meeting (AGM) of the company.
Contents	An MoA consists of six clauses.	An AoA is drafted by an organization as per its choice.





**RECAP**

**QUESTIONS???**

**THANK YOU**