



SNS COLLEGE OF TECHNOLOGY

Coimbatore - 35

Legal Aspects of Business Unit –IV :Company Law 2013 & IPR



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1st Indian
Institution
to Implement **Design Thinking Curriculum**
Redesigning Common Mind and
Business Towards Excellence



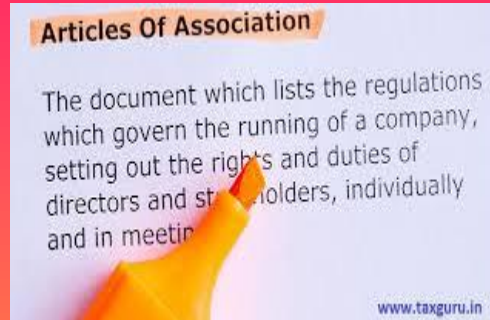
Guess The Topic





Articles of Association

- ❖ **Articles of association** form a document that specifies the regulations for a company's operations and defines the company's purpose.
- ❖ The document lays out how tasks are to be accomplished within the organization, including the process for appointing directors and the handling of financial records





Contents of Articles



Contents in the Articles of Association

- Adoption of preliminary contracts.
- Number and value of shares
- Allotment of shares
- Calls on shares
- Transfer of shares
- Forfeiture, reissue, surrender of shares
- Alteration of share capital
- Share certificates
- Conversion of shares in to stocks
- Meetings and proceedings
- Voting rights, proxies and polls
- Appointment, Remuneration, etc of Directors
- Borrowing powers
- Dividend and Reserves
- Accounts and audit
- Procedure of winding up
- Seal of the company



Model form of articles

The Companies Act 2013 specifies the different forms of AOA. The company can adopt one of the following Tables as their AOA :

Table F	Company limited by Shares
Table G	Company limited by guarantee and having share capital
Table H	Company limited by guarantee and not having share capital
Table I	Unlimited Company and having share capital
Table J	Unlimited Company and not having share capital



- ❖ Must have their own AOA
 - ❖ Unlimited & co
 - ❖ Co limited by guarantee
 - ❖ Pvt companies Ltd by shares
- ❖ A public Ltd may have its own AOA if it does not have it may adopt F table

Forms of Articles of Association (AoA)



Alteration of AOA



ALTERATION OF ARTICLES

- Right to alter or add to articles-expressly conferred by SECTION 31
- Statutory power & cannot be negated in any way
- Done by passing a **SPECIAL RESOLUTION**
- Copy must be filed with Registrar within 30 days of passing the said resolution
- Copy of altered articles also be filed with Registrar within 3 months of passing the resolution

ALTERATION OF ARTICLES OF ASSOCIATION

- ❑ The right to alter the article is subject to certain conditions like;
 - it should not exceed the powers given in MOA and the Act,
 - it should not lead to illegality,
 - it should not liberalise the provisions of MOA or the Act,
 - it should not expulsion a fraud on minority,
 - it should not relieve the company from any existing liability and it cannot have retrospective effect.
- ❑ *Effect of Altered Articles*
 - Alteration binds members in the same way as original articles.



LIMITATIONS



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LIMITATION ON POWER TO ALTER ARTICLES

- Must not be against the provisions of the Act
- Must not be inconsistent to MOA
- Must not Sanction any thing illegal
- Not be inconsistent with any alteration made by tribunal
- Approval of Central Government for conversion of public company into Pvt co



Summary

- *Articles of Association*
- *Contents of articles*
- *Model form of articles*
- *Alteration of AOA*
- *Limitations*





References

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