



COMPANY LAW
B.Com 3rd Semester
ARTICLE OF
ASSOCIATION

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DEFINITION

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- Articles are the regulations or bye-laws of a company for carrying into effect the objects of the company as defined by the company in its memorandum of association and for the management of its internal affairs.

Articles of Association



ARTICLE OF ASSOCIATION

COMPANIES WHICH MUST HAVE THEIR OWN ARTICLES

- The following companies shall have their own articles.
 - Private companies limited by shares.
 - Companies limited by guarantee.
 - Unlimited companies.

Articles of Association



CONTENT

CONTENTS OF ARTICLES OF ASSOCIATION

- The business of the company.
- The share capital, different classes of shares, right of different classes of share holders.
- Execution of preliminary contracts.
- Procedure of allotment of shares.
- Procedure of issuing of share certificates.



AOA

CONTENTS OF ARTICLES OF ASSOCIATION

- Dividends and reserves.
- Keeping of books of accounts and their audit.
- Common seal of the company.
- Payment of interest out of capital.
- Winding up.

Articles of Association



AOA

CONTENTS OF ARTICLES OF ASSOCIATION

- Alteration of share capitals.
- Issue of share warrants.
- Rules regarding meetings.
- Voting rights of members.
- Borrowing power of the company.

Articles of Association



ALTERATION

ALTERATION OF ARTICLES OF ASSOCIATION

- Companies have been given wide powers to alter their articles. A company can never replace its articles. It is only regulations contained therein which may be changed

Articles of Association



PROCEDURE FOR ALTERATION

PROCEDURE FOR ALTERATION

- A company may by passing a special resolution alter regulations contained in its Articles any time. A copy of the resolution shall be filed with the Registrar within 30 days of passing.

Articles of Association



AOA & MOA

RELATIONS BETWEEN ARTICLE AND MEMORANDUM

- The articles are subordinate to memorandum.
- The memorandum must be read in conjunction with the articles.
- The terms of the memorandum cannot be modified or controlled by articles.

Articles of Association



DIFFERENCE BETWEEN MOA & AOA

DISTINCTION BETWEEN MEMORANDUM AND ARTICLES

No	Memorandum of association	Article of association
1	Supreme document	Subordinate to memorandum
2	Every company must have its own memorandum	A company limited by shares need not have articles of its own.
3	It is the constitution of the company	These are rules of management of the company
4	It is a contract between company and outside person dealing with it.	It creates a relationship between the company and its members.
5	It cannot be altered easily.	They can be altered easily passing special resolution.



Thank you