

DR. MADHUKARRAO WASNIK
PWS ARTS AND COMMERCE
COLLEGE

CLASS:- M.COM IVth SEM


SUBJECT :- COMPANY LAW

PRESENTED BY:- DR.N.S.BAGDE

(SUBJECT TEACHER)



MEMORENDUM OF ASSOCIATION



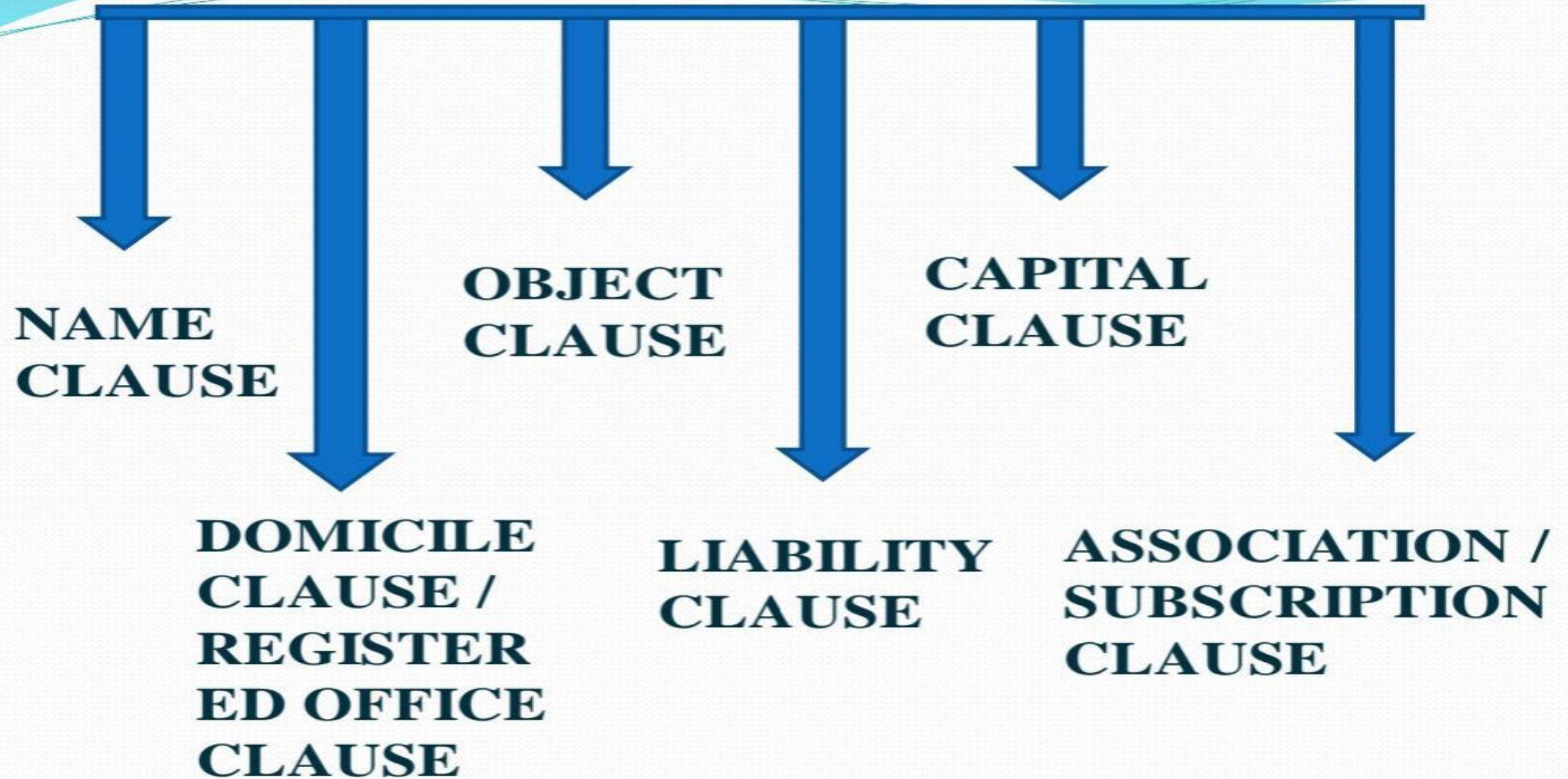
The Memorandum of Association is one of the basic documents filed with the registrar for registration. A Document that regulates a company's external activities and must be drawn up on the formation of a registered or incorporated company.

Definition of MOA

“ The memorandum of Association sets-out the constitution of company. The Charter of the company & provides the foundation on which the structure of the company is built.”



CONTENTS OF MOA



NAME CLAUSE

- ❖ Section 4 (1) (b)
- ❖ In this clause a company is legal entity and it must have a name to establish its identity.
- ❖ A company is free to adopt any name it likes
- ❖ But name should not be one which is undesirable by central government.
- ❖ A name is considered undesirable there is not allowed to be registered company.

DOMICILE CLAUSE / REGISTERED OFFICE CLAUSE

- ❖ Section 4(1)(b)
- ❖ The Memorandum must mention the state which the registered office of the company is to be situated.
- ❖ Every company must have a registered office which establishes its domicile and the address of company .
- ❖ It determines residence of the company for Tax and Communication purpose.

OBJECT CLAUSE

- ❖ Section 4 (1) (c)
- ❖ This clause of Memorandum of Association contains the object for which the proposed company is to be formed.
- ❖ It defines limits the scope of the operation of the company.
- ❖ A company must be formed for lawful objects which should not be against the provisions of the companies Act.

LIABILITY CLAUSE

- ❖ Section 4 (1) (d)
- ❖ This Clause contains the nature of liability of members of the Company.
- ❖ This clause state that the liability of members is limited to the amount , if any , unpaid on their share .

CAPITAL CLAUSE

- ❖ Section 4 (1) (e)
- ❖ This Clause states the amount of share capital with which the company is registered .
- ❖ The capital with which the company is registered is called Nominal or Authorized Capital.
- ❖ In Public Company Authorized Capital stated by the law minimum is Rs. 5,00,000 .
- ❖ In Private Company Authorized Capital Stated by the law minimum is Rs. 1,00,000 .

ASSOCIATION / SUBSCRIPTION CLAUSE

- ❖ Section 4 (1) (e)
- ❖ It contains the name of the persons who sign the memorandum and states that they are willing to form themselves into a company . These persons are called “Subscribers” .
- ❖ Minimum and Maximum Members / Subscribers



Private Company



Minimum
Number of
Members 2
Maximum
Number of
Members 200



Public Company



Minimum Number of
Members 7



Maximum Number of
Members Unlimited





Thank you