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# **ARTICLES OF ASSOCIATION**

## **(AOA)**

The document which lists the regulations which govern the running of a company, setting out the rights and duties of directors and shareholders, individually and in meeting.

### **DEFINITIONS-**

- According to sec.2(5) “ article means the articles of association of a company as originally framed or as altered from time to time or applied in pursuance of any previous company law or of this act.
- According to Justin brown-“ the article of association is a document regulating the rights of members of the company among themselves and the manner in which the business of the company shall be conducted.
- Companies act defines “article as article of association of a company as originally framed or as altered from time to time in pursuance of any previous companies act.

## **CONTENT OF ARTICLES-**

- Different classes of shares and frights of shareholders.
- Procedure for making an issue of share capital and allotment.
- Procedure for issuing shares.
- Lien on shares.
- Procedure for issue of share certificates and share warrants.
- Forfeiture of shares and the procedure for their re issue.
- Procedure for transfer and transmission of shares.
- Conversion of shares into stock.
- Payment of commission on shares and debentures to underwriters.
- Rules for adoption of preliminary contracts.

## **FEATURES OF AOA –**

It contain the rules and sub rules that help the company to function

- It establishes the relationship between the company and its shareholders.
- While dealing with the company every outsider should also have its knowledge besides memorandum.
- There are few specific acts which can only be exercised if permitted by article.

## **REGISTRATION OF AOA -**

Public companies limited by shares may or may not to register its articles.

Table – F contains a model set of 94 articles given in schedule 1 of companies act 2013.

## **DIFFERENT STANDARD SET OF ARTICLES**

- Table F - for public companies having shares capital and limited by shares.
- Table G- for companies limited by guarantee having share capital
- Table H- for companies limited by guarantee not having share capital
- Table I - for unlimited companies having share capital.
- Table J- for unlimited companies not having share capital.

## **ALTERATION OF ARTICLES OF ASSOCIATION-**

- First there will be the meeting of board of directors to decide the date , time place and the agenda of general meeting of the company.
- Then general meeting of the shareholders will be held and the alteration in AOA will be presented before shareholders.
- A special resolution ( 75% voting in favour of alteration) will be passed.
- In case of conversion of public limited company to private limited company approval of tribunal is required.
- The copy of amended articles with the copy of special resolution will be sent to ROC within 15 days of general meeting.
- After the approval of tribunal copy of amended articles will be sent to ROC within 30 days of approval.
- Articles so amended will be having the same effect as of original articles .