

Alteration of Object Clause of A Company

Whenever a Company is incorporated it shall prepare MOA (Memorandum of Association). It is the very First step for company incorporation as it defines the area within which the company can operate during its existence.

One of the Clauses of Memorandum is Object Clause, it defines as well as confines the areas within which it will operate. It defines the very object/purpose for which it is being incorporated.

But there are many situations that come in front of companies when it has to make alterations in its object clause i.e., addition or deletion of some objects. The very common reason for alteration is expansion.

Procedure for Alteration (Section 13)

1. Convene a Board Meeting to pass the draft of proposed alterations in objects clause. For this purpose, a notice is to be given to all the Directors of the Company at least 7 days before the date of Board Meeting.

Content of Notice:

- Notice shall be annexed with an explanatory statement giving reasons for such addition/deletion in objects clause.
 - It shall mention the day, date, time, and venue of the meeting.
 - It shall mention the details of AV facilities as now meetings can be conducted via Audio visual means.
2. At the same Board meeting approve the notice of EGM and authorise a director or secretary to issue Notice of EGM.
 3. Conduct EGM and obtain shareholder's approval by passing a Special Resolution.
 4. File Form MGT-14 with the ROC (Registrar of Companies) within a period of 30 days from the date of passing resolution along with the prescribed fees.

Attachment with MGT-14:

- A copy of notice of EGM
- A copy of Explanatory Statement
- A copy of Special Resolution

- A copy of altered MOA
- 5. ROC shall register the altered MOA after examining the form and if satisfied certify registration within a period of 30 days from the date of filing of Form MGT-14.
- 6. No alteration shall be effective until the ROC issues a Fresh COI.

Form MGT-14

Section 117 of the Companies Act, 2013 prescribes a list of Resolutions for which MGT-14 is required to be filed to the ROC within 30 days of passing such resolution.

- a. All special resolutions.
- b. Special Resolution was required but unanimously passed.
- c. Board Resolution for the appointment or reappointment or renewal of appointment or variation in the terms of appointment of Managing Director.
- d. Resolutions or agreements which have been approved by a class of members but if not so agreed to, would not have been effective unless it has been passed by a specified majority.
- e. Omitted
- f. Resolutions passed for the company to be wound-up voluntarily under Section 59 of the IBC, 2016.
- g. Resolutions passed in pursuance of Subsection 3 Section 179 of the Companies Act, 2013
- h. Any resolution or agreement as may be prescribed and placed in the Public domain.