

# Memorandum of Association:

## Registered office

Registered office clause contains the name of the province in which registered office is located,

At the time of registration of memorandum there is no need to mention the exact name of city, area or street, but once your memorandum is registered and you have received the certificate of incorporation now you have to give notice of complete address of registered office means head office within 28 days after you receive certificate of incorporation or when you commence business whichever is earlier.

For example:

### ➔ Scenario 1

Mr. Aslam received certificate of incorporation on 2<sup>nd</sup> April and want to commence business up to 15<sup>th</sup> of April now Mr. Aslam is required to give notice of the address of registered office up to 15<sup>th</sup> April.

### ➔ Scenario 2

Mr. Aslam received certificate of incorporation on 2<sup>nd</sup> April and want to commence business up to 10<sup>th</sup> of May now Mr. Aslam is required to give notice of the address of registered office up to 30<sup>th</sup> April.

### Explanation:

From above two scenarios it is clear that you have maximum 28 days to give notice of the address of registered office after receiving the certificate of incorporation. But if you want to commence business before 28 days then you have to give notice of the address of registered office up to the time of commencement of business.

### Importance:

Now question arises why law is so concerned to know about the place of registered office it is because your place of registered office determines the office of registered where you will submit all documents like memorandum, minutes of meetings, annual reports etc and secondly your company court will be decided according the place of registered office. Suppose of one not mentions his place of his business how it will come to know that in case of appeal or other legal matters company should go to Punjab High court or sindh High court etc.

High Court	Province	Principal Seat	Benches <sup>[9]</sup>
Lahore High Court	Punjab	Lahore	Bahawalpur, Multan, Rawalpindi
Sindh High Court	Sindh	Karachi	Sukkur, Hyderabad & Larkana

Peshawar High Court	Khyber Pakhtunkhwa	Peshawar	Abbottabad, Mingora, Dera Ismail Khan, Bannu
Balochistan High Court	Balochistan	Quetta	Sibi, Turbat
Islamabad High Court	Capital Territory	Islamabad	—

### **Note:**

One thing you need to make it clear here that whether your company is limited by shares or limited by guarantee, have share capital or not, or even if it is unlimited liability company, in all cases you are required by law to mention your registered office province in the memorandum and give notice of exact place of registered office according to above mentioned procedure. In simple words no type of company is exempt to registered office clause.

## **Change of Registered office:**

Registered office of the company according to section 21 may change its registered office in any of the following situations.

1. From one place to another within same city.
2. From one city to another city within same province.
3. From one province to another province.
4. From part of Pakistan not forming a province [capital area] to province
5. From province to the part of Pakistan not forming a province.

### **What is Change of registered office?**

1. If BODs decides to change the registered office from one place to another within same city they are empowered to do it by themselves, law does not consider it a change and they are required to pass a resolution of change of office in the AGM and give a notice of change to the registrar of province.
2. If BODs decides to change the registered office from one city to another city within same province they are empowered to do it by themselves, law does not consider it a change and they are required to pass a resolution of change of office in the AGM and give a notice of change to the registrar of province.
3. But when they are changing their office place from one province to another province, from part of Pakistan not forming a province [capital area] to province and from province to the part of Pakistan not forming a province. Now law considers it a change and they are required to get the confirmation.



Here it is

After we have learned that what is considered as no change and what is considered as change and needs approval, now, we shall learn what the procedure of this change is.

## Procedure:

1. Company first of all needs to pass a special resolution of change.
2. Obtain confirmation of change from the commission.

## Note:

Word confirmation is very much similar to approval but it is exactly not approval because approvals requires some set of procedures and confirmation is simply process the informing and getting back response of this information that whether there is some objection on our decision or not.

3. File a certified copy of commission order together with the altered memorandum with the registrar of both provinces who after registering the same shall certify the registration.
4. The registrar of the province from which the office is being shifted shall send all records of the company to the registrar of other province.
5. The notice of exact location shall also be provided to the registrar of new province.
6. And every copy of memorandum and articles of association shall be amended accordingly

## Note:

Alteration shall not come into effect until it is confirmed by the commission on petition.

There is no need of confirmation if you are shifting your registered office from Punjab to Islamabad Capital area and from Islamabad capital area to Punjab.

## Chapter 11

### Objects of the company

Before learning about the objects of the company it must be very clear that company is allowed to set its objectives under the provisions of law and company is only allowed to carry on its objects as stated in memorandum of association.

Although shareholders has many powers and they can approve and implement any decision on the basis of majority of voting in AGM, but all decisions taken by majority shareholders must be according to the objects of the company if there is something missing in the objects of the company even hundred percent majority cannot approve this decision in AGM.

All rights and all liabilities must be limited to the objects of the company or in simple words all rights and liabilities shall be only those as defined in the memorandum of association as objects of the company.

## Reasons to give statement of objects

1. It enables the members to know in which class of business their contributions are to be utilized.
2. It enables anyone dealing with the company to know about the company before making any contract.

## Kinds of Objects:

1. Main Objects
2. Subsidiary Objects

### Main objects:

If you remember we have learned that memorandum of association must be in paragraphs and normally first two or three paragraphs states the main objects of the company. It is necessary to elaborate main objects of the company in initial paragraphs of memorandum so that shareholders have idea where is being their money invested.

Subscribers of memorandum can choose any object subject to the following conditions.

1. Object should be lawful and according to the legal public policy.
2. Objects should not be against the provisions of the company's ordinance
3. Objects should not violate the general law of the land
4. Objects should not have any conflict with the any other law enforce in Pakistan.

## Other laws:

▶ Pakistani law by year (8 C)

### A

- ▶ Acts of the Parliament of Pakistan (20 P)
- ▶ Acts of the Provincial Assembly of Khyber Pakhtunkhwa (4 P)
- ▶ Acts of the Provincial Assembly of Sindh (2 P)
- ▶ Acts of the Provincial Assembly of the Punjab (2 P)

### C

- ▶ Pakistani case law (1 C)
- ▶ Censorship in Pakistan (2 C, 9 P)
- ▶ Constitution of Pakistan (2 C, 19 P)
- ▶ Pakistani constitutional law (3 C)
- ▶ Court system of Pakistan (4 C, 10 P)
- ▶ Pakistani criminal law (4 C, 3 P)

### F

- ▶ Family law in Pakistan (3 P)

### H

- ▶ Legal history of Pakistan (5 C, 12 P)
- ▶ Human rights in Pakistan (11 C, 10 P)

### I

- ▶ Insolvency law of Pakistan (1 C)

### J

- ▶ Judiciary of Pakistan (5 C, 10 P)
- ▶ Pakistani jurists (5 C, 14 P)

### L

- ▶ Law about religion in Pakistan (2 P)
- ▶ Law enforcement in Pakistan (11 C, 19 P)
- ▶ Pakistani legislation (5 C, 3 P)
- ▶ Legislative branch of the Government of Pakistan (2 C)
- ▶ LGBT law in Pakistan (1 P)

### N

- ▶ Pakistani nationality law (2 C, 3 P)

### O

- ▶ Ordinance in Pakistan (4 P)

### P

- ▶ Pakistani legal films (2 P)
- ▶ Parliament of Pakistan (5 C, 12 P)

### R

- ▶ Regulation in Pakistan (3 C, 4 P)

### S

- ▶ Sharia in Pakistan (1 C, 6 P)
- ▶ Sindh law (2 P)
- ▶ Supreme Court of Pakistan (2 C, 15 P)

### T

- ▶ Taxation in Pakistan (1 C, 7 P)
- ▶ Trials in Pakistan (1 C, 9 P)

### Σ

- ▶ Pakistani law stubs (1 C, 21 P)

## **Main objects rules:**

1. One there are many objects first two or three objects shall be considered as the main objects and shall be considered as the base of the company.
2. When company fails to perform main base of objects mean company fails to perform the objects which were the reason for the company, the company may be wound up.
3. When company defines one or two main objects and along with gives general statement that doing of other objects this general statement must not be consider and if company has failed to perform main objects company may be wound up.

## **Subsidiary objects:**

Following are the objects which are commonly known as the powers of the company and are normally taken by all type of companies because most of them are necessary to run the normal course of business from time to time.

1. Sell the undertaking of the company to another company for cash and consideration for shares.
2. Acquire share in another company
3. Borrow money and issue bills of exchange
4. Amalgamate with other companies
5. Purchase similar business
6. Sell or dispose of any part of the property
7. Grant gratuity and other benefits to employees and to their dependents.

## **Change of Objects:**

1. Objects can be altered but only for the purpose specified in section 21[1].
2. Alteration must be confirmed by the commission on petition
3. Sufficient notice must be given to the shareholders and debenture holders any other person whose interest may be under conflict by the change of objects.
4. Creditors and other lenders consent must be obtained
5. Certified copies of commission order confirming the alteration together with the printed copies of memorandum so altered is to be filed with the registrar within 90 days from the date of order.
6. Registrar has certified the registration again after the alteration of objects.

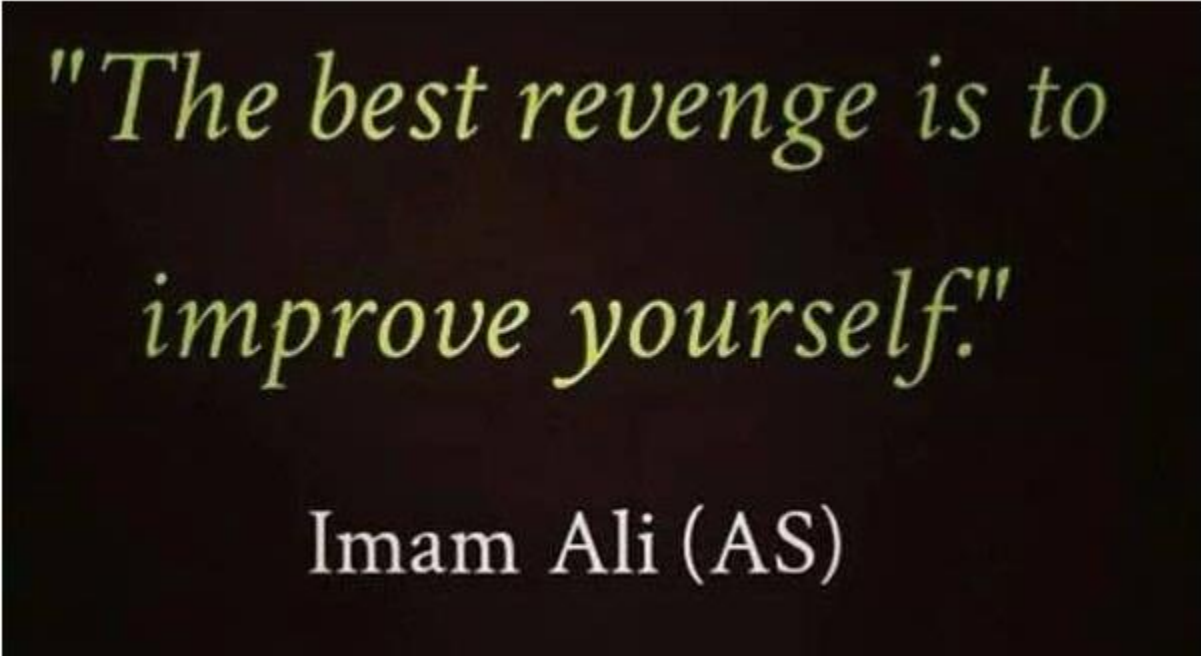
## **Limits of alteration specified in section 21:**

1. To carry on business more economically
2. To carry on its main purpose by new and improved means
3. To enlarge and change the local area of its operations
4. To carry on some business which may conveniently or advantageously be combined with the business of the company

5. To eliminate any objects stated before
6. To sell or dispose of the whole and any part of the undertaking of the company
7. To amalgamate with another company or body of persons

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*"The best revenge is to  
improve yourself."*

Imam Ali (AS)