

(ii) in the case of a company limited by guarantee, the amount up to which each member undertakes to contribute— (A) to the assets of the company in the event of its being wound-up while he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the company or of such debts and liabilities as may have been contracted before he ceases to be a member, as the case may be; and

(B) to the costs, charges and expenses of winding-up and for adjustment of the rights of the contributories among themselves; (e) in the case of a company having a share capital,— (i) the amount of share capital with which the company is to be registered and the division thereof into shares of a fixed amount and the number of shares which the subscribers to the memorandum agree to subscribe which shall not be less than one share; and (ii) the number of shares each subscriber to the memorandum intends to take, indicated opposite his name; (f) in the case of One Person Company, the name of the person who, in the event of death of the subscriber, shall become the member of the company.

(2) The name stated in the memorandum shall not—

(a) be identical with or resemble too nearly to the name of an existing company registered under this Act or any previous company law; or (b) be such that its use by the company— (i) will constitute an offence under any law for the time being in force; or

(ii) is undesirable in the opinion of the Central Government. (3) Without prejudice to the provisions of sub-section (2), a company shall not be registered with a name which contains— (a) any word or expression which is likely to give the impression that the company is in any way connected with, or having the patronage of, the Central Government, any State Government, or any local authority, corporation or body constituted by the Central Government or any State Government under any law for the time being in force; or (b) such word or expression, as may be prescribed, unless the previous approval of the Central Government has been obtained for the use of any such word or expression. (4) A person may make an application, in such form and manner and accompanied by such fee, as may be prescribed, to the Registrar for the reservation of a name set out in the application as— (a) the name of the proposed company; or (b) the name to which the company proposes to change its name. (5) (i) Upon receipt of

an application under sub-section (4), the Registrar may, on the basis of information and documents furnished along with the application, reserve the name for a period of sixty days from the date of the application. (ii) Where after reservation of name under clause (i), it is found that name was applied by furnishing wrong or incorrect information, then,— (a) if the company has not been incorporated, the reserved name shall be cancelled and the person making application under sub-section (4) shall be liable to a penalty which may extend to one lakh rupees; (b) if the company has been incorporated, the Registrar may, after giving the company an opportunity of being heard— (i) either direct the company to change its name within a period of three months, after passing an ordinary resolution; (ii) take action for striking off the name of the company from the register of companies; or (iii) make a petition for winding up of the company. (6) The memorandum of a company shall be in respective forms specified in Tables A, B, C, D and E in Schedule I as may be applicable to such company. (7) Any provision in the memorandum or articles, in the case of a company limited by guarantee and not having a share capital, purporting to give any person a right to participate in the divisible profits of the company otherwise than as a member, shall be void.

Liability clause---The fourth clause states the nature of liability the members incur. The clause will state whether the liability of the members shall be limited by shares or by guarantee or unlimited.

Capital clause---The last clause states the amount of capital with which the company is proposed to be registered and the kinds, number and value of shares into which the capital is to be divided.

After the Companies (Amendment) Act, 2000, the minimum paid up capital of a public company must be five lakh rupees or more and one lakh or more for a private company.

