

⑤ Memorandum of Association:

(d) Provisions w.r.t. Name of a Company: Sec. 4(2) to Sec. 4(5):

✓ Sec. 4(2): Applying for name of company (Rule 8A)

Identical
Resemble
Contravention
Undesirable

✓ Sec. 4(3): Registration of name of company (Rule 8B)

Sec. 4(4): Application for reservation of name of company

Sec. 4(5): Reservation of name of company

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ROC - Reserve the name - 20 days / 60 days

↓
If any wrong info. was provided while applying for reservation of name of company

↓ after providing an opportunity of being heard

ROC

↓
If company not incorporated

↓
Cancel the name and
Can impose fine on
the applicant which
may extend upto 1 Lakh.

↓
If company already been incorporated
↓ ROC

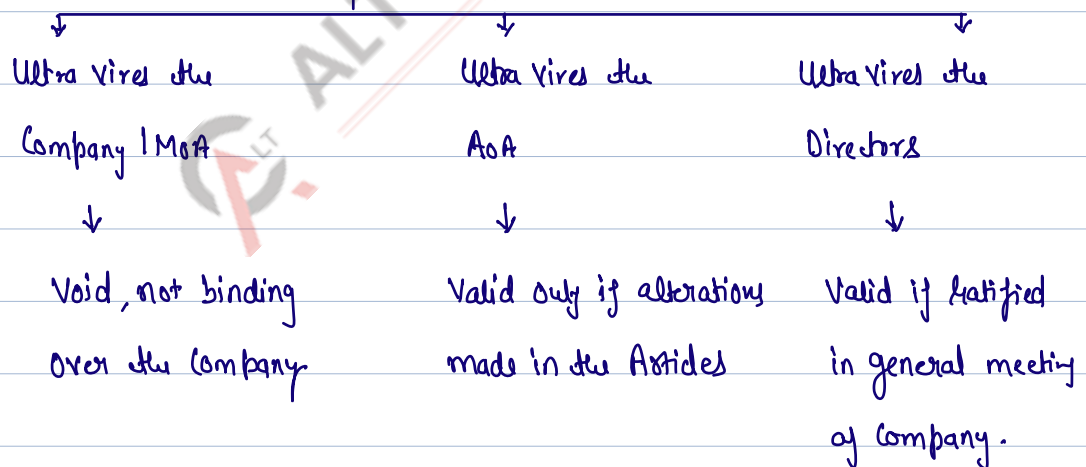
(a) direct the company to change its name within 3 Months.

(b) take action for striking off the name of Co. from Register of Companies

(c) file petition for winding-up of company.

(c) Doctrine of Ultra Vires:

- 'Ultra vires' implies beyond the powers.
- Powers of a company, incorporated under the provisions of Company law are prescribed under Object clause.
- Company and its officers needs to ensure that only the activities which are covered in the Memorandum, are to be carried out.
- Any act which is beyond the powers of a Company will be considered ultra vires and not binding over the Company.
- Types of Ultra Vires acts:



(iii) Articles may also include additional matters as considered necessary.

(iv) A company may adopt all or any of the regulations contained in the Model Articles.

(v) Provisions for Entrenchment:

- Entrenchment means to make something more protective.
- Need consent of all members in case of a private company.
- " special resolution in case of a public company.

(C) Doctrine of Constructive Notice:

- MoA and AOA are public documents and every person dealing with the company is presumed to have knowledge of MoA/AOA.
- This presumed knowledge of MoA/AOA is known as doctrine of Constructive notice.
- There exist a limitation to doctrine of Constructive notice i.e. outsiders dealing with the company are entitled to assume that as far as the internal proceedings of the company are concerned, everything has been regularly done (i.e. doctrine of indoor management).

Doctrine of Indoor Management:

- Persons dealing with the company are not required to inquire whether internal proceedings relating to the contracts/transactions are followed correctly.
- Stakeholders are entitled to assume that the company had done all the proceedings in a regular manner.

- Exceptions:
- (a) Knowledge of Irregularity
 - (b) Forgery [cheating]
 - (c) Acts of Negligence

Note: Doctrine of Indoor Management is a safeguard against the possibility of abusing the doctrine of constructive notice.

Doctrine of Constructive notice protects a company against outsiders, whereas doctrine of indoor management protects outsiders against the action of a company.

(d) Alteration of Articles : Sec. 14

- (i) To alter the Articles, a special resolution need to be passed.
- (ii) Alteration includes alteration having effect of conversion of
 - (A) a private company into a public co. Or
 - (B) a public company into a private co.

Note: Any alteration having effect of conversion of a public company into a private company shall not be valid unless approved by C.G.

Note: Any alteration in Articles of a private company having effect of removing restriction, limitation and prohibition applicable to a private company, results in ceasing the status of private company

- (iii) Every alteration and CG Order approving alteration shall be filed with ROC, together with a printed copy of altered Articles, within a period of 15 days, in prescribed manner. [Rule 33 - Form INC-27]