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UNIT – II

MEMORANDUM OF ASSOCIATION

Introduction

‘Memorandum’ means “the memorandum of association of a company as originally framed or as altered from time to time in pursuance of any previous companies law Any seven or more persons, or where the company to be formed will be a private company, any two or more persons, associated for any lawful purpose may, by subscribing their names to a memorandum of association and otherwise complying with the requirements of this Act in respect of registration, form an incorporated company, with or without limited liability.

Memorandum of Association – Meaning and Purpose

The Memorandum of Association of a company is its charter which contains the fundamental conditions upon which alone the company can be incorporated. It tells us the objects of the company’s formation and the utmost possible scope of its operations beyond which its actions cannot go. Thus, it defines as well as confines the powers of the company. If anything is done beyond these powers, that will be ultra vires (beyond powers of) the company and so void.

The memorandum serves a two-fold purpose viz.,

1. It enables shareholders, creditors and all those who deal with the company to know what its powers are and what is the range of its activities. Thus, the intending shareholder can find out the field in, or the purpose for which his money is going to be used by the company and what risk he is taking in making the investment.
2. Any one dealing with the company, say, a supplier of goods or money will know whether the transaction he intends to make with the company is within the objects of the company and not ultra vires its objects.

IMPORTANCE

The MOA is an extremely important document in relation to the affairs of the company. It is a document which sets out the constitution of the company and is really the foundation on which the structure of the company is based. It contains the fundamental conditions upon which alone the company is allowed to be incorporated.

Its five clauses provide the basic features of the company's constitution. A company may pursue only such objects and exercise only such powers as are conferred expressly in the memorandum or by implication there from i.e. such powers as are incidental to the attainment of the objects. A company cannot depart from the provisions contained in its memorandum, however, great the necessity may be. If it does, it would be ultra vires the company and therefore wholly void. It defines its relation with the outside world and the scope of its activities

After registration of the company, the memorandum becomes a public document. While the memorandum must comply with the provisions of the companies act, all other documents of the company must comply with the memorandum.

Contents of Memorandum of Association

“Contents of Memorandum of Association contain the following clause

1) Name Clause:

The first clause of a Memorandum shall state the name of the proposed company. The name of a company establishes its identity and is the symbol of its existence. A company may subject to the following rules, select any suitable name:

Undesirable Name to be avoided:

A company cannot be registered by a name which, in the opinion of the Central Government, is undesirable broadly speaking, a name is undesirable and therefore rejected if it is either:

Too similar to the name of another company; or Misleading.

Injunction if Identical Name Adopted:

If a company gets registered with a name which resembles the name of an existing company, the other company with whom the name resembles can apply to the Court for an Injunction to restrain the new company from adopting the identical name.

'Limited' or 'Private Limited' as the Last Word or Words of the Name:

The Memorandum shall state 'Name of the Company' with "Limited" as the last word of the name in case of a Public Limited Company, and with "Private Limited" as the last words of the name in case of a Private Limited Company.

Prohibition of Use of Certain Names:

The Emblems and Name (Prevention of Improper Use) Act, 1950 prohibits, except with the previous permission of the Central Government, the use of or registration of a company or firm with, any name or emblem specified in the schedule to the Act.

Use of Some Key Words According to Authorized Capital:

If a company uses some key words in its name, it must have a minimum authorized capital. For example, if a company uses the word 'Corporation' in its name, it must have a minimum authorized capital of 5 crore.

Use of Certain Keywords as Part of the Name the Department of Company Affairs has clarified that if a company used any of the following keywords in its name, it must have a minimum authorized capital mentioned against the keywords:

1. Corporation	5 crore
2. International, Globe, Universal Continental, Inter-continental, Asiatic, Asia, being the first word of the name.	1 crore
3. If any of the words in (2) above stated is used within the name (with or without brackets)	50 lakhs
4. Hindustan, India, Bharat, being the first word of the name	50 lakhs
5. If any of the words at (4) above is used within the name (with or without brackets)	5 lakhs
6. Industries/Udyog	1 crore
	10 lakhs
7. Enterprises, Products, Business, Manufacturing	

Publication of name:

Every company is required to publish its name outside its registered office, and outside every place where it carries on business, to have its name engraved on its seal and to have its name on all business letters, bill heads, notice and other official publications of the company.

If a company fails to paint or affix its name, the company and its officers who are in default shall be liable to a fine upon rs. 1000 for each day of default.

Seal. Every company shall have its name engraved in legible characters on its seal. Non-compliance will make the company liable to fine upto rs. 5000.

(2) Registered office clause:

This clause states the name of the state where the registered office of the company is to situate.

A company shall have its registered office. Such office must be in existence on and from the 15th day of its incorporation. Notice of situation of registered office and every change therein must be given the registrar within 15 days.

Registered office is really the permanent address of the company. It is residence of the company. It decides domicile of the company.

Address of registered office to be specified in correspondence, bills etc.

Address of registered office must be specified in company's letter heads, bill books and in all notices and official publications. Name board of company and address of registered office should be painted or affixed in a conspicuous position on the outside of every office or place in which business is carried out.

If default is made in complying with these requirements, the company and every other officer who is in default shall be punishable with fine which may extend to rs.1000 for every day during which the default continues, but not exceeding r. 100000.

Importance of Registered Office

The registered clause is important for following reasons.

1. It ascertains the domicile and nationality of a company.
2. The jurisdiction of a court is also determined with reference to the registered office of the company. It means, jurisdiction of High Court, Company Court, Registrar of Companies and Regional Director is decided on basis of registered office of the company.
3. It is the place where various registers relating to the company must be kept
4. and to which all communications and notice must be sent.
5. Any document can be served on a company by sending it by post, under certificate of posting or by registered post or by hand delivery, at the registered office.
6. Case against company should normally be filed where registered office is situated, unless cause of action has arisen elsewhere.
7. Annual General Meetings of company must be held in city/town in which registered office is situated.

8. Proxy for meetings has to be deposited at registered office of the company. Requisition for calling of Extra Ordinary General Meeting (requisition meeting) shall be deposited at registered office. If members want to circulate a resolution u/s188, its notice has to be served at Registered Office.

3)Objects Clause

The third and important clause which defines the limits and extent of the activities of a company is its objects clause.

A company to divide its objects clause into two parts.

(i) Objects to be pursued on incorporation; and

(ii) Matters necessary for furtherance therefore.

Further, in the case of a non-trading company, whose objects are not confined to one State, the objects clause must mention specifically the States to whose territories the objects extend.

Objects stated in the 'main objects' are to be pursued by the company immediately after incorporation or within a reasonable time thereafter. Where the main objects of the company have failed to materialize, the Tribunal may order winding up under just and equitable ground.

Commencement of new business.

No new business given in 'other objects' can, however, be commenced unless prior approval of shareholders with regard thereto is obtained by way of special resolution passed in general meeting. Where Special resolution is not passed, the Central Government may, on an application by the Board of directors, allow a company to commence business in the 'other objects', provided the votes cast in favor of the resolution exceed the votes cast against the resolution, if any.

The objects clause in the memorandum of a company is construed positively and negatively. Objects not mentioned in it are not the objects of the company, but this clause should not be construed too strictly and the company may not do anything which is fairly incidental to the main objects specified in it. Thus a company which has its main object the making of steel may want to run its own transport in order to supply its products to its purchasers. The transport aspect of the business would really be ancillary to the running of

the business of making of the steel and ought to be implied so that it should not be necessary to provide for transport business in the memorandum.

Importance of the Objects clause:

This clause is the most important clause in the memorandum or association of a company, because it not only shows the object or objects for which the company is formed but also determines the extent of the powers which the company can exercise in order to achieve the object or objects. It is essential that the public who purchase its shares should know clearly what are the objects for which they are paying and which they want to encourage. To give this information the statement of the objects should be clear. It must not be too vague and too general and too wide for in that case it will defeat its very purpose and object.

4) Liability Clause

This clause has to state the nature of liability that the members incur. In the case of a company limited by shares, the members are liable only to the amount unpaid on the shares taken by them. If his shares are fully paid up his liability is nil. Where a shareholder holding a 10 share has paid 5 on it, he can be called upon to pay the balance of 5. In case he has paid the full value of 10 he cannot be required to pay anything more even if the company owes huge debts to its creditors. In the case of a company limited by guarantee the members are liable to the amount undertaken to be contributed by them to the assets of the company in the event or its being wound up.

Any alteration in the memorandum compelling a member to take up more shares, or which increases his liability, would be null and void.

If a company carries on business for more than six months while the number members is less than 7 in the case of a public company and less than 2 in case of a private company, each member aware of this fact, is liable for all the debts contracted by the company after the period of six months has elapsed.

5) Capital Clause

The memorandum of a company limited by shares must state the authorized or nominal share capital, the different kinds of shares and the nominal value of each share. Provisions as to the nature of these shares are more properly to be made in the articles.

The amount of the capital with which company is to be registered is left to the discretion of those promoting it. It depends upon the needs of the company and the availability of finance. Moneys borrowed on debentures do not form part of the capital of a company.

Publication of authorized as well as subscribed and paid up capital

If a company publishes its authorized capital in any notice, advertisement or official publication or bill head or letter head, it shall also mention with equal prominence the amount subscribed and paid up. Otherwise, just looking at authorized capital, a person may be misled to believe that the company is big, though actually, it may be a small company.

Requirement of minimum paid up

Private Company — 1 lakhs

One Person Company - 1 lakhs

Public Company — 5 lakhs

6) Association or Subscription Clause

This clause provides that those who have agreed to subscribe to the memorandum must signify their willingness to associate and form a company. The association clause generally runs in the following form, "We the several persons, whose names and addresses are subscribed, are desirous of being formed into a company in pursuance of the memorandum of association and we respectively agree to take the number of shares in the capital of the company set opposite our respective names."

The memorandum has to be signed by each subscriber in the presence of at least one witness who must attest the signatures. One witness to all the signatures is sufficient. But a subscriber cannot attest the signatures of another subscriber. Each subscriber must write opposite his name the number of shares he shall take. NO subscriber to the memorandum shall take less than one share. This clause need not be numbered.

a. Nomination or Succession Clause (in Case of One Person Company).

In case of a one person company, there is a requirement to have 7th clause to describe the nominee in the event of the death of the subscriber. Prior written consent of nominee required to be obtained in Form No. INC 3. Nomination, in Form No. INC 2 along with written consent in Form No. INC 3 shall be filed with ROC at the time of incorporation of the OPC along With its memorandum and articles.

NEXT TOPIC

ALTERATION OF MEMORANDUM

The clauses in the memorandum as regards name, situation, objects, capital, and liability of members and the undertaking of subscribers to take at least one share each are conditions. Since 'Memorandum of Association' is the constitution of the Company, there are more restrictions on change of any of the clause in the memorandum alteration of the memorandum only to the extent necessary for efficient and fair working of the company would be permitted

Change of name

By special resolution:

A company can change its name. For this purpose it first must pass a special resolution and then obtain approval of the Central government in writing. however, no such approval is necessary for merely including or deleting the word 'Private' consequent on the conversion of the public company into private company and vice versa.

By Ordinary resolution.

If through inadvertence or otherwise a company is registered by a name, which in the opinion of the Central Government is identical with or too nearly resembles the name of an existing-company. It can change its name by passing an ordinary resolution and with the previous approval of the Central government signified in writing.

Direction for changing name.

The Central Government may also, within twelve months of registration, direct the company to change its name. Within three months of such directions the company must change its name by passing an ordinary resolution and with the previous approval of the Central Government.

Default in complying with the direction is punishable with fine up to 1000 for every day during which the default continues.

Defaulting Companies Prohibited Changing the Name.

Change of name shall not be allowed to a company which is defaulting in filing its due Annual Returns or Balance Sheets or which has defaulting in repayment of matured deposits and dentures and / or interest thereon.

New Certificate of Incorporation

The Registrar shall enter the new name in the register in place of former name and shall issue a fresh certificate of incorporation. The change of name shall be complete and effective only on the issue of such a certificate.

Change of Registered Office

The change of registered office may involve any of the following

- 1) Change of registered office from one place to another place in the same city, town or village.
- 2) Change of registered office from one town to another town in the same state.
- 3) Change of registered office from one state to another state.

Change of Registered Office

The procedure depends on whether the change is within the jurisdiction of same registrar of companies or whether the shifting is to the jurisdiction of another registrar of companies in the same state. This may include:

Change of registered office from one premises to another premises in the same city, town or village:

The company may do so anytime. A resolution passed by the Board of directors shall be sufficient. However, notice of the change should, within 30 days after the date of the change, be given to the Registrar who shall record the same.

Change of registered office from one town or city or village to another town or city or village in the same state:

In this case, the procedure is:

- a. A special resolution is required to be passed at a general meeting of the shareholders;
- b. A confirmation of regional director is to be obtained;
- c. A copy of special resolution and confirmation by regional director is to be filed with the Registrar within 30 days;
- d. Within 30 days of the removal of the registered office, notice of the new location has to be given to the Registrar who shall record the same.
- e. Change of registered office from one state to another state: Section 17 provides for the shift of the registered office from one State to another and such shift involves alteration of memorandum. The change of registered office from one locality to another in the same city or from one city to another in the same State does not involve alteration of memorandum.

The shift of the registered office from one State to another state.

This can be done by a special resolution which is required to be confirmed by the Central Government. The Central Government, before confirming the resolution, will satisfy itself that sufficient notice has been given to every creditor and all other persons whose interests are likely to be affected by the alteration, including the Registrar of Companies and the Government of the State in which the registered office is situated. Also, the Central Government will give an opportunity to members and creditors of the company, the Registrar and other persons interested in the company to be heard. The Central Government may confirm the resolution on such terms and conditions as it thinks fit.

Change of the objects clause

A company has no unlimited right to alter the objects clause of the memorandum, however, urgent or beneficial such alteration may be. A company exists only for the purposes as are defined in the objects clause. The alteration of the objects clause is, therefore, subject to many restrictions and limitations which are intended to protect the interests of shareholders and creditors.

The power of alteration of objects clause is subject to two limits:

1) Substantive limits

2) procedural limits

1) Substantive limits

A company may change its registered office from one state to another or objects clause in so far as it is necessary for any of the following purposes:

a) To carry on its business more economically and more efficiently:

In Dalmia Cement (Bharat) Ltd.,

If a company can carry on its business more economically or more efficiently is a matter for the judgment of the directors. If the directors consider that under the existing circumstances, it will be convenient and advantageous to combine the new objects with the existing objects and if it appears that such a conclusion may be fairly arrived at, the Court (now Central government) will not go behind it and hold an enquiry as to whether the opinion of the directors is well founded or is justified.

b) To attain its main purpose by new or improved means:

For the companies registered after 10th October, 1965, there is no difficulty in ascertaining the main purpose because the Memorandum would state it. But for the companies registered earlier, one has to look not only to the memorandum but also to what has actually been done.

c) To enlarge or change the local area of its operation:

This clause permits alteration to enlarge or change the local area of operation but no alteration in the company's business is allowed.

1. To carry on some business which under existing circumstances may be conveniently or advantageously combined with the business of the company:

In fact, most of the amendments sought in objects clause are based on this ground. This clause enables a company to diversify. The working of the clause makes its scope very wide in as much as any activity which may either conveniently or advantageously be combined with the existing business may be allowed.

2. To restrict or abandon any of the objects specified in the memorandum:

A company may alter the memorandum to restrict or abandon any specified objects. It may occur due to the needs of time. But no such alteration will be deemed valid if it is done to give effect to a specified object on the winding up of a company.

3. To sell or dispose of the whole or any part of the undertaking:

Where a company wishes to adopt a cut-back or retrenchment strategy, i.e., where it feels that it has either grown too big or diversified in various directions that managing becomes difficult or uneconomical, it may alter its objects to sell or dispose of any of its undertakings.

4. To amalgamate with any other company or body of persons.

2. Procedure for Alteration of Objects

A printed or a typewritten copy of the special resolution is required to be filed with the Registrar within thirty days of the passing thereof. Also a petition is to be filed with the Central Government for confirmation of the special resolution. The Central Government, being satisfied that the notice of the resolution was given to all persons whose interests are likely to be affected by the alteration, including the Registrar and the State Government and having heard them, may confirm the alteration either wholly or in part. A certified copy of the order of the Central Government together with a printed copy of the altered memorandum must be filed within three months of the date of the order, with the Registrar. The Registrar will register the documents and issue, within one month a certificate which will be conclusive evidence that everything required has been done.

Consequences of non- filing:

If the required documents are not filed within the prescribed time, the alteration and the order of the Central Government confirming the alteration, shall, at the expiry of such period, become void and inoperative. However the central government may revive the order on an application made within one month of its lapse. It has been held that the application for revival of the order can be made even after the expiry of the period of three months i.e. after the order becomes void.

1) **Change of liability clause:**

Limited company	Unlimited company	Club or association
<p>-ordinary liability clause cannot be altered so as to make the liability of members unlimited</p> <p>_ Member's consent may be given either before or after the alteration</p> <p>_ Increase in liability may be by way of subscribing for more shares than the number held not him at the date on which the alteration is made or in any other manner.</p> <p>Any alteration in the memorandum will be void if the effect of the alteration is the enhancement of the liability of members</p> <p>-This provision, however, will apply to case where the members agree in writing to be bound by the alteration.</p>	<p>-Section 18 permits an unlimited company to register as a limited company.</p> <p>- On alteration the registrar shall close the former registration of the company and new registration shall take effect as if it were the first registration.</p> <p>-The registration of an unlimited company as a limited company shall not, however, affect any debts, liabilities obligations or contracts incurred or entered into before the conversion.</p>	<p>-where as a result of alteration of liability clause of a company which is club or any other similar association.</p>

1) Change of capital clause:

Section 61 of the companies' act 2013 provides for alteration of share capital whereas section 62 provides for increase share capital. A limited company, having a share capital may alter its capital clause subject to the provisions of its articles by a resolution in the general meeting. The confirmation of the court is not required for alteration is made for any of the following reasons:

- ✓ To increase its share capital
- ✓ To consolidate and divide its capital into shares of larger amount.
- ✓ To covert it's fully paid shares into stock and reconverts the stock into paidup shares.
- ✓ To sub-divide its shares of smaller amount.
- ✓ To cancel its shares.

A change in the description of shares from 100 to 10 is not a change in the fixed amount of the share and therefore is not an alteration of a condition of the memorandum. So that no formalities are required.

But in case of reduction of share capital, special resolution is necessary.

Introduction

There may in the case of a public company limited by shares, and there shall in the case of an unlimited company or a company limited by guarantee or a private company limited by shares, be registered with the memorandum, articles of association signed by the subscribers of the memorandum, prescribing regulations for the company. The articles of association of a company limited by shares may adopt all or any of the regulations contained in Table A in Schedule I.

In the case of any such company which is registered after the commencement of this Act, if Notes articles are not registered, or if articles are registered, in so far as the articles do not exclude or modify the regulations contained in Table A aforesaid, those regulations shall, so far as applicable, be the regulations of the company in the same manner and to the same extent as if they were contained in duly registered articles.

Articles of Association

Meaning and Purpose

The articles of association of a company and its bye laws are regulations which govern the management of its internal affairs and the conduct of its business. They define the duties, rights, powers and authority of the shareholders and the directors in their respective capacities and of the company and the mode and form in which the business of the company is to be carried out. The Articles of association of a company have a contractual force between company and its members as also between the members inter se in relation to their rights as such members. They are subordinate to and are controlled by memorandum. Articles cannot supersede the objects as set out in the memorandum of association. The memorandum, as we have seen earlier, lays down the scope and powers of the company, whereas the articles govern the ways in which the objects of the company are to be carried out. Also the alteration of memorandum involves elaborate procedure, whereas the articles can be framed and altered by the members by passing special resolution.

The memorandum is the area beyond which the actions of the company cannot go inside that area the shareholders may make such regulations for their own governance as they think fit. However, the articles must not be inconsistent with the memorandum. Also, as in the case of memorandum, the articles of the company must not contain anything which is against or repugnant to the provisions of the Companies Act.

NEXT TOPIC

Content of article of association:

Articles usually contain provisions relating to the following matters:

1. Share capital, rights of shareholders, variation of these rights, and payment of underwriting commission.
2. Lien on shares;
3. Calls on shares;
4. Procedure for making allotment of shares;

5. Procedure for transfer of shares;
6. Procedure for issuing share certificate;
7. Transmission of shares;
8. Procedure for forfeiture and re-issue of forfeited shares;
9. Conversion of shares into stock;
10. Share warrants;
11. Alteration of capital;
12. General meetings and proceedings there at;
13. Voting rights of members, voting and poll, proxies;
14. Directors, their appointment, remuneration, qualifications, proceedings of Board of Directors;
15. Manager;
16. Secretary;
17. procedure for declaration and payment of dividends and reserves;
18. Matters relating to keeping of statutory books;
19. Accounts, audit and borrowing powers;
20. Capitalization of profits; and
21. Procedure of winding-up of a company.

NEXT TOPIC

Alteration of Articles of Association

The company has wide powers to alter its Articles to meet requirements from time to time. A declaration in the meeting of the Board must be taken to change all or any of the regulations of the existing Articles and they shall fix up the day, time, place and agenda for the general meeting. It should be noted that a company can never replace the existing Articles. It can only change the regulations contained in the Articles.

The proposed alteration conforms to the provisions of the Act and the Memorandum. The change must not increase the liability of any member and the change must not provide for the expulsion of a member by the company.

A notice calling the general meeting should be sent to every member at least 21 days before the meeting wherein the proposed special resolution and the explanation relating to the

implications of the proposed change be given. In case of the listed company notice shall be send to the stock exchange. The special resolution should be passed by the shareholders in the general meeting.

After the Articles have been altered six copies of the amended Article should be filed with the stock exchange. The copy of the special resolution along with explanatory statement in e-Form No. 23 must be filed with the Registrar within 30 days after passing of the resolution.

Necessary changes must be made in all the copies of the Articles. If the effect of the alteration is to convert a public company into a private company, the approval Of the Central Government is necessary. Also a copy of the altered Articles should be filed with the Registrar within one month from the date of the receipt of the consent of the Central Government to the alteration. Once an alteration is made in accordance with the provisions then the altered Articles shall be binding on the members in the same way as the original Articles.

Limitations or Restrictions on Power to Alter Articles

Limitations or restrictions on power to alter articles are as follows:

1) Not to be Inconsistent with the Companies Act:

The alteration must not be inconsistent with any provision of the Companies Act or any other, statute.

2)Not to be Inconsistent with the Memorandum:

The alteration must not exceed the powers given by the memorandum or conflict withother provisions of the memorandum.

3)Not to be Inconsistent with Order of Government or Court: The alteration must not be inconsistent with an order of the Central Government tribunal as the case may be.

Not to be Illegal:

The altered articles must not include anything which illegal, or opposed to publicpolicy or unlawful.

Not by Ordinary Resolution:

Alterations of Articles will be made only by a special resolution as defined under the Act. Articles can never be altered by an ordinary resolution even if they provide for such a procedure.

4) Bonafide for the Benefit of the Company as a Whole:

The alteration must be bona fide for the benefit of the company as a whole.

Not to Increase the Liability of Members:

The alteration of Articles which increases the liability of the existing shareholders is inoperative and without any legal effect. Thus, by alteration of Articles the shareholders cannot be asked to pay more than their liability unless they agree in writing. The liability of the shareholders cannot be increased in any way.

Not to Constitute a Fraud on the Minority:

The alteration must not constitute a fraud on the minority by the majority. If the alteration is not for the benefit of the company as a whole, but for majority of the shareholders, then the alteration would be bad. In other words, an alteration to the articles must not discriminate between the majority shareholders and the minority shareholders so as to give the former an advantage of which the latter have been deprived.

Central Government Approval in Certain Cases

: An alteration of articles to effect a conversion of a public company into a private company cannot be made without the approval of the Central Government.

Not Result in Alteration in Breach of Contract:

A company cannot justify breach of contract with third parties or avoid a contractual liability by altering articles.

No Retrospective Operation:

The amended regulation in the Articles of Association cannot operate

retrospectively but only from the date of amendment.

Registration of Articles of Association

Section 26 states that a public company limited by shares may register Articles of Association signed by the subscribers to the Memorandum. If, however, it does not register its own Articles, then the Articles given in Table A, of Schedule I automatically become applicable. Further, even if it does register Articles of its own, Table A will still apply automatically unless it has been excluded or modified. There are actually three possible alternatives in which such company may adopt Articles:

1. It may adopt Table A in full.
2. It may wholly exclude Table A and set-out its own regulations in full, or
3. It may set-out its own Articles and adopt part of Table A.

The alternatives (2) and (3) are often employed; and partial adoption Of Table A advantage for because of economy in printing because any provision of Table A is legally beyond any doubt.

As regard a company limited by guarantee and unlimited liability company and a private company limited by shares, Section 26 provides for compulsory registration of articles prescribing regulations for the company. However, they may adopt ay of the appropriate regulations of Table A.