

- (b) every officer of the company who is in default shall be guilty of an offence and be liable on conviction to a fine not exceeding fifty thousand rupees.

(4) Where—

- (a) a document that creates or is evidence of a legal obligation of a company, is issued or signed by or on behalf of the company ; and
- (b) the name and company number of the company are not correctly stated in the document,

every person who issued or signed the document will be liable to the same extent as the company if the company fails to discharge the obligation, unless-

- (c) the person who issued or signed the document proves, that the person in whose favour the obligation was incurred was aware at the time the document was issued or signed, that the obligation was incurred by the company ; or
- (d) the court is satisfied that it would not be just and equitable for that person to be so liable.

(5) For the purposes of subsections (1) and (2), a company may use a generally recognized abbreviation of any word in its name, unless it is misleading to do so.

ARTICLES OF ASSOCIATION

13. The articles of association of a company may provide for any matter not inconsistent with the provisions of this Act other than the First Schedule hereto, and in particular may provide for—

Contents of articles.

- (a) the objects of the company ;

- (b) the rights and obligations of shareholders of the company ; and
- (c) the management and administration of the company.

Application of
model articles.

14. The articles of association set out in the First Schedule hereto (hereinafter referred to as “model articles”) shall apply in respect of any company other than a company limited by guarantee, except to the extent that the company adopts articles which exclude, modify or are inconsistent with the model articles.

Adoption or
amendment of
articles.

15. (1) Subject to the provisions of this Act and any conditions contained in its articles, a company may at any time by special resolution —

- (a) adopt new articles ;
- (b) if it has articles which differ from the articles of association set out in the First Schedule, adopt such articles as its articles ; or
- (c) alter its articles.

(2) Where a company by a special resolution alters its articles, it shall give notice of such resolution to the Registrar within ten working days, setting out in full the text of the resolution and of any new articles or of any alterations to the company’s articles.

(3) Where a company fails to comply with the requirement of subsection (2)—

- (a) the company shall be guilty of an offence and be liable on conviction to a fine not exceeding fifty thousand rupees ; and
- (b) every officer of the company who is in default shall be guilty of an offence and be liable on conviction to a fine not exceeding fifty thousand rupees.

16. Subject to the provision of section 89, the articles of a company shall bind the company and its shareholders as if there were a contract between the company and its shareholders. In particular, all money payable by any shareholder to the company under the articles, shall be a debt due from that shareholder to the company.

Effect of articles.

17. (1) Where the articles of a company sets-out the objects of the company, there shall be deemed to be a restriction placed by the articles in carrying on any business or activity that is not within those objects, unless the articles expressly provide otherwise.

Effect of
statement of
objects in
articles.

(2) Where the articles of a company provide for any restriction on the business or activities in which the company may engage—

- (a) the capacity and powers of the company shall not be affected by such restriction ; and
- (b) no act of the company, no contract or other obligation entered into by the company and no transfer of property by or to the company, shall be invalid by reason only of the fact that it was done in contravention of such restriction.

(3) Nothing in subsection (2) shall affect —

- (a) the ability of a shareholder or director of the company to make an application to court under section 233 to restrain the company from acting in a manner inconsistent with a restriction placed by the articles, unless the company has entered into a contract or other binding obligation to do so; or
- (b) the liability of a director of the company for acting in breach of the provisions of section 188.

Right of shareholders to a copy of the articles.

18. (1) A shareholder has a right at any time to request a company in writing for a copy of the articles of the company, and subject to subsection (2), the company shall comply with such request within five working days of the date of receipt and such request.

(2) A company to which a request is made under subsection (1) may—

- (a) require the shareholder to pay a fee of not more than five hundred rupees before providing a copy of the articles; or
- (b) decline to provide a copy of the articles, if a copy has been provided to that shareholder within the previous six months.

(3) Where a company fails to comply with the requirements of subsection (1) —

- (a) the company shall be guilty of an offence and be liable on conviction to a fine not exceeding two hundred thousand rupees; and
- (b) every officer of the company who is in default shall be guilty of an offence and be liable on conviction to a fine not exceeding one hundred thousand rupees.

COMPANY CONTRACTS ETC.

Method of contracting.

19. (1) A contract or other enforceable obligation may be entered into by a company as follows :—

- (a) an obligation which, if entered into by a natural person is required by law to be in writing signed by that person and be notarially attested, may be entered into on behalf of the company in writing signed under the name of the company by —
 - (i) two directors of the company;