

(3) The articles may contain provisions for entrenchment to the effect that specified provisions of the articles may be altered only if conditions or procedures as that are more restrictive than those applicable in the case of a special resolution, are met or complied with.

(4) The provisions for entrenchment referred to in sub-section (3) shall only be made either on formation of a company, or by an amendment in the articles agreed to by all the members of the company in the case of a private company and by a special resolution in the case of a public company.

(5) Where the articles contain provisions for entrenchment, whether made on formation or by amendment, the company shall give notice to the Registrar of such provisions in such form and manner as may be prescribed.

(6) The articles of a company shall be in respective forms specified in Tables, F, G, H, I and J in Schedule I as may be applicable to such company.

(7) A company may adopt all or any of the regulations contained in the model articles applicable to such company.

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

(9) Nothing in this section shall apply to the articles of a company registered under any previous company law unless amended under this Act. Act to override memorandum, articles, etc. (section 6)-- Save as otherwise expressly provided in

this Act— (a) the provisions of this Act shall have effect notwithstanding anything to the contrary contained in the memorandum or articles of a company, or in any agreement executed by it, or in any resolution passed by the company in general meeting or by its Board of Directors, whether the same be registered, executed or passed, as the case may be, before or after the commencement of this Act; and (b) any provision contained in the memorandum, articles, agreement or resolution shall, to the extent to which it is repugnant to the provisions of this Act, become or be void, as the case may be. Importance of Articles of Association

Under sec 36(now section 10 of companies act 2013), the memorandum and the articles when registered, shall bind the company and its members to the same extent as if it had been signed by them and had contained a covenant on their part that the memorandum and the articles shall be observed.

With respect to the above section, the importance of articles of association can be summed up as follows:

- 1) Binding on members in their relation to the company- the members are bound to the company by the provisions of the articles just as much as if they had all put their seals to them.
- 2) Binding on company in relation to its members- just as members are bound to the company, the company is bound to the members to observe and follow the articles.
- 3) Neither company, nor members bound to outsiders- articles bind the members to the company and company to the members but neither of them is bound to an outsider to give effect to the articles.
- 4) Binding between members inter se- the articles define rights and liabilities of the members. As between members inter se the articles constitute a contract

between them and are also binding on each member as against the other or others. Such contract can be enforced only through the medium of the company.

Effect of memorandum and articles (section 10 of companies act 2013)—

subsection (1) Subject to the provisions of this Act, the memorandum and articles shall, when registered, bind the company and the members thereof to the same extent as if they respectively had been signed by the company and by each member, and contained covenants on its and his part to observe all the provisions of the memorandum and of the articles.

(2) All monies payable by any member to the company under the memorandum or articles shall be a debt due from him to the company .