

- **Doctrine of Constructive Notice**

The memorandum and articles of association of every company are registered with the Registrar of Companies. The office of the Registrar is a public office and consequently the memorandum and articles become public documents. They are open and accessible to all. It is therefore the duty of every person dealing with a company to inspect its public documents and make sure that his contract is in conformity with their provisions. But whether a person actually reads them or not he is to be in the same position as if he had read them. He will be presumed to know the contents of those documents.

Another effect of this rule is that a person dealing with the company is taken not only to have read those documents but to have understood them according to their proper meaning. He is presumed to have understood not merely the company's powers but also those of its officers. Further, there is a constructive notice not merely of the memorandum and articles but also of all the documents, such as special resolutions and particulars of charges which are required by the Act to be registered with the Registrar. But there is no notice of documents which are filed only for the sake of record such as returns and accounts.

Palmer says,

The principle applies only to the documents which affect the powers of the company.

The common law doctrine of constructive notice should apply to the form. To reiterate the form is a public document which contains particulars of directors who are the mind and will of a company as well as managers and secretaries who are responsible for the day to day running of the company. It is a document which affects the powers of the company and its agents. Certainly its purpose must be

more than just to provide information about the company's directors, managers and secretary. Therefore persons dealing with company should check with the Registrar of Companies who its director's managers and secretaries are at given time.

Lord Hatherley says,

Whether a person actually reads them or not he is to be in the same position as if he had read them. Every person will be presumed to know the contents of the documents.

In *Kotla Venkataswamy v. Ramamurthy*

The articles of a company provided that its deeds etc. should be signed by the managing director the secretary and a working director on behalf of the company. the plaintiff accepted a deed of mortgage executed by the secretary and a working director only. The plaintiff could not claim his deed. It was held that notwithstanding therefore she may have acted in good faith and the money may have been applied for the purposes of the company the bond is nevertheless invalid.

The doctrine of constructive notice is more or less an unreal doctrine. It does not take notice of the realities of business life. People know a company through its officers and not through its documents. Section nine of the European Communities Act, 1972 has abrogated this doctrine. These provisions are now incorporated in sec 35 of the English Companies Act, 1985.