

Chapter No. 9.

Memorandum of Association

[Name of the company]

Students as the name of this chapter suggests that today we are going to learn in detail all the provisions of law about name of a company. As we had learned in our previous lectures little about the name clause but our lecture today is specifically about name. So, this will give us detail insight about what law requires while selection and alteration of name.

Selection of Name:

- ❖ A company can select any name but it is advisable for promoters of proposed company to choose three or five alternate names and request registrar if any desired name is available. [\[mere khial main aisa suggest karnay ki waja ye ha k agar aapki file ka number 2 months baad aaya ha aur aap ne jo name propose kia ha agr wo available nhi ha tu aap ki file reject ho jaye gi, aur aapka case late ho jaye ga is liye behtar ha k aap miltay jultay 3 se 5 naam ki consent de dain takay koi bhi available naam aapki company ko dia jaa sakay aur maumla litigate naa ho. \]](#)
- ❖ There is an index of names with the registrar of province, after you give him application registrar will give you provisional approval after checking for similarity of name. But the problem is similarity is not the only requirement for law. There are some other provisions too. So it is possible that registrar initially approved your name provisionally but later on during the process refuse it because it is undesirable or it accelerate the religious violence. Or it shows the patronage effect of any federal or provincial institution etc etc.
- ❖ This is the reason selection of more than one names can save your time and avoids the litigation in process.
- ❖ There is no way in which proposed name can be reserved while the documents are being prepared to prevent another company first obtaining registration with the same name. if you want to avoid this type of embarrassment you select name unique and similar to the objects of your company or relates to the nature of specific business you are offering.
I personally believe that this problem is not very common with the businessmen in Pakistan because frequency of registration of companies is very low in Pakistan and there are very little chances that the name which is still in your mind, same time comes into the mind of someone else and get his company registered with the name in your mind.

There are some very important considerations you must keep in mind before selection of name. some of these are already discussed in our last lecture but as our discussion today is about the name of company so we shall again discuss these principles.

1. Name should not be undesirable by the society.
2. Name should not be identical to the name of another company.

3. Name should end with limited if it is public limited company. There is no need to add public with the word limited.
4. Name should end with private limited if it private limited company. There is compulsory to add the word private with limited if it is private limited.
5. The company must not use a name as will lead to belief that new company will carry on the business of existing company.
6. The sound as well as spelling of the company must be considered.
7. The name should not lead to an assumption that new company has absorbed an existing company.
8. A company cannot show monopoly on the general part of name.
9. If a company is registered as association and working not for profit, this association can register itself as a limited liability company without the addition of limited with its name.

Change of a name:

- A company at any time during the course of business can alter its name but it must be according to the procedures described by law.
- Special resolution passed.
- Obtain approval of registrar
- Approval is not required when a company is changing its position from public to private and from private to public and needs the addition or deletion of word private. Although there is no need of approval but company is required to inform registrar so that registrar make this change in his register of names and issue a new certificate in the favor of company.
- Keep in mind that while changing the name of company it is required to again register the new name and each time on the event of changing of Name Company is required to get a fresh certificate of incorporation.
- After changing the name company is required to mention old name with the new name for next one year.

Rectification of name

There are two ways a company can rectify its name. Company itself believes that the name is not according to the requirements and gives application for the new name.

2nd way is that the registrar considers that the name is not according to the requirements of law and gives notice that you are required to change the name within 30 days of notice.

But registrar cannot issue notice without giving right of being heard. First of all registrar shall make objections on the name of company and give it right to represent itself against the objections of registrar. If company has proved that the objections of registrar are not right and name is absolutely in accordance with the provisions of law. There is now no need to change the name. but if company has

failed to prove the objections of registrar as wrong. Now registrar shall issue the notice of change of name and after the notice company is required to register a new name within 30 days of notice.

if the company is working with a name for last 3 or more than 3 years, now registrar cannot claim on the company about the rectification of name.

Publication of name:

Once a name of company is selected it is necessary to make it known to the general public. Law impose the following conditions regarding the name of the company.

1. Print or Affix its name outside of every office or place its business is carried on.
2. Engrave its name in Urdu or English on the seal of the company.
3. Mention its name on all bills, letters, documents, notices and any official publications.
4. Any officer of the company who uses seal of the company at name is not engraved or issue any type of official document at name of company is not mention is subject to face the legal consequences.

