

THE LAW RELATING TO PRIVATE LIMITED COMPANIES (1986).
By T.R. Srinivasa Iyengar. The Law Book Company (P) Ltd.,
Allahabad. Pp. xcv+1325. Price Rs. 275 : \$ 28.

IN RECENT years there has been a phenomenal growth of corporate enterprise—public and private. This means both the involvement of people in the process of development as also their exposure to frauds by unscrupulous functionaries of these enterprises. Hence the need and importance of the study of company law. Though there is no dearth of works on the subject as such, not many have appeared in the area of private limited enterprises exclusively. The book¹ under review is, therefore, a welcome addition to the existing literature on the subject.

It appears that it is more the private limited company which is gaining acceptance than the public limited one.² The reasons are not far to seek. The task of promoters of the former is lighter and carries less responsibility than that of promoters of the latter. The sharers usually know each other and work in close cooperation. The chances of misrepresentation, suppression of facts or playing fraud are minimum. They avoid the risk of bankruptcy and avail of increased facility afforded for borrowing. The book should, therefore, be useful to promoters and sharers of private limited companies.

The book has been divided into seventeen parts which, barring two, have been sub-divided into several chapters. The latter, except two, carry sections with precise titles of the topics discussed in them. There are six tables relating to the various provisions of company law, 33 appendices, a table of cases and an index.

The parts deal, *inter alia*, with the object of the Act, amendments, principles of construction, types of companies, definitions, special privileges and obligations, promotional duties and responsibilities, rights of shareholders, memorandum and articles of association, incorporation, administration, contracts and deeds, managerial personnel, directors, sole selling agents, share capital, borrowings, annual return, meetings, dividend accounts, information and investigation, compromises, arrangements and reconstructions, minority oppression and mismanagement, winding-up and some general provisions relating to offences, *etc.*

The tables relate to, (i) description of matter under several sections of the Act on the maintenance of statutory registers, books, *etc.*; (ii) matters requiring, (a) sanction of shareholders by ordinary resolution; (b) approval

1. T.R. Srinivasa Iyengar, *The Law Relating to Private Limited Companies* (1986).

2. See, e.g., XVIII *Company : News & Notes* 55-87 (October, November 1980; XXVI *Company : News & Notes* 71-114 (December 1988).

of order of the Central Government; (c) filing of documents/notices with the registrar; fees payable for registration; and (iii) offences.

The appendices reproduce, (i) the Central Government's general rules and forms, 1956; (ii) companies' regulations, 1956; (iii) rules of various years on appeal to the government; (iv) bench and procedure of the Companies Law Board, companies court; (v) declaration of beneficial interest in shares; (vi) acceptance of deposits; (vii) application for extension of time; (viii) transfer of profits to reserves; (ix) declaration of dividend out of reserves; (x) unpaid dividend; (xi) particulars of employees; (xii) branch audit exemption; (xiii) cost audit qualification; (xiv) appointment of sole agents; (xv) declaration of holdings of shares and debentures in regard to trustees; (xvi) application of section 159 to foreign companies; (xvii) cost audit report; (xviii) application for consent in regard to capital issues and fees on applications; (xix) orders of several years relating to auditor's report in regard to manufacturing and other companies, and exemption in regard to capital issues; (xx) Acts of various years on the capital issues control, prevention of improper use of emblems and names, regulation of dividends in regard to preference shares, societies registration, and foreign exchange regulation; and (xxi) guidelines on managerial remuneration, perks and benefits.

The author has incorporated in the book relevant statutory provisions in original and case law—both Indian and foreign. He has dealt with the material under various topics in a number of chapters and given his own comments as well.

It is evident that the book is fairly comprehensive. It, however, lacks proper planning and analysis of material. This makes its reading and understanding somewhat difficult. On the whole, however, the work is a commendable attempt on the law relating to private companies.

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