



**PRINCIPLES OF COMPANY LAW** (4th ed. 1987). By Kailash Rai.  
Allahabad Law Agency, 9, University Road, Allahabad-211002. Pp.  
35+452+vii. Price Rs. 50.

**THE COMPANIES Act 1956** embodying statutory company law of India, running into more than 600 sections and more than a dozen schedules, is probably the lengthiest statute on the Indian statute book. To compress this stupendous law into 452 pages only is a difficult task. But it should be said to the credit of the author that he has successfully done this. Of course, it is a specialised commentary and deals with all important topics forming part of company law of this country. The book<sup>1</sup> is conspicuous particularly for the clarity of expression and shows the author's grasp of the subject.

However, the author unfortunately suffers from the same complex with which several Indian scholars suffer from and which is responsible for lack of proper growth of scholarship about our laws in this country. We are referring here to the complex of several Indian scholars under which while writing on Indian law, they cite a host of English cases and English authorities, but not to that extent Indian cases and Indian authorities.

The author does not appear to have referred at all to the work of any Indian scholar in the field of company law, though there are several standard works by Indian scholars. The Indian scholarship about Indian laws can develop only when a scholar writing today, refers to writings of Indian scholars who wrote before and takes a step further after what has been written before. This practice is largely missing in the writings on company law in this country. To take an illustration, in the chapter on doctrine of *ultra vires*, the author has not at all referred to any of the several works including the book of the present reviewer, even though in a comparable book, *viz.*, Avatar Singh's book on company law, Avatar Singh has referred to this reviewer's published works at several places.

In this very chapter while discussing the Supreme Court decision in *Laxmanaswami Mudaliar v. Life Insurance Corporation of India*,<sup>2</sup> on contributions to charity by a company, the author does not care to take note of the factual position about the Indian statutory law now, *i.e.*, after the facts of that case arose. We may refer to Section 293(1)(e) of the Companies Act, 1956, about which there was no equivalent provision in the Companies Act, 1913 under which the facts of *Laxmanaswami Mudaliar* had arisen.

While talking of *ultra vires*' borrowings, the author says that in the case of an *ultra vires*' borrowing, the lender may be allowed by the courts the

---

1. Kailash Rai, *Principles of Company Law* (4th ed. 1987).

2. (1963) I.S.C.J. 521.



reliefs of injunction, tracing, and subrogation which are the reliefs stated to be available under English law as decided in certain English cases. But the author has not bothered to look for any Indian case on these aspects which could be found if one cares to look for them.

Many more such illustrations from this book may be given to show that even after 40 years of independence, the author does not want to look for the Indian law but states the principles of English law to be the principles of Indian law as well. Unfortunately, these drawbacks are to be found in most of the books on company law in this country.

*P. S. Sangal\**

---

\* Dean, Faculty of Law, University of Delhi, Delhi.