



A MANUAL OF BUSINESS LAWS

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Spiritually, it is believed that the life on the earth is regulated by the laws of the Lord or the Divinity. Law acts as the cementing material of society and an essential medium of social change promoting accuracy of expression, skill of interpretation and understanding of social values. Today, legal education derives its impetus from the economic, social and political set up of the society. A well administered and socially relevant legal education is a sine qua non for proper functioning of the society. To exercise the legal system, capable citizens are required with a proper understanding of the laws, affecting their lives. Giving legal education a human face would create law abiding citizens, instilled with concepts of human values, ethics and rights, transforming business managers into effective personnel.

The book titled "A Manual of Business Law" is inscribed to impart understanding of various social and economic legislations like the Indian Contract Act, Partnership Act, Sales of Goods Act, FERA: FEMA, SEBI and certain labour laws. The book under review is written primarily to meet the needs of bankers, students of law at B.Com. BBA., M.Com., and MBA and provides a clear understanding of the various Acts and their implications via case-laws.

For easy comprehension and learning, the book is organized into six sections and each section is further classified into various chapters, elucidating all the aspects of the Acts exhaustively. The key terms, objective type questions, and practical problems provided at the end of the chapter offer better clarity of the topic.

Rules and regulations bring a sense of seriousness and definiteness in business dealings. The Law of Contracts is the basis of business law because the transactions of the trade; commerce and industry are based on contracts. Understanding of the Contract Act becomes imperative for all individuals. The FIRST SECTION elaborates the Indian Contract Act, 1872 with the help of fifteen chapters. Chapters (1 to 6) elucidate the essential elements of the contract like offer and acceptance, competence of contracting parties, consent, consideration, legality of the object.

Chapters 7 & 8 explain various types of agreements and contingent contracts. Detailed discussion on the execution of the contract has been covered in the 9th chapter. This is followed by discharge of the contract and remedies for breach of the contract in the 10th and 12th chapter. Contract Act has laid down certain special rules for certain contracts like, Contract of Indemnity, Contract of Bailment & Contract of Agency which are covered in 13th, 14th, and 15th chapters respectively.

Transactions relating the sale of goods form a considerable part of commercial dealings. An Act has been enacted to deal with the legal issues concerned with the contract of sales "Sales of Goods Act, 1930". The authors explicate this particular act in the SECOND SECTION, comprising of five chapters. The first two chapters focus on the Contract of Sales, Conditions and Warranties. The main object of contract of sale is the ownership of goods and its transfer which is dealt in the 3rd chapter. Performance of the Contract of Sale and Remedial Measures are explained in the 4th and 5th chapter of the section.

To carry on a business, a person may choose any form of organization depending upon his needs. "Partnership" is the most common form of business organization. Hence it becomes important to understand the legal aspects which exist between the partners carrying on business together. The THIRD SECTION of the book comprises of four chapters (1-4), which detail the legal aspects of the partnership. The 1st chapter elaborates general principles of partnership. Followed by the 2nd chapter which elucidates the formation of partnership. The section ends with the discussion of rights and liabilities of the partners and dissolution of partnership firm in the subsequent chapters.

Negotiability is one of the salient features in the interchange of commodities which has led to diffusion of the boundaries between the nations and opening new channels of trade and commerce. Negotiable Instruments are money/cash equivalents controlling the trade and commerce. They play an important role in settlement of debts and claims. These have been explained meticulously in the FOURTH

SECTION. Introduction to Negotiable Instruments and parties to the negotiable instruments are discussed in the first two chapters. The next three chapters encompass Presentment, Negotiation, & Discharge of Parties. Banker's liability in the current scenario is briefly dealt with in the 6th chapter.

In India, the Companies Act, 1956, is the primary legislation that empowers the Central Government to regulate the companies. It empowers the Central Government to inspect the books of accounts of a company, to direct special audit, to order investigation into the affairs of a company and to prosecute the violators of the Act. In view of the above, the authors have incorporated the Elements of Company Law in the SECTION FIFTH of the book (22 chapters). The first 7 chapters explicate the formation of the company and the requisite documents followed by the chapters six and seven delineating with prospectus and share allotments. The topics covered in chapters from 8 to 20 deals with the Borrowing Power, Managerial Remuneration, Role of Directors & Secretary, Accounts and Audit, Dividends, Bonus, Prevention of Oppression and Mismanagement. The circumstances for the winding up of the company are discussed in the 21st chapter of the section.

The tremendous growth of the Indian corporate sector and the global competitive environment has made it necessary both for the government and the corporate to have easy and secure access to all types of services required under the corporates. Keeping in-tune with the e- governance initiatives and their importance in the future the authors have acquainted us with the e- filing process, digital signature, Director Identification Number (DIN) Corporate Identity Number(CIN) in the last chapter of the section. SECTION SIXTH of the book is a compendium of various social and economic aspects of the legislation like Cooperative Societies Act, 1912 the Multi State Cooperative Societies Act, 2002, Gratuity Act, Payment of Bonus Act, Payment of Wages Act, EPF & Miscellaneous Provisions Act 1952.

The Essential Commodities Act, 1955 was enacted to ensure easy availability of essential commodities to the consumers and to protect them from exploitation by unscrupulous traders. The Act provides for regulation and control of production, distribution and pricing of commodities, which are declared as essential for maintaining or increasing supplies or for securing their equitable distribution and availability at fair prices. This Act is discussed in the first chapter of this section.

Escalating consumer need is the most powerful motivating force of production, yet at the same time consumer is a vulnerable component of the marketing system. To safe guard

the interest of the consumer, Government of India enacted a legislation-Consumer Protection Act which enshrines the rights of the consumer such as right to safety, right to be informed, right to be heard, right to seek redressal and right to consumer education, which is the focus of the second chapter of the sixth section of the book.

Foreign exchange market is very competitive and also most volatile market in the world. It constantly undergoes changes and innovations, which can either be beneficial to a country or expose it to greater risks. The management of foreign exchange market becomes necessary in order to mitigate and avoid the risks. In view of the above objective the authors have explicated the FEMA Act in the 5th chapter which provides guidelines for the free flow of foreign exchange in India. Enactment of FEMA also brought with it the Prevention of Money Laundering Act of 2002, which thwart money laundering and provides for the confiscation of property derived from, or involved in, money laundering. This Act is dealt in the 16th chapter of the sixth section.

The technological revolution in the field of communication has brought out revolutionary changes in the mode of carrying out business and commerce. Physical documents are no longer necessary for carrying out business transactions. The 10th chapter delves with the "IT Act 2000" which provides the legal recognition, to transactions carried out electronically. In addition it also promotes the paper-less form of the communication and storage of information.

In view of the unprecedented growth in the capital market in India, the gigantic rise in the number of investors and the growth of equity cult among the masses, has replaced the traditional modes of trading and leads to the emergence of scripless trading. This requires for the establishment of institutions entrusted with the responsibility of maintaining ownership records of the securities. The Depositories Act, 1996, discussed in the 11th chapter, deals with regulating these institutions and ensuring there transparent functioning. Chapter 12 and 13th focused on Income Tax Act 1966 and Central Exercise Act 1944 & Vat.

In all the book provides a deep insight in the latest developments undertaken in the legislative arena. The lucid presentation style aptly combined with the illustrative material- case laws, questions and practical problems for analytical understanding, makes it a reader's delight. Each section of the book gives a glimpse of authors' rich experience reflected through the content. This book provides a professional background and a strong foundation to both law and management students. It offers enhanced perceptive of law and its managerial implications aiding the students in understanding the concepts in a comprehensive manner.