matters, a number of legal issues relevant to loan transactions are outlined, such as the duties owed by the lender to the borrower. These include fiduciary duties and the duty of confidentiality.

The forms and precedents themselves are very useful and can be easily adapted by Singapore lawyers to suit local conditions. There are forms and precedents on Basic Banking Forms, Syndicated Loans, Legal Opinions, Credit Facilities, Subordination Agreements (although the enforceability of such agreements is subject to some doubt), and agreements to provide Security, just to name a few. Each section also comes with a very useful checklist of matters which the lawyer having charge of the matter should bear in mind. Again this can usefully be adapted to the Singapore context.

A word of caution must be expressed. As with all other works on Forms and Precedents, this work should be used selectively and with regard to the specific situation under consideration. Used in such a manner, Singapore lawyers involved in Banking and Financing transactions will undoubtedly find it a tool which will assist them greatly in their practice.

TAN CHENG HAN

MINORITY SHAREHOLDERS' RIGHTS. By ROBIN HOLLINGTON. [London: Sweet & Maxwell. 1990. xviii + 116 pp. Hardcover: S$99.20]

SECTION 210 of the United Kingdom (U.K.) Companies Act 1948 (now section 459 of the U.K. Companies Act 1985) was enacted as a result of the Cohen Committee's recommendation that a statutory remedy be introduced to strengthen the rights of minority shareholders of a company in cases of oppression by the majority. It conferred upon the court an unfettered discretion to make such orders as it thought fit upon the parties in cases of oppression. This legislation marked a turning point in the development of the rights of minority shareholders which had hitherto been circumscribed by the limitations of the rule in ***Foss*** v. ***Harbottle*** (1843) 2 Hare 461.

Since 1948, the body of case law reflecting judicial interpretation of the rights of minority shareholders under both statute and equitable principles of company law in the U.K. has been increasing and developing rapidly. In this book, the author has sought to draw together under one umbrella the law and procedure in the U.K. on minority shareholders' rights and remedies from a practitioner's perspective. This task essentially entails a study of three areas of company law: (i) the scope of the equitable exceptions to the general principle of majority rule (primarily, the "fraud on minority" exception to the rule in *Foss* v. *Harbottle),* (ii) winding up on the "just

and equitable" ground under section 122(l)(g) of the U.K. Insolvency Act 1986 (see section 254(l)(i) of the Singapore Companies Act, Cap. 50, Rev. Ed. 1990), and (iii) the unfair prejudice remedy under section 459(1) of the U.K. Companies Act 1985 (see section 216(1) of the Singapore Companies Act).

Any review of the U.K. position on minority shareholders' rights is useful to local practitioners provided readers take note of differences in the relevant corresponding legislation of both countries. Local company law on the equitable exceptions to the general principle of majority rule, and on winding up under the "just and equitable" ground, is similar to the English position. However, there are legislative differences between section 459(1) of the 1985 U.K. Act and its local counterpart, section 216(1) of the Singapore Companies Act.

A petitioner seeking relief under section 459(1) is only required to prove conduct which is "unfairly prejudicial". In contrast, there are two alternative limbs to section 216(1): the first limb requires proof of "oppression or disregard" (see sub-section 216(1)(a)), and the second, "unfair discrimination or prejudice" (see sub-section 216(1)(b)). Despite these differences, English cases on the interpretation of the wording of section 459(1) (and its predecessors) are cited locally and treated as highly persuasive by local judges.

Written largely with the busy practitioner in mind, the book is just under 120 pages thick. There are altogether six chapters and one appendix in the book. The main chapters, two to four, are divided between the three areas of company law referred to above. An analysis of the law in each area is approached in a step by step manner. Practical suggestions and advice such as tactical approaches to a case or a discussion of costs and indemnities dot the book. Where relevant, each chapter ends with a concluding section on procedure. On the subject of procedure, it is important to note that in Singapore a petition for winding up under the "just and equitable" ground is governed by the Companies (Winding-Up) Rules 1969 (S. 184/1969), and a petition brought under section 216(1) is governed by the Rules of the Supreme Court 1970, Order 88 rules 5(h) and 7(1).

The author has also included an appendix of legal precedents drafted to protect minority shareholders' interests under the articles of association of a private company and shareholders' agreements. At first sight, these precedents appear to be boilerplate provisions commonly used by practitioners. Upon closer examination, the reader will find helpful clauses such as a provision which allows for valuation by an independent valuer in the event of a proposed sale of shares on the basis of the value of the block of shares on offer without any discount for a minority shareholding. This should replace the usual "fair value" treatment which favours the majority. The precedents come with two caveats - firstly, where applicable, some

redrafting is required to adapt the language to conform with local legislation, and secondly, there can be no certainty that a court will give full effect to all the provisions.

Finally, the law is stated as at 20 December 1989, and examples of recent cases analysed are *Re a Company (No. 00370 of 1987) ex parte Glossop* (1988) 4 B.C.C. 507 and *Smith and Others* v. *Croft and Others (No. 2)* [1988] Ch. 114. The former case was recently referred to by Justice Chao Hick Tin in the local case of *Re Gee Hoe Chan Trading Co. Pte. Ltd.* [1991] 3 M.L.J. 137.

This book will be valuable to practitioners seeking practical insights into the law on minority shareholders' rights in the United Kingdom.

ANGELINE LEE

PRECEDENT IN THE INDIAN LEGAL SYSTEM. By LAKSHMI NATH. [Lucknow: Eastern Book Company. 1990. xvi + 214 pp. Hardcover: Rs 125]

IN Chapter 1, Dr. Nath says that this work is a critique of the doctrine of *stare decisis* as it operates in the Supreme Court and the relationship of that doctrine to the constitutional authority of the Supreme Court to make binding declarations of law under Article 141 of the Indian Constitution. Thus despite the generality of treatment suggested by the title of the book, the focus is almost exclusively on the Supreme Court. With a few exceptions, all the Indian precedents cited involve constitutional law.

This book may be divided into two parts. The first part introduces topics necessary to understand how precedent works in India. Chapter 2 deals with the "Institutional Aspect"; chapter 3, the sociological perspective; and chapter 4, the concept of *ratio decidendi.* The second half of the book deals with issues specially arising in the Indian context: the lack of regard for precedents (chapter 5), prospective overruling (chapter 6) and Article 141 of the Indian Constitution (chapter 7).

In his discourse, Dr. Nath tends to go into rather involved discussions on issues of substantive law. One example is his argument that the Supreme Court lacks "precedent-consciousness". The cases run for some thirty pages (p.90-119)! While some discussion on points of substantive law may undoubtedly be necessary for illustrative purposes, they should also be succinct. Alas, brevity is not Dr. Nath's strength. Neither is lucidity his forte. Often the amount of space devoted to substantive issues clouds the point that is being made.

Apparently, the author expects his readers to have a good understanding of Indian constitutional law for he often does not lay out the basic principles