LIST OF CASE LAWS IN BUSINESS LAW
(CA FOUNDATION)

THIS PAPER- 2 CONTAINS BUSINESS LAW & BCR SYLLABUS WHICH IS A SUBJECTIVE PAPER – WRITING , MENTIONING RELEVANT CASE LAW FOR GIVEN QUESTION IS ESSENTIAL.
ALL THE BEST EVERY CA ASPIRANTS :)

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01	The Indian Contract Act , 1872	37 case laws
02	Sale of Goods Act , 1930	02 case laws
03	Indian partnership Act , 1932	03 case laws
04	The Companies Act , 2013	25 case laws

INDIAN CONTRACT ACT , 1872

	CASE NAME	PARTICULARS
1	State of Gujarat vs. Ramanlal S & Co	When on dissolution of a partnership, the assets of the firm were divided among the partners, the sales tax officer wanted to tax this transaction. It was held that it was not a sale. The partners being joint owner of those assets cannot be both buyer and seller.
2	Balfour v. Balfour	A husband agreed to pay to his wife certain amount as maintenance every month while he was abroad. Husband failed to pay the promised amount. Wife sued him for the recovery of the amount. Here in this case wife could not recover as it was a social agreement and the parties did not intend to create any legal relations.
3	Carlill Vs. Carbolic Smoke Ball Co. (1893)	In this famous case Carbolic smoke Ball Co. advertised in several newspapers that a reward of £100 would be given to any person who contracted influenza after using the smoke balls produced by the Carbolic Smoke Company according to printed directions. One lady, Mrs. Carlill, used the smoke balls as per the directions of company and even then suffered from influenza. Held, she could recover the amount as by using the smoke balls she had accepted the offer.
4	Lalman Shukla v. Gauri Dutt G (Gauridutt)	G (Gauridutt) sent his servant L (Lalman) to trace his missing nephew. He then announced that anybody who traced his nephew would be entitled to a certain reward. L, traced the boy in ignorance of this announcement. Subsequently when he came to know of the reward, he claimed it. Held, he was not entitled to the reward, as he did not know the offer.

5	**Boulton v. Jones**	Boulton bought a business from Brocklehurst. Jones, who was Broklehurst's creditor, placed an order with Brocklehurst for the supply of certain goods. Boulton supplied the goods even though the order was not in his name. Jones refused to pay Boultan for the goods because by entering into the contract with Blocklehurst, he intended to set off his debt against Brocklehurst. Held, as the offer was not made to Boulton, therefore, there was no contract between Boulton and Jones. 6 Harvey vs. Facie [1893] AC 552 In this case, Privy Council succinctly explained the distinction between an offer and an invitation to offer. In the given case, the plaintiffs through a telegram asked the defendants two questions namely, (i) Will you sell us Bumper Hall Pen? and (ii) Telegraph lowest cash price. The defendants replied through telegram that the "lowest price for Bumper Hall Pen is £ 900". The plaintiffs sent another telegram stating "we agree to buy Bumper Hall
6	**Harvey vs. Facie [1893]**	In this case, Privy Council succinctly explained the distinction between an offer and an invitation to offer. In the given case, the plaintiffs through a telegram asked the defendants two questions namely, (i) Will you sell us Bumper Hall Pen? and (ii) Telegraph lowest cash price. The defendants replied through telegram that the "lowest price for Bumper Hall Pen is £ 900". The plaintiffs sent another telegram stating "we agree to buy Bumper Hall Pen at £ 900". However the defendants refused to sell the property at the price.

		The plaintiffs sued the defendants contending that they had made an offer to sell the property at £ 900 and therefore they are bound by the offer. However the Privy Council did not agree with the plaintiffs on the ground that while plaintiffs had asked two questions, the defendant replied only to the second question by quoting the price but did not answer the first question but reserved their answer with regard to their willingness to sell. Thus they made no offer at all. Their Lordships held that the mere statement of the lowest price at which the vendor would sell contained no implied contract to sell to the person who had enquired about the price.
7	**Mac Pherson vs Appanna [1951] A.S.C. 184**	Mac Pherson vs Appanna [1951] A.S.C. 184 where the owner of the property had said that he would not accept less than £ 6000/- for it. This statement did not indicate any offer but indicated only an invitation to offer
8	**Harris vs. Nickerson (1873)**	The auctioneer does not contract with any one who attends the sale. The auction is only an advertisement to sell but the items are not put for sale though persons who have come to the auction may have the intention to purchase. Similar decision was given in the case of Harris vs. Nickerson (1873).
9	**Brogden vs. Metropolitan Railway Co. (1877)**	B a supplier, sent a draft agreement relating to the supply of coal to the manager of railway Co. viz, Metropolitian railway for his acceptance. The manager wrote the word "Approved" on the same and put the draft agreement in the drawer of the table intending to send it to the company's solicitors for a formal contract to be drawn up. By an over sight the draft agreement remained in

		drawer. Held, that there was no contract as the manager had not communicated his acceptance to the supplier, B.
10	**Neale vs. Merret [1930]**	M offered to sell his land to N for £280. N replied purporting to accept the offer but enclosed a cheque for £ 80 only. He promised to pay the balance of £ 200 by monthly installments of £ 50 each. It was held that N could not enforce his acceptance because it was not an unqualified one.
11	**Union of India v. Bahulal AIR 1968 Bombay 294**	A offers to sell his house to B for ₹ 1,00,000/-. B replied that, "I can pay ₹ 80,000 for it. The offer of 'A' is rejected by 'B' as the acceptance is not unqualified. B however changes his mind and is prepared to pay ₹ 1,00,000/-. This is also treated as counter offer and it is upto A whether to accept it or not.
12	**Bhagwandas v. Girdharilal**	Where an offer made by the intended offeree without the knowledge that an offer has been made to him cannot be deemed as an acceptance thereto
13	**Heyworth vs. Knight [1864] 144 ER 120**	A mere variation in the language not involving any difference in substance would not make the acceptance ineffective..
14	**Felthouse vs. Bindley (1862)**	F (Uncle) offered to buy his nephew's horse for £30 saying "If I hear no more about it I shall consider the horse mine at £30." The nephew did not reply to F at all. He told his auctioneer, B to keep the particular horse out of sale of his farm stock as he intended to reserve it for his uncle. By mistake the auctioneer sold the horse. F sued him for conversion of his property. Held, F could not succeed as his nephew had not communicated the acceptance to him.

15	**Central Bank Yeotmal vs Vyan katesh (1949)**	Where a resolution passed by a bank to sell land to 'A' remained uncommunicated to 'A', it was held that there was no communication and hence no contract.
16	**Entores Ltd. v. Miles Far East Corporation**	When an offer is made of instantaneous communication like telex, telephone, fax or through e-mail, the contract is only complete when the acceptance is received by the offeree, and the contract is made at the place where the acceptance is received. However, in case of a call drops and disturbances in the line, there may not be a valid contract
17	**Mukul Datta vs. Indian Airlines [1962]**	When someone travels from one place to another by air, it could be seen that special conditions are printed at the back of the air ticket in small letters [in a non computerized train ticket even these are not printed] Sometimes these conditions are found to have been displayed at the notice board of the Air lines office, which passengers may not have cared to read. The question here is whether these conditions can be considered to have been communicated to the passengers of the Airlines and can the passengers be treated as having accepted the conditions. The answer to the question is in the affirmative and was so held in Mukul Datta vs. Indian Airlines [1962] AIR cal. 314 where the plaintiff had travelled from Delhi to Kolkata by air and the ticket bore conditions in fine print.
18	**Lilly White vs. Mannuswamy (1970)**	Delivered some clothes to drycleaner for which she received a laundry receipt containing a condition that in case of loss, customer would be entitled to claim 15% of the market price of value of the article, P lost her new saree. Held, the

		terms were unreasonable and P was entitled to recover full value of the saree from the drycleaner.
19	**Raipur transport Co. vs. Ghanshyam [1956]**	A transport carrier accepted the goods for transport without any conditions. Subsequently, he issued a circular to the owners of goods limiting his liability for the goods. In such a case, since the special conditions were not communicated prior to the date of contract for transport, these were not binding on the owners of goods
20	**Misa v. Currie**	"A valuable consideration in the sense of law may consist either in some right, interest, profit or benefit accruing to one party (i.e. promisor) or forbearance, detriment, loss or responsibility given, suffered or undertaken by the other (i.e., the promisee)."
21	**Durga Prasad v. Baldeo**	D (defendant) promised to pay to P (plaintiff) a certain commission on articles which would be sold through their agency in a market. Market was constructed by P at the desire of the C (Collector), and not at the desire of the D. D was not bound to pay as it was without consideration and hence void.
22	**Chinnayya vs. Ramayya (1882)**	An old lady made a gift of her property to her daughter with a direction to pay a certain sum of money to the maternal uncle by way of annuity. On the same day, the daughter executed a writing in favour of the brother agreeing to pay annuity. The daughter did not, however, pay the annuity and the uncle sued to recover it. It was held that there was sufficient consideration for the uncle to recover the money from the daughter.

23	Kadarnath v. Gorie Mohammad	If a promisee undertakes the liability on the promise of the person to contribute to charity, there the contract shall be valid.
24	Mohori Bibi vs. Dharmo Das Ghose (1903)	A, a minor borrowed ₹ 20,000 from B and as a security for the same executed a mortgage in his favour. He became a major a few months later and filed a suit for the declaration that the mortgage executed by him during his minority was void and should be cancelled. It was held that a mortgage by a minor was void and B was not entitled to repayment of money.
25	Kirpa Ram vs. Sami-Ud-din Ad. Khan (1903)	A youth of 18 years of age, spend thrift and a drunkard, borrowed ₹ 90,000 on a bond bearing compound interest at 2% per mensem (p.m.). It was held by the court that the transaction is unconscionable, the rate of interest charged being so exorbitant
26	Word vs. Hobbs. (1878)	H sold to W some pigs which were to his knowledge suffering from fever. The pigs were sold 'with all faults' and H did not disclose the fact of fever to W. Held there was no fraud.
27	Regier V. Campbell Staurt	A broker was asked to buy shares for client. He sold his own shares without disclosing this fact. The client was entitled to avoid the contract or affirm it with a right to claim secret profit made by broker on the transaction since the relationship between the broker and the client was relationship of utmost good faith.
28	Hazi Ahmed v. Abdul Gassi	Every material fact must be disclosed by the parties to a contract of marriage
29	State of Bombay vs. R.M.D. Chamarbangwala AIR (1957)	A crossword puzzle was given in magazine. Abovementioned clause was stated in the magazine. A solved his crossword puzzle and his solution corresponded with previously prepared

		solution kept with the editor. Held, this was a game of chance and therefore a lottery (wagering transaction).
30	**HADLEY vs. BAXENDALE**	The crankshaft of P's flour mill had broken. He gives it to D, a common carrier who promised to deliver it to the foundry in 2 days where the new shaft was to be made. The mill stopped working, D delayed the delivery of the crankshaft so the mill remained idle for another 5 days. P received the repaired crankshaft 7 days later than he would have otherwise received. Consequently, P sued D for damages not only for the delay in the delivering the broken part but also for loss of profits suffered by the mill for not having been worked. The count held that P was entitled only to ordinary damages and D was not liable for the loss of profits because the only information given by P to D was that the article to be carried was the broken shaft of a mill and it was not made known to them that the delay would result in loss of profits.
31	**Gibbons v West Minister Bank**	A business man whose credit has suffered will get exemplary damages even if he has sustained no pecuniary loss. But a non-trader cannot get heavy damages in the like circumstances, unless the damages are alleged and proved as special damages.
32	**ShyamLal vs. State of U.P. A.I.R (1968) 130**	where 'K' a government servant was compulsorily retired by the government. He filed a writ petition and obtained an injunction against the order. He was reinstated and was paid salary but was given no work and in the mean time government went on appeal. The appeal was decided in favour of the government and 'K' was

		directed to return the salary paid to him during the period of reinstatement.
33	**Hollins vs. Howler L. R. & H. L.,**	'H' picked up a diamond on the floor of 'F's shop and handed over the same to 'F' to keep till the owner was found. In spite of the best efforts, the true owner could not be traced. After the lapse of some weeks, 'H' tendered to 'F' the lawful expenses incurred by him and requested to return the diamond to him. 'F' refused to do so. Held, 'F' must return the diamond to 'H' as he was entitled to retain the goods found against everybody except the true owner.
34	**Shivprasad vs Sirish Chandra A.I.R. 1949 P.C. 297**	Every kind of payment of money or delivery of goods for every type of 'mistake' is recoverable.
35	**Sales tax officer vs. Kanhaiyalal A. I. R. 1959 S. C. 835**	A payment of municipal tax made under mistaken belief or because of misunderstanding of the terms of lease can be recovered from municipal authorities.
36	**Seth Khanjelek vs National Bank of India**	Similarly, any money paid by coercion is also recoverable. The word coercion is not necessarily governed by section 15 of the Act. The word is interpreted to mean and include oppression, extortion, or such other means
37	**Trikamdas vs. Bombay Municipal Corporation A. I. R.1954**	'T' was traveling without ticket in a tram car and on checking he was asked to pay ₹5/as penalty to compound transaction. T filed a suit against the corporation for recovery on the ground that it was extorted from him. The suit was decreed in his favour.

Sale of Goods Act , 1930

	CASE LAWS	PARTICULARS
1	Bombay Burma Trading Corporation Ltd. vs. Aga Muhammad	Timber was purchased for the express purpose of using it as railways sleepers and when it was found to be unfit for the purpose, the Court held that the contract could be avoided.
2	Mount D. F. Ltd. vs Jay & Jay (Provisions) Co. Ltd	A entered into a contract to sell cartons in possession of a wharfinger to B and agreed with B that the price will be paid to A from the sale proceeds recovered from his customers. Now B sold goods to C and C duly paid to B. But anyhow B failed to make the payment to A. A wanted to exercise his right of lien and ordered the wharfinger not to make delivery to C. Held that the seller had assented to the resale of the goods by the buyer to the sub-buyers. As a result A's right to lien is defeated

Indian partnership Act , 1930

	CASE LAWS	PARTICULARS
1	KD Kamath & Co.	The Supreme Court has held that the two essential conditions to be satisfied are that: there should be an agreement to share the profits as well as the losses of business; and the business must be carried on by all or any of them acting for all, within the meaning of the definition of 'partnership' under section 4. The fact that the exclusive power and control, by agreement of the parties, is vested in one partner or the further circumstance that only one partner can operate the bank accounts or borrow on behalf of the firm are not destructive of the theory of partnership provided the two essential conditions, mentioned earlier, are satisfied.
2	Santiranjan Das Gupta Vs. Dasyran Murzamull (Supreme Court)	In Santiranjan Das Gupta Vs. Dasyran Murzamull, following factors weighed upon the Supreme Court to reach the conclusion that there is no partnership between the parties: Parties have not retained any record of terms and conditions of partnership. Partnership business has maintained no accounts of its own, which would be open to inspection by both parties No account of the partnership was opened with any bank No written intimation was conveyed to the Deputy Director of Procurement with respect to the newly created partnership.
3	Vishnu Chandra Vs. Chandrika	The Supreme Court in Vishnu Chandra Vs. Chandrika Prasad, held that the expression 'if any partner wants to dissociate from the

	Prasad [Supreme Court]	partnership business', in a clause of the partnership deed which was being construed, comprehends a situation where a partner wants to retire from the partnership. The expression clearly indicated that in the event of retirement, the partnership business will not come to an end

The Companies Act , 2013

	CASE LAWS	PARTICULARS
1	Macaura v. Northern Assurance Co. Limited (1925)	Macaura (M) was the holder of nearly all (except one) shares of a timber company. He was also a major creditor of the company. M Insured the company's timber in his own name. The timber was lost in a fire. M claimed insurance compensation. Held, the insurance company was not liable to him as no shareholder has any right to any item of property owned by the company, for he has no legal or equitable interest in them.
2	Salomon Vs. Salomon and Co Ltd.	In Salomon vs. Salomon & Co. Ltd. the House of Lords laid down that a company is a person distinct and separate from its members. In this case one Salomon incorporated a company named "Salomon & Co. Ltd.", with seven subscribers consisting of him self, his wife, four sons and one daughter. This company took over the personal business assets of Salomon for £ 38,782 and in turn, Salomon took 20,000 shares

		of £ 1 each, debentures worth £ 10,000 of the company with charge on the company's assets and the balance in cash. His wife, daughter and four sons took up one £ 1 share each. Subsequently, the company went into liquidation due to general trade depression. The unsecured creditors to the tune of £ 7,000 contended that Salomon could not be treated as a secured creditor of the company, in respect of the debentures held by him, as he was the managing director of one-man company, which was not different from Salomon and the cloak of the company was a mere sham and fraud. It was held by Lord Mac Naughten: "The Company is at law a different person altogether from the subscribers to the memorandum, and though it may be that after incorporation the business is precisely the same as it was before and the same persons are managers, and the same hands receive the profits, the company is not in law the agent of the subscribers or trustees for them. Nor are the subscribers, as members, liable, in any shape or form, except to the extent and in the manner provided by the Act." Thus, this case clearly established that company has its own existence and as a result, a shareholder cannot be held liable for the acts of the company even though he holds virtually the entire share capital. The whole law of corporation is in fact based on this theory of separate corporate entity
3	**Daimler Co. Ltd. vs. Continental Tyre & Rubber Co.,**	If the public interest is not likely to be in jeopardy, the Court may not be willing to crack the corporate shell. But it may rend the veil for ascertaining whether a company is an enemy company. It is true that, unlike a natural person,

		a company does not have mind or conscience; therefore, it cannot be a friend or foe. It may, however, be characterised as an enemy company, if its affairs are under the control of people of an enemy country. For this purpose, the Court may examine the character of the persons who are really at the helm of affairs of the company.
4	**S. Berendsen Ltd. vs. Commissioner of Inland Revenue**	In certain matters concerning the law of taxes, duties and stamps particularly where question of the controlling interest is in issue.
5	**Juggilal vs. Commissioner of Income Tax AIR (SC)**	Where corporate entity is used to evade or circumvent tax, the Court can disregard the corporate entity.
6	**Dinshaw Maneckjee Petit**	It was held that the company was not a genuine company at all but merely the assessee himself disguised under the legal entity of a limited company. The assessee earned huge income by way of dividends and interest. So, he opened some companies and purchased their shares in exchange of his income by way of dividend and interest. This income was transferred back to assessee by way of loan. The Court decided that the private companies were a sham and the corporate veil was lifted to decide the real owner of the income
7	**The Workmen Employed in Associated Rubber Industries Limited,**	The facts of the case are that "A Limited" purchased shares of "B Limited" by investing a sum of ₹ 4,50,000. The dividend in respect of these shares was shown in the profit and loss account of the company, year after year. It was taken into account for the purpose of calculating

	Bhavnagar vs. The Associated Rubber Industries Ltd., Bhavnagar and another	the bonus payable to workmen of the company. Sometime in 1968, the company transferred the shares of B Limited, to C Limited a subsidiary, wholly owned by it. Thus, the dividend income did not find place in the Profit & Loss Account of A Ltd., with the result that the surplus available for the purpose for payment of bonus to the workmen got reduced. Here a company created a subsidiary and transferred to it, its investment holdings in a bid to reduce its liability to pay bonus to its workers. Thus, the Supreme Court brushed aside the separate existence of the subsidiary company. The new company so formed had no assets of its own except those transferred to it by the principal company, with no business or income of its own except receiving dividends from shares transferred to it by the principal company and serving no purpose except to reduce the gross profit of the principal company so as to reduce the amount paid as bonus to workmen.
8	**Merchandise Transport Limited vs British Transport Commission (1982)**	A Transport company wanted to obtain licences for its vehicles, but could not do so if applied in its own name. It, therefore, formed a subsidiary company, and the application for licence was made in the name of the subsidiary. The vehicles were to be transferred to the subsidiary company. Held, the parent and the subsidiary were one commercial unit and the application for licences was rejected.
9	**Gilford Motor Co. vs. Horne**	Where the device of incorporation is adopted for some illegal or improper purpose, e.g., to defeat or circumvent law, to defraud creditors or to avoid legal obligations.

10	**Narendra Kumar Agarwal vs. Saroj Maloo**	, the Supreme court has laid down that the right of a guarantee company to refuse to accept the transfer by a member of his interest in the company is on a different footing than that of a company limited by shares. The membership of a guarantee company may carry privileges much different from those of ordinary shareholders.
11	**Hari Nagar Sugar Mills Ltd. vs. S.S. Jhunjhunwala**	From the date of incorporation mentioned in the certificate, the company becomes a legal person separate from the incorporators; and there comes into existence a binding contract between the company and its members as evidenced by the Memorandum and Articles of Association
12	**State Trading Corporation of India vs. Commercial Tax Officer**	A company on registration acquires a separate existence and the law recognises it as a legal person separate and distinct from its members
13	**Spencer & Co. Ltd. Madras vs. CWT Madras**	It may be noted that under the provisions of the Act, a company may purchase shares of another company and thus become a controlling company. However, merely because a company purchases all shares of another company it will not serve as a means of putting an end to the corporate character of another company and each company is a separate juristic entity
14	**Heavy Electrical Union vs. State of Bihar**	As has been stated above, the law recognizes such a company as a juristic person separate and distinct from its members. The mere fact that the entire share capital has been contributed by the Central Government and all its shares are held by the President of India and other officers of the Central Government does

		not make any difference in the position of registered company and it does not make a company an agent either of the President or the Central Government
15	**Borland Trustees vs. Steel Bors. & Co. Ltd.**	Farwell Justice, in Borland Trustees vs. Steel Bors. & Co. Ltd. observed that "a share is not a sum of money but is an interest measured by a sum of money and made up of various rights contained in the contract, including the right to a sum of money of a more or less amount".
16	**Ashbury Railway Carriage and Iron Company Limited v. Riche-(1875)**	The facts of the case are: The main objects of a company were: To make, sell or lend on hire, railway carriages and wagons; To carry on the business of mechanical engineers and general contractors. To purchase, lease, sell and work mines. To purchase and sell as merchants or agents, coal, timber, metals etc. The directors of the company entered into a contract with Riche, for financing the construction of a railway line in Belgium, and the company further ratified this act of the directors by passing a special resolution. The company however, repudiated the contract as being ultra-vires. And Riche brought an action for damages for breach of contract. His contention was that the contract was well within the meaning of the word general contractors and hence within its powers. Moreover it had been ratified by a majority of shareholders. However, it was held by the Court that the contract was null and void. It said that the terms general contractors was associated with mechanical engineers, i.e. it had to be read in connection with the company's main business. If, the term general contractor's was not so interpreted, it would

		authorize the making of contracts of any kind and every description, for example, marine and fire insurance. An ultra vires contract can never be made binding on the company. It cannot become "Intravires" by reasons of estoppel, acquiescence, Iapse of time, delay or ratification.
17	**Guiness vs. Land Corporation of Ireland**	The articles of association of a company are its rules and regulations, which are framed to manage its internal affairs. Just as the memorandum contains the fundamental conditions upon which the company is allowed to be incorporated, so also the articles are the internal regulations of the company
18	**Ashbury Carriage Co. vs. Riches**	"The articles play a part subsidiary to memorandum of association. They accept the memorandum as the charter of incorporation, and so accepting it the articles proceed to define the duties, the rights and powers of the governing body as between themselves and the company and the mode and form in which the business of the company is to be carried on, and the mode and form in which changes in the internal regulation of the company may from time to time be made."
19	**S.S. Rajkumar vs. Perfect Castings (P) Ltd**	The document containing the articles of association of a company (the Magna Carta) is a business document; hence it has to be construed strictly. It regulates domestic management of a company and creates certain rights and obligations between the members and the company
20	**The Royal British Bank vs. Turquand.**	Mr. Turquand was the official manager (liquidator) of the insolvent Cameron's Coalbrook Steam, Coal and Swansea and

		Loughor Railway Company. It was incorporated under the Joint Stock Companies Act, 1844. The company had given a bond for £ 2,000 to the Royal British Bank, which secured the company's drawings on its current account. The bond was under the company's seal, signed by two directors and the secretary. When the company was sued, it alleged that under its registered deed of settlement (the articles of association), directors only had power to borrow up to an amount authorized by a company resolution. A resolution had been passed but not specifying how much the directors could borrow. Held, it was decided that the bond was valid, so the Royal British Bank could enforce the terms. He said the bank was deemed to be aware that the directors could borrow only up to the amount resolutions allowed. Articles of association were registered with Companies House, so there was constructive notice. But the bank could not be deemed to know which ordinary resolutions passed, because these were not registrable. The bond was valid because there was no requirement to look into the company's internal workings. This is the indoor management rule, that the company's indoor affairs are the company's problem.
21	**21 Howard vs. Patent Ivory Manufacturing Co.**	Where the directors could not defend the issue of debentures to themselves because they should have known that the extent to which they were lending money to the company required the assent of the general meeting which they had not obtained.

22	**Morris v Kansseen**	A Director could not defend an allotment of shares to him as he participated in the meeting, which made the allotment. His appointment as a director also fell through because none of the directors appointed him was validly in office.
23	**23 Anand Bihari Lal vs. Dinshaw & Co.**	The plaintiff accepted a transfer of a company's property from its accountant, the transfer was held void. The plaintiff could not have supposed, in absence of a power of attorney that the accountant had authority to effect transfer of the company's property.
24	**Haughton & Co. v. Nothard, Lowe & Wills Ltd.**	where a person holding directorship in two companies agreed to apply the money of one company in payment of the debt to other, the court said that it was something so unusual "that the plaintiff were put upon inquiry to ascertain whether the persons making the contract had any authority in fact to make it." Any other rule would "place limited companies without any sufficient reasons for so doing, at the mercy of any servant or agent who should purport to contract on their behalf."
25	**Ruben v Great Fingall Consolidated**	In this case the plaintiff was the transferee of a share certificate issued under the seal of the defendant's company. The company's secretary, who had affixed the seal of the company and forged the signature of the two directors, issued the certificate. The plaintiff contended that whether the signature were genuine or forged was apart of the internal management, and therefore, the company should be estopped from denying genuineness of the document. But it was held, that the rule has never been extended to cover such a complete forgery.