

(2012) 09 CAL CK 0119

Calcutta High Court

Case No: ACO No. 161 of 2012 and APO No. 325 of 2012

Uniworth Textiles Ltd.

APPELLANT

Vs

Asset Reconstruction Co. (India)
Ltd.RESPONDENT

Date of Decision: Sept. 6, 2012**Acts Referred:**

- Companies Act, 1956 - Section 10F, 111, 111A, 234, 235

Citation: (2013) 112 CLA 593**Hon'ble Judges:** Sanjib Banerjee, J**Bench:** Single Bench**Advocate:** S.N. Mookerjee, with Debanshu Basak and Ms. Manju Bhuteria, for the Appellant; S.P. Sarkar with Ms. Tirtha Dey and Ms. Suruchi Agarwal, for the Respondent**Final Decision:** Allowed

Judgement

Sanjib Banerjee, J.

The authority of the Company Law Board ("CLB") to receive a standalone petition u/s 247(1A) of the Companies Act, 1956 has been called into question in this appeal u/s 10F of the Act. Indeed, the interpretation hinges on the purport of the expression "in the course of any proceedings before it" that appears in the relevant provision. The CLB is of the opinion in the judgment and order impugned dated 29th May, 2012 that in the absence of the word "other" before the word "proceedings" in the relevant expression, an independent petition u/s 247(1A) may be carried before it for an order of investigation thereunder. Though the facts are almost irrelevant in the quest for an answer to the pristine legal issue, it may only be noticed that the petitioner before the CLB claimed to be a creditor of the appellant-company and alleged that the business of the appellant-company was being conducted to defraud the creditors of the company and such conduct warranted an investigation to discover "the true and actual persons behind the....company" since "its control and its policies" were not known and "corporate cross-holdings" were in place to conceal

the identities of those who were able to control or materially influence the policy of the company. The opinion of the CLB was rendered on an application in the nature of demurer filed by the company.

2. The respondent's petition before the CLB referred, in its cause-title, to both section 247 and section 237(b) of the Act and summarised the purport of the application in the following words:

Petition u/s 247 along with section 237(b) of the Companies Act for investigation of ownership of the respondent-company as well as appointment of inspectors to investigate the affairs of the company.

The reliefs claimed by the respondent in its petition before the CLB were:

- (a) to appoint inspectors to investigate the ownership of the respondent-company to see who are really in control of the respondent-company,
- (b) to order investigation by the Central Government into the affairs of the respondent-companies and their promoter directors,
- (c) to freeze and/or maintain the accounts of the respondent-company,
- (d) to make the present Board defunct and appoint neutral directors, and
- (e) pass such order and further orders, as this hon'ble Board may deem fit and proper in the facts and circumstances of the present case.

3. It is necessary, at the outset, to refer to the provisions invoked by the respondent before the CLB:

237. Investigation of company's affairs in other cases. - Without prejudice to its powers u/s 235, the Central Government -

(a) shall appoint one or more competent persons as inspectors to investigate the affairs of a company and to report thereon in such manner as the Central Government may direct, if-

- (i) the company, by special resolution; or
- (ii) the court, by order,

declares that the affairs of the company ought to be investigated by an inspector appointed by the Central Government; and

(b) may do so if, in the opinion of the Company Law Board, there are circumstances suggesting -

- (i) that the business of the company is being conducted with intent to defraud its creditors, members or any other persons, or otherwise for a fraudulent or unlawful purpose, or in a manner oppressive of any of its members, or that the company was formed for any fraudulent or unlawful purpose;

(ii) that persons concerned in the formation of the company or the management of its affairs have in connection therewith been guilty of fraud, misfeasance or other misconduct towards the company or towards any of its members; or

(iii) that the members of the company have not been given all the information with respect to its affairs which they might reasonably expect, including information relating to the calculation of the commission payable to a managing or other director or the manager of the company.

247. Investigation of ownership of company -.... (1A) Without prejudice to its powers under this section, the Central Government shall appoint one or more inspectors under sub-section (1), if the Company Law Board, in the course of any proceedings before it, declares by an order that the affairs of the company ought to be investigated as regards the membership of the company and other matters relating to the company, for the purpose of determining the true persons -

(a) who are or have been financially interested in the success or failure, whether real or apparent, of the company; or

(b) who are or have been able to control or materially to influence the policy of the company....

4. The appellant shows that sections 235 to 251 of the Act have been clustered in a separate segment entitled "Investigation". The appellant advocates that the scope of the provisions in such segment should be contextually interpreted. The appellant submits that the powers conferred under these sections bunched together in the statute at the end of the general provisions relating to the management and administration of companies should be seen as a whole and no part thereof, or a sub-section or clause from any section, be seen in isolation. The appellant says that the nature of the petition carried by the respondent to the CLB and the purport thereof have to be seen not in the light of the provisions invoked at its head but by the spirit of the orders sought in its tail. The appellant contends that notwithstanding section 237(b) of the Act having been referred to atop the respondent's petition, if the prayers made therein did not conform to such provision, the mere reference to section 237(b) of the Act would not make such provision applicable to the matter. If then, the appellant submits, the petition has to be regarded as one made only u/s 247(1A) of the Act, it would be incompetent since the expression "in the course of any proceedings before it" appearing in the relevant provision indicates to the authority there under being exercised in any pending proceedings, whether suo motu or upon an application by a party thereto, and the power there under cannot be invoked by way of any standalone, independent petition which is unconnected to any proceedings pending before the CLB.

5. In the alternative, the appellant argues, that the word "proceedings" in section 247(1A) of the Act would imply judicial proceedings and not administrative matters; and, the power exercised u/s 237(b) is purely administrative in nature. This

alternative argument is made upon the appellant's acceptance, without prejudice, that the respondent's petition before the CLB may be seen to have been made both u/s 237(b) and u/s 247(1A) of the Act. In other words, the appellant's submission is that even if the respondent's petition before the CLB were considered to have been made u/s 237(b) of the Act and section 247(1A) invoked incidentally, that would be impermissible as the exercise of the power to direct an investigation u/s 247(1A) would be in course of judicial proceedings and not in course of any administrative matter.

6. In support of the argument that the authority available u/s 237(b) of the Act is administrative in nature, the appellant first refers to a Constitution Bench judgment reported at [The Barium Chemicals Ltd. and Another Vs. The Company Law Board and Others](#), of the minority view has been placed for the proposition that the discretion conferred by section 237(b) of the Act to order an investigation "is administrative and not judicial since its exercise one way or the other does not affect the rights of a company nor does it lead to any serious consequences as, for instance, hampering the business of the company." Another judgment reported at [Rohtas Industries Vs. S.D. Agarwal and Others](#), as next been cited. Paragraph 3 of the concurring opinion is relied on for the observation therein that "Section 237(b) confers an administrative and not a judicial power...". It may do well to remember that prior to the 1988 Amendment to the Act (with effect from 31st May, 1991), section 237(b) of the Act commanded the Central Government to appoint inspectors to investigate into the affairs of a company in certain cases; and, gave a discretion to the Central Government to cause such investigation in other cases and no appeal lay from the Central Government's direction for investigation.

7. A judgment reported at [Moolchand Gupta Vs. Jagannath Gupta and Co. \(P\) Ltd.](#), has been placed by the appellant on the scope of the powers under sections 235 and 237 of the Act as they stood prior to the said amendment, A Division Bench judgment of the Madras High Court reported at [N.P.S.N. Ramiah Nadar and Others Vs. N.K.R. Amirtharaj](#), has been relied on by the appellant to demonstrate that an order u/s 237 of the Act was not appealable, but that matter pertained to an order of court u/s 237(a) of the Act. The appellant has referred to section 10F of the Act to suggest that such provision recognises the right of appeal of any person aggrieved by any decision or order of the CLB. The appellant says that the expression "decision or order" in section 10F of the Act implies that the decision embodying the outcome of any adjudicatory proceedings or the outcome of any proceedings bearing a judicial flavour would only be appealable; and, in the appeal provision not recognising merely an opinion rendered by the CLB being capable of carried in appeal, it is plain to see that the exercise of the jurisdiction by the CLB u/s 237(b) of the Act is not regarded to be a function with any judicial tinge to it.

8. The appellant has placed a recent judgment of a Single Bench of this court reported at [Gouri Shankar Kayan and Others Vs. East India Investment Company](#)

[Pvt. Ltd. and Others](#), Paragraph 35 of the report sets out the essential ingredients of section 247(1A) of the Act, but does not spell out in so many words that the power thereunder may only be exercised by the CLB in course of some pending proceedings before the CLB and not invoked independently:

The essential ingredients of sub-section (1A) of section 247 of the Act are: (i) there should be proceedings before the CLB; (ii) in course of those proceedings, the CLB should form an opinion that the "true persons" who are or have been financially interested in the success or failure of the company, are different from the persons who appear to be the members of the company; (iii) the "true persons" who are or have been able to control or materially influence the policy of the company, are different from the persons who appear to be in the control of the company; and (iv) a probe into the company's affairs is desirable in the interest of the company itself, and/or in public interest.

9. The appellant has also relied on a judgment of the CLB reported at (2008) 44 CompCas 145 . The appellant says that though the view expressed in the Rasoi Ltd. case (supra) may be completely disregarded by this court, it would do well to see what the CLB, the quasi-judicial body empowered to exercise authority u/s 247(1A) of the Act, opined on the scope of the provision. There is a further undertone to the appellant citing the decision as it says that such previous view of the CLB should have persuaded the CLB to not depart from it in the impugned judgment without finding it to be contrary to any dictum of a superior forum. It does not, however, appear that Rasoi Ltd. was cited before the CLB in course of the matter from which the present appeal arises and, in any event, in the CLB's reliance in the impugned judgment on a Bombay High Court judgment referred to later herein it is implicit that the view perceived to be taken in Rasoi Ltd. was found to run contrary to the opinion expressed by the Bombay High Court. In Rasoi Ltd., the petitioner before the CLB had earlier filed a petition u/s 111A of the Act seeking the rectification of the register of members of a listed company on the ground that some of the respondent-members had acted in concert in acquiring shares in the relevant company in violation of the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997. The subsequent plea was not carried only on the strength of section 247(1A) of the Act, but section 250 thereof was also invoked. The CLB held, at paragraph 15 of the report, that an investigation u/s 247(1A) was not an end in itself but only the means for further action. The CLB did not expressly hold in that case that an independent petition u/s 247(1A) was not maintainable; its reasoning reflects that it declined to receive the subsequent petition on the ground that wide inquisitorial powers had been vested in the CLB u/s 111A of the Act and, in such circumstances, there was no basis for invoking section 247(1A) thereof. The other ground that weighed with the CLB has more to do with the scope of section 250 of the Act and is not germane for the present purpose.

10. The more engaging submission on behalf of the appellant is in its interpretation of the expression "in the course of any proceedings before it" as it appears in section 247(1A) of the Act. The appellant says that the CLB fell into error in interpreting such expression on the basis of the related provisions in the statute, not for the purpose of deciphering the context of the authority conferred u/s 247(1A) of the Act, but to ascertain the literal meaning of the expression with reference to dissimilar expressions and situations.

11. The respondent has charted an altogether different route to justify the CLB view from what is evident from the impugned judgment itself. The respondent emphasizes on the word "any" in the relevant expression and cites the golden canon of statutory interpretation: that the court may not add to or subtract from the literal meaning of the words in the statute unless it leads to an absurd interpretation. The respondent refers, in such context, to a judgment reported at *Maunsell v. Olins* 1975 AC 373 and places a passage from the minority view therein which has been lauded in subsequent authoritative texts on statutory interpretation. The passage appears at page 391 of the report:

This "golden" canon of construction has been so frequently and authoritatively stated that further citation would be otiose. It is sometimes put that, in statutes dealing with ordinary people in their everyday lives, the language is presumed to be used in its primary ordinary sense, unless this stultifies the purpose of the statute, or otherwise produces some injustice, absurdity, anomaly or contradiction, in which case some secondary ordinary sense may be preferred, so as to obviate the injustice, absurdity, anomaly or contradiction, or fulfill the purpose of the statute: while, in statutes dealing with technical matters, words which are capable of both bearing an ordinary meaning and being terms of art in the technical matter of the legislation will presumptively bear their primary meaning as such terms of art (or, if they must necessarily be modified, some secondary meaning as terms of art).

12. In Cross' *Statutory Interpretation* (2nd edn., 1987), which the respondent has cited, the author has quoted from several well known judgments in the context of assessing the common legal phrase "intention of the Legislature". From the celebrated judgment in company jurisprudence of *Saloman v. Saloman & Co. Ltd.* (1897) AC 22, where the phrase was noticed to be common but slippery "which, popularly understood, may signify anything from intention embodied in positive enactment to speculative opinion as to what the Legislature probably would have meant, although there has been an omission to enact it" to *Black-Clawson International Ltd. v. Papierverke Waldhof-Aschaffenburg AG*, which said that the expression was not quite accurate since it implied the attempt by judges only to seek the meaning of the words which the Legislature used ("We are seeking not what Parliament meant but the true meaning of what they said."), the author infers that there are three principal situations in which people in general and Judges in particular speak of the intention of the Legislature. The following passage, from pp.

25-26 of the text, is instructive :

In the first place, whenever the meaning of specific words is under consideration, the idea that a particular meaning is that which would or would not have been attached to a word or phrase by the average member of Parliament, sitting at the time when the statute was passed, may be expressed or refuted by some such statement as "that is (or is not) what Parliament intended by those words". Second, when the consequences of a particular construction are under consideration, the idea that a particular consequence might well have been in the mind of the average member of Parliament is often expressed by some such statement as "that was likely (or unlikely) to have been the intention of Parliament". Finally, although it is impossible to identify the individual members whose purpose it was, it is common to speak of the purpose, aim or object of a statute as the intention of Parliament.

13. The respondent emphasises that the words used in a statute cannot be ignored or the meaning of the statutory language strained to prevent an injustice, or supposed injustice, in perceiving that what has actually been said by the Legislature is not what was intended to be said. The respondent proclaims that the preponderant view in statutory interpretation is that when a question arises whether the Legislature did or did not intend a particular result, the intention of the Legislature has to be seen as what the statutory words mean to the normal speaker of the language; and, the fact that a Judge feels confident that, had the situation before him been put to the members of the relevant Legislature they would have voted for a different meaning or for additional words, is immaterial. The respondent quotes from elsewhere in the aforesaid text to emphasis that the statutory words are of paramount importance.

14. It is in such vein that the respondent stresses on the word "any" as it appears in the relevant expression in section 247(1 A) of the Act to assert that such word would cover all proceedings, including any matter brought solely for the purpose of invoking that provision. The respondent has referred to a Full Bench judgment reported at [B. Veeraswamy and Others Vs. State of Andhra Pradesh and Others](#), for the interpretation of the word "any" in the context of whether a State Government could authorise a regional transport officer to exercise the powers and discharge the functions of the State transport authority under certain provisions of the Motor Vehicles Act, 1939. The Full Bench held that the word "any" excluded limitation or qualification. In that case the word "any" figured in the expression "any officer subordinate" and the judges disagreed with the interpretation of a Madras Full Bench that the word "subordinate" in the relevant provision should be understood in the sense of statutory subordination since, according to them, the word "any" connoted wide generality.

15. The respondent has carried a more recent judgment reported at [Grasim Industries Ltd. Vs. Collector of Customs, Bombay](#), for the opinion therein, at paragraph 10 of the report, that no word or expression used in a statute can be

seen to be redundant or superfluous. It is of some significance that in the following sentences in the passage placed by the respondent, the court said, in the context of its observation that every statute was an edict of the Legislature, that in matters of interpretation one should not concentrate too much on one word and pay too little attention to another; and, that no provision and no word may be construed in isolation as every provision and every word ought to be looked at generally and in the context in which it has been used. The Supreme Court observed that the "elementary principle of interpreting any word while considering a statute" should be "to gather the mens or sententia legis of the Legislature".

16. The respondent has also referred to a Constitution Bench judgment reported at [Carew and Company Ltd. Vs. Union of India \(UOI\)](#), . In a concurring judgment founded on a different strand of reasoning, it was observed that if the language in a statute could be construed widely so as to salvage the remedial intendment, the court must adopt it. Despite such opinion cautioning that if the language of the statute did not admit of the construction sought and wishful thinking was no substitute, it went on to emphasize that when two interpretations were feasible, that which advanced the remedy and suppressed the evil, as the Legislature envisioned, ought to find favour with the court. Such view was expressed after noticing the role of a judge in the priceless words of Benjamin Cardozo:

The Judge, even when he is free, is still not wholly free. He is not to innovate at pleasure. He is not a knight-errant roaming at will in pursuit of his own ideal of beauty or of goodness. He is to draw his inspiration from consecrated principles. He is not to yield to spasmodic sentiment, to vague and unregulated benevolence. He is to exercise a discretion informed by tradition, methodised by analogy, disciplined by system, and subordinated to "the primordial necessity of order in the social life". Wide enough in all conscience is the field of discretion that remains." (Benjamin Cardozo: The Nature of the judicial Process; 1921)

17. The respondent criticises the appellant's approach as hyper-technical in the appellant's assertion that notwithstanding section 237(b) of the Act having been referred to at the head of the petition before the CLB and regardless of the averments indicating the invocation of such provision in the body thereof, it is the narrowness of the words used in the prayer at the tail which ought only to be looked at to ascertain whether the provision had at all been summoned. The respondent submits that the prayers in the petition were capable of being tweaked at a subsequent stage to make them conform to section 237(b) of the Act, if it were found that in their original form they did not; or, in the alternative, the prayers should be read more charitably to assess whether the essence of invoking such provision was contained therein. The respondent relies on another Constitution Bench judgment reported at [S. Amarjit Singh Kalra \(dead\) by Lrs. and Others and Smt. Ram Piari \(dead\) by L.Rs. and Others Vs. Smt. Pramod Gupta \(dead\) by Lrs. and Others](#), in its reiteration that procedure has always been viewed as the handmaid of

justice and not meant to hamper the cause of justice or sanctify miscarriage of justice.

18. Though the respondent has not specifically referred to the precedents on the related provisions of the statute referred to in the impugned judgment, the appellant has sought to distinguish them. The CLB judgment reported at (1996) 86 CompCas 291 has been referred to in the impugned judgment only for the purpose of relying on the notes on clauses to the Bill that culminated in the Companies (Amendment) Act, 1988 by which subsection (1A) was introduced in section 247 of the Act with effect from 31st May, 1991. But the impugned judgment failed to recognise the import of the following passage in the concluding paragraph of Alaknanda Manufacturing:

....The wording in section 247(1A) "in the course of any proceedings before it" makes it clear that the declaration be made by the Company Law Board can be only during a proceeding and not at the end of proceedings. Thus, if the main proceeding is concluded, nothing survives and powers u/s 247(1A) cannot be invoked by the Company Law Board divorced of any proceeding before the Company Law Board....

19. The impugned judgment has also referred to another CLB judgment reported at (1997) 88 CompCas 838 where section 247(1A) of the Act was invoked in a complaint lodged before the CLB u/s 250(1) of the Act. The CLB held in Padma Taparia that independent proceedings could be received by it u/s 250(1) of the Act and, in such light, proceeded to consider how the powers u/s 247(1A) could be exercised. It concluded on facts that the circumstances necessary for ordering an investigation u/s 247(1A) were absent in that case. Again, in the impugned judgment, such aspect of the Padma Taparia (supra) decision appears to have been overlooked.

20. Considerable weightage has, however, been attached in the impugned judgment to a Single Judge decision of the Bombay High Court reported at [Bakhtawar Construction Co. \(P.\) Ltd. Vs. Blossom Breweries Ltd. and Others](#), which did not involve any consideration of section 247(1A) of the Act and dwelt on the meaning of the expression "in any proceedings before it" as it appeared in section 248 of the Act prior to the omission of such provision in the year 2000. For a first, the CLB fell into error in the impugned judgment in reading the expression "in any proceedings before it" in the then surviving section 248(1) of the Act as carrying the same meaning as the expression "in the course of any proceedings before it" as it appears in section 247(1A) of the statute. Second, the authority of the CLB to declare that the affairs of a company ought to be investigated into, and the consequential obligation of the Central Government to appoint inspectors to investigate into and report on the membership of the concerned company and other matters relating to such company, were introduced by the insertion of sub-section (1A) in section 247 of the Act by the Companies (Amendment) Act, 1988 which also inserted the words "or to the CLB in any proceedings before it," in sub-section (1) of the existing section 248 of the Act. It may be out of place in the present context to assess the correctness of the

Bombay High Court view both because section 248(1) of the Act is not relevant in this case and it would be a futile exercise to posthumously interpret an omitted provision. But so much must be seen: the amendment introduced in 1988 used different expressions in the insertions introduced to two consecutive sections of the Act. That, by itself may have had a story to tell.

21. It is now necessary to see the several sections bunched under the heading "Investigation" appearing in the first chapter entitled "General Provisions" in Part VI of the Act that covers management and administration of companies. Section 235 confers discretionary powers on the Central Government to cause the affairs of a company to be investigated into by an inspector or inspectors upon either the receipt of a report from a Registrar of Companies under certain limbs of section 234 of the Act or an application by the specified number of members of the concerned company. Section 236 is incidental to section 235(2) of the Act and could, ideally, have been incorporated in section 235 either by way of a proviso or as an additional sub-section. Section 237 of the Act, in its first limb, obliges the Central Government to declare that the affairs of a company ought to be investigated into in some circumstances and gives the Central Government the discretion to make such declaration if in the opinion of the CLB there are certain circumstances suggesting fraud, misfeasance or withholding of information relating to the matters specified. Section 238 of the Act specifies that no firm or body corporate or other association may be appointed as an inspector under either relevant preceding provision providing for investigation. Section 239 of the Act deals with the powers of inspectors to conduct investigations into the affairs of related companies or persons. Section 240 of the Act pertains to the production of documents and evidence before the inspectors. Section 240A authorises the seizure of documents by inspectors. Section 241 of the Act provides for the inspectors' report. Section 242 of the Act envisages the prosecution of any person in pursuance of the report u/s 241. Section 243 of the Act provides for the Central Government applying for a company to be wound up if it is expedient so to do on the basis of the inspectors' report. Section 244 of the Act allows the Central Government to institute proceedings in the name of a company, as a consequence of the inspectors' report, for the recovery of damages or the recovery of any property. Section 245 of the Act relates to the expenses of the investigation. Section 246 of the Act makes the inspectors' report admissible in evidence in legal proceedings. Section 247 of the Act covers matters warranting investigation into the ownership of a company. Deleted section 248 of the Act pertained to information regarding persons; inter alia, having an interest in a company. Deleted section 249 of the Act covered investigation of associationship with managing agents of companies. Section 250 of the Act records the interim powers conferred on the CLB in connection with any investigation u/s 247 of the Act on either a reference made to the CLB by the Central Government or on a complaint made by any person in such regard. Section 250A of the Act clarifies that an investigation may be initiated or continued notwithstanding

proceedings relating to the concerned company pending u/s 397 or 398 of the Act and despite a special resolution for the voluntary winding up of such company. Section 251 of the Act exempts legal advisors and bankers of companies from being obliged to make disclosures, save the excepted matters, in course of an investigation. That completes the full complement of the bouquet of sections under the heading "Investigation".

22. The expression "in the course of any proceedings before it" would, loosely, imply "during any proceedings". If section 247(1A) is read as giving the CLB unfettered authority in all circumstances to declare by an order that the affairs of a company ought to be investigated as regards the matters specified in such provision, it would result in the expression "in course of any proceedings before it" being rendered otiose. That would be impermissible by any rule of construction. The expression "in course of", according to the respondent, would cover the entire lifetime of the proceedings from its inception to its conclusion and would admit of a situation where proceedings are launched solely for the purpose of invoking section 247(1A) of the Act. But the expressions "in course of" and "in the course of" would generally imply "concurrently with an activity or event". The expression "in the course of any proceedings before it", in the context of its use in section 247(1A) of the Act, has to be seen to limiting the time or the circumstances when the authority conferred thereunder may be exercised; or else, it would be meaningless since if the opinion thereunder could be rendered at any stage, the operative words in the sub-section would have read "if the CLB declares by an order that the affairs of the company ought to be investigated..." Though it may not be necessary, now that section 248 has been omitted from the Act, the fundamental distinction between sections 247 and 248 of the Act as they stood side by side cannot be missed. Section 248 dealt with information, section 247 provides for investigation. While the collection of the information u/s 248 of the Act may have been an end by itself, the conduct of the investigation, considering the gravity of the matters covered by section 247 of the Act, has necessarily to be in aid of something else. Jurisprudentially, the authority to call for information and the authority to require the conduct of an investigation cannot be treated on an equal footing. The right to seek information by any person ought to be seen to have been completely exercised upon the information being obtained; the right to have an investigation conducted is but a step in a larger scheme of things. Seen in such light, the authority to direct an investigation being conducted cannot be exercised if there is no sequitur to it. It would follow then that any independent petition seeking investigation into the matters specified in section 247(1A) of the Act would be impermissible if the matters thrown up upon the investigation being conducted cannot be dealt with. Section 247(1A) does not indicate how the report upon the investigation ought to be followed up. The absence of such authority would tend to show that a direction to conduct the investigation cannot rationally be made at the conclusion of any proceedings. If the larger exercise contemplated by section 247(1A) of the Act is not brought to its

logical conclusion merely upon a direction for the conduct of an investigation thereunder being issued, a petition seeking only an investigation u/s 247(1A) of the Act would not be maintainable. If, however, there are other proceedings pending before the CLB, an application u/s 247(1A) of the Act would be permissible by such person as the CLB may consider desirable in the context of the pending proceedings; for, the report of the investigation may be dealt with, to the extent relevant, in the pending proceedings.

23. The authority u/s 247(1A) of the Act can, doubtless, be exercised suo motu by the CLB. But the caveat that the expression "in the course of any proceedings before it" introduces in the provision, mandates that the suo motu authority be exercised only during the pendency of any proceedings before the CLB. If the appropriate interpretation of section 247(1A) of the Act is that the authority to direct an investigation thereunder may be exercised by the CLB suo motu or at the instance of any other person, in the absence of any express provision making a distinction between the two situations, the expression "in the course of the proceedings before it" would apply to either; and, as a corollary, it would carry the same meaning in either case. Though the word "any" in the relevant expression would exclude any limitation or qualification, such word cannot be read in isolation of the words "in course of" appearing in the same cluster of words. The words "in course of" govern the words "any proceedings" and imply that the nature of the proceedings would be irrelevant as long as the authority is invoked or exercised in course of such proceedings. The extent of exercise of the authority will, however, be guided by the nature of the pending proceedings.

24. Though the words of a statute have generally to be understood to convey the meaning that they would bear in their ordinary sense, literal construction and contextual construction may not be seen to be mutually exclusive. A word or an expression has to be seen against the backdrop of the company that it keeps. If a word or an expression is capable of several sets of meaning in its literal import, the one best suited to the context would be the most acceptable. But a word or an expression in a statute cannot be given a meaning that it would ordinarily not bear only by referring to the context and the perception of what it ought to have implied. Language is, at best, an imprecise form of communication which is even more inexact when in cold print. The spoken word has the advantage of the accompanying tone or gesture to convey a more specific meaning of that which is being communicated. The interpretation of that which is communicated in writing should lend more towards how it is capable of being understood rather than how it was intended to be perceived. The true meaning of a written word is as it ought to appear to a reasonable reader. The fundamental tenets of statutory interpretation recognise the gulf between the words in a statute and the varied understanding thereof and attempt to bridge the gap.

25. There are lesser reasons for discerning that section 247(1A) of the Act does not contemplate a stand-alone petition for invoking the authority prescribed thereunder. In several provisions, or clusters of provisions, in the Act which are capable of being directly invoked without reference to any other, the circumstances giving the right to apply thereunder are generally specified. For instance, section 433 of the Act may be invoked by such classes of persons as recognised in section 439 thereof; sections 397 and 398 of the Act may be cited by such persons mandated to apply thereunder by section 399 of the Act; sections 111 and 111A of the Act may be taken recourse to by the persons specified therein; and, the related provision permitting investigation of the affairs of a company u/s 235 of the Act may be summoned before the CLB by the classes of persons enumerated in such section. In this context, the seemingly concurrent jurisdiction of the CLB, alongside that of the Central Government, u/s 237 of the Act has to be seen in the light of the discretion reserved unto the Central Government notwithstanding the opinion of the CLB of the circumstances detailed in clause (b) thereof. Since section 247(1A) of the Act was not meant to be directly invoked - or such provision being taken recourse to only for the purpose of an investigation being directed thereunder - it does specify who may apply thereunder or who may be heard in course thereof. In the absence of the guidelines in the provision itself as to when and how the authority thereunder may be invoked or exercised - the two inevitable questions on the bounds of authority in any judicial or quasi-judicial jurisdiction, where limitlessness may not be presumed unless expressly specified or by unavoidable implication - the answers to the questions have necessarily to be found in the expression "in the course of the proceedings before it" in section 247(1A). The clue to when such power may be exercised is in the understanding of the expression to imply "during any pending proceedings"; which, in turn, will bring the scope of the pending proceedings into play to provide a key to how the authority may be exercised. Section 247(1A) of the Act provides for wide inquisitorial powers being exercised by the CLB. Ordinarily, such a provision has to be strictly construed and, apart from the fact that it is undesirable to merely direct an investigation for investigation's sake without the result of the investigation being dealt with under such provision, the expression "in the course of the proceedings before it" has to be seen in proper perspective as a check on the otherwise unbridled authority thereunder.

26. The character of any pleadings has to be assessed on the basis of what it seeks or what it professes to achieve. Notwithstanding the reference to section 237(b) at the head of the respondent's petition before the CLB and the general averments in the body thereof hinting at the invocation of section 237(b) of the Act, since it did not seek any relief u/s 237(b) of the Act, the prayer in the tail has per force to be seen as the only guide to the purpose of the petition. The order sought were only in furtherance of the investigation u/s 247(1A) of the Act. That is not to suggest that section 247(1A) of the Act could have been invoked only on the strength of a prayer

u/s 237(b) of the Act being carried in the same petition, but that is an altogether different matter.

27. The appeal and the application, APO No. 325 of 2012 and ACO No. 161 of 2012, are allowed; the judgment and order impugned dated 29th May, 2012 is set aside; and, CP No. 3 of 2010 instituted by the respondent before the CLB is dismissed as not maintainable. Since it does not appear that the respondent's endeavour to invoke the authority of the CLB was ignoble, there will be no order as to costs. Urgent certified photocopies of this judgment, if applied for, be supplied to the parties subject to compliance with all requisite formalities.