
(1982) 04 BOM CK 0007

In the Bombay High Court

Case No : Company Application No. 317 of 1981 in Company Petition No. 113 of 1979

Colaba Land and Mill Co. Ltd.

APPELLANT

Vs

Union of India

RESPONDENT

Date of Decision : 08-04-1982

Acts Referred:

Companies Act, 1956 — Section 155, 35, 391, 391(2), 426

Citation : (1985) 58 CompCas 513

Hon'ble Judges : R.L. Aggarwal, J

Bench : Single Bench

Judgement

Aggarwal, J.—In the present application, the principal question which falls for consideration is whether under s. 555(7)(a) of the Companies Act, 1956, the applicant company (take out of liquidation) is entitled to claim the money representing the assets refundable to the contributories, which had been paid into the company's liquidation account under sub-s. (1)(b) of s. 555 of the said Act. The only direction which is sought is that the respondent, the Union of India, be ordered to pay to the applicant company an aggregate sum of Rs. 5,40,667 or such amount as has been deposited by the Official liquidator in the company's liquidation account as undistributed assets of the company.

2. The brief facts, giving rise to the present application, are as follows :

The company was ordered to be wound up by order dated October 7, 1959, passed by this court in I.C. No. 221 of 1958 and the official liquidator was appointed as the liquidator of the company. The authorised capital of the company was Rs. 1,00,00,000 and the issued, subscribed and paid-up capital was Rs. 49,00,000 divided into 49,000 shares of the face value of Rs. 100 each. Each of the 49,000 shares was fully paid up at the time when the winding-up order was passed. During the course of liquidation proceedings between 1959 and 1979, the official liquidator discharged all the liabilities of the company to its various creditors. Large amounts were available to the official liquidator for

distribution amongst the shareholders of the company. Accordingly, the official liquidator in the first return declared a dividend of Rs. 50 per share on 17th April, 1973. In the second return, the official liquidator declared a further dividend of Rs. 50 per share on June 23, 1976. In the third return, a dividend of Rs. 40 per share was declared on January 20, 1978. Thus, as against the face value of each share of Rs. 100 fully paid-up, the shareholders received Rs. 140 from the official liquidator. It appears that several shareholders did not claim the amounts of the said dividends from the official liquidator. The official liquidator, in compliance with the provision of s. 555 of the Companies Act, proceeded to deposit in the company's liquidation account a sum of Rs. 1,79,227.80 being the amount remaining unpaid under the first return. He further deposited a sum of Rs. 1,96,000 under the second return and a sum of Rs. 1,54,160 under the third return, which had remained unpaid, in the company's liquidation account. Out of the cheques issued, cheques of the value of Rs. 1,920 remained un-encashed and this amount was also deposited in the company's liquidation account. Thus, an aggregate sum of Rs. 5,31,307.80 stands deposited in the company's liquidation account. During the pendency of the winding-up of the company, one of the shareholders, namely, Vasant Investment Corporation Ltd., presented a scheme for reconstruction of the company under s. 391 of the Companies Act. The scheme was sanctioned by this court by order dated July 6, 1979, passed in Company Petition No. 113 of 1979, as a result of which the company came out of liquidation. The company now seeks that the amount of Rs. 5,31,307.80 lying in the company's liquidation account is liable to be paid to the company as the undistributed assets which have remained unclaimed by the shareholders of the company and that the company is a person entitled to the said amount of Rs. 5,31,307.80 within the meaning of s. 555(7)(a) of the Companies Act, 1956.

3. Shri Parekh, learned counsel appearing for the applicant company, submitted, firstly, that every single asset and liability of the company in winding-up is of the company and not of the official liquidator till order of dissolution is passed. Secondly, if the company comes out of the winding-up, the remaining or serving assets and liabilities are governed by the scheme sanctioned by the court under the provision of s. 391(2) of the Companies Act. In the present case, the scheme for reconstruction was sanctioned and it came into effect from July 6, 1979. By reason of cl. 8 of the sanctioned scheme, the company is entitled to all its properties and claims as existing on July 6, 1979, and also liable to meet all liabilities as existing on July 6, 1979. The amount lying in the company's liquidation account under s. 555 is one of the properties of the company which the company is entitled to claim under sub-s. (7)(a) of s. 555. The liability to pay to the contributories who have so far not collected the amounts payable to them is that of the company with effect from July 6, 1979, and not that of Central Government. Section 555 cases to apply on a company going out of winding-up. The provisions of s. 555 are meant for an insolvent company and not for a solvent company.

4. On behalf of the respondents, Shri Bulchandani contended that the amounts

were deposited by the liquidator in accordance with the provision of s. 555(1)(b). The money deposited is not in lump sum but against the specific name of the unpaid contributories and the amount payable to them is specified. The contributories are the only persons who are entitled to their moneys. The company is not the person who is entitled to claim the amount lying in the company's liquidation account. All the liabilities of the company have been discharged and, therefore, the contributories alone are entitled to claim and received the amount shown as payable to them.

5. Now, the relevant provision which were brought into focus are sub-ss. (1), (2), (3), (4), (5), 7(a) and (8) of s. 555. These provision are in simple and plain words and do not present any difficulty in understanding are in simple and plain words and do not present any difficulty in understanding their meaning. Out of these provisions, the word "assets" appearing in cl. (b) of sub-s. (1) and the opening words "any person" appearing in the expression "Any person claiming be entitled to any money paid into the companies liquidation account" in sub-s. (7)(a) are required to be interpreted and understood to resolve the controversy. The above relevant provisions are :

"555. Unpaid dividends and undistributed assets to be paid into the companies liquidation account. - (1) Where any company is being wound up, if the liquidator has in his hands or under his control and money representing -

(a) dividends payable to any creditor which had remained unpaid for six month after the date on which they were declared, or

(b) assets refundable to any contributory which have remained undistributed for six months after the date on which they become refundable,

the liquidator shall forth with pay the said money into the public account of India in the Reserve Bank of India in a separate account to be known as the company's liquidation account.

(2) The liquidator shall, on the dissolution of the company, similarly pay into the said account any money representing unpaid dividends or undistributed assets in his hands at the date of dissolution.

(3) The liquidator shall, when making any payment referred to subsections (1) and (2), furnish to such officer as the Central Government may appoint in this behalf, a statement in the prescribed form, setting forth, in respect of all sums included in such payment, the nature of the sums, the names and last known addresses of the reasons entitled to participate therein, the amount to which each is entitled and the nature of his claim thereto, and such other particulars as may be prescribed.

(4) The liquidator shall be entitled to a receipt from the Reserve Bank of India for any money paid to it under sub-sections (1) and (2); and such receipt shall be an effectual discharge of the liquidator in respect thereof.

(5) Where the company is being wound up by the court, the liquidator shall make the payments referred to in sub-sections (1) and (2) by transfer from the account referred to in section 552

(7) (a) Any person claiming to be entitled to any money paid into the companies liquidation account (whether paid in pursuance of this section or under the processions of any previous companies law) may apply to the court for an order for payment thereof, and the court, if satisfied that the person claiming is entitled, may make an order for the payment to that person of the sum due :

Provided that before making such an order, the court shall cause a notice to be served on such officer as the Central Government may appoint in this behalf, calling on the officer to show cause within one month from the date of the service of the notice why the order should not be made

(8) Any money paid into the companies liquidation account in pursuance of this section, which remains unclaimed thereafter for a period of fifteen years, shall be transferred to the general revenue account of the Central Government; but a claim to by money so transferred may be referred under sub-section (7) and shall be dealt with as if such transfer had not been made, the order, if any, for payment on the claim being treated as an order for refund of revenue."

6. Sub-section (1) of s. 555 lays down that in the case of a company which is being wound up "dividends payable to any creditor" and "assets refundable to any contributory" which have remained unpaid or undistributed for six months after they were declared or became refundable, as the case may be, are required to be paid by the liquidator into the public account of India in the Reserve Bank of India in companies liquidation account. Likewise, under sub-s. (2), on the dissolution of the company, the liquidator is required to pay into the public account of India any money representing unpaid dividends or undistributed assets in his hands at the date of dissolution. These provisions indicate that the object of enacting them is that the unpaid dividends of creditors or undistributed assets of contributories, which have remained unpaid for six months after becoming due, should be paid into the companies liquidation account. Under sub-s. (3), the liquidator, while making payment, has to submit a statement setting forth (a) the nature of the amounts tendered, (b) the names and addresses of the creditors or contributories entitled to the amounts, (c) the amount which such creditors or contributories entitled to receive, (d) the nature of their claims, and (e) such other particulars as may be prescribed by the rules. Sub-s. (4) entitles a liquidator to a receipt for the money paid in the companies liquidation account and that gives him an effectual discharge in respect thereof.

7. The word "asset" used in sub-s. (1)(b), according to Shri Parekh, means an asset of the company since all assets are assets of the company as held in *Hari Prasad Jayantilal and Co. Ltd. Vs. Income Tax Officer, Special Investigation Circle-B*, . In that case, the provision of s. 35(10) of the Indian I.T. Act, 1922, were considered along with s. 2(6A)(c). Shri Parekh relied upon the passage at page

797 which relates to the argument by the counsel for the company that the power under sub-s. (10) of s. 35 could not be exercised because distribution of accumulated profits by the liquidator was not distribution by the company. The argument was found to be wholly without substance, the reason being that on the passing of a special resolution by the company in that case that it would be wound up voluntarily under the Companies Act, 1956, the company did not stand dissolved. That was so expressly provided by s. 487 of the Companies Act. A company which has resolved to be voluntarily wound up may be dissolved in the manner provided by s. 497(5); till then the company has corporate existence and corporate powers. The property of the company does not vest in the liquidator; it continues to remain vested in the company. This case is of no assistance because in the present case the assets were refundable to the contributories and along before the scheme was sanctioned, they had been transferred to the public account of India and those moneys were not with the official liquidator when the company was taken out of liquidation.

8. Now, the term "contributory" means any person liable to contribute to the assets of a company in the event of its being wound up under s. 428. In the event of a company being wound up, even present and past member shall be liable to contribute to the assets of the company as detailed in ss. 426, 427, 429, 430 and 431; when it comes to sharing of the surplus assets of a company in winding up or on dissolution, the assets are distributed among the contributories. It would be correct to say that what is distributed are the assets of such a company, but the question before us is whether, on the facts and circumstances of the present case, the company can lay claim to the undistributed assets of the contributories which have been deposited by the liquidator in the companies liquidation account ?

9. According to Shri Parekh, the words "any person" appearing in the expression "any person claiming to be entitled to any money paid into the companies liquidation account" under sub-s. (7)(a) of s. 555, must be given an unrestricted meaning and in this connection he referred to the expression "any person" used in a criminal statute, i.e., s. 162 of the old Criminal Procedure Code, 1898. Section 162, Cr. PC, opens with the words :

"No statement made by any person to a police officer"

10. The words of s. 162, Cr. PC, are considered wide enough in the case of AIR 1939 47 (Privy Council)

11. The expression "any revenue" as defined by s. 2(1)(a) of the I.T. Act, 1961, was interpreted to mean income of every kind in *Manubhai A. Sheth and others Vs. N.D. Nirgudkar*, 2nd Income Tax Officer, A-II Ward, Bombay and another,

12. The expression "any grass land" came up for consideration in *Clarke Jervoise v. Scutt* [1920] 1 Ch D 382 (CA), and the word "any" was considered as a word with a very wide meaning and prima facie the use of it excludes limitation.

13. The words "any person" in s. 36(2) of the Road Traffic Act, 1930, fell for consideration in *Barnet Group Hospital Management Committee v. Eagle Star Insurance Co. Ltd.* [1959] 3 ALL ER 210: [1959] 3 WLR 613 . In that case, the counsel for the insurance argued that "any person" means any person of the class required to be covered by the Act. The court was of the view that such a construction involved writing words into the statute that were not there. If the Legislature had intended the payment mentioned in s. 36(2) to be confined to persons of the class required to be covered by the said Act, it could have expressed that intention in plain language.

14. The last case cited on this question is an unreported decision of this court in Appeal No. 344 of 1981 in *Company Application No. 169 of 1981 in Company Petition No. 196 of 1981, Killick Nixon Ltd. and others Vs. Dhanraj Mills Pvt. Ltd. and others*, decided on the September 4, 8, 9, 1981, by P. B. Sawant and Mrs. Sujata V. Manohar JJ. The provisions of s. 155 of the Companies Act relating to the power of the court to rectify the register of members were considered. Section 155 provides :

(1) If -

(a) the name of any person -

(i) Is, without sufficient cause, entered in the register of members of a company; or

(ii) after having been entered in the register is, without sufficient cause, omitted therefrom, or

(b) default is made, or unnecessary delay takes place, in entering on the register the fact of any person having become, or encashed to be, a member;

the person aggrieved, or any member of the company, or the company, may apply to the court of rectification of the register."

15. These provisions were constructed to mean that not only the person aggrieved but also any member of the company may apply to the court for rectification of the register of members.

16. The words "and person" constructed in the above case are constructed in the light of the provisions and the object of their respective statutes. The words "any person" appearing in the expression "any person claiming to be entitled to be any money paid into the companies liquidation account", to my mind, must be confined only to the contributory in whose favour the dividend has been declared but has remained undistributed as suggested by Shri Bulchandani. "Any person" would include a person claiming to be entitled to the money on behalf of the contributory such as his representative, his power of attorney holder, his heir or legal representative. The object of these provisions, as indicated by Shri Bulchandani, seems to be to protect the undistributed assets which have been found to be refundable to a contributory but one reason or the other they could

not be paid to him and had to be transferred to the public account of India in the Reserve Bank of India in a separate account to be known as the companies liquidation account. If the amount remains unclaimed for a period of 15 years under sub-s. (8) of s. 555, the amount is required to be transferred to the general revenue account of the Central Government, but the right of the contributory or any person claiming to be entitled to such money is preserved even after the long spell of 15 years. But there is no reason to give a restricted meaning to the expression "any person". The Legislature uses the expression "any person claiming to be entitled to any money paid into the companies liquidation account" which has wider denotation and cannot be confined only to a creditor or member or contributory of the company. The expression can also include a company itself which goes out of liquidation and retains its original status and position. But the question is not whether such a company can apply to the court under sub-s. (7)(a) or to the Central Government under sub-s. (7)(b). The real question is whether such a company is entitled to receive the money lying in the company's liquidation account in the name of the creditors and/or contributories.

17. Before proceeding to examine the above aspect, it is necessary to go back to the terms of the scheme sanctioned by the court for enabling the company to go out of liquidation. The clauses referred to are cls. 3, 4, 8, and 9. They read as follows :

"3. Out of the assets which are and will be available to the company on the effective date (i) Rs. 4,90,300 shall be treated as the issued, subscribed and paid-up capital of the company, (ii) each such new share of Rs. 10 each, shall be deemed to have been issued and allotted to each of the members of the company in the proportion of the number of old shares held by each of such members, and (iii) the balance of the assets of the company after capitalisation of the sum of Rs. 4,90,000 as aforesaid will be held by the company as its assets subject to the provisions contained in paragraph 3A.

4. The members of the company and their shares respectively held by them shall be as appearing in the list of contributors immediately prior to the making of the order on the application of sanctioning this scheme.

8. On and from the effective date the company shall be entitled to all its properties and claims as existing on that date and shall also be liable for all its obligations and liabilities as existing on that date.

9. The official liquidator shall, after deducting his costs, charges and expenses, hand over to :

(i) Mr. Rusi Sethna (solicitor), and

(ii) Mr. Sunderlal Saraf (chartered accountant) for and on behalf of the company (and/or its new management) the entire undertaking of the company including all its properties, immovable, movable and cash and all being of account,

documents, papers and vouchers. Upon the official liquidator done so, he shall stand discharged as liquidator of the company."

18. Relying upon these clauses, and particularly cl. 8, it was submitted that on and from effective date, i.e., July 6, 1979, the company is entitled to all its properties and claims as existing on that date and is also liable for all its obligations and liabilities as existing on that date. The amounts lying in the company's liquidation account are one of the properties of the company and the company is entitled to claim the same as it was a claim existing on July 6, 1979. The Union of India has no right to hold the money and it is the company which is liable to pay to the members who have so far not claimed the amounts payable to them. It was further pointed out that before the scheme was sanctioned, the Central government had notice of the scheme for reconstruction. At that stage, the Central Government did not choose to contend before the court that it was entitled to retain the amount lying in the companies liquidation account, and if that question had been raised, the court would have decided the same before sanctioning the scheme. The Union of India cannot now challenge the scheme which is final and binding.

19. Now, the dividends, in the present case, were declared on April 17, 1973, June 23, 1976, and January 20, 1978, and on account of the amounts being undistributed to the extent of Rs. 5,31,307.80, the same have been deposited by the official liquidator under sub-s. (1)(b) of s. 555. When the scheme of reconstruction or rehabilitation was sanctioned by this court with effect from July 6, 1979, the amount to the extent of Rs. 5,31,307.80 was not in the hands or under the control of official liquidator and therefore, on the sanctioning of the scheme, he could not have handed over the said amount to the company. Clause 9 of the scheme required the official liquidator, after deducting his costs, charges and expenses, to hand over to Shri Rusi Sethna (solicitor) and Shri Sunderlal Saraf (chartered accountant) for and on behalf of the company the entire undertaking of the company including cash and all books of account. The argument that the Central Government could have pointed out to the company judge hearing the application for sanction of the scheme that the amount lying in the companies liquidation account is not property of the company assets of the company, cannot cut ice; so also the fact that the company was equally aware that certain assets had remained undistributed that fallen into the companies liquidation account but the company did nor raise any claim to the same. Thus, it can be held that the present applicant company can fall within the wide expression "any person" used in sub-s. (7)(a), but it is not the person entitled to the money lying in the company's liquidation account as it is neither entitled under s. 555 to be paid the undistributed assets of the contributories, nor is the company entitled to the same under the sanctioned scheme. The amount lying in the companies liquidation account is earmarked for the contributories named as per the statement furnished under sub-s. (3). These amounts will continue to remain in the said account until the contributories entitled to claim the same do so or until some other person can establish before the court under sub-

s. (7)(a) or before the Central Government under sub-s. (7)(b) that he is entitled to the money paid into the companies liquidation account.

20. Shri Parekh cited *Union of India v. Hindu Bank Karur Ltd.* [1977] 47 Comp Cas 224 (Mad), in which a single judge of the Madras High Court had to consider the provision of s. 555(3), (4), (7)(b) of the Companies Act read with rr. 3 and 9 of the companies Liquidation Accounts Rules, 1965. The headnote gives a fair idea of the issue before that court. In that case, certain arrears of Income Tax and super-tax to the extent of Rs. 10,853.55 were due from the first respondent-company which had gone into voluntary liquidation in pursuance of an assessment made for the year 1963-64 which was pending in appellate proceeding. The liquidator of the company filed a statement in the office of the Registrar of Companies as required under s. 555(3) to the effect that a sum of Rs. 20,542.50 was payable to one L as surplus assets refundable to him in respect of 250 shares held by him in the company, which sum had been deposited in the companies liquidation account as part of Rs. 70,730.74 being amounts not claimed and unpaid to the contributories. The Regional Director of the Company Law Board sanctioned the payment of this amount. The Commissioner of Income Tax filed an application for payment to him of the sum of Rs. 10,853.55 being the amount of arrears of Income Tax and super-tax due in respect to the assessment for the year 1963-64, contending that the amount deposited in the company's liquidation account did not cease to be the asset of the company and could not be earmarked for a contributory and that the claim of the Income Tax department would have to be satisfied first before the claims of a contributory are met. The learned judge held the contrary because a statement is filed in respect of the money deposited into the companies liquidation account, the sum does not cease to be an asset of the company and becomes earmarked for the contributory. It only means that contributory is prima facie entitled to the said due and such entitlement can be defeated by preferential claims like arrears of revenue to the State. It cannot also be held that the moment moneys are deposited in to the account in the Reserve Bank of India, they cease to be that of the company. It still retains that character till payment is made to the contributory. Accordingly, the Commissioner of Income Tax was entitled to be paid out of the monies due towards arrears of Income Tax and only the balance can be paid to the contributory. This authority has been relied upon to reinforce the submission that despite the money being deposited in the companies liquidation account, the same does not cease to be the asset of the company. This decision does not alter the view taken by me. In the other hand, the facts of that case serve to elucidate not only the implication of the provisions of sub-ss. (1) and (7) of s. 555 if we closely examine the underlying reason for the Madras High Court for treating the money lying in the companies liquidation account as assets of the company. In that case, the court was required to consider the preferential claim of the Revenue which had remained undischarged before the money was deposited in the companies liquidation account. Under cl. (a) of sub-s. (1) of s. 530, in a winding up, Income Tax is to be in priority to all other debts.

It is obvious that the surplus assets had been distributed in that case without the company having discharged its liabilities. In other words, the surplus assets had still remained encumbered with the claim of the Income Tax Department when the liquidator proceeded to distribute the assets among the contributories. Therefore, the learned judge very rightly took the view that the claim of the revenues could not be defeated by dispute the amount in the company's liquidation account. The purpose of s. 555 is not to defeat the claims of rightful persons, but on the contrary it makes an inbuilt machinery for recovery either through the court or from the Central Government. Section 555 merely seeks to preserve and control the unpaid dividend or undistributed assets of a creditor or a contributory respectively. The Madras case seems to be a rare exception because normally all preferential claims are paid first before declaring a dividend in favour of creditors, much less distribution of assets among the contributories which are last to share the same. It appears to me that the High Court has in this sense treated the money lying in the companies liquidation account as assets of the company. In our case, the claim is not of a third person. The company itself is setting up a claim without being a creditor of any class or without any legal right.

21. Shri Parekh next relied upon *Spence v. Coleman, Inspector-General in Companies Liquidation, Garnishee* [1901] 2 KB 199 (CA). In that case, the appellant was the Inspector-General in Companies Liquidation and the appeal was directed against the order affirming order making absolute a garnishee order is against the appellant. The background of the garnishee proceeding was that Spence had on February 18, 1901, recovered judgment for 1829 Pounds 18 s. 9d. against Coleman. Coleman was a shareholder in a company called the Bluebell Proprietary company Limited. This company was wound up voluntarily, and after the Liquidator had realised the assets and paid the debts of the company, there remained in his hands a surplus for distribution among the shareholders. The sum payable to Coleman amounted to 116 Pounds 19s. 5d. The liquidator sent the usual notices to Coleman at his registered address, informing him of the amount payable to him, but the notices were all returned through the post marked "unknown". Under these circumstances, the liquidator in compliance with s. 15, sub-s. 3, of the Companies (Winding-up) Act, 1890, paid the 116 Pounds 19s. 5d. to the "Companies liquidation account" at the Bank of England, and thus obtained an actual discharge in respect of the sum so paid in. The garnishee order absolute order "that the said garnishee do forthwith pay to the said judgment creditor the debt due from him to the said judgment debtor (or so much thereof as may be sufficient to satisfy the judgment debt), and that in default thereof execution may issue for the same". While allowing the appeal and discharging the garnishee order, Collins L.J., inter alia, observed that there was no debt due to the judgment-debtor by the appellant. This was for two reasons I gather, one was on the general principle that the appellant was in the custody of the money simply as officer of the Board of Trade. The other reason was that the reading of sub-ss. 3 and 5 of s. 15 of the Companies (Winding-up) Act, 1890, negative the notions of a debt. Stirling L.J. pointed out that in order

that O.XLV, r. 1 of the Rules of the Supreme Court may apply, it was necessary that the relation of debtor and creditor should be proved to exist between the judgment-debtor and a third person. The learned judge, after considering the provisions of the Companies (Winding-up) Act, 1890, held that there was no debt due to the judgment-debtor, i.e., to Coleman, the shareholder, in whose favour the surplus of the undistributed assets had been deposited in the companies liquidation account at the Bank of England and, hence O.XLV did not apply. Relying upon this decision, Shri Parekh submitted that the title in the money has not passed to the contributories and, therefore, the company is entitled to receive the money lying in the companies liquidation account in the public account of India in the Reserve Bank of India. The submission is without substance. Now, the money which goes to the contributories is on account of the surplus assets of a company in liquidation or on dissolution. When the company's assets are more than sufficient for the payment of the company's debts then the surplus becomes distributable among the members. While making the distribution, the share of each shareholder is determined and paid. It is in respect of the unclaimed or unpaid money that the liquidator is required to pay into the companies liquidation account. In the statement the name of the contributory and the amount which has remained unpaid to him is specified. The amount lying in the name of the contributory in the companies liquidation account is his money, though the relationship of a creditor and debtor is not created between the contributory and the Central government holding the money in the companies liquidation account. A company in winding-up, after shedding its bankruptcy and regaining a new lease of life, does not become a creditor of the contributory so as to assert any right over his amount. The amount is earmarked for the contributory and he has the right to receive it and to this extent he has a title to it unless some person can establish that he is entitled to the money lying in the companies liquidation account.

22. In the result, Company Application No. 317 of 1981 is dismissed with costs.