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NC: 2026:KHC:29980
CA No. 80 of 2026
In COP No.187 of 2011

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 18TH DAY OF JUNE, 2026

BEFORE

THE HON'BLE MS. JUSTICE JYOTI M

COMPANY APPLICATION NO. 80 OF 2026

IN

COMPANY PETITION NO.187 OF 2011

BETWEEN:

THE OFFICIAL LIQUIDATOR OF
M/S. TAURUS NOVELTIES LIMITED (IN LIQN.,)
ATTACHED TO THE HON'BLE
HIGH COURT OF KARNATAKA,
NO.26-27, 12TH FLOOR,
RAHEJA TOWERS, M.G. ROAD,
BENGALURU - 560 001.

...APPLICANT

(BY SMT. KRUTIKA RAGHAVAN, ADVOCATE FOR OL)

AND:

1. NIL
NIL

...RESPONDENT

THIS COMPANY APPLICATION FOR DISSOLUTION AND
DISTRIBUTION OF DIVIDEND UNDER SECTIONS 481, 550 AND
559 OF THE COMPANIES ACT, 1956 READ WITH RULES 9, 275,
281, 282, 283, 284 AND 290 OF THE COMPANIES (COURT)
RULES, 1959.

THIS COMPANY APPLICATION IS LISTED FOR ORDERS,
THIS DAY AN ORDER IS MADE AS UNDER:





ORAL ORDER

Smt.Krutika Raghavan, counsel for the Official Liquidator appeared in person.

2. The Official Liquidator files CA 80/2026.

The application is filed seeking the following reliefs:

- a. Take the certified list of proofs tendered to, and or admitted or rejected by the Official Liquidator in Form No.71 enclosed as Annexure-F, as required under Rule 167 of the Companies (Court) Rules, 1959 on record.
- b. Permit the Official Liquidator to retain a sum of Rs.13,20,000/- to meet the liquidation expenses of the Company (in liquidation) & any other expenses in future;
- c. Permit the Official Liquidator to declare and to make payment of first and final dividend to NVCF Finance (P) Limited subject to the decision of this Hon'ble High Court in C.A.No. 44 of 2026;
- d. Permit the Official Liquidator to declare and to make payment of first and final dividend at the rate of 0.04101878922 paise in a rupee against the admitted amount and to distribute an



amount of 14,69,76,658/- to the two secured creditors of the company (in liquidation), namely Omkara Assets Reconstruction Private Limited and NVCF Finance (P) Limited;

- e. Permit the Official Liquidator to open and operate a separate Dividend Account with Punjab National Bank, Hudson Circle, Bengaluru in the name and style of "Liquidator of M/s. Taurus Novelties Limited (In Liquidation)" and transfer the dividend amount of 14,69,76,658/- to the said Dividend Account for the purpose of distribution of dividend to the admitted claimants in accordance with the Companies (Court) Rules, 1959;
- f. Dispense with the paper publication of notice of declaration of dividend in Form No.137;
- g. Issue declaration of first and final dividend notice in the Form No.138 enclosed as Annexure-'G' by Registered Post with Acknowledgement as required under Rule 276 of Companies (Court) Rules, 1959 and call for information in Form 138 to facilitate transfer of dividend through RTGS or NEFT;
- h. Permit the Official Liquidator to fix a period of six months for distribution of the dividend to secured creditors of the company;



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- i. Permit the Official Liquidator to issue a public notice in the newspapers viz., "The Times of India" (Karnataka & Tamil Nadu Edition in English version) and "Vijaya Karnataka" (Karnataka Edition in Kannada version) inviting objections, if any, from the creditors, contributories or other interested persons, and permit the expenses towards such publication to be met from the funds available in the account of the Company (in liquidation);
- j. Declare that M/s. Taurus Novelties Limited (in liquidation) shall be deemed to stand dissolved under Section 481(1) of the Companies Act, 1956, subject to the provisions of Section 559 thereof, upon the Official Liquidator forwarding a certified copy of the order of dissolution to the Registrar of Companies; and that, upon such intimation, the expiry of a period of six months as contemplated under Section 555 of the Companies Act, 1956 shall be treated as the date of deemed dissolution;
- k. Record that the order of dissolution of the Company (in liquidation) shall not affect or hinder any proceedings pending against the Ex-Directors/Guarantors/Any interested party of the Company (in liquidation) before any Court



of law or Tribunal, including the Debt Recovery Tribunal;

- I. Pass appropriate orders under Section 550 of the Companies Act, 1956 permitting disposal of the books and papers of the Company (in liquidation) and those of the Official Liquidator in such manner as this Hon'ble Court may deem fit and proper;
- m. Discharge the Official Liquidator as the "Liquidator" of M/s. Taurus Novelties Limited (in liquidation);

AND/OR

- n. Pass such other order or orders as this Hon'ble Court may deem fit and proper in the facts and circumstances of the case.
3. The short facts are as follows:

M/S Taurus Novelties Limited, a company incorporated under the provisions of the Companies Act 1956 and registered with the Registrar of Companies, Karnataka Bengaluru, was ordered to be wound up vide order 16.06.2022 by this Hon'ble High Court in Company Petition No. 187/2011.



Notices were issued by the Official Liquidator to the Ex-Directors on 13.09.2022 under Sections 454 and 468 of the Companies Act, 1956, directing them to file the Statement of Affairs and to deliver all assets, books and records of the Company.

The Ex-Directors filed the Statement of Affairs on 26.09.2022 before the Official Liquidator. However, the SOA filed on 26.09.2022 had some defects and the rectified SOA was filed on 23.02.2023.

The Official Liquidator took possession of the books and records of the Company from the Ex- Directors on 07.10.2022 & 10.10.2022.

A Company Application under Sections 454/468 was not filed against the ex-directors, because the Ex-Directors have filed SOA and handed over all books and records belonging to the Company in liquidation.

That the Official Liquidator obtained permission from this Court vide order dated 09.08.2023 in OLR. No. 71/2023 to conduct the sale of the movable assets. This Court, vide order



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dated 08.11.2023 in OLR.No.100/2023, confirmed the sale of movable assets for a sum of Rs.33,40,000/-.

Official Liquidator filed OLR.No.02/2024 for confirmation of sale of Land measuring 5 acres 86 cents along with buildings (factory sheds) & Teak wood trees & other trees situated at Chokkarasanapalli (V), Hosur (T) Krishnagiri /Dharmapuri (D), Tamil Nadu, and this Hon'ble Court vide order dated 07.02.2024 passed in OLR No.02/2024, confirmed the sale of immovable assets for a sum of Rs.13,25,10,000/-.

This Court vide order dated 07.02.2024 passed in OLR.No.04/2024 permitted the Official Liquidator to invite claims by publication of an advertisement in newspapers. That pursuant to the order dated 07.02.2024, the Official liquidator had issued a public notice dated 24.02.2024 in newspapers namely 'The Times of India' and 'Vijaya Karnataka' to creditors and workmen to submit claims or debts against the company in liquidation on or before 25.03.2024 and in response to the above- mentioned paper publications, the Official Liquidator has received three claims from the creditors of the company (in liquidation). Accordingly, the Official Liquidator has adjudicated



the claims and issued Form No.69/70 on 24.05.2024, 29.05.2024 & 12.11.2024 (Admission/Rejection Notice) to the claimants. The details of adjudication of claims are as follows: -

SL. No	Description of Claimant and Nature of Claim	Claimed Amount (in Rs.)	Admitted Amount (in Rs.)	Admitted Amount for Disbursement	Rejected (in Rs.)
1.	Deputy General Manager, Stressed Asset Stabilisation Fund (Secured)	462,20,26,849	349,11,40,020	349,11,40,020	113,08,86,829
2.	NVCF Finance (P) Limited (Secured)	920,14,451	920,14,451	920,14,451	Nil
3.	The Asst. Commissioner of Central Excise (Unsecured / Ordinary Claim)	66,189	66,189	No additional funds for disbursement to Unsecured creditor.	Nil
TOTAL		471,41,07,489	358,32,20,660	358,31,54,471	113,08,86,829

As on 25.03.2026, an amount of Rs.14,82,96,658/- is available to the credit of the company (in liquidation), the official Liquidator proposes to retain the following amounts to meet future liquidation expenses, and the details are given herein below:



Provision for liquidation expenses	Amount (in Rs.)
Provision for the Central Government Commission under Rule 291 of Companies (Court) Rules, 1959 on Divided distribution amount.	5,00,000
Provision for future expenses like audit Fee, Filing Fee	20,000
Other Expenses: Central government Commission and Income Tax, newspaper publication etc,	8,00,000
Total	13,20,000

It is stated that the Official Liquidator may be permitted to declare a dividend @0.04101878922 paise in a rupee to OARPL and NVCF, secured creditors of the Company (in liquidation). Further, it is stated that the declaration of dividend and payment to NVCF may be subject to the decision of this Court in Company Application No. 44 of 2026, wherein the Assignment Agreement dated 31.12.1999 is to be ratified by this Court.

The dividend amount payable to the Secured creditors is as follows:



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Sl. No.	Description of Claimant	Nature of Claim	Amount payable as dividend @ 0.04101878922 paise in a Rupee (in Rs)
1	The Chief Manager, Omkaara Assets Reconstruction Private Limited	Secured	14,32,02,337
2	NVCF Finance (P) Ltd. (Subject to the outcome of CA. 44/2026)	Secured	37,74,321
Total payable			14,69,76,658

Counsel for the respective parties presented several contentions. Heard and perused the papers with care. In Company Application No.44 of 2026, the Assignment Agreement dated 31.12.1999 has been ratified by this court today, hence, there is no impediment to pay the sum to them.

The amount of Rs.14,32,02,337/- is directed to be paid to the secured creditor's assignee, namely Omkaara Assets Reconstruction Private Limited, within three weeks from the receipt of a certified copy of this order.



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The amount of Rs.37,74,321/- is directed to be paid to the secured creditor's assignee, namely NVCF Finance (P) Ltd., within three weeks from the receipt of a certified copy of this order.

4. Accordingly, the prayers sought in the application are accorded, and the application is ***allowed***.

Sd/-
(JYOTI M)
JUDGE

SS/MRP
List No.:2 SI No.:14