

IN THE HIGH COURT OF KARNATAKA AT BENGALURU

DATED THIS THE 18TH DAY OF FEBRUARY, 2026

BEFORE

THE HON' BLE MR.JUSTICE R. DEVDAS

COMPANY APPLICATION NO.19 OF 2026

IN

COMPANY PETITION NO. 76 OF 1991

C/W

COMPANY APPLICATION NO.410 OF 2016

BETWEEN:

CLASSIC LEGENDS PRIVATE LIMITED
MAHINDRA TOWERS, P.K.KURNE CHOWK
WORLI, MUMBAI
MAHARASTRA- 400 018.
REP. BY ITS AUTHORISED SIGNATORY
MR. ANISH JOSHI

...APPLICANT

(BY SRI. S.S.NAGANAND, SENIOR COUNSEL FOR
SMT. MYTHILI GIRISH., ADVOCATE)

AND:

THE OFFICIAL LIQUIDATOR OF
M/S IDEAL JAWA (INDIA) LIMITED
(IN LIQUIDATION)
ATTACHED TO THE HON'BLE HIGH COURT
OF KARNATAKA
CORPORATE BHAVAN, NO.26-27,
12TH FLOOR, RAHEJA TOWERS, M.G.ROAD
BENGALURU- 560 001.

...RESPONDENT

(BY MS. KRUTIKA RAGHAVAN., ADVOCATE)

THIS COMPANY APPLICATION NO.19/2026 IS FILED UNDER ORDER I RULE 10 READ WITH SECTION 151 OF CPC READ WITH RULES 6 AND 9 OF THE COMPANY COURT RULES, SEEKING TO ALLOW THE PRESENT APPLICATION AND IMLEAD THE APPLICANT IN THE PRESENT PROCEEDINGS, IN THE INTEREST OF JUSTICE.

THIS OLR 85/2025 ALONG WITH COMPANY APPLICATION NO.19/2026 HAVING BEEN HEARD AND RESERVED ON 18.02.2026 AND COMING ON FOR PRONOUNCEMENT OF ORDERS, THIS DAY, THE COURT MADE THE FOLLOWING:

CORAM: HON'BLE MR JUSTICE R DEVDAS

CAV ORDER ON OLR 85/2025 A/W C.A.19/2026

(PER: HON'BLE MR JUSTICE R DEVDAS)

This Official Liquidator's Report is filed under Section 457(1) of the Companies Act, 1956, at the hands of the Official Liquidator seeking permission to initiate legal proceedings before the Hon'ble Supreme Court of India against M/s. Classic Legends Private Limited and Mr.Boman R.Irani, by filing a Special Leave Petition seeking to set aside the order dated 27.11.2025 passed by the Hon'ble Division Bench of this Court in Original Side Appeal Nos.2 to 13 of 2023.

2. The said M/s. Classic Legends Private Limited has filed a Company Application No.19/2026 under Order I Rule 10 read with Section 151 of CPC read with Rules 6 and 9 of the Company Court Rules, 1959, to implead the applicant as a party in these proceedings and has also filed statement of objections to the Report filed by the Official Liquidator.

3. At the outset, preliminary objections are raised at the hands of the Official Liquidator/applicant that the impleading application cannot be allowed and the impleading applicant is neither a necessary nor proper party to be heard in this matter. Learned Counsel for the Official Liquidator submitted that the impleading applicant cannot have any say in the present proceedings where the Official Liquidator is formally seeking permission from this Court, in view of the mandate prescribed in Section 457(1) of the Act. It is the contention of the Official Liquidator that the Trade Mark "YEZDI" were owned by the M/s. Ideal Jawa (India) Limited (under winding up proceedings) and whereas Mr.Boman R. Irani and his

Company who were earlier the Directors/Promoters of M/s.Ideal Jawa were trying to register the Trade Mark afresh and the said issue along with many other issues were considered by the Division Bench of this Court in Original Side Appeal Nos.2 to 13 of 2023 and the Hon'ble Division Bench has held the issue against the Official Liquidator. The Official Liquidator is therefore before this Court seeking permission to file an SLP before the Hon'ble Supreme Court, questioning the orders passed by the Hon'ble Division Bench. Such being the position, the opposite party cannot make use of this forum to prevent the Official Liquidator from approaching the Hon'ble Supreme Court. It is therefore the contention of the Official Liquidator that it is unheard of that an application filed under Section 457 can be opposed by the opposite party.

4. Per contra, learned Senior Counsel Sri.S.S.Naganand, appearing for the impleading applicant sought to place reliance on a judgment of the Hon'ble Supreme Court in the case of ***Shankar Lal Aggarwala and Others Vs. Shankar Lal***

Poddar and Others, 1963 SCC OnLine SC 80, where Section 197 of the Companies Act, 1913, which is *peri metiria* with Section 457, which this Court is dealing with, has been dealt with. Learned Senior Counsel contended that in the said case the Hon'ble Supreme Court has considered whether the action of the Official Liquidator in confirming the sale of assets of the company under winding up proceedings is purely an administrative action and whether it could be termed merely a ministerial action or whether it could be termed as a judicial order. The Apex Court answered the said issue that since the decision vitally affected the rights of the parties to the property, the said action should be considered as a judicial order. The learned Senior Counsel therefore submitted that the instant application filed at the hands of the Official Liquidator can be objected to by the impleading applicant, in whose favour the Hon'ble Division Bench has decided the issue. Learned Senior Counsel further submitted that the Hon'ble Division Bench has held that the Company Court

cannot decide the issue regarding ownership of the Trade Mark. That issue is required to be decided by the competent authority under the provisions of the Trade Marks Act. That being the position, the instant application could not have been filed at the hands of the Official Liquidator before this Court.

5. Learned Senior Counsel for the impleading applicant further placed reliance on ***Sohan Lal Naraindas Vs. Laxmidas Raghunath Gadit, (1971) 1 SCC 276***, where it was held that this Court, as a Company Court, while dealing with an application under Section 457 is required to apply its mind and consider whether there are adequate reasons for allowing the application. It is not a matter of course, that such applications can be allowed on the mere asking of the Official Liquidator.

6. Heard the learned Counsel for the Official Liquidator and learned Senior Counsel Sri.S.S.Naganand for the impleading applicant and perused the material available on record.

7. Having regard to the facts as obtained hereinabove, it is clear that the Official Liquidator is seeking to contest the claim of the impleading applicants in the matter of ownership of the Trade Mark, which admittedly belonged to the Company under winding up. It is beneficial to note that in a catena of decisions regarding Section 457, including a decision of a Division Bench of this Court in the case of **Official Liquidator of Mercara Curers (P) Ltd. Vs. Karnataka State Industrial Investment and Development Corporation Ltd., 2009 SCC OnLine Kar. 612**, it is held as follows:

"8. The courts, particularly judges, who man the courts do not function as administrators and winding up operation is essentially an administrative function for salvaging the assets of the company for an equitable distribution amongst the creditors and shareholders. It is for this reason, the Companies Act has envisaged an independent official to the extent of carrying out the operations of gathering the assets and their equitable distribution albeit under the provision of the Act. It is also significant to notice that sub-section (2) of section 457 which indicates that the official liquidator virtually acts as part of the management, in place of the board of directors of a company

which is under liquidation and it is for the purpose of salvaging the assets of the company as indicated in sub-section (1) and for achieving this in an efficient manner, the official liquidator as indicated in sub-section (2) of section 457 is brought on the scene and therefore, to the extent that the official liquidator is required to function in a most efficient and proper manner in salvaging the assets of the company for the benefit of the community of creditors and the shareholders and for equitable distribution. The powers rather than duties and responsibilities are conferred and to this extent, one may infer an element of discretion in the official liquidator to file and maintain an appeal under section 483, if it is found that an order passed during the winding up proceeding is detrimental to the interest of the community of creditors and shareholders."

8. That being the position, the learned Counsel for the Official Liquidator is right in contending that having regard to the prayer made in the instant application, where permission of this Court is sought to approach the Hon'ble Supreme Court, to question the orders passed by the Division Bench, the impleading applicant has no *locus standi* to file an objection and question the application filed by the Official

Liquidator. If on the other hand, leave is granted to the impleading applicant to contest the application, it will be giving an additional forum to the impleading applicant to prevent the Official Liquidator from questioning the orders passed by the Division Bench. Surely, that is not the purpose for which the mandate is provided under Section 457 of the Act. Moreover, in the facts and circumstances of the case, it would not permit this Court to sit in judgment over the decision of the Division Bench and say whether there are good grounds for the Official Liquidator to question the decision of the Division Bench. At best, it can be said that the Official Liquidator is seeking to protect the interest of the creditors and shareholders by seeking ownership of the Trade Mark in favour of the Company under winding up. That minimum opportunity to question the decision of the Division Bench before the Hon'ble Supreme Court must be made available to the Official Liquidator.

9. Consequently, the application in OLR No.85/2025 is **allowed**. Permission is granted to the Official Liquidator to

prefer an SLP before the Hon'ble Supreme Court questioning the decision in Original Side Appeal Nos.2 to 13 of 2023 dated 27.11.2025.

10. Company Application No.19/2026, is accordingly disposed of.

**Sd/-
(R DEVDAS)
JUDGE**

CT: JL
DL