



Cont.P.No.1260 of 2022

WEB COPY

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.07.2025

CORAM :

THE HON'BLE MR.K.R.SHRIRAM, CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE SUNDER MOHAN

Cont.P.No.1260 of 2022

1. Mr. G.Rathinavelu
Son of V.Guruswamy, No. 24,
Cenotaph I Street, Teynampet,
Chennai-600 018. and another

2. Mr. G.Sundaravadivelu
Son of V.Guruswamy, No.39,
Sundareswaran kovil Street,
Mylapore, Chennai-600 004.

Petitioner(s)

Vs

1. R.Giridharan
General Manager, Indian Overseas
Bank, Cathedral Branch, No.762,
Anna Salai, Chennai-600 002.

2. L. Prabhakar
Assistant General Manager
Indian Overseas Bank,
Cathedral Branch
No.762, Anna Salai
Chennai-600 002.



Cont.P.No.1260 of 2022

WEB CO

3.Ashok Choudhary
Assistant General Manager
Indian Overseas Bank
Cathedral Branch
No. 762, Anna Salai
Chennai-600 002.

4.Indian Overseas Bank
Rep by its Assistant General
Manager, Cathedral Branch, No.762,
Anna Salai, Chennai 600 002.

5.Mr. Ajay Kumar Srivatsava,
Managing Director and Chief
Executive Officer
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

6.Mr. T. Dhanaraj,
Executive Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

7.Mr. Srinivasan Sridhar,
Non-Executive Chairman
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

8.Mr. Joydeep Dutta Roy,
Executive Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

9.Ms. Neelam Agarwal,
Govt. Nominee Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.



Cont.P.No.1260 of 2022

WEB CO

10. Ms. Sonali Sen Gupta,
RBI Nominee Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

11. Mr. Suresh Kumar Rungta,
Govt. Nominee Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

12. Mr. B. Chandra Reddy,
Govt. Nominee Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

13. Mr. Deepak Sharma,
Govt. Nominee Director
Indian Overseas Bank
763, Anna Salai, Chennai 600 002.

14. M. Sanjaya Rastogi,
Shareholder Director
Indian Overseas Bank,
763, Anna Salai, Chennai 600 002.

[Impleaded as 4th to 14th
Respondents vide order dated
03.12.2024]

[Respondent Nos. 7 & 9 to 14 are not
parties vide order dated 21.01.2025
in Sub.A.No.1354/24]

Respondent(s)



Cont.P.No.1260 of 2022

WEB COPY

Prayer : Petition filed under Sections 11 of the Contempt of Court Act, 1971 to punish the respondents for wilful disobedience and violation of the order dated 04.12.2019 in W.M.P.No.33866 of 2019 in W.P.No.33396 of 2019.

For Petitioners : Ms.Tushitha B
For M/s. Ramya Subramaniam

For Respondents : Mr.Vijay Narayan
Senior Counsel
For Mr.S.Sathiyarayanan

ORDER

(Order of the Court was made
by the Hon'ble Chief Justice)

Petition was admitted on 03.12.2024. The contempt alleged is of an order dated 04.12.2019 passed by this Court. By the said order, this Court was pleased to grant ad-interim injunction as prayed for till 21.01.2020, which date was extended from time to time. The ad-interim prayer granted reads as under:

“Grant an order of interim injunction restraining the respondent from taking any coercive steps against the petitioners or their properties pending disposal of the writ petition and pass such further or other orders and thus render justice.”



Cont.P.No.1260 of 2022

WEB COPY

2. It is petitioners' case that by filing short notes on facts dated 01.03.2022 before National Company Law Tribunal, Chennai, respondents had committed contempt because pursuant to that application, orders have been passed by National Company Law Tribunal. It is petitioners' case that by submitting in the short notes that *“in the instant case, the default is established. Therefore, the financial creditor is entitled to trigger the Corporate Insolvency Resolution Process (CIRP) by getting admission of the application bearing No.CP(IBA)/49/2019 and it is prayed accordingly”*, respondents had taken coercive steps against petitioners and therefore, there is contempt. It is submitted in the petition that despite recording in the short notes that the Court has granted an order of ad-interim injunction restraining the financial creditor from taking any coercive steps against the properties, respondents have sought to trigger the CIRP.

3. Notice was issued and reply has been filed. Respondent No.7 has filed reply and others have adopted the affidavit-in-reply filed by respondent No.7.



Cont.P.No.1260 of 2022

WEB COPY

4. An order has been passed by National Company Law Tribunal on 09.12.2021, by which, parties were directed to file written submissions in respect of the interim order passed by this Court. Pursuant to that direction, submissions were filed, in which, the statements, as recorded above, allegedly in contempt, have been made.

5. The fact is, thus, written submissions were filed in response to the order passed by the National Company Law Tribunal. In the written submissions, respondents have brought to the notice that there is an order dated 04.12.2019 (which is alleged to have been breached contemptuously) in force. Respondents' interpretation of the order was that the High Court had not stayed the proceedings before the National Company Law Tribunal. It was respondents' interpretation also that the default having been established, financial creditor is entitled to trigger the CIRP by getting admission of the application. In our view, it cannot be stated to be wilful disobedience of the order passed by this Court.



Cont.P.No.1260 of 2022

WEB COPY

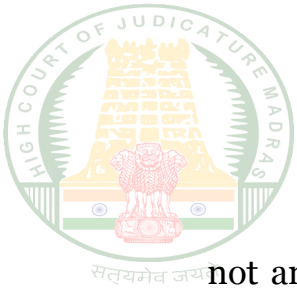
6. We should also note that this submission of respondents has been accepted by National Company Law Tribunal which triggered the CIRP process and appeal against that by petitioners was dismissed by National Company Law Appellate Tribunal. Petitioners carried the matter forward to the Apex Court which also dismissed the Special Leave Petition.

7. Shri. Vijay Narayan submits that this point that an injunction was granted by this Court was not canvassed before the Apex Court. In our view, we do not have to go that far since an interpretation of an order, as understood by a party, cannot be stated to be wilful disobedience of the order.

8. It will be useful if we refer to a judgment of a Division Bench of Bombay High Court in ***Principal Commissioner of Income Tax v. ICICI Bank Ltd'***, where, the Court, while considering Section 271(1)(c) of the Income Tax Act, 1961, which prescribes penalty for concealment, held that a mere making of the claim, which is not sustainable in law itself, will

12024 (161) taxmann.com 454 (Bom.)

Page 7 of 10



Cont.P.No.1260 of 2022

WEB COPY

not amount to furnishing the inaccurate particulars regarding the income of the assessee and such claim made in the returns cannot amount to be furnishing inaccurate particulars. Therefore, the mere taking of a stand based on their understanding of an order passed cannot be stated to be wilful disobedience of the order of the Court.

9. Moreover, we must observe that the petition in which the interim order was passed itself came to be dismissed by an order dated 03.04.2025 passed by this Court. In fact, the petition was dismissed with cost of Rs.2,50,000/- imposed on each of petitioners, which, we are informed is yet to be paid. The cost was to be paid within four weeks of 03.04.2025, which got over on 01.05.2025.

10. Shri. Vijay Narayan submitted that in fact it is petitioners who are in contempt now.

11. Ms.Tushitha submitted that Special Leave Petition has been preferred against the order of this Court dated 03.04.2025 and was candid to submit that there is no stay.



Cont.P.No.1260 of 2022

WEB COPY

12. Petition is dismissed.

(K.R.SHRIRAM, CJ)
08.07.2025

(SUNDER MOHAN,J.)

Index : Yes/No
Neutral Citation : Yes/No

kpl



WEB COPY



Cont.P.No.1260 of 2022

THE HON'BLE CHIEF JUSTICE
AND
SUNDER MOHAN,J.

(kpl)

Cont.P.No.1260 of 2022

08.07.2025