



A No. 2128 of 2025



IN THE HIGH COURT OF JUDICATURE AT MADRAS

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DATED: 12-09-2025

CORAM

THE HONOURABLE MR JUSTICE N. ANAND VENKATESH

A No. 2128 of 2025

M/s Ourland Engineering Works Pvt
Ltd Rep its Director, Mr.P.S.Sivaguru
3rd Floor, Atandra Towers
25, Thirumalai Road, T Nagar,
Chennai 600017

Applicant(s)

Vs

1. The Commissioner
Thiruverkadu Municipality,
Sivan Kovil Road, Thambusamy Nagar,
Thiruverkaadu, Tamil Nadu 600 077.

2.The Director of Municipal
Administration
Directorate of Municipal
Administration
75, Urban Administrative Building
Santhome High Road, MRC Nagar,
Raja Annamalaipuram,
Chennai 600 028

Respondent(s)



PRAYER

To punish the Respondents for wilful disobedience of the final order passed by this Hon'ble Court in O.A.No.11 of 2025 dated 05.03.2025.

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For Applicant(s): Ms.S.Sandhya

For Respondent(s): Mr.P.Srinivas for R1

ORDER

Application No.2128 of 2025 has been filed under Order XXXIX, Rule 2-A of the Code of Civil Procedure for punishing the respondents for wilful disobedience of the final order passed by this Court in O.A.No.11 of 2025 dated 05.03.2025.

2. The case of the applicant is that they were awarded a tender for implementing the solid waste management activities at Tiruverkadu Municipality by engaging adequate manpower and vehicles. The letter of acceptance was issued on 08.06.2023. The applicant signed the agreement, after which the work order dated 14.06.2023 was issued and the work commenced from July, 2023.

3. After sometime, a dispute arose and an attempt was made to stop the applicant from proceeding further with the work. In view of the same, an application in O.A.No.11 of 2025 under Section 9 of the Arbitration and Conciliation Act, 1996 (for brevity, hereinafter referred to as “the Act”) was



filed for an order of interim injunction restraining the first respondent, namely, the Commissioner of Tiruverkadu Municipality from calling any new tender and to permit the applicant to continue carrying out the works in connection with the work order dated 14.06.2023.

4. The above application came up for hearing on 22.01.2025 and the following interim order came to be passed by this Court:-

“The learned counsel for the respondent/Commissioner of Municipality undertakes to file counter affidavit. He further undertakes that no coercive steps shall be initiated against the applicant, till the hearing of the application.
2.Post the matter after two weeks for filing counter affidavit.”

5. Notice was issued in the application and a common counter came to be filed by the first respondent. An additional counter affidavit was also filed by the first respondent. They had taken a stand in the counter affidavit that the applicant had already abandoned the work of solid waste management with Tiruverkadu Municipality effective from 31.01.2025 and has withdrawn their workers as well as the vehicles. Thereafter, the Municipality, using the services of its own workers and vehicles, completed the work.

6. The earlier application filed in O.A.No.11 of 2025 came up for hearing on 05.03.2025 and this Court passed the following order:-

“Since this Court has already appointed an arbitrator in Arb.



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A No. 2128 of 2025



O.P.(Com. Div.) No.21 of 2025 by this Court's order dated 19.02.2025, the undertaking given by the respondents that they shall not take coercive steps against the applicant, which was recorded in O.A.No.11 of 2025, shall stand extended for a further period of three weeks from today to enable the applicant to seek interim reliefs to protect their interest under Section 17 of the Arbitration and Conciliation Act before the arbitrator appointed by this Court.

2. In terms of the above directions, O.A.No.11 of 2025 is disposed of.”

7. The above order was passed by this Court, since the sole arbitrator was already appointed and therefore, this Court thought it fit to grant liberty to the applicant to move an application under Section 17 of the Act and while passing this order, the interim order that was already passed by this Court, was extended for a further period of three weeks.

8. By the time the applicant moved an application under Section 17 of the Act, the respondent-Municipality proceeded to open the tender on 07.03.2025 and it was finalised and the work order was also issued in favour of the new contractor.

9. In the light of the above development, when the application under Section 17 came up for consideration before the learned Arbitrator on 11.08.2025, the learned Arbitrator rejected the application by taking into consideration the subsequent development that had taken place, wherein the

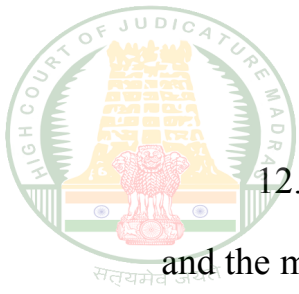


contract had been given in favour of the new contractor.

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10. It is under these circumstances, the present application came to be filed before this Court, on the ground that the interim order passed by this Court has been flouted by the respondents and therefore, the respondents must be punished.

11. In the counter affidavit, the first respondent has taken a stand that the applicant was deficient right from the beginning and there were various complaints received against the applicant with respect to collection of solid waste and dumping the same. When the O.A.No.11 of 2025 & Arb.O.P.(Com.Div.)No.21 of 2025 were pending before this Court, it was brought to the notice of this Court that the applicant was not carrying out the work entrusted and had abandoned the work. The respondents have taken a further stand that from February, 2025 onwards, the work has been directly taken over by the Tiruverkadu Municipality and they are carrying out the work of solid waste management with their own employees and vehicles. In view of the same, it is stated that the applicant, who had abandoned the work in January, 2025 and who was not continuing with the work, cannot turn around and file the present application as if their services have been stopped and the respondent-Municipality has proceeded further with the tender process and has given the work order in favour of the new contractor. The respondents have, accordingly, sought for the dismissal of the present application.

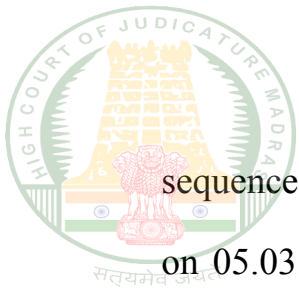


12. This Court carefully considered the submissions made on either side and the materials available on record.

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13. The main ground that was urged by Mr.P.Srinivas, learned Standing Counsel appearing on behalf of the respondent-Municipality is that the interim order passed on 22.01.2025 merely stated that no coercive steps must be taken against the applicant and that does not mean that the Municipality must not proceed further with the process of tender and engage the services of the new contractor. The learned counsel further submitted that in the additional counter affidavit that was filed by the first respondent as early as in the month of February, 2025, a clear stand was taken before this Court to the effect that the applicant has abandoned the work on 31.01.2025 and thereafter, the services of the applicant were never engaged. Hence, it was contended that the subsequent order that was passed on 05.03.2025 did not really improve the case of the applicant, since as on that date, the services of the applicant were not even engaged by the respondent-Municipality.

14. The learned counsel for applicant submitted that in spite of such an additional counter affidavit filed by the first respondent, this Court did not deem it necessary to vacate the earlier interim order passed on 22.01.2025 and this Court was in fact inclined to extend the interim order for a period of three weeks from 05.03.2025. The learned counsel submitted that the attitude on the part of the respondents to violate the interim order is quite apparent going by the



sequence of events. It was submitted that the order was extended by this Court on 05.03.2025 for a period of three weeks to enable the applicant to seek for interim relief under Section 17 before the learned Arbitrator. Immediately thereafter, on 07.03.2025, the respondent-Municipality hurriedly opened the tender and finalised the work order in favour of the successful tenderer. Thus, the respondents ensured that the application proposed to be moved by the applicant before the learned Arbitrator under Section 17 of the Act becomes infructuous by the time it was moved.

15. In reply to the above submission, the learned Standing Counsel for the Municipality submitted that the applicant also participated in the tender process and did not succeed and therefore, it is not as if the applicant was not aware about the tender process and therefore the applicant cannot be allowed to question the process adopted by the Municipality, which was in dire needs to bring the situation under control by properly handling the solid waste management.

16. The interim order that was passed on 22.01.2025 had used the terms “no coercive steps shall be initiated against the applicant”. This has to be understood qua the relief that was sought for in the interim application in O.A.No.11 of 2025. The interim relief that was sought for was to injunct the Municipality from calling for any new tender and to permit the applicant to continue carrying out the works. Hence, the interim order passed by this Court



must be understood as restraining the respondent-Municipality from proceeding further with the fresh tender and not to interfere with the work carried out by the applicant in connection with the work order dated 14.06.2023. The respondents cannot attempt to assign a different meaning to this interim order and it is for the Court to understand the scope and purport of the interim order that was granted on 22.01.2025. If really the respondents wanted clarity in the interim order, they should have moved an appropriate application and sought for clarity. In the absence of the same, the respondents cannot be allowed to interpret the interim order anyway it suits them.

17. When the matter came up for hearing on 05.03.2025, in spite of the additional counter affidavit filed by the first respondent to the effect that the applicant had abandoned the work on 31.01.2025, this Court was inclined to extend the interim order for a further period of three weeks to enable the applicant to seek for the interim relief under Section 17 of the Act before the sole arbitrator. This would only mean that this Court had taken into consideration the stand taken by the respondents and in spite of the same, the interim order was extended for a period of three weeks.

18. The timing adopted by the respondent-Municipality carries a lot of significance in this case. If really the respondent-Municipality had understood the interim order to mean that they can proceed further with the tender process and they were not restrained by the Court, they could have done so even before



05.03.2025. However, the respondents waited till the order was passed by this Court on 05.03.2025, when the matter was shifted to the learned Arbitrator and during the interregnum period, on 07.03.2025, they proceeded to open the tender and finalised the work order in favour of the new contractor. This attitude on the part of the respondents clearly reflect their mind and their intention to wantonly flout the interim orders passed by this Court. This Court once again reiterates the fact that if at all the respondents wanted to get any clarity in the order passed by this Court, nothing stopped them from at least filing an application after the order was passed by this Court on 05.03.2025 and no such application was moved before this Court. Therefore, this Court has to necessarily come to a conclusion that the respondents waited till the matter got shifted from this Court to the file of the learned Arbitrator and used that interregnum period to achieve their purpose.

19. The learned counsel for respondent-Municipality submitted that if the fresh tender that has been given in favour of the new contractor is interfered at this stage, it will obviously lead to chaos, since the entire solid waste management in Tiruverkadu Municipality will come to a grinding halt.

20. In the considered view of this Court, the respondent-Municipality will have to blame themselves for bringing up a situation like this. The respondent-Municipality cannot prevent the Court from proceeding further by informing the Court that any such interim orders will result in a difficult situation for the



Municipality. The respondent-Municipality ought to have thought through this process and should have taken clarification from this Court and post facto, they cannot seek for ratification from this Court to justify the grant of the contract in favour of the new contractor.

21. In the light of the above discussion, this Court holds that the respondent-Municipality has intentionally violated/flouted the interim order passed by this Court.

22. In the light of the above finding, the next issue to be decided is to the consequence that has to be faced by the respondents for having violated the interim order passed by this Court.

23. The learned counsel for applicant brought to the notice of this Court the judgment of the Full Bench in *Century Flour Mills Ltd v. S.Suppiah and others*, AIR 1975 Mad 270 and submitted that the fresh tender called for by the respondent-Municipality and awarding the contract in favour of the new contractor are non-est in the eye of law, since it was done in the teeth of the interim order that was passed by this Court.

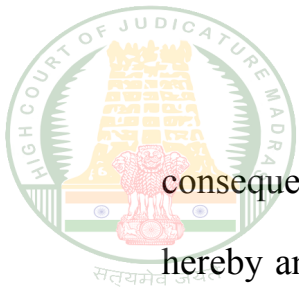
24. It will be relevant to take note of the recent judgment passed by the Apex Court in *CELIR LLP v. Sumati Prasad Baffna and others*, 2025 1 MLJ 193. The Apex Court went into the entire gamut of cases involving violation of



orders passed by the Court. The Apex Court held that where such violation has taken place, the Court is not left powerless and the Court can always use even the power of restitution, apart from annulling the transaction between the parties and the parties can be put back to their original position.

25. Considering the submissions made by the learned counsel for applicant and also taking note of the above judgment, this Court is broadly left with two options. The first option is to proceed further to impose the punishment under Order XXXIX, Rule 2-A of the Code, which provides for attachment of the property and also for the detention of the concerned person in civil prison for a term not exceeding three months unless in the meantime the Court directs his release. The second option is to set at naught the fresh tender that was called for by the respondents and cancel the work order that was issued in favour of the new contractor.

26. In the case on hand, no useful purpose will be served in attaching the building belonging to the Tiruverkadu Municipality and sending the Commissioner inside prison. Rather this Court wants to adopt the second option, since the tender was called for in the teeth of an interim order that was in force and the work order was issued in favour of the new contractor. The entire process that was adopted, has to be held as nullity in the eye of law, since it was done in violation of the interim orders passed by this Court. Hence, the tender that was opened by the respondent-Municipality on 07.03.2025 and the



consequent work order that was issued in favour of the new contractor are hereby annulled. As a necessary corollary, the solid waste management should not come to a standstill and hence, the respondent-Municipality will engage the services of the applicant to tide over the situation.

27. It will be left open to the applicant to move a fresh application before the learned Arbitrator under Section 17 of the Act seeking for the continuation of interim order. It will be left open to the respondent-Municipality to raise all their grounds before the learned Arbitrator. Subject to the final result in the application filed by the applicant before the learned Arbitrator, the parties will be left to adopt the future course of action.

28. In the result, Application No.2128 of 2025 is allowed in the above terms.

12-09-2025

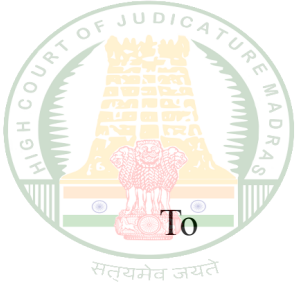
Index: Yes

Speaking order

Internet: Yes

Neutral Citation: Yes

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Thiruverkadu Municipality,
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2. The Director of Municipal
Administration

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**N.ANAND
VENKATESH J.**

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