IN THE HIGH COURT OF JUDICATURE AT MADRAS

Reserved on: 03.12.2024	Pronounced on:31.01.2025

CORAM

THE HONOURABLE **MR.JUSTICE P.B.BALAJI**

A.No.5208 of 2024
in
Arb.O.P.(Com.Div. No.) 285 of 2024

PI Opportunities Fund-I
having its address at #134, Doddakannelli,
Next to Wipro Corporate Office, Sarjapur Road,
Bangalore, Karnataka – 560 035.
Rep. by its authorized signatory,
Mr.Vardaan Ahluwalia

... Petitioner

vs.

1.Sharada Mylandla,
Having residence at "Saradha" Ground Floor No. 42,
Third Main Road, Gandhi Nagar,
Adyar, Chennai, Tamil Nadu – 600020.

2. Nagaraj V. Mylandla,
Having residence at "Saradha" Ground Floor No. 42,
Third Main Road, Gandhi Nagar,
Adyar, Chennai, Tamil Nadu-600020.

3. Archit V. Mylandla,
A/1/5, Chitra Apartments,
23rd Cross Street, Besant Nagar,
Chennai - 600 090. ... Respondents

PRAYER: This Application is filed under XIV RULE 8 R/W ORDER

XXXIX RULE 2A READ WITH SECTIONS 11 AND 12 OF THE CONTEMPT OF COURTS ACT, 1971 to declare that the Respondents are guilty of having committed civil contempt of this Court by wilfully disobeying the order dated 25 July 2024 passed by this Court in O.A. 501 of 2024 in O.P. 285 of 2024 and punish the Respondents with simple imprisonment for a term of six months or such other period as this Court deems fit and proper or fine the respondents with such amount as this Court deems fit and proper, for having committed contempt of this Court dated 25.07.2024.

For Petitioner	:	Mr.N.Vijay Narayan, Senior Counsel and Mr.Sathish Parasaran, Senior Counsel for Mr.P.Giridharan, Ms.Shalaka Patil, Mr.H.Siddarth, Ms.Shilpa Sengar Mr.Ankit Pathak Mr.Nitesh Jain, Mr.Atul Jain Ms.Mahi Mehta
For Respondent	:	Mr.Anirudh Krishnan for R1 Mr.R.Sankaranarayanan, Senior Counsel for Mr.Rajkumar Jhabhak for R2 Mr.C.Manishankar, Senior Counsel for Mr.Rahul M.Shankar for R3

****

ORDER

This Application has been filed to hold the respondents guilty of having committed Civil Contempt of this Court by willfully disobeying the order dated 25.07.2024 in O.A. No.501 of 2024 in O.P. 285 of 2024 and to punish the respondents with simple imprisonment for a term of 6 months or such period as this Court may deem fit and proper or fine the respondents with such amount as this Court may deem fit and proper for having committed contempt of the Court's order dated 25.07.2024.

2. I have heard Mr.N.Vijay Narayanan, learned Senior Counsel and Mr.Sathish Parasaran, learned Senior Counsel for Mr.P.Giridharan, learned counsel for the Applicant and Mr.Anirudh Krishnan, learned counsel for the first respondent, Mr.R.Sankara Narayanan, learned Senior Counsel for Mr.Rajkumar Jhabakh, learned counsel for the second respondent and Mr.C.Mani Shankar, learned senior counsel for Mr.Rahul M.Shankar, learned counsel for the third respondent and Mr.Sirnath Sridevan, learned senior counsel who appears for certain other parties in other applications in the above OP. I have also gone through the records and carefully considered the submissions advanced by the learned counsel appearing for the parties.

3. For the purposes of the convenience, it would be appropriate to extract the order dated 25.07.2024 which is complained of being violated by the respondents:

> " *(i) Interim Injunction restraining Respondents 2 to 5 from transferring, selling, pledging, encumbering, dealing or otherwise disposing of their shareholding in 1st Respondent as set out in Schedule A.*
>
> *(ii) Interim injunction restraining the Respondents 2 to 3 from, in any manner dealing with, and/or encumbering and/or disposing off, dissipating, and/or creating third party rights and/or alienating any of the movable or immovable properties or assets belonging to Respondent Nos. 2 to 3 including the properties disclosed in the SASHA. As far as movable properties are concerned, this interim order is subject to the exclusions as provided under Section 60 of the Civil Procedure Code.*
>
> *(iii) Respondent No.1 and its officers in charge (other than the nominee director of the Applicant) are directed to take such actions as may be required including cooperation and providing unrestricted access of 1st Respondent's documents, data and records, execution of necessary forms and agreements for facilitation, and implementation of the Strategic Sale as*

directed under paragraph 804 (c), (d) and (e) of the Final Award."

4. The complaint of the Applicant is that despite the above order dated 25.07.2024, on 29.07.2024, the first respondent colluding with her husband, the second respondent in breach of this Court's order, by way of a gift to her son, the third respondent, transferred the property ad measuring 0.45 acres of agricultural land, PR No.3730/2013, 3731/2013, Survey No-Extent 387/51D3-8.45 cents in Thiruporur, Kattur Road in Illaloor RF, Chengalpattu, Kattur, Tamil Nadu 603 110. Further even in December 2023, the settlement deed was executed by the mother, first respondent herein in favour of her son and the said transfer is also fraudulent and voidable at the instance of the Applicant, especially considering the timing and circumstances under which the said settlement deed came to be executed.

5. Further, according to the Applicant, the third respondent/son had full knowledge of the order dated 25.07.2024 and therefore, the third respondent is also guilty of violation of this Court's order dated 25.07.2024.

Before proceeding to decide this Application as against the respondents 1 & 2, in view of the peculiar facts and circumstances, I would first take up the issue whether the third respondent has committed any breach or violation of this Court's order dated 25.07.2024.

6. As already seen from the above extract of the operative portion of the order dated 25.07.2024, the injunction order was granted only against the respondents 1 & 2. In fact, the third respondent was not even a party in the said O.A.No.501 of 2024 and even according to the Applicant, admittedly, the third respondent is implicated only alleging knowledge of the order of this Court dated 25.07.2024. Otherwise, there is no specific allegation made against the third respondent amounting to willful disobedience or breach of the order of this Court dated 25.07.2024.

7. The learned Senior Counsel Mr.C.Mani Shankar appearing for the Son, the third respondent would place reliance on two decisions of the Hon'ble Supreme Court viz., *U.C.Surendranath vs Mambally's Bakery* reported in *(2019) 20 SCC 666* where, the Hon'ble Supreme Court held that

for finding a person guilty of willful disobedience Order 39 Rule 2(a) of CPC, it is not mere "disobedience", but there should be a "wilful disobedience" and that the same has to be proved to the satisfaction of the Court and on facts, the Hon'ble Supreme Court in the case before it held there was no willful disobedience, warranting sentencing the appellant to undergo Civil imprisonment.

8. In *V.Senthur and another vs M.Vijayakumar, IAS, Secretary, TamilNadu Public Service Commission and another,* reported in *(2022) 17 SCC 568*, the Hon'ble Supreme Court held that in contempt jurisdiction, the Court cannot travel beyond the original judgment and direction and it would also not be permissible for the Court to issue any supplementary or incidental directions which are not found in the original judgment and order and the Court can only be concerned with the willful or deliberate non-compliance of the directions issued in the original judgment and order.

9. Though the learned Senior Counsel, Mr.Vijay Narayan and Mr.Sathish Parasaran would contend that these decisions will not apply to

the facts of the present case and when the third respondent is shown to have full knowledge of the interim order, deriving benefit under the settlement deed, contrary and in breach of the orders of this Court, it would certainly render the third respondent also liable to be hauled up for contempt of this Court's order.

10. I have carefully considered the submissions advanced by the learned Senior Counsel insofar as the third respondent's role and liability are concerned.

11. Admittedly, the third respondent was not a party in the Application before this Court, in and by which an interim injunction was granted against the respondents 1 & 2 alone herein.

12. Moreover, the third respondent is also not a signatory to the settlement deed dated 29.07.2024 and the settlement deed is executed by the first respondent, the mother of the 3rd respondent, in his favour transferring the properties covered under the said documents by way of a gift settlement.

In such view of the matter and also in view of the categorical pronouncement of the Hon'ble Supreme Court that unless there is wilful disobedience of the order of this Court, in contempt jurisdiction, the Court is not entitled to travel outside the original order or direction, I do not see any merit in the contentions purtforth on behalf of the Applicant that the third respondent is also guilty of having breached the interim order dated 25.07.2204. Excepting for being a beneficiary under the said settlement deed, I do not find that the third respondent had any other role to play in bringing about the settlement deed dated 29.07.2024 which is the complaint of breach and violations of orders of this Court.

13. The learned Senior Counsel Mr.Vijay Narayan relied on *T.Sudhakar Pai and others vs Manipal Academy of Higher Education and others* reported in (*2023) SCC Online Kar 41*, where the Hon'ble Supreme Court held that even though two of the appellants were not parties to the suit, when they have aided and abetted the disobedience or the breach of the order, despite being aware of the restraint order, they can also be prosecuted. However, I do not find the facts of the present case, being similar to the facts

of the case before the Hon'ble Supreme Court in the *T.Sudhakar Pai* (referred herein supra). I have already found that the third respondent has not even been a signatory to the settlement deed and therefore, there is no question of his aiding or abetting the disobedience as was found by Hon'ble Supreme Court on the facts of the case in *T.Sudhakar Pai* (referred herein supra).

14. For all the above reasons, I hold that the third respondent cannot be held to be guilty of breach or willful disobedience of the order of this Court dated 25.07.2024.

15. Proceeding to decide the Contempt Application as against respondents 1 and 2, a few background facts, may become relevant for consideration.

16. The Arb. O.P (Com Div) No. 285 of 2024 has been filed to enforce the award dated 05.07.2024 made by the Singapore International Arbitration Centre (SIAC), in other words a Foreign Award is sought to be

enforced before this Court.

17. The first and second respondents being Shareholders of Financial Services and Systems Private Limited entered into a Share Acquisition and Shareholders' Agreement dated 10.10.2014 ('SASHA' for brevity). The investment agreement ran into rough weather and that led to Arbitration Proceedings before the Singapore International Arbitration Centre and by an award dated 05.07.2024, the respondents were held liable to pay damages to the tune of Rs.661.4 Crores, together with an interest at 106.36 Crores and costs. Pending the Enforcement Application, O.A.No.501 of 2024 was filed and on 25.07.2024, an interim injunction was granted by this Court as already indicated and extracted herein above.

18. The learned Senior Counsel, Mr.Vijay Narayan as well as Mr.Sathish Parasaran, would invite my attention to various subsequent orders of this Court pursuant to the interim injunction granted on 25.07.2024, especially the order dated 22.10.2024, in and by which, this Court had directed the respondents 1 and 2 to file an affidavit to disclose all

their assets including the properties which were alienated/transferred from the date of award viz., 05.07.2024, including particulars of movable and immovable properties along with details of the bank accounts on or before 29.10.2024.

19. Subsequently, by order dated 29.10.2024, this Court recorded the affidavits of disclosure of assets by respondents 1 & 2 and also directed respondents 1 & 2 to file supplementary affidavits. Subsequently, on 11.11.2024, this Court noticing that the first respondent has stated that details of the assets have been disclosed to the best of their ability and that details of any movable properties that have been inadvertently missed and later comes to attention would be disclosed by way of supplementary affidavit, came down heavily on the attempt of the respondents/judgment debtors to come forward to mention that one property viz., Fixed Deposit with Union Bank of India, Besant Nagar to the tune of Rs.25,00,000/- had been inadvertently missed out. This Court also took note of the fact that there was a non disclosure regarding a Flat in Mumbai and other parcels of land. However, it is the contention of the respondents that these assets do not

stand in the name of the respondents and therefore, there is no breach of the undertaking or no suppression in the disclosure of assets.

20. Ultimately, when this Court directed disclosure of all assets with reasons as to why the property at Mumbai and other agricultural lands were not disclosed earlier, with status of assets as on 11.11.2024. This Court directed affidavits in this regard to be filed on or before 22.11.2024. Thereafter, the matter was heard by me and fresh affidavits were introduced before this Court. As directed by this Court, the affidavits were filed on 22.11.2024 by both the respondents 1 and 2. In the affidavit dated 22.11.2024, filed by the first respondent, she has stated that the Flat at Mumbai was settled on her daughter on 21.12.2023, by gift deed registered as document No.16550 of 2023 and therefore, on the relevant date of the order requiring disclosure of assets, this property not belonging to the first respondent, the same was not mentioned.

21. With regard to the movable assets, going back on the affidavits dated 28.10.2024 and 11.11.2024, the first respondent has mentioned that

inadvertently a transfer of interest in ICICI Prudent Corporate Credit Opportunities Fund, AIF6700000425 had not been disclosed. Similarly, existence of PPF account with the balance of Rs.26,03,516/- as on 11.11.2024, was also claimed to have been inadvertently missed out and similarly, the correct bank balance in the savings Account with Ujjivan Small Finance Bank, Velacherry was stated to be incorrectly mentioned as Rs.39,38,305/- as against Rs.7,14,506/- alone. The first respondent has apologized for the errors. More importantly, in the said affidavit with regard to the settlement deed executed on 29.07.2024, the first respondent has stated that the settlement deeds executed by her one on 25.07.2024 that is, the date of the order and another settlement deed on 29.07.2024, were part of estate planning and not in willful disobedience of the orders of this Court.

22. She has further stated that she has requested her son to take steps to reverse the said transfer. It is also a fact that subsequently, the third respondent has re-conveyed the said property settled on him 29.07.2024, in favour of his mother, thereby restoring the property ownership as on the date of the interim order. Insofar as disclosure of assets and certain transfers of

movable properties, the first respondent has stated that steps have been taken to transfer the funds back to the first respondent, especially insofar as the ICICI Prudential Corporate Credit Opportunities Fund, AIF6700000425 is concerned.

23. Insofar as Bandhan Co-operative Bond Direct G, the units redeemed for a value of Rs.15,62,334/- are said to be transferred back to the first respondent’s Bank account, thereby restoring the assets' position as on date of interim order passed by this Court.

24. The second respondent has filed an affidavit dated 22.11.2024 in and whereby, he contends that the agricultural lands which are alleged to be owned by the second respondent were not standing in his name as of 11.11.2024, or even as on the date of the award dated 05.07.2024. Insofar as the three of the said items which are listed as S.Nos.3, 4 and 5, it is the case of the second respondent that the same were purchased by his children even in the year 2014 and the properties continue to stand in their names. Insofar as the transfers effected in respect of items 1, 2 and 6, it is the contention of

the second respondent that these properties belonging to him were transferred to his son as part of family estate planning between December 2023 & February 2024.

25. Complying with the orders of this Court, regarding disclosure of assets, the second respondent has stated that transfer of shares has inadvertently taken place in respect of which, the second respondent has already taken steps to reverse the same. He would also refer to his affidavit dated 11.11.2024, in and by which the various share transfers by the second respondent to his son had already been reversed. In the very same affidavit, the second respondent has further stated that on 02.10.2024, he has placed the Fixed Deposit of Rs.1 Crore with the IDFC Bank and that the source of the said funds was upon automatic redemption of Units in TVS Shriram Growth Funds. While dealing with other securities, the second respondent has stated that an amount of Rs.20,802.388 units held in Kotak Flexi Cap Direct-G were redeemed for Rs.18,98,072/- and transferred to the second respondent's Bank Account. Similarly, insofar as the ICICI Prudential Corporate Credit Opportunities Fund, AIF6700000425, one unit available as

on 05.07.2024, was restored and steps had been taken to get the interest in the fund transferred back to the second respondent at the earliest. In respect of TVS Shriram Growth Funds 3CO investment 301022, the Units of 5387.069 available as on 05.07.2024 have stood drastically reduced to 3735.085 as on 11.11.2024. He has further stated that some of the assets has been inadvertently missed out and has chosen to list the same viz., 592 compulsorily convertible preference shares of Newcastle Technologies Private Limited and PPF Account with IOB with a balance of Rs.26,03,516/- as on 11.11.2024 and Fixed Deposits with Utkarsh Small Finance Bank to the tune of Rs.25,00,000/-. As done by the first respondent, the second respondent has also apologised for the mistake claiming that it was not intentional.

26. First let me deal with the express violation of the order dated 25.07.2024. On a perusal of the order dated 25.07.2024, it is clear that the said order came to be passed in the active presence of the respondents 1 and 2, therefore, there can be no contentions put forth by the respondents 1 and 2 that they were not aware of the order dated 25.07.2024. Out of two

settlement deeds executed one is on the very same date of the injunction order passed by this Court on 25.07.2024. In view of the said admitted position, no doubt a lenient view can be taken in favour of the first respondent, since there is a strong likelihood of, the first respondent not having knowledge of the interim order passed on the very same day. However, the same lenience cannot be shown with regard to the settlement deed executed on 29.07.2024.

27. As already discussed herein above and at the costs of repetition, the first respondent was clearly aware of the interim injunction granted on 25.07.2024. She was represented by a counsel who also opposed the injunction Application, before the order came to be passed. She would now feebly contend that the settlement deed was done pursuant to family estate planning and was not intentional which can never be accepted. I have already noticed, there have been instances of transfers effected by the first and second respondents even pertaining to movable assets. Further, despite there being specific directions of this Hon'ble Court on multiple occasions to give a true disclosure of the assets, including movable assets belonging to

the respondents 1 and 2, the respondents have clearly been callous and have repeatedly come up with additional and supplementary affidavits stating that some of the assets have been inadvertently left out.

28. The respondents have not been mindful of the fact that they are already facing Contempt of Court proceedings and even in the said proceedings, the respondents 1 & 2 have only taken the matter so casually and lightly that they have chosen to furnish information to this Court at their whims and fancies. No doubt, I am concerned, only with order of 25.07.2024, which is complained of being violated. However, there are subsequent discoveries which clearly evidence the fact that the respondents 1 and 2 have also not obeyed the directions of this Court to furnish and disclose their assets, both movable and immovable in its true letter and spirit. The respondents have acted in a manner as if this Court is a playground and they can come up with new and additional facts at their whims and fancies. This Court can never countenance such conduct on behalf of the respondents 1 and 2. The Court is bound to uphold the majesty of the law and moreso, when orders of this Court are violated and there

seems to be no remorse shown by respondents 1 and 2, which is evident from the subsequent conduct, even pending the contempt application, the Court has no other option but to come down very heavily on such conduct which undermines the very majesty of this Court.

29. Even insofar as the Mumbai flat is concerned, though the first respondent claims that she had settled it to her daughter, the Applicant has produced a document to show that even subsequent to the transfer on 21.12.2023, as late as 19.06.2024, the first respondent has entered into a leave and license agreement with a licensee, where the first respondent has represented herself to be the owner of the Mumbai Flat. On a perusal of the said leave and license agreement dated 19.06.2024, the execution of which is not disputed by the first respondent, I find that there is no whisper about the alleged settlement deed executed by the first respondent in favour of her daughter on 21.12.2023 and further, the first respondent has represented herself as licensor and owner of the property and not even as an agent or power of attorney holder of her daughter.

30. The Hon'ble Supreme Court in *Daiichi Sankyo Company Limited Vs. Oscar Investments Limited and others,* reported in *(2023) 7 SCC 641,* held that no person or institution however so powerful can be permitted to misuse the process of the Court and finding that the actions of the contemnors clearly exhibited that their statements were made without the least intention of complying with the same and they had prepared a well thought out scheme of diluting the shareholding to defeat the right of the petitioner and in fact, observed that the actions warranted criminal complaints to be initiated, but a lenient view was taken by treating it as a mere civil contempt.

31. It is further held by the Hon'ble Supreme Court that despite opportunity given to the two of the contemnors to purge themselves of contempt, there was no genuine attempt on their part to purge themselves of contempt and ultimately, the Hon'ble Supreme Court proceeded to sentence the contemnors to suffer six months imprisonment and also pay a fine of Rs.5,000/- with default sentence of two months in the event of fine not being paid.

32. In *HSBC PI Holdings Vs. Pradeep Shantiprershand Jain & Others,* in Cont. P. (C). No.624/2020 in C.A. No.5158 of 2016, dated 02.09.2022, the Hon'ble Supreme Court held that repetitive submissions which have already been rejected by the Court cannot be made and that by itself would amount to willful disobedience and tantamount to contempt, exposing the conduct on the part of the contemnors. In fact, though the contempt application before the Hon'ble Supreme Court was filed alleging willful disobedience and non compliance of the original judgment and order dated 19.08.2020 in C.A. No.5158 of 2016, the Hon'ble Supreme Court also held that the contemnors were guilty of non compliance of the subsequent orders dated 06.05.2021. This decision is pressed into service by learned Senior Counsel, Mr.Sathish Parasaran to draw a parallel to the facts of the present case where there have been repeated instance of violations of the orders of this Court directing true disclosure of the assets of the respondents 1 and 2.

33.In *Sita Ram vs Balbir alias Bali,* reported in *(2017) 2 SCC 456*, the

Hon’ble Supreme Court held that even if a person who is not bound by a direction issued by the Court, he could still be held guilty if he directly aids or abets violation of the order. In *Balwantbhai Somabhai Bhandari Vs. Hiralal Somabhai Contractor (Deceased) rep. by Legal Heirs and Others ,* reported in (2023) SCC Online SC 1139, the Hon’ble Supreme Court held that even if a transaction *pendente lite* is not tendered voidable under Section 52 of the Transfer of Property Act, 1882, the Court exercising contempt jurisdiction may be justified to pass directions either for reversal of transaction in question by declaring the said transaction to be void or pass appropriate directions to ensure that the contumacious conduct on the part of the contemnor does not continue to enure to the advantage of the contemnor or anyone claiming under him.

34. In *Balwant Bhai*’s case (referred herein supra), the Hon'ble Supreme Court held that apology is not just a word and the Court should not accept the apology when it appears that saying sorry is nothing but a legal trick to wriggle out of responsibility and that a true apology must be a deep ethical act of self introspection, atonement and self reform and in its

absence, such apology can only be termed as farce. The Hon’ble Supreme Court further held that an apology tendered cannot be accepted as a matter of course and if the conduct is serious and has caused damage to the dignity of the institution, then such apology can even be rejected.

35. In this regard, apart from my categorical finding that the settlement deed executed by the first respondent on 29.07.2024 was in blatant violation and willful disobedience of the order of this Court dated 25.07.2024, the following additional facts also assume significance to show the manner in which the respondents 1 and 2 have thought it fit to play with this Court. The first respondent initially filed a disclosure affidavit on 28.10.2024. Subsequently, a supplementary disclosure affidavit was filed on 11.11.2024 and even thereafter, a third disclosure affidavit was filed on 22.11.2024. This itself shows that the first respondent was never serious in complying with the orders of this Court and she kept on improving her version from time to time, that too, in an Application where she was facing contempt proceedings.

36. I have already noticed that the respondents 1 & 2 have not even chosen to disclose some of their movable assets and no reasons have been assigned to satisfy or explain the increase/decrease in values of certain immovable assets, though it is repeatedly contended on behalf of the respondents 1 and 2 that the settlement deed executed on 29.07.2024 was purely inadvertent and only part of earlier family estate planning and that the first respondent was unconditionally apologetic for such conduct in default and that both respondents in view of incorrect disclosure of affidavits by not only omission of such assets but also improperly describing their values, the first and second respondents have projected the same as inadvertent mistakes and same not being willful or wanton. Insofar as the Mumbai Flat, though the first respondent claims that she has executed settlement deed in favour of her daughter even in December, when she had represented herself to be the actual owner even as late as in June 2024, the first respondent ought to have disclosed the said asset when putting forth in her details of the asset in pursuance to the orders of this Court. Therefore to contend that the property was already settled and it was thereafter not mentioned in the disclosure affidavit can never be countenanced or accepted by this Court.

37. Even though the respondents 1 and 2 have also claimed that they have taken redressal measures by taking bonafide steps to reverse all the transaction and that even the settlement deed executed pursuant to the injunction order dated 29.07.2024 has also been reversed, in respect of some of the movable assets, though over the course of the hearings, the learned counsel for the respondents submitted that steps have been taken, till date the reversal of the transactions in order to fully restore the possession of ownership/holding on the date of interim order has not been shown. In any event, the mere fact that the respondents have subsequent to the violation taken corrective or redressal measures can never purge them of the contempt or disobedience committed at the first instance. Therefore in my opinion, it does not even matter as to whether the respondents 1 and 2 have subsequently taken any steps to restore the possession of ownership / holding of assets as on 25.07.2024. Some of the assets have infact been disclosed only on 22.11.2024 and there has been suppression of the same in the earlier affidavits which itself, in my opinion is clear and willful disobedience of orders of this Court dated 22.10.2024 and 29.10.2024.

38. Insofar as the agricultural lands are concerned, some of them are said to be standing in the name of the children of the respondents 1 and 2 and in respect of the three items, they have been transferred between December 2023 and February 2024. These cannot be strictly viewed as wilful disobedience of the order dated 25.07.2024, in and by which alone the respondents 1 & 2 were injuncted from dealing with their movable and immovable properties. In fact, separate applications have also been filed seeking attachment and other restraint orders in respect of these agricultural lands and therefore, the effect of these transfers can always to be looked into while dealing with the said Applications. However, for the purpose of the present Contempt Application, I am not unable to hold that the transfers affected prior to and on 25.07.2024 have to be termed as being in wilful disobedience of the order dated 25.07.2024.

39. However, having already to found that the first respondent have been guilty of breach of the interim order dated 25.07.2024 and both the respondents 1 and 2 being guilty of disobedience of the subsequent order

dated 22.10.2024 and 29.10.2024, there can be no lenience shown by filing affidavits one after the other and pleading inadvertence and seeking unconditional apology. The first and second respondents are only shedding crocodile tears and their apology is not bonafide, though unconditional in words, but not in true letter and spirit. The subsequent and repeated breaches and violations of the interim orders pending the contempt Application also only strengthen the fact that the respondents 1 and 2 have the least respect for the orders of this Court.

40. The first respondent is clearly guilty of violation and wilful disobedience of the order dated 25.07.2024 and is liable to be punished. The first and second respondents are clearly guilty of willful disobedience and breach of the interim orders dated 22.10.2024 and 29.10.2024 for which they are liable to be punished for contempt of Court. No doubt, the Applicant's complaint is only the violation of the order dated 25.07.2024, however as in the case of the Hon'ble Supreme Court in *HSBC PI Holdings (referred herein supra),* where the Hon'ble Supreme Court took note of violation of subsequent orders as well and proceeded to impose punishment on the

contemnors, in the present case as well, in the light of the express disobedience and violation of the orders dated 22.10.2024 and 29.10.2024 besides also suppression of material particulars and facts, despite being called upon to give a true disclosure of assets, I am emboldened to hold that the respondents 1 and 2 are clearly liable for being prosecuted for having committed contempt of Court.

41. Even the second respondent in contravention of the order dated 25.07.2024, as seen from the disclosure affidavit dated 28.10.2024, is guilty of transferring his interest in Connect India E-Commerce Service Private Limited in September 2024 and in ICICI Prudential Corporate Credit Opportunities Fund to his son Archit Mylandla. These acts of transfer of movable assets are clearly in violation of the orders of this Court. As already discussed herein above, this Court is entitled to take note of and punish the contemnors for violation of the subsequent orders as well and considering the fact that the above violations pertaining to movable properties were all after the order dated 25.07.2024, which order was passed in the presence of the respondents 1 & 2, no amount of redressal action

undertaken by the respondents 1 and 2 by way of re-transfers would purge themselves of violation of orders of this Court

42. This Court is not powerless or toothless to take note of subsequent events, even though the Applicant under Order 39 Rule 2A is for willful disobedience of the order dated 25.07.2204. Noticing the repeated and contumacious conduct of the respondents 1 and 2 throughout the pendency of the above Contempt Application, this Court is certainly entitled to invoke the powers available under the Contempt of Courts Act, 1971 and punish the respondents 1 and 2 suitably.

43. Coming to the imposing of sentence, the respondents are persons of affluence and any amount of costs or fine that may be imposed on them would be paid without any difficulty or delay. Therefore, imposing a fine or penalty or even exemplary costs would not suffice in the present case. Imposing of a fine will not meet the ends of justice and a sentence of imprisonment is absolutely necessary to punish the respondents 1 and 2. Therefore, in my considered opinion, imposition of any fine will not be

appropriate but will only amount to letting off the respondents lightly.

44. In view of the above, I am constrained to hold as follows:

(i) the third respondent is not guilty of violation or breach of the order dated 25.07.2024 and the Application is dismissed as against the third respondent.

(ii) the respondents 1 and 2 have committed contempt of Court by their acts of wilful disobedience of not only orders of this Court 25.07.2024 and also subsequent orders i.e., 22.10.2024 and 29.10.2024. Therefore, exercising power under Section 12 of the Contempt Courts Act, 1971, the respondents 1 & 2 are liable to be punished. Keeping in mind, the facts and circumstances of the case and also the age of the respondents 1 and 2, and at the same time to upheld the dignity and majesty of the Court, the first respondent is punished with Simple Imprisonment for a term of one (1) month and the second respondent is punished with Simple Imprisonment for a term of 10 days.

45. This Application is ordered in view of the above terms.

31.01.2025

rkp
Speaking/Non-speaking order
Index : Yes / No
Neutral Citation: Yes/No

P.B.BALAJI, J.,

rkp

<u>Pre-delivery Order in</u>
<u>A.No.5208 of 2024</u>
<u>in</u>
<u>Arb.O.P.(Com.Div. No.) 285 of 2024</u>

<u>31.01.2025</u>

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: **31-01-2025**

CORAM

THE HONOURABLE MR JUSTICE P.B. BALAJI

A NO. 5208 of 2024

PI Opportunities Fund- I
having its address at 134, Doddakannelli, Next to
Wipro Corporate Office, Sarjapur Road,
Bangalore, Karnataka 560035. Rep by its
authorised signatory Mr.vardaan ahluwalia

Applicant(s)

Vs

Sharadha Myladla
Having residence at saradha Ground floor
no.42,Third main road,Gandhi
nagar,Adyar,chennai,Tamilnadu-600020 and 2
Others

Respondent(s)

For Applicant(s):

M/S.Giridharan P
Nitesh Jain
Atul Jain
H.Siddarth
C.Thiagarajan
Mahi Mehta
9003121812

For Respondent(s):

Rahul M shankar,
chandini pradeep kumar,
m.aravindan,

sashinyaa ramesh,
for 3rd respondent vakalat d.no.42915/2024

9789001594

Rejoinder Affidavit D.No. 45043, Dt. 21/11/2024

Brief Note D.No. 47364, Dt.06/12/2024

Typed Set D.No. 47365, Dt. 06/12/2024

ORDER

Subsequent to the order being pronounced today i.e., 31.01.2025, the learned counsel for the respondents made a request for suspending the order to enable the contemnor to prefer an appeal. In view of the above, the order dated 31.01.2025 is suspended for a period of two weeks.

2.Registry is directed to list the connected matters viz., Arb.O.P.Nos.285, 452 & 453 of 2024 & O.A.Nos.501, 502, 503 & 815 of 2024 A.Nos.3748 to 3750, 3752, 3754, 4969, 5211, 5212, 5213, 5215, 5216, 5571, 5607, 6056, 6059 & 161 of 2025 on 12.02.2025.

31-01-2025

ata

To
1.Sharadha Myladla
Having residence at saradha Ground floor no.42,Third main road,Gandhi nagar,Adyar,chennai,Tamilnadu-600020

2.Nagaraj V Mylandla
Having residence at Saradha Ground Floor No. 42, Third Main Road,

Gandhi Nagar, Adyar, Chennai, Tamil Nadu 600020.

3.Archit V Mylandla
A 1 5, Chitra Apartments, 23rd Cross Street, Besant Nagar, Chennai 600 090.