**BEFORE THE MADURAI BENCH OF MADRAS HIGH COURT**

**DATED: 23.09.2025**

**CORAM:**

**THE HONOURABLE MR.JUSTICE G.R.SWAMINATHAN**

**Cont.P(MD)No.2247 of 2024**
**in W.P(MD)No.17150 of 2016**

S.Rajesh Kanna ... Petitioner / Petitioner

Vs.

1.R.Malarvizhi,
Chief Area Manager,
Indian Oil Corporation Limited,
No.2, Race Course Road,
Chokkikulam,
Madurai – 625 002. ... 1st Contemnor / Respondent

2.K.Prema,
Head of the Divisional LPG Sales,
Indian Oil Corporation Limited,
No.2, Race Course Road,
Chokkikulam,
Madurai – 625 002. ... 2nd Contemnor / Nil

PRAYER: Petition filed under Section 11 of the Contempt of Courts Act, to punish the contemnors for willful disobedience of the order of this Court dated 29.09.2023 in W.P.(MD).No.17150 of 2016 and punish the respondents for contempt.

For Petitioner : Mr.VR.Shanmuganathan

For Respondents : Mr.K.Muraleedharan

**ORDER**

The petitioner herein has filed this contempt petition on the ground that the order passed by this Court in W.P(MD)No.17150 of 2016 on 29.09.2023 has not been complied with.

2.Indian Oil Corporation Limited issued notification on 15.06.2010 calling for applications from eligible candidates for award of LPG distributorship in Ramanathapuram District under open category. The writ petitioner applied in response thereto. The writ petitioner was awarded 94 marks whereas Thiru.Saravanan, the petitioner in W.P(MD)No.3219 of 2015 was awarded 90.33 marks. While awarding 94 marks for the writ petitioner herein, the corporation went by his claim that a sum of Rs.18,01,000/- was maintained by him in his savings account since the date of application. However during field verification, the officials of the corporation noticed that a sum of Rs.13,00,000/- was withdrawn on 13.09.2010 and therefore the petitioner herein would be eligible only for 5 marks and not 18 marks. As a result, the petitioner's selection was cancelled vide communication dated 23.01.2012. Challenging the same, the petitioner filed W.P(MD)No.1092 of 2012. The writ petition was dismissed on 30.08.2012. Aggrieved by the same, the petitioner filed WA(MD)No.675 of 2012. The Hon'ble Division Bench disposed of the said writ appeal vide order dated 13.10.2015 and remanded the matter to the file of the respondent corporation to revisit the issue. But the corporation maintained their original stand vide communication dated 30.06.2016. Challenging the same, the petitioner herein filed W.P(MD)No.17150 of 2016. After considering the rival contentions, I set aside the communication dated 30.06.2016 and once again remanded the matter to the file of the respondent. Pursuant to the said direction, the impugned order came to be passed. The petitioner contends that the respondent corporation had merely reiterated its earlier position and did not re-examine the issue in the light of what was observed by this Court in its order dated 29.09.2023.

3.The learned counsel appearing for the petitioner reiterated all the contentions set out in the affidavit filed in support of this petition and called upon this Court to grant relief as prayed for.

4.Per contra, the learned counsel for the corporation submitted that if the petitioner herein felt aggrieved by the latest communication dated 08.08.2024, the remedy open to him is to file an independent writ petition and that the contempt proceedings cannot be initiated.

5.It is true that the contempt proceedings are quasi-criminal in nature and that they cannot be lightly resorted to. But as already mentioned, this is the third round of litigation. The writ petitioner herein had first suffered an adverse order on 23.01.2012. Thereafter, the second adverse order was passed on 30.06.2016. The third adverse order which is the subject matter of the present proceedings was passed on 08.08.2024. Even though the opening paragraphs may vary on account of the intervening developments, all the three orders, in substance, reflect the same stand of the respondent corporation. Secondly, I am currently holding the roster pertaining to Oil Corporations. Even if the petitioner challenges the impugned order by filing a fresh writ petition, it will come only before me. Hence, the matter can be dealt with on merits in these proceedings itself.

6.The basic facts are not in dispute. The applicants were to be awarded marks under various heads. One such category is financial soundness for which a maximum of 18 marks would be awarded. The relevant clause reads as follows:

> *"CAPABILITY TO ARRANGE FINANCE"*
> ***14.2 AMOUNT IN SAVINGS BANK ACCOUNT*** *as on the date of application in the name of applicant and members of 'family unit'. Attach affidavit as per format given in Annexure – C from member(s) of 'family unit'.*
> *(Applicable for individual and applications under partnership)*
> *The amount mentioned under Saving Bank account should remain in the bank for minimum period of 90 days from the date of application or till the interview date whichever is earlier. In case the amount is not maintained for 90 days, then the minimum amount maintained during the period of 90 days will be taken and marks will be reduced accordingly, which may affect the merit position of the candidate."*

7.The petitioner claimed in his application that he had maintained Rs.18,00,000/- in his account and that therefore he should be awarded 18 marks. This claim of the petitioner was originally accepted and that is how he was awarded 18 marks. But during field verification, it was noted that on one particular day during the period of 90 days, the petitioner had withdrawn a sum of Rs.13,00,000/- and thus on that day, the amount standing to the petitioner's credit in account was Rs. 5,00,000/-.

8.According to the corporation, since this was the minimum amount maintained by him, he can be awarded only 5 marks. The question that called for consideration was whether this stand of the authority was correct. This stand was first tested in W.P(MD)No.1092 of 2012. The writ petition was dismissed on 30.08.2012 in the following terms:

> *"7.As per the transaction provided in the said account, which was produced by the petitioner at page No.8 of the typed set, the petitioner on 13/7/2010 had Rs. 18,01,000/-; on 13/9/2010, there was a withdrawal of Rs. 4 lakhs and thus, amount was short to 14,00,932/. Again, on the very same day, the petitioner withdrew 9 lakhs and the balance came to Rs.5,00,932/- But however, on*

*14/9/2010, Rs.13 lakhs was deposited and once again, the amount went to Rs 18,00,932/- and thereafter, the amount was increasing steadily and as on 12/10/2010, he had a balance of Rs.18,22,559/. As per the application form, the condition stipulated that Rs. 18,01,000/- should be maintained for a period of 90 days. Thereafter, calculation is made out from 12/7/2010 to 12/10/2010 for a period of 90 days. On 13 and 14th September, 2010, the petitioner did not have the balance of Rs.18 lakhs. Though, it is claimed that the petitioner had deposited Rs.13 lakhs on 14th itself, there has been a lapse of one day that cannot be a ground to reject the petitioner's candidature. It is a fact that all the ninety days, the amount was shown to a minimum of Rs. 18 lakhs and even for one day, if it is reduced to Rs.18 lakhs, the marks will be reduced and it is already mentioned in the application form that the minimum amount maintained during the period.*

*8.The Contention of the learned counsel for the petitioner that subsequent to the withdrawl, deposit hs been made and therefore, there is always a balance of Rs.18 Lakhs.*

*9.On the other hand, once the amount is*

> *withdrawn, he could not retain full marks, even though the amount is subsequently deposited. Further, the application form the dealership is only a commercial appointment and unless the petitioner satisfies the requirement, which are already indicated in the application form, the petitioner cannot get shelter for his own error."*

This order was put to challenge in W.A(MD)No.675 of 2012. The Hon'ble Division Bench disposed of the writ appeal in the following terms:

> *"5. ... On the other hand, with regard to the plea that the Brochure condition has been wrongly interpreted by the Department, we give liberty to the appellant to make a representation so as to enable the respondent to consider whether the facts in the present case, that is to say,* ***withdrawal on a particular day or re-deposit on the next day would not be a cause for not maintaining minimum balance in terms of Clause 14(2).****"*

9.From the above, one can come to the safe conclusion that the Hon'ble Division Bench did not endorse or accept the stand of the learned single Judge. Otherwise, such a liberty would not have been granted. Even in the order passed pursuant to the aforesaid direction, the earlier stand was reiterated and reproduced. On the second occasion, when the matter came before me, I allowed the writ petition in the following terms:

*8. The facts obtaining in this case remain the same. The contentions now advanced by the learned Standing counsel were advanced before the learned Single Judge at the time of disposal of W.P.(MD)No.1092 of 2012. The petitioner suffered dismissal in the first instance. But then, the Hon'ble Division Bench had taken the view that the issue calls for interpretation of the brochure condition. That is why, the matter was remitted to the file of the respondent for fresh consideration. I am of the view that the respondents failed to undertake the exercise as mandated by the Hon'ble Division Bench. The marks for financial soundness are awarded by applying the following parameters:-*

*" 14.2.Allocation of marks on various parameters based on the information/statements given in the application.*

| Parameters | Sub Head | Description | Max Marks | Evaluation |
|---|---|---|---|---|
| Capability to provide finance for both individuals and non individuals | Financially sound-Funds | a. Amount in Saving accounts in Bank. (as on date of application)<br>b. Free and unencumbered fixed deposits in scheduled banks or any other documents/resource which can be readily converted to liquid cash to cover working capital/infrastructure requirements (as on date of advertisement) | 18 | Based on the information given in application (FD/NSCs/Shares/any other investment bonds in the name of self or family members as defined above under relationship clause)<br>Award 0.1 marks on every unit of Rs.10,000/- or more in multiplies of Rs. 10,000/- and less then complete unit of Rs. 10,000/- / will not be considered for award of marks. Maximum marks-18.<br>(E/G value is Rs. Marks<br>Rs.10,40,000/- 10.4<br>Rs.10,49,999/- 10.4<br>Rs.10,50,000/- 10.5<br>Rs.18,00,000/- and above 18.0 |

*9. Clause 14.2 as found in the application form reads as follows:-*

*"The amount mentioned in the Savings Bank account should remain in the bank for minimum period of 90 days from the date of application or till the interview date whichever is earlier. In case the amount is not maintained for 90 days, then the minimum amount maintained during the period of 90 days will be taken and marks will be reduced accordingly, which may affect the merit position of*

*the candidate."*

*In this case, the interview date was on 21.11.2011. If the interview had been held sometime in September 2010, the duration would not have been 90 days. The latter part of Clause 14.2, will have to be taken note of. If the amount mentioned in the application form has not been maintained as such, marks will be awarded by taking note of the minimum amount maintained during the period. I called upon the learned standing counsel to answer a hypothetical question. I asked him, if the interview had been held on 21.09.2010 what marks would have been awarded to the applicant. Though the learned Standing counsel made a valiant attempt, I could not be convinced. I feel that answer to this question contains the key to the issue. The brochure is silent as to how the minimum amount should be computed. This exercise has to be undertaken only by the respondent and not by the writ Court.*

10.But, once again, instead of revisiting the issue or endeavoring to bring out the essence of Clause 14.2 of their brochure, they have reiterated their earlier position. I am therefore left with no other option but to examine the true scope and effect of the said clause myself. The clause is meant to assess the applicants' "***capability to arrange finance***. It does not employ the words "capability to retain/maintain the balance". That is the heading of the clause. Therefore, when the Hon'ble Division Bench called upon the corporation to interpret the clause, the corporation should have undertaken that exercise. They did not. The key to the problem lies in the words "***capability to arrange finance***". Instead, the entire focus of the corporation was on "***amount maintained***". It is true that the respondent expected the applicant to maintain certain amount in his or her bank account for a minimum period of 90 days. It is true that on a particular day, a sum of Rs.13,00,000/- came to be withdrawn from the bank account. According to the writ petitioner, this mistake was inadvertently committed by his accountant and it was without his knowledge. Be that as it may, the shortfall was made good, the very next day. This clearly demonstrated the petitioner's capability to arrange finance. That is the key factor. This aspect of the matter was lost sight of by the respondent. Secondly, the words employed in the brochure as well as in the application are "mark will be accorded by taking into account the minimum amount maintained ***during*** the period of 90 days". It means that by applying mathematical formula, the corporation must arrive at the minimum amount maintained by the applicant. The expression used in the brochure as well as in the application is "***during the period of 90 days***". In the case on hand, it is admitted that the petitioner had kept an amount of Rs.18,00,000/- for 89 days and only on a particular day Rs.13,00,000/- was withdrawn leaving a balance amount of Rs.5,00,000/-. Thus, by applying the mathematical averaging formula, the minimum amount should have been arrived at and the marks should have been given accordingly. The applicant was obviously not entitled to 18 marks. There would definitely be a marginal reduction on account of the withdrawal to the tune of Rs.13,00,000/- for one day. But the amount of Rs.5,00,000/- that remained in the petitioner's bank account on a particular day will not reflect the true capability of the applicant to "arrange finance" and it was not an indicator of the petitioner's financial soundness. The corporation ought to have applied a mathematical formula to determine the minimum amount maintained by the applicant during 90 days. That was not done. The key lay more in mathematics and less in words. The title of the relevant clause was also not taken note of. This in my view, demonstrates non-application of mind on the part of the respondent. I come to the conclusion that the respondent willfully disobeyed the order by not having a relook at the issue. I therefore hold that the respondents have technically breached the direction given by this Court.

11. The Hon'ble Supreme Court in the decision reported in **(2017) 5 SCC 506 (*Mazdoor Sangh v. Baranagore Jute Factory Plc.*,)** held that the Court has a duty to issue appropriate directions for remedying or rectifying the things done in violation of the orders. In that regard, the Court may even take restitutive measures at any stage of the proceedings. In ***Baitanik v. Shrimati Hutheesingh Tagore Charitable Trust, (2024) 11 SCC 679,*** the Hon'ble Supreme Court reiterated the settled position that the Court exercising contempt jurisdiction can give appropriate directions to remedy or rectify the things done in violation of its orders. It is settled that even while exercising contempt jurisdiction, an order passed by the authority can be quashed. Accordingly, it is quashed.

12.This Contempt Petition is allowed accordingly.

**23.09.2025**

Index : Yes / No
Internet : Yes/ No
NCC : Yes / No
MGA

To

1.The Chief Area Manager,
Indian Oil Corporation Limited,
No.2, Race Course Road,
Chokkikulam, Madurai – 625 002.

2.The Head of the Divisional LPG Sales,
Indian Oil Corporation Limited,
No.2, Race Course Road,
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**G.R.SWAMINATHAN, J.**

MGA

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