IN THE DEBTS RECOVERY TRIBUNAL – II AT CHENNAI

Dated this 11th day of September, 2026

PRESENT: **SHRI SHARANG DHAR UPADHYAY**
Presiding Officer

IA Nos. 447 of 2026 & 448 of 2026
in SA No.541 of 2025

1. M/s Challani Ranka Jewellery
Rep. by its Partner Mr. Sumti A. Chalani
No.119, N.S.C. Bose Road
First Floor, Sowcarpet
Chennai – 600 079

2. Mr. R.J. Anandmul
S/o Jawarilal Jain
No.2, Rihterdon Road
2nd Street, Ritherdon Avenue
Vepery, Chennai – 600 007

3. Mr. Sumti A. Challani
Son of Mr. R.J. Anandmul
No.2, Rihterdon Road
2nd Street, Ritherdon Avenue
Vepery, Chennai – 600 007 **…Petitioners / Applicants**

Versus

The Authorised Officer
Indian Overseas Bank
Asset Recovery Management Branch
3rd Floor, Annexe Building
Central Office Building
763, Anna Salai, Chennai – 60 **…Respondent / Respondent**

ORDER

1. These interlocutory applications are filed by the Petitioners / Applicants praying to initiate contempt proceedings against the Authorised Officer for the Respondent for willful and deliberate disobedience of the order

dated 22.09.2025 and to direct the Respondent to maintain status quo in respect of the secured assets.

Averments in the application

2. The above SA is filed challenging the sale notice dated 04.09.2025 issued by the respondent bank. The applicants have challenged the demand notices, possession notice and successive sale notices on the ground that the very classification of the loan account as NPA is illegal, arbitrary and in violation of RBI norms and binding judgments of the Hon'ble Supreme Court.

3. This Tribunal by order dated 22.09.2025 was pleased to grant interim protection staying the proposed sale notice, subject to compliance of certain conditions.

4. The petitioner has duly complied with the entire conditional order within the time frame stipulated by this Tribunal and the same was recorded by this Tribunal by proceedings dated 09.12.2025. As per clause (c) of the above order, the Respondent Bank could proceed further only in the event of non-compliance of the conditions. Since the petitioner has complied with the conditions in full, the respondent has no authority or liberty to proceed further. The interim order clearly demonstrates that the interim protection was consciously granted pending final adjudication and continues to operate upon compliance.

5. The above SA is still pending adjudication before this Tribunal. It is stated that by order dated 5.3.2026, this Tribunal dismissed IA Dy No.3050 of 2026 and IA Dy No.3051 of 2026 which were filed seeking amendment of prayer and for stay of all further proceedings under SARFAESI Act in respect of the subject account. However, this Tribunal has posted the matter for further proceedings on 23.04.2026 and significantly no order has been passed vacating or modifying the earlier interim order dated 22.09.2025, which continues to remain in force. The dismissal of the said interlocutory applications does not, in any manner, dilute or extinguish the subsisting interim protection granted by this Tribunal.

6. It is clear and willful disobedience of the subsisting interim order, the Authorised Officer of the respondent bank has issued a fresh sale notice dated 06.03.2026 in respect of the very same secured assets. The respondent cannot unilaterally assume non-compliance and proceed with coercive measures without obtaining appropriate orders from this Tribunal.

7. It will be relevant to mention that in SA No.135 of 2025, this Tribunal had granted an order of status quo, which remained in force till 7.8.2025. During the subsistence of the said order, the very same respondent bank through its Authorised Officer, without disclosing the subsisting status quo order, approached the Ld. CJM and obtained an

order under Section 14 of the SARFAESI Act on 31.07.2025 for the very same subject case schedule of property.

8. The action clearly demonstrates a deliberate attempt to over reach judicial proceedings and suppress material facts. The conduct of the same Authorised Officer in the present case is not isolated, but forms part of consistent pattern of willful disregard to judicial orders. Despite full compliance of the conditional stay order dated 22.9.2025, the respondent has once again proceeded to issue the Sale Notice dated 06.03.2026 in clear violation of the orders of this Tribunal.

9. The acts of the respondent are not accidental or procedural lapses, but are willful, deliberate and conscious disobedience of the orders of the Tribunal. The conduct clearly establishes mens rea on the part of the respondent and amounts to interference with the due course of judicial proceedings. The respondent's actions are calculated to defeat the rights of the petitioner and render the proceedings before this Tribunal infructuous. The respondent fixed the sale of secured asset on 23.03.2026, whereas the matter is posted before the Ld. PO on 28.4.2025. The Respondent is liable to be proceeded against for contempt and the respondent be directed to maintain status quo in respect of the secured assets.

Counter by Respondent Bank

10. The applicants have not made any prima facie case in the above applications initiating contempt action against the Authorised Officer of the respondent bank and for granting status quo with regard to the SARFAESI proceedings. There are many subsequent events that has taken place pertaining to the SARFAESI proceedings. Various orders were passed in various SAs filed by the applicants by this Tribunal which clearly exposes the malafide intention to thwart the respondent bank from recovering the outstanding loan amount. The applicant has only indulged in various criminal activities besides a chronic defaulter in repaying the staggering outstanding loan amount. The question of contempt does not arise since the Authorised Officer of the respondent need not mention about the issuance of sale notice subsequent to the filing of Section 14 Application. The Tribunal by its order 9.9.2025 vacated the interim order passed in SA No.135 of 2024..

11. The applicants have challenged each and every cause of action by filing SAs before this Tribunal. It is pertinent to mention that Section 14 order was passed on 31.07.2025 by the Ld. CJM, Chinglepet in Crl. M.P. No.2197 of 2025 and applicants have challenged only on 20.09.2025 in NDN (SA) No.1637 of 2025 after the period of limitation. This Tribunal vide order dated 07.11.2025 has directed the registry to number the SA and permission granted to the respondent bank to raise the limitation ground at the time of passing final order.

12. Admittedly, the applicants have filed the SA after physical possession of the secured asset was taken pursuant to Section 14 order and thus lost their legal right to challenge the same.

13. Ld. DRT-III Chennai has passed an order on 26.12.2025 in SA No.875 of 2025 directing the applicants to comply with conditional order in two installments but partially complied with. The applicants have filed an appeal before Hon'ble DRAT, Chennai but the same was dismissed for non-compliance of waiver conditions.

14, As against the order passed by DRAT, the applicants have filed W.P. Nos.12454 of 2026 and 4834 of 2026 and the Hon'ble High Court has directed the respondent bank not to take coercive actions till 16.04.2026 but subsequently not extended or not listed.

15. The applicants have not made out any prima facie case in the above applications and it is prayed that these applications be dismissed with exemplary costs.

16. After hearing the Ld. Counsels appearing on behalf of both the sides and after perusing the records, the only point that arises for consideration is:-

Whether the Applicants have made out a case for initiating contempt proceedings against the Authorised Officer of the Respondent Bank for alleged willful disobedience of the order dated 22.09.2025 and consequently for directing the Respondent Bank to maintain status quo in respect of the secured assets?

17. The Applicants principally contend that the interim order dated 22.09.2025 is still subsisting and that, despite compliance with the conditions imposed therein, the Respondent Bank has issued a fresh sale notice dated 06.03.2026 in respect of the secured assets. It is therefore contended that the issuance of the said sale notice amounts to willful and deliberate disobedience of the order of this Tribunal.

18. Per contra, the Respondent Bank has contended that several subsequent events have taken place in the SARFAESI proceedings and that the Applicants have initiated multiple proceedings before this Tribunal, the Hon'ble DRAT and the Hon'ble High Court. It is further contended that the Applicants have not approached this Tribunal with clean hands and that the present applications are filed only with a view to stall the recovery proceedings.

19. On consideration of the rival submissions and the materials available on record, it is evident that the dispute between the parties has given rise to several proceedings before different forums and various orders have been passed from time to time. The Respondent Bank has specifically brought to the notice of this Tribunal the subsequent orders passed in the connected SAs and proceedings relating to the SARFAESI measures.

20. It is true that an order passed by a competent Tribunal is binding upon the parties so long as it remains in force. However, in order to initiate

contempt proceedings, the alleged disobedience must be established as clear, conscious and willful disobedience of a specific and unambiguous direction. The jurisdiction relating to contempt cannot be exercised merely because the action complained of is alleged to be inconsistent with the interpretation placed by one party upon an earlier order.

21. In the present case, the Applicants have relied upon the order dated 22.09.2025 and the proceedings dated 09.12.2025. However, the subsequent developments and orders passed in the connected proceedings cannot be ignored while considering the effect and scope of the interim protection. The Respondent Bank has also placed material showing the pendency of proceedings relating to possession and other SARFAESI measures and the orders passed therein.

22. Further, the dismissal of IA Dy. Nos.3050 of 2026 and 3051 of 2026 by order dated 05.03.2026, whereby the Applicants sought amendment of the prayer and stay of further SARFAESI proceedings, is also a subsequent development which has to be taken into consideration. The mere fact that the main SA continues to remain pending does not, by itself, mean that every subsequent step taken by the secured creditor constitutes contempt of an earlier order.

23. The Respondent Bank has also pointed out that the Applicants have challenged various measures by instituting separate proceedings and

that certain conditional orders passed in the connected proceedings were not complied with in full. The Respondent has further brought on record the subsequent proceedings before the Hon'ble DRAT and the Hon'ble High Court. These circumstances demonstrate that the rights and obligations of the parties have been the subject matter of continuous adjudication before different judicial forums.

24. In such circumstances, this Tribunal is of the considered view that the essential ingredients necessary for initiating contempt proceedings, namely, clear, deliberate and willful disobedience of the order dated 22.09.2025, have not been established by the Applicants. The allegation of mens rea made in the applications is not, by itself, sufficient to invoke contempt jurisdiction.

25. The allegation relating to the Respondent Bank having obtained an order under Section 14 of the SARFAESI Act on 31.07.2025 during the alleged subsistence of an order of status quo in SA No.135 of 2025 also pertains to an earlier and separate proceeding. The said allegation cannot be made the basis for initiating contempt proceedings in the present applications, particularly when the legality and effect of the orders passed in the connected proceedings are themselves matters arising for consideration in the respective proceedings.

26. It is also pertinent to observe that the Applicants cannot seek, by way of the present contempt applications, an indirect adjudication upon the

legality of the subsequent SARFAESI measures. If the Applicants are aggrieved by the sale notice dated 06.03.2026 or any other subsequent measure taken by the Respondent Bank, they are required to avail the appropriate remedy available to them under the SARFAESI Act and in accordance with law.

27. As regards the prayer for directing the Respondent Bank to maintain status quo, no independent ground has been made out by the Applicants for granting such relief. The Applicants cannot seek a fresh interim order in the guise of a contempt application, particularly when the connected proceedings have witnessed several subsequent developments and the Applicants have already approached this Tribunal and other forums in respect of various measures taken by the Respondent Bank.

28. The power to punish for contempt is an extraordinary jurisdiction and is required to be exercised with circumspection. In the absence of clear and willful disobedience of a specific order, contempt proceedings cannot be initiated merely on the basis of an alleged violation or disputed interpretation of an interim order.

29. In view of the foregoing discussion, this Tribunal is of the considered opinion that the Applicants have failed to establish any prima facie case of willful and deliberate disobedience of the order dated 22.09.2025 by the Authorised Officer of the Respondent Bank. Consequently, no case

is made out for initiating contempt proceedings or for granting the consequential relief of status quo.

30. Accordingly, the following:

ORDER

(a) IA No.447 of 2026 and 448 of 2026 are dismissed. No order as to costs.

(b) It is made clear that the observations contained in this order are confined to the adjudication of the present interlocutory applications and shall not prejudice the rights and contentions of either party in the main SA or in any other pending proceedings.

Sd/-
(SHARANG DHAR UPADHYAY)
PRESIDING OFFICER
DRT-II CHENNAI

(Dictated to PS, who typed in the system directly, corrected, signed and pronounced by me in Open Court, on this 11th day of September, 2026)