Case Citation: (2026) ibclaw.in 6408 HC

IN THE HIGH COURT OF MADHYA PRADESH AT GWALIOR

BEFORE

HON'BLE SHRI JUSTICE MILIND RAMESH PHADKE

CONTEMPT PETITION CIVIL No. 493 of 2016

M/S GAURAV ENTERPRISES 23 B MORAR ENCLAVE GOLA KA MANDIR GWALIOR THR.

Versus

MR. RAVINDRA SINGH PAL AND OTHERS

Appearance:

Shri Arvind Dudawat - Senior Advocate with Shri Arun Dudawat - Advocate for petitioner.

Shri Vinod Kumar Bhardwaj - Senior Advocate and Shri Ajay Mishra- Advocate through VC with Shri Mahesh Prasad Agrawal - Advocate for the respondents No.1, 2, 6, 7, 8, 9 and 10.

Shri Yogesh Chaturvedi - Advocate for the intervenor.

Reserved on : 21.09.2026

Pronounced on : 08.10.2026.

ORDER

The present contempt petition has been filed alleging non-compliance of the order dated 20.10.2011 passed by this Court in W.P. No.5432/2011, whereby the respondent-Bank was directed to hand over possession of the property to the petitioner, with liberty to the Bank to complete the necessary formalities in accordance with the provisions of the SARFAESI Act and the Rules framed thereunder.

The petitioner claims that it had participated in the auction conducted by the respondent-Bank on 26.07.2011, its bid being the highest, and that

after acceptance of the bid it deposited the requisite amount and was issued the sale certificate. The auction notice described the property as comprising plant and machinery, land bearing Survey No.171 admeasuring 0.8 hectare, land bearing Survey No.172 admeasuring 0.20 hectare and the building situated at Dinpura, Etawah Road, District Bhind.

It is not in dispute that subsequent to the auction, the borrower approached this Court in W.P. No.4898/2011 and the said proceedings were disposed of on 28.07.2011 in terms of a settlement arrived at between the borrower and the Bank. Under the settlement, the borrower was granted time to deposit the outstanding amount, failing which the Bank was to finalize the auction proceedings. The petitioner thereafter approached this Court by filing W.P. No.5432/2011, which came to be allowed on 20.10.2011 with a direction to the respondent-Bank to hand over possession of the property to the petitioner, subject to completion of necessary formalities under the SARFAESI Act and the Rules.

The said order was challenged before the Division Bench and thereafter the matter travelled to the Hon'ble Supreme Court. The proceedings before the superior Courts ultimately came to an end with dismissal of the Special Leave Petitions and the subsequent review petitions. Thus, the order dated 20.10.2011 attained finality. The chronology placed on record by the petitioner further shows that the present contempt petition was instituted on 26.01.2016 and that during the pendency of the contempt proceedings this Court passed several orders from time to time for securing compliance of the direction relating to possession.

Learned counsel for the petitioner submits that despite the order dated 20.10.2011 attaining finality, the respondents failed to comply with the same in its true letter and spirit. It is submitted that the petitioner had already performed its part by participating in the auction and depositing the consideration amount, whereas the Bank failed to deliver complete possession of the property purchased by the petitioner. Learned counsel submits that the contempt proceedings remained pending for several years because the respondents did not initially hand over the entire property and that this Court was repeatedly required to issue directions to the Bank and the concerned revenue authorities for demarcation and delivery of possession.

Learned counsel for the petitioner submits that the subsequent orders passed by this Court themselves demonstrate that the direction contained in the order dated 20.10.2011 had not been completely complied with. Particular reliance is placed upon the order dated 01.05.2023, wherein, after hearing the parties, this Court recorded that the dispute had narrowed down to the availability of 0.06 hectare out of Survey No.171 admeasuring 0.08 hectare, the remaining 0.02 hectare being in occupation of a third party, while the entire 0.20 hectare of Survey No.172 was available with the Bank. The petitioner had then expressed its willingness to accept possession of the land available with the Bank, subject to appropriate resolution regarding the remaining 0.02 hectare.

Learned counsel further submits that pursuant to the order dated 01.05.2023, on 18.07.2023 the Bank offered to hand over 0.20 hectare of

Survey No.172 and 0.06 hectare of Survey No.171 and, for the remaining 0.02 hectare, offered to return the proportionate amount with interest as per the RBI schedule. The said proposal was accepted by learned counsel for the petitioner and the respondents were directed to complete the formalities and comply with the order.

It is submitted that even thereafter the petitioner was required to approach this Court as possession was not immediately delivered. Consequently, on 11.01.2024, this Court directed the Collector, Bhind and the Superintendent of Police, Bhind to extend necessary assistance to the Bank officials for carrying out demarcation and for ensuring compliance. Thereafter, on 22.02.2024, this Court recorded that after demarcation the land in question was found to be 0.28 hectare, which was the actual area to be handed over to the petitioner, and directed the revenue authorities to break open the locks and hand over the said portion to the petitioner. The order specifically recorded that such handing over would constitute full satisfaction of the order of this Court with regard to the land.

Learned counsel for the petitioner, however, submits that the controversy did not end there. It is pointed out that on 02.04.2024, a compliance report was placed before this Court stating that the lock over the constructed portion had been broken and possession thereof had been handed over to the petitioner. The petitioner accepted the said position and stated before this Court that it had received the entire portion of the land auctioned to it. However, according to the petitioner, certain machinery lying in the constructed portion was not the plant and machinery purchased by it in the

auction and, therefore, the borrower was required to remove the same.

Learned counsel submits that thereafter the controversy came to be confined substantially to the machinery and material lying in the premises. On 30.04.2024, this Court recorded that the only surviving controversy was regarding supply of the machinery purchased by the petitioner in the auction and removal of the material and machinery lying in the locked area. The matter was accordingly directed to be considered on those aspects.

Learned counsel for the petitioner further submits that on 05.07.2024 this Court directed the petitioner to file an affidavit explaining its limited grievance regarding non-compliance of the order dated 20.10.2011. Thereafter, on 14.02.2025, the petitioner submitted that the entire land auctioned to it had not been handed over and that the machinery attached to the property had also not been delivered. The petitioner was granted three days' time to place those submissions on record by way of an affidavit.

Learned counsel for the petitioner submits that in compliance thereof a detailed affidavit was filed on 17.02.2025, wherein the petitioner has stated that four grievances still survive, namely, non-delivery of the original sale certificate, non-delivery of the machinery and goods mentioned in the auction notice, non-mutation of the petitioner's name in the revenue records and the alleged subsequent transfer of the property by the borrowers to third parties and the proceedings initiated before the revenue authorities in respect thereof. It is submitted that because the original sale certificate has allegedly not been supplied, the petitioner has been unable to get the same registered before the Sub-Registrar, Bhind. It is further submitted that the revenue

authorities have not taken appropriate action upon the petitioner's complaints concerning the subsequent transactions and third-party possession.

Per contra, learned counsel appearing for the respondents submits that the contempt petition has substantially worked itself out during the pendency of the proceedings. It is submitted that the respondents have taken every possible step for compliance of the order dated 20.10.2011 and that the proceedings demonstrate continuous efforts on the part of the Bank to obtain and deliver possession of the property to the petitioner. It is submitted that pursuant to the directions of this Court, the property was duly demarcated and possession of the land available with the Bank was handed over to the petitioner.

Learned counsel for the respondents further submits that the order dated 02.04.2024 assumes considerable significance because, at that stage, the petitioner itself accepted before this Court that it had received the entire portion of the land auctioned to it. The grievance thereafter was confined to certain machinery lying in the premises which, according to the petitioner, was not the machinery purchased by it in the auction. It is therefore submitted that the subsequent attempt of the petitioner to contend that the entire land itself has not been handed over is inconsistent with the statement recorded by this Court on 02.04.2024 and cannot furnish a foundation for continuing contempt proceedings.

Learned counsel for the respondents submits that the surviving grievances raised by the petitioner regarding the original sale certificate, mutation, the identity and ownership of machinery, alleged subsequent

transfers by the borrowers and proceedings before the revenue authorities are not matters which can be adjudicated in contempt jurisdiction. According to the respondents, such questions require determination of substantive civil rights and disputed questions of fact and, therefore, the petitioner may avail an appropriate remedy before the competent forum.

Learned counsel for the respondents further submits that contempt jurisdiction cannot be converted into a proceeding for adjudication of title or ownership over the property or for deciding the validity of subsequent transactions allegedly entered into by the borrower with third parties. It is submitted that the direction contained in the order dated 20.10.2011 was a direction for handing over possession, and the subsequent orders passed in the contempt petition resulted in demarcation and handing over of the land. Once the petitioner itself acknowledged receipt of the entire portion of land auctioned to it, the remaining grievances regarding the sale certificate, machinery, mutation and third-party transactions constitute independent causes which cannot be adjudicated in the present proceedings.

Learned counsel appearing for the respondents also submits that the record demonstrates that the Bank had approached the competent authorities and had taken steps for obtaining possession. The respondents have consistently maintained that there was no deliberate or wilful disobedience of the order of this Court. It is submitted that contempt proceedings being in the nature of quasi-criminal proceedings, a finding of wilful and deliberate disobedience cannot be recorded merely because the petitioner continues to have some grievance concerning the consequences of the auction or

subsequent transactions.

Having considered the rival submissions and having carefully gone through the record, this Court finds that the original direction dated 20.10.2011 required the Bank to hand over possession of the property to the petitioner after completing necessary formalities under the SARFAESI Act and the Rules. The subsequent proceedings clearly demonstrate that the issue of possession was repeatedly considered by this Court and appropriate directions were issued from time to time for securing compliance.

The order dated 01.05.2023 is of particular significance. At that stage, the Court recorded that the controversy had been narrowed down to 0.02 hectare of Survey No.171, which was not available with the Bank because it was in occupation of a third party, whereas 0.06 hectare of Survey No.171 and the entire 0.20 hectare of Survey No.172 were available with the Bank. The petitioner itself expressed its willingness to accept possession of the land available with the Bank, while the respondents agreed to hand over such possession and to formulate a proposal regarding the remaining portion.

Thereafter, on 18.07.2023, the Bank specifically offered possession of 0.20 hectare of Survey No.172 and 0.06 hectare of Survey No.171 and agreed to return the proportionate amount with interest in respect of the remaining 0.02 hectare which was not available with the Bank. Significantly, the proposal was accepted by learned counsel for the petitioner.

The subsequent order dated 22.02.2024 records that after demarcation the land was found to be 0.28 hectare, which was the actual area to be handed over to the petitioner, and this Court directed the revenue authorities

to break open the locks and hand over the same. The Court expressly recorded that handing over of the said portion would be in full satisfaction of the order passed by this Court with regard to the land.

Thereafter, on 02.04.2024, a compliance report was placed before this Court recording that the lock over the constructed portion had been broken and possession thereof had been handed over to the petitioner. The order records, in express terms, that the petitioner accepted the said position and submitted that it had received the entire portion of the land auctioned to it. The grievance raised at that stage was not regarding the land but regarding certain machinery lying in the constructed area which, according to the petitioner, was not the machinery purchased by it in the auction.

Thus, so far as the direction contained in the order dated 20.10.2011 regarding handing over possession of the land is concerned, the subsequent orders and the proceedings undertaken pursuant thereto indicate substantial compliance. In fact, the petitioner itself acknowledged before this Court on 02.04.2024 that it had received the entire portion of the land auctioned to it. Therefore, the subsequent assertion in the affidavit dated 17.02.2025 that the entire auctioned land has not been handed over cannot be considered in isolation, particularly when the earlier statement of the petitioner recorded by this Court forms part of the judicial record.

The grievance now sought to be projected by the petitioner pertains to the machinery and goods allegedly mentioned in the auction notice. From the record, it appears that, initially, the borrowers had preferred W.P. No.4898/2011 before this Court, challenging the auction proceedings

initiated by the Bank. During the pendency of the said writ petition, the borrowers offered to clear the entire outstanding dues by 05.08.2011. The said offer being in consonance with the provisions of Section 13(8) of the SARFAESI Act, 2002, the parties arrived at a compromise, which was placed before this Court for consideration.

This Court, vide order dated 28.07.2011, after considering the statutory provisions and taking note of the categorical commitment made by the borrower to liquidate the entire outstanding dues, approved the compromise arrived at between the parties and directed the borrower to deposit the entire outstanding amount of Rs.1,05,36,058/- on or before 05.08.2011. It was further directed that, upon deposit of the aforesaid amount in terms of the compromise, the Bank shall not finalize the auction held on 26.07.2011 in respect of the borrower's property.

Thereafter, the borrower, vide communication dated 17.12.2011, took the stand that, pursuant to the issuance of the No Dues Certificate and return of the lease deed, the borrower had sold and transferred the concerned properties in favour of Agricomex Warehousing and Logistic Limited by way of a registered sale deed. It was further stated that the purchaser had thereafter substantially altered the nature of the property by undertaking plotting and had sold various plots to several third parties, in whose favour respective sale deeds had been executed and possession had also been delivered. In such circumstances, the Bank could not have forcibly dispossessed the occupants and was required to adopt the statutory mechanism prescribed under the SARFAESI Act, 2002. Consequently,

proceedings under Section 14 of the SARFAESI Act were initiated before the District Magistrate, Bhind. The said proceedings were subsequently kept in abeyance in view of the interim order passed by the Hon'ble Supreme Court in the pending Special Leave Petition. After dismissal of the said Special Leave Petition, the Bank again took steps for obtaining possession and submitted a fresh application under Section 14 of the SARFAESI Act before the District Magistrate, Bhind. The competent authority took cognizance of the application and proceedings for obtaining possession of the secured property were accordingly initiated. Pursuant to the directions issued by this Court, possession of the property was ultimately handed over to the petitioner on 01.04.2024 after breaking open the lock. Thereafter, the petitioner raised a grievance that the machinery found at the premises was not the same machinery as had been purchased by him in the auction proceedings, alleging that the borrower had, in the meantime, sold or otherwise removed the said machinery. Thus, the petitioner itself had put entire blame on the borrower and not the Bank officials i.e. the present respondent contemnors.

Further, the controversy appears to be essentially with respect to the identity of the machinery lying in the premises. The petitioner claims that the machinery presently lying in the constructed portion is not the plant and machinery purchased by it pursuant to the auction, whereas the Bank has taken the stand that it has no concern with such machinery. These issues involve disputed questions of fact and determination of substantive rights between the parties. Such questions cannot appropriately be adjudicated in

the limited jurisdiction exercised by this Court in contempt proceedings.

It is well settled that contempt jurisdiction is exercised to ensure compliance with the order of the Court and is not intended to adjudicate disputed questions of title, ownership or other substantive civil rights. A finding of contempt, particularly where the alleged disobedience is required to be wilful and deliberate, cannot be founded merely upon the existence of a continuing grievance or upon disputed questions which require examination of evidence.

In the totality of the circumstances, this Court is unable to hold that the respondents are presently guilty of wilful and deliberate disobedience of the order dated 20.10.2011 so as to warrant continuation of the contempt proceedings. The remaining grievances of the petitioner, though capable of being raised in appropriate proceedings, travel beyond the limited scope of contempt jurisdiction and require adjudication by the competent forum on the basis of appropriate pleadings and evidence.

Consequently, the contempt petition is dismissed. However, dismissal of the present contempt petition shall not come in the way of the petitioner availing such remedy as may be available to it in law. The petitioner shall be at liberty to institute an appropriate civil suit or avail any other remedy available in law before the competent Court/forum in respect of its surviving grievances. It is made clear that this Court has not expressed any opinion on the merits of such claims, and the competent Court/forum shall consider the same independently in accordance with law.

With the aforesaid liberty, the contempt petition stands **dismissed.**

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(MILIND RAMESH PHADKE)
JUDGE

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