

S.No.1

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE
ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
30-04-2026 AT 12:10 P.M.**

**CP(IB) No. 97/7/HDB/2018
AND
Cont. A (IBC) 21/2023 in CP(IB) No. 97/7/HDB/2018
u/s. 7 of IBC, 2016**

IN THE MATTER OF:

JM Financial Asset Reconstruction Company Ltd **...Financial Creditor**

AND

Bheema Cements Ltd **...Corporate Debtor**

C O R A M:-

SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

ORDER

Cont. A (IBC) 21/2023

Present: Mr.G.Madhusudhan Rao, Ex. RP & Monitoring Committee Member

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed.

**Sd/-
MEMBER (T)**

**Sd/-
MEMBER (J)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH - I**

**CONTEMPT APPLICATION No.21 of 2023
in
CP (IB) No.97/7/HDB/2018**

Under section 60(5)(C) of the IBC, 2016 read with section 425 of the Companies Act, 2013, section 12 of the Contempt of Courts Act, 1971 and Rule 11 of the NCLT Rules, 2016.

IN THE MATTER OF

**JM Financial Asset Reconstruction Company Ltd
VERUS**

M/s Bheema Cements Ltd

Filed by:

G. Madhusudhan Rao

Ex Resolution Professional &
Monitoring Committee Member
IBBI/ IPA-001/ IP-P00181/ 2017-18/ 10360
Regd Office: 7-1-285. Flat No.103
Sri Sai Swapna Sampada Apts
Balkampet, Hyderabad – 500 038.
Telangana State.

.. Applicant

Versus

**Successful Resolution Applicant for
M/s Bheema Cement
s Ltd**

Through Consortium of
Fortuna Engi. Tech and Structural (India) Pvt Ltd
And its two promoters, viz. (1) Raja Kishore,
(2) Prasanna Sai Raghuv eer Kandula, and
Murgud Vincom Private, represented by

Prasanna Sai Raghuvver Kandula
C/o Bheema Cements Ltd.,
6-3-652/C/A,, Flat No.5A
Kautilya Amrutha Estates, Somajiguda
Hyderabad – 500082.

.. Contemner
Successful Resolution Applicant

Date of Order: 30.04.2026

CORAM:

Shri Rajeev Bhardwaj, Hon'ble Member (Judicial)
Shri Sanjay Puri, Hon'ble Member (Technical)

PARTIES/COUNSELS APPEARANCE:-

For Applicant/Erstwhile RP. : Ms. Mummaneni Vazra Laxmi

For respondent/Contemner/ SRA : Mr. Raghuvver, MD of the company.

For Resolution Professional: Mr.G. Madhusudhan Rao
Ex Resolution Professional &

ORDER

1. This Application is filed by Ex Resolution Professional and Member, Monitoring Committee of M/s Bheema Cements Ltd under section 60(5)(C) of the Insolvency and Bankruptcy Code, 2016 read with section 425 of the Companies Act, 2013, section 12 of the Contempt of Courts Act, 1971 and Rule 11 of the NCLT Rules, 2016, for the following reliefs:

- (1) *Pass an order/s directing the respondents to implement the directions of this Tribunal in IA No.906/ 2023 dated 22.09.2023 immediately.*
 - (2) *Pass an order/s initiating contempt proceeding against the respondent for wilful disobedience of order dated 22.09.2023 IA No.906/ 2023 u/s 425 of the Companies Act, 2013 r/w Section 12 of the Contempt of Courts Act, 1971 and Rule 11 of NCLT Rules.”*
2. On a petition being CP (IB) No.97/7/HDB/2018 filed by JM Financial Asset Reconstruction Company Ltd., secured Financial Creditor, this Tribunal vide order dated 09.07.2018 has admitted M/s Bheema Cements Limited/ Corporate Debtor into Corporate Insolvency Resolution Process (CIRP). Fortuna Engi. Tech and Structural (India) Pvt Ltd and its promoters/ has proposed total payable amount at Rs.212,23,00,000/- and such Resolution Plan has been approved by 21st Meeting of CoC dated 30.10.2019 with 99.53% voting.
3. The applicant submitted that this Tribunal vide order dated 11.02.2020 in IA No.1065 of 2019 in CP (IB) No.97/7/HDB/2018 has approved the said Resolution Plan. As per the said Approved Resolution Plan, the SRA is required to pay implementation expenditure, viz. salaries of security personnel, fee of Chairman, Monitoring Committee, BOE fee, etc. The SRA is neither paying towards said implementation expenditure nor submitting renewed insurance policies.

4. The applicant's reminders did not elicit response of the SRA in paying for the said expenditures. Therefore, the applicant has filed IA No.906 of 2023 for a direction to the SRA to implement the Approved Resolution Plan dated 11.02.2020 and pay for the expenses as referred to above. This Tribunal has disposed of the said IA vide order dated 22.09.2023 with the following directions:
- a) *The Respondent/SRA is hereby directed to resolve issues relating to payment of the salaries/charges of the security staff and pay the same within 15 days from the date of this order.*
 - b) *The first respondent shall file an affidavit duly undertaking, to indemnify the Corporate Debtor, in the event if it sustains any loss on the grounds envisaged in the insurance policy which is not renewed.*
 - c) *The Corporate Debtor shall make payment to MC Chairman of his fee and BOE Fee without prejudice to his right in the legal cases pending at Hon'ble NCLAT and Hon'ble Supreme Court of India."*
5. The applicant, therefore, submitted that notwithstanding e-mail communications sent by the applicant for compliance of the above order of this Tribunal and the e-mail sent by security personnel, the SRA has failed to do the following:
- (i) Failed to execute affidavit duly undertaking to indemnify the Corporate Debtor in the event if it sustains any loss

on the grounds envisaged in the insurance policy, which is not renewed, as directed by this Tribunal in para 6(b) of the above order dated 22.09.2023.

(ii) Failed to pay :

- the dues of the security personnel and Member of the Monitoring Committee.
- BOE fee and OPE of the applicant.

6. The applicant submits that such an action of the SRA in not complying with the order dated 22.09.2023 in IA No.906 of 2023 in CP (IB) No.97/7/HDB/2018 would attract provisions of section 425 of the Companies Act, 2013.

7. In this regard the applicant has relied on the judgment dated 22.11.2021 of the Hon'ble NCLAT in Company Appeal (AT) (Ins) No.945 of 2020 in Shailendra Singh Vs. Nisha Malpani & another. Para 50 thereof reads:

"50. Although Section 5(1) of the I&B Code, 2016 defines 'Adjudicating Authority' for the purpose of Part II (Insolvency Resolution and Liquidation for Corporate Persons Chapter I Preliminary meaning National Company Law Tribunal constituted under Section 408 of the Companies Act, 2013 and further that the BLRC Report coupled with Statement and Objects and Reasons of the IBC Bill 2016 visualise the 'National Company Law Tribunal' to act as 'Adjudicating Authority' for the purpose of matters pertaining to I&B code, as per Section 425 of the Companies Act, 2013. The 'Tribunal' (i.e. NCLT) and the 'Appellate Tribunal' (i.e NCLAT) have the same 'jurisdiction', 'powers' and 'Authority' in respect of contempt of it as the 'High Court' viewed in that perspective, the conclusions arrived at by

the Adjudicating Authority (National Company Law Tribunal) in the impugned order by making it clear that the IBC is devoid of contempt of jurisdiction and thereby dismissing the application, leaving it open to the Appellant/Applicant to seek remedy through recourses available, are clearly unsustainable in the eye of Law and the same is interfered with by this 'Tribunal' in furtherance substantial cause of justice, sitting in 'Appellate Jurisdiction'. Consequently, the Appeal succeeds."

8. The applicant further relied on section 12 of the Contempt of Courts Act, which provides punishment for contemners.
9. As regards representation on behalf of the respondent/ SRA is concerned, on 07.12.2023 Mr. Rahul Kumar, on behalf of SRA/ respondent in this Contempt Application, was present through video conference and Shir G. Madhusudhan Rao, Ex RP was present physically. On that day this Tribunal has recorded the following observations:

" Despite our direction dated 20.11.2023 to file counter within 14 days, counter is not filed. Extension of time sought. Time extended on condition that if counter is not filed within one week from today, opportunity stands forfeited. For hearing, matter is adjourned to 22.12.2023."

10. On 22.12.2023, on behalf of SRA/ respondent in this Contempt Application, Mr. Raghveer, Managing Director was present in person and this Tribunal has **forfeited** opportunity of filing counter with the following observations:

“ According to Mr. Raghuv​eer, Managing Director of the company counter in this Cont. A. 21/ 2023 has been e-filed today. This Tribunal observed that having taken several adjournments at request another extension has been given for filing counter on condition that the same shall be filed within one week from 07.12.2023. Therefore, it is clear from the submissions of Mr. Raghuv​eer, Managing Director of the company the direction of this Tribunal dated 07.12.2023 is not complied with. **Hence for filing counter is forfeited.**”

11. Thereafter, on behalf of the SRA the following documents have been filed:

- On 20.02.2024, on behalf of SRA, Mr. Prasanna Sai Raghuv​eer Kandula has filed Affidavit by which he has undertaken to comply with the directions issued by this Tribunal vide order dated 22.09.2023 within a period of two weeks.
- In furtherance of the said Affidavit dated 20.02.2024, on behalf of the contemner Memo dated 01.04.2024 is filed, whereby the following explanations were offered:
 - (i) It had never been an intention of the SRA not comply with the directions of this Tribunal. It was due to the extreme financial duress as was explained in several application that the SRA had to source its own funds to implement the Resolution Plan.

- (ii) Non restoration of power and non-renewal of mining lease were also the contributing factors.
- (iii) Due to intervention of the Hon'ble NCLAT and the Hon'ble Apex Court the SRA got time till 19.01.2025 to implement the Resolution Plan. Accordingly, the SRA is making efforts.
- (iv) Any adverse order that may be passed by this Tribunal during this period will adversely affect the entire payment schedule and it will affect the Corporate Debtor.
- (v) As a proof of making efforts to make payments as directed by this Tribunal, the SRA has produced copy of Agreement of Sale dated 05.03.2024 (pages 11-13 of this Memo). By the said Agreement to Sell the SRA seeks to dispose of their personal property at a steep discount.
- (vi) The SRA has produced at pages 14-21 copy of order passed by the Hon'ble NCLAT, Chennai in Company Appeal (AT) (CH) (Ins.) No.84 of 2023 and allied matters. In para 5 of this said order the Hon'ble Appellate Tribunal has issued directions with regard to payment. At the same

time Prasanna Sai Raghuvver, representative of SRA has produced Medical Certificate dated Nil at the last page of this Memo, whereby he was advised bed rest. It is therefore, submitted by the contemner that after submission of the affidavit/ undertaking the contemnor fell ill and was restrained from travelling. That had hampered efforts to raise funds.

- The SRA/ contemner by way of Memo dated 15.04.2024 has submitted that:
 - (i) The security personnel on site had outstanding dues for two months, which are cleared vide UTR 1535670075. Payment Summary is enclosed at page 4 of this Memo evidencing that a sum of Rs.7,42,220/- has been paid to Sai Security Services. Thus, the security personnel have no outstanding dues.
 - (ii) As regards due owed to the contractor, negotiations are on with the contractor. The SRA seeks some time to bring a new commercial contract on record.

(iii) Buyers of property are also assuring 25% of total sale consideration by end of this month, by means of which the SRA would be able to meet the obligations.

- AFFIDAVIT dated 15.04.2024 filed on behalf of the SRA is reiteration of what has been stated in Memo dated 15.04.2024, besides the hardships faced by the factory of the Corporate Debtor. It is undertaken on behalf of the SRA to the following effect:

“I submit that I undertake to comply the directions dated 22.09.2023 passed by this Hon’ble Tribunal and make all necessary payments within a period of three weeks.”

- AFFIDAVIT DATED 14.05.2024 filed on behalf of SRA. By this Affidavit, K. Gopal Krishna has tendered apology for not being present when the matter was called out on 08.05.2024. Besides he submits that such absence was neither wilful nor wanton.
- MEMO dated 28.05.2024 filed on behalf of the SRA stating that
No payment is due to security personnel.

As regards payments to be made to security contractor by SRA, a resolution is arrived at between the parties that payment will be made within three months by SRA.

Though e-mail dated 27.05.2024 sent by the contractor to SRA is stated to have been enclosed to this Memo, the same is not found.

- MEMO DATED 15.07.2024, 30.07.2024 & 06.11.2024 FILED BY SRA/RESPONDENT:

The SRA/Respondent filed compliance memos dated 15.07.2024, 30.07.2024, and 06.11.2024, evidencing settlement of dues to the Security Contractor, BOE Technical Consultants, and the *Monitoring* Committee Chairman/Ex-RP, including execution of an MoU and issuance of cheques towards agreed payments. The Security Contractor has confirmed receipt of its entire dues, and settlements have been duly placed on record. It is contended that the directions of this Hon'ble Tribunal stand substantially complied with to the satisfaction of the concerned parties. The alleged delays are attributed to financial constraints despite substantial fund infusion, and not to any wilful disobedience. Relying on the principle laid down in Rama Narang v. Ramesh Narang (AIR 2021 SC 721), it is submitted that the essential ingredients of civil contempt are not made out. Accordingly, it is prayed that the contempt proceedings be dropped and no adverse orders be passed.

12. The applicant/ Ex Resolution Professional & Member of the Monitoring Committee has filed the following documents.

- By MEMO dated 06.05.2024, the applicant has enumerated the dues payable by the SRA as under and sought directions against the SRA for immediate payment:

		Rs.
Security charges, dues	..	97,55,650
MC Chairman fee & OPE dues	..	87,70,940
BOE fee dues	..	07,96,500
TOTAL	..	1,93,23,090

The applicant has produced copies of various e-mail communications sent to the respondent at pages 6 to 37 of this Memo.

- MEMO dated 18.06.2024 FILED BY APPLICANT:
The Applicant contending that the contemner has partly complied with the directions of this Tribunal contained in IA No.906/ 2023 dated 22.09.2023, by settling dues with security personnel. Whereas, huge amount payable by the contemnners to security agency is outstanding. Besides, the contemner has not paid any amount to other service providers and the outstanding dues are Rs.1,77,17,250/-.

- **MEMO DATED 24.04.2025 FILED BY THE APPLICANT.**
The 5th Status Report in respect of M/s. Bheema Cements Limited filed by the Applicant records that, while the dues of the Security Agency and BOE Technical Consultants stood fully settled as of July 2024, substantial defaults persist. As on 31.03.2025, the fees of the Monitoring Committee Chairman remain unpaid for a period of 36 months, aggregating to Rs. 88,56,000 (inclusive of GST). The Applicant submits that the Respondent have failed to comply with the orders of this Authority dated 11th February 2020 and 22nd September 2023, and accordingly seeks urgent directions for payment of the long-outstanding dues.
- **CONVENIENCE NOTE DATED 17.09.2025 FILED BY THE APPLICANT:**
The Applicant further submitted that, while the dues of the Security Agency and BOE Services were fully settled in July 2024, the SRA made only a partial payment of Rs. 10 lakhs towards the Applicant's fees, executed an MoU undertaking to clear all dues by February 2025, and issued cheques which were subsequently withheld from deposit at its instance. The SRA thereafter failed to honour its undertaking, citing freezing of its bank account

and seeking repeated adjournments, without effecting any further payments.

As on date, substantial fees of Rs, 82 lakhs for 41 months and GST @ Rs. 18.36 lakhs for 51 months remain outstanding towards the Applicant, despite payments having been made to other stakeholders, thereby warranting appropriate directions for expeditious payment along with applicable interest.

13. We heard Ms. Mummaneni Vazra Laxmi, Ld. Counsel for the Erstwhile RP, Mr. Raghuvver, MD of the Company and Mr. G. Madhusudhan Rao, Ex-RP and Monitoring Committee Chairman, and perused the records including the status report dated 17.09.2025 filed by the Applicant.

ANALYSIS AND TRIBUNAL'S FINDINGS:

14. The present Contempt Application has been filed alleging wilful *disobedience* of the directions issued by this Tribunal vide order dated 22.09.2023 in IA No.906 of 2023 by the SRA. The limited issue before this Tribunal is whether such non-compliance amounts to *wilful disobedience*.

15. It is undisputed that this Tribunal, by order dated 22.09.2023, directed the SRA to:
 - (i) clear dues of security personnel,
 - (ii) file an indemnity affidavit regarding insurance, and
 - (iii) ensure payment of MC Chairman fee and BOE fee.

16. The Respondent/SRA did not file its counter within the time granted, and its right to do so was forfeited. However, subsequent affidavits and compliance memos filed by the SRA have been considered.

17. The record shows that the SRA has partly complied with the directions. The dues of the security personnel and the Security Contractor have been settled by July 2024. Similarly, the payments to BOE Technical Consultants have also been made. These facts are not seriously disputed by the Applicant in the later status reports and convenience note.

18. However, substantial dues of the Monitoring Committee Chairman/Ex-RP remain unpaid for a long period. Although the SRA made a partial payment of Rs.10 lakhs and executed an MoU to clear the balance by February 2025, the same has not been honoured. The issuance of cheques followed by instructions not to deposit the same also raises serious concerns regarding the bona fides of the SRA.

19. The SRA has stated that the delay was due to financial difficulties, operational issues, and pending proceedings before higher courts. It is contended that the delay is not intentional but attributable to circumstances beyond control and claimed that there was no intention to disobey the orders.
20. It is settled law that contempt requires *wilful and deliberate disobedience*. Mere delay or inability to pay does not automatically amount to contempt. In the present case, the SRA has made some payments and has taken steps towards compliance, though delayed. This indicates that there is no complete disregard of the Tribunal's order. At the same time, the repeated delays, unfulfilled undertakings, and non-payment of significant dues show lack of seriousness in complying with the orders.
21. The reliance placed by the Applicant on the judgment of the Hon'ble NCLAT affirming the contempt jurisdiction of this Tribunal is well founded. This Tribunal has the power to initiate contempt proceedings under Section 425 of the Companies Act, 2013. However, such power must be used only in cases of clear and intentional disobedience. In the present case, we are of the view that although there is delay and partial non-compliance in respect of payment of Monitoring Committee Chairman's fee, *wilful disobedience is not clearly*

established warranting invocation of contempt jurisdiction at this stage. The appropriate remedy available to the Applicant is to seek recovery of the said amount is filing Execution Petition.

22. In view of the above, the present Application lacks merit and is liable to be dismissed. Accordingly, the Interlocutory Application stands dismissed.

SD/-

**(SANJAY PURI)
MEMBER (TECHNICAL)**

SD/-

**(RAJEEV BHARDWAJ)
MEMBER (JUDICIAL)**