IN THE NATIONAL COMPANY LAW TRIBUNAL
DIVISION BENCH (COURT– I) CHENNAI

ATTENDANCE CUM ORDER SHEET OF THE HEARING
HELD ON **01.09.2026** THROUGH VIDEO CONFERENCING

PRESENT: **HON'BLE SHRI. SANJIV JAIN, MEMBER (JUDICIAL)**
HON'BLE SHRI. VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

IN THE MATTER OF **:** State Bank of India
Vs
Sri Maharaja Oil Imports & Exports Ind Pvt Ltd

MAIN PETITION NUMBER **:** CP/531/2017

(IA/MA) APPLICATION NUMBERS

Cont.A(IBC)/4(CHE)/2025

ORDER

Present: Ld. Counsel Shri. Mohammad Umar for the Applicant / Liquidator.

Ld. Counsel Ms. Pravartha for the suspended Director.

Vide separate order pronounced in Open Court, application is dismissed.

File be consigned to records.

Sd/-

(VENKATARAMAN SUBRAMANIAM)
MEMBER (TECHNICAL)

Sd/-

(SANJIV JAIN)
MEMBER (JUDICIAL)

MG

Date: 01.09.2026

IN THE NATIONAL COMPANY LAW TRIBUNAL, DIVISION BENCH – I, CHENNAI

In the matter of
Sri Maharaja Oil Imports & Exports India (P) Ltd.

Cont.P. 4 of 2025

In

CA/35/2017

In

CP(IB)/531(Che)/2017

(filed under Section 425 of Companies Act 2013, r/w Section 2(B) of Contempt of Courts Act 1971 and Rule 11 of the National Company Law Tribunal Rules, 2016)

R. Raghavendran,
Liquidator of
Sri Maharaja Oil Imports and Exports India Pvt Ltd.,
Flat No 3, Dhurvatara Apartments ,
241, Rajendra Prasad Road,
Tatabad
Coimbatore - 641012. ... Liquidator /Applicant

Vs

K.Paramasivam,
Suspended Managing Director
Sri Maharaja Oil Imports and Exports India Pvt Ltd.
No.4/117, West Pullipampalayam,
Chittampalayam Village, Venkitapuram Post.
Palladam Taluk
Tiruppur District- 641664

... Respondent/ Contemnor

Order pronounced on 1st September, 2026

CORAM :

SANJIV JAIN, MEMBER (JUDICIAL)
VENKATARAMAN SUBRAMANIAM, MEMBER (TECHNICAL)

For Liquidator : B.Dhanraj , Advocate
For Suspended Managing Director : P.J. Sri Ganesh,Advocate

O R D E R

1. This Contempt Petition has been filed by the liquidator against Mr. K. Paramasivam, suspended Managing Director of the Corporate Debtor seeking the following reliefs:

a) Declare that the Respondent / Suspended Managing Director of the Corporate Debtor, is guilty of Civil Contempt of Court;

b) Award an Order to be enforced against the Respondent / Suspended Managing Director of the Corporate Debtor, in terms of the Contempt of Courts Act 1971;

c) Pass such further or other orders as may be deemed fit and proper in the facts and circumstances of the case and thus render justice.

2. It is stated that the Company Petition CP**/531/(lB)/CB/20l7** was filed by the Financial Creditor, State Bank of India against the Corporate Debtor *Sri Maharaja Oil Imports and Exports India (P) Ltd*., for initiation of Corporate Insolvency Resolution Process (CIRP) . It is stated that the petition came to be admitted by this tribunal vide an order dated 04.08.2017 and this Applicant was appointed as the Interim Resolution

Professional. Subsequently, this Applicant became the Resolution Professional as resolved during the First CoC Meeting held on 07.09.2017 by the Sole CoC Member, State Bank of India.

3. It is stated that during the 5th CoC meeting dated 28.11.2017, as there were no Resolution Plans received for the Corporate Debtor and that there were no business operations before the CIRP commencement as well as during the CIRP period, a resolution to liquidate the Corporate Debtor came to be passed. The Application in **CA/58/IB/2018** filed for liquidation of the Corporate Debtor was allowed by an order of this Adjudicating Authority dated **09.02.2018** {Annexure II(l)}, by virtue of which order this Applicant was appointed as the Liquidator of the Corporate Debtor.

4. It is stated that the Applicant preferred **CA/35/IB/2017** under Secs.25(2)(j)) and 66(2) IBC as regards Related Party transactions for recovery of Rs.81,54,95,414.63 amidst other transactions.

5. Submissions by Petitioner

5.1. It is stated that on **24.01.2025**, the final order {Annexure II(2)} was passed by the Tribunal in the Application in **CA/35/2017** and the same

order was subsequently corrected on **31.01.2025** {Annexure II(3)). The Order in CA/35/2017 directed the Respondent / Suspended Managing Director of the CD **to pay a sum of Rs.12,20,99,683/-** {Rupees Twelve Crores twenty lakhs ninety nine thousand six hundred and eighty three Only) towards his contribution to the liquidation estate within 45 days from the date of the Order, i.e., by **10.03.2025**. The extract of the order is produced for an immediate reference:

> *"The Respondent, Mr. K .Paramasivam is directed to pay a sum of Rs. 12,20,99,683 (Rupees Twelve Crores Twenty Lakhs Ninety Nine Thousand Six Hundred and Eighty Three Only) with respect to Related party Transactions within a period of 45 days from the date of this Order."*

5.2. It is stated that the respondent K. Paramasivam did not make the payment of Rs.12.21 crore despite being reminded by the applicant. It is stated that respondent preferred an appeal against the tribunal's order before Hon'ble NCLAT. The applicant states that the appeal was neither numbered nor any stay was granted by Hon'ble NCLAT.

5.3. It is stated that the Applicant was constrained to issue Notice for Civil Contempt dated 13.03.2025, by both Email and Speed Post, which were

received and acknowledged on behalf of the respondent on 15.03.2025. Copy of Contempt Notice with Proof of Delivery are together produced herewith as Annexure II (5). It is stated that the Respondent issued a Reply Letter on 26.03.2025{Annexure II (6)}, which was received at the Applicant's Counsel's Office on 28.03.2025. The Reply referred to the Company Appeal having been filed by him on 08.03.2025 against the final Order and that the same was pending scrutiny, thereby seeking to await the outcome of the Company Appeal, while denying and refuting the contents of the Contempt Notice.

5.4. It is stated that mere filing of a Company Appeal before the Hon'ble National Company Law Appellate Tribunal, Chennai, does not prevent this Applicant from preferring an Application for Contempt against the Respondent. The possibility that the Appeal was filed only to protract the proceedings and the Order Compliance could not be ruled out, especially when the Appeal did not seem to have been listed for more than a month.

5.5. It is stated that the Respondent continued to act in complete disregard and disrespect to the Tribunal's Order and his misconduct by failing to

cooperate and / or comply with the Tribunals' Orders amounts to interference with the administration of justice. The Respondent wilfully contributed to negligence and deliberately violated the Order of the NCLT and volunteered to cause and commit Civil Contempt. The sequence of events till date confirms that he had taken for granted the Applicant's request as well as the Final Order dated 24.01.2025 read with Addendum to Final Order dated 31.01.2025 passed by the NCLT, Chennai Bench.

5.6. It is stated that the Respondent is guilty of Contempt and is liable to be prosecuted in terms of the Contempt of Courts Act 1971. Hence, the Contempt Application has been filed by this Applicant seeking the intervention of this Tribunal to exercise its powers under the provisions of the Contempt of Courts Act 1971 against the Respondent Contemnor.

6. Reply by Respondent

6.1. It is stated that the Contempt Petition has been filed for the alleged violation of the order passed by this tribunal in IA No. 35 of 2017. By virtue of the order passed by the tribunal in IA No. 35 of 2017 dated 24.01.2025 read with the order dated 31.01.2025, the Respondent was directed to remit a sum of Rs. 12,20,99,683/- within a period of 45 days from the date of the order.

6.2. It is stated that respondent preferred an Appeal against the order dated 24.01.2025 read with order dated 31.01.2025 as early as 22.02.2025. Thereafter the Appeal was numbered as **CA (AT) (insolvency) No. 216 of 2025**. The appeal was listed for hearing on 24.04.2025. The Hon'ble NCLAT vide its order dated 29.04.2025 ordered notice to the liquidator/contempt petitioner returnable by 08.07.2025.

6.3. It is stated that the Order dated 24.01.2025 read with 31.01.2025 has been challenged before Hon'ble NCLAT and the same is pending for adjudication. It is stated that order dated 24.01.2025 amended on 31.01.2025 *has not attained finality* and *is subject to the adjudication of Hon'ble*

NCLAT. It is further stated that the Contempt Petition is not maintainable on account of filing of the appeal and pendency of the appeal before the Hon'ble NCLAT.

6.4. It is stated that the Contempt Petition is not maintainable, since the Contempt Petitioner has the remedy of filing an execution petition before the NCLT to execute the order dated 24.01.2025 read with 31.01.2025. Since alternative and effective remedy is available to the Petitioner/Liquidator, the Contempt Petition is not maintainable especially when the Respondent has neither given an undertaking / filed an affidavit before this Tribunal nor has violated the same. In the absence of any such undertaking and violation of undertaking, the present Petition is not maintainable.

6.5. Without prejudice, it is submitted that the present petition is not maintainable since there is no wilful disobedience on the part of the Respondent to comply with the order dated 24.01.2025 read with 31.01.2025. The Respondent is 82 years old and has no assets in his name nor has any other source of income. It is stated that without prejudice to

his right, that even if he were to comply with order dated 24.01.2025 read with 31.01.2025, the Respondent would not be in a position to comply with the order on account of the fact that he has no asset or income to make a such large payment. Therefore, the present case is a case where the Respondent is unable to comply with the order dated 24.01.2025 read with 31.01.2025 for reasons beyond his control. Needless to state, the Respondent filed an appeal and the same is pending for consideration.

6.6. It is stated that the Respondent has always been compliant with the orders passed by any Court/Tribunal in the past. The Respondent has the highest respect and regards for Hon'ble Courts and Tribunals in India. The Respondent has no intention to wilfully disobey the orders passed by this Tribunal. However, it is only on the account of his present financial position it became impossible to comply to the orders of the tribunal. It is stated that the Respondent places on record his unconditional and unqualified apology to this Tribunal.

7. Analysis and findings

7.1. Heard the submissions of the parties and perused pleadings and documents placed on record.

7.2. It is observed that liquidator preferred an avoidance application against the suspended director in **CA/35/IB/2017** under Sections.25(2)(j) and 66(2) of IBC in respect of Related Party transactions and other transactions for Rs.81,54,95,414.63 . On **24.01.2025**, the order was passed by the Tribunal in the Application in CA/35/2017 which was corrected on **31.01.2025** to rectify some clerical errors. The Order directed the Respondent / Suspended Managing Director of the CD to **pay a sum of Rs.12,20,99,683/-** {Rupees Twelve Crores twenty lakhs ninety nine thousand six hundred and eighty three Only) towards his contribution to the liquidation estate within 45 days from the date of the Order, i.e., by 10.03.2025. The extract of the order is produced for reference:

> *"The Respondent, Mr. K .Paramasivam is directed to pay a sum of Rs. 12,20,99,683 (Rupees Twelve Crores Twenty Lakhs Ninety Nine Thousand Six Hundred and Eighty Three Only) with respect to Related party Transactions within a period of 45 days from the date of this Order."*

7.3. The respondent Mr. K. Paramasivam did not make the payment of Rs.12.21 crore, despite being reminded by the applicant. The respondent preferred an appeal against the said order before Hon'ble NCLAT which was neither admitted nor numbered. Hence, applicant issued notice of Civil Contempt on 13.03.2025 and filed the present Contempt Application.

7.4. Respondent has stated that he preferred an appeal against the tribunal's order dated 24.01.2025 before Hon'ble NCLAT as early as 22.02.2025 and the Appeal was numbered as *CA (AT) (insolvency) No. 216 of 2025.* Because of the appeal preferred, order dated 24.01.2025 has not attained finality and hence contempt petition is not maintainable. Further respondent stated that when an alternative remedy by way of Execution Petition was available to the applicant liquidator, filing of contempt application is not maintainable.

7.5. It is stated by the respondent that there is no wilful disobedience on his part to comply with the tribunal's order dated 24.01.2025. The Respondent is 82 years old and has no assets in his name nor has any other

source of income. Due to the current financial situation, respondent is not in a position to comply with the order of the tribunal and he tenders an unconditional and unqualified apology to the tribunal.

7.6. From the pleadings and submissions, the issues to be decided by the tribunal are:

i) Whether the acts of respondent amount to civil contempt vis-a- vis the tribunal's order dated 24.01.2025?

ii) Whether the applicant can file a contempt application when he has the alternative remedy of execution petition?

7.7. Applicability of Contempt proceedings

i) Before proceeding further, let us see the legal provisions relating to **Contempt.**

ii) Section 2 of Contempt Act 1971 is reproduced below:

In this Act, unless the context otherwise requires,-

(a) "contempt of court" means civil contempt or criminal contempt;

***(b) "civil contempt"** means wilful disobedience to any judgment, decree, direction, order, writ or other process of a court or wilful breach of an undertaking given to a court;*

iii) The key ingredient of *civil contempt* as defined under Section 2(b) of the Contempt of Courts Act, 1971 is deliberate flouting of orders of this Authority. The element of willingness is an indispensable requirement to bring home the charge of civil contempt within the Contempt of Courts Act.

iv) It has been held by the Hon'ble Supreme Court in ***Indian Airports Employees' Union versus Ranjan Chatterjee*** *(1999)2 SCC 537* as under:

> *7. It is well settled that disobedience of orders of Court, in order to amount to 'Civil Contempt under Section 2(b) of the Contempt of Courts' Act, 1971 must be 'wilful' and proof of mere disobedience is not sufficient. S.S. Roy v. State of Orissa and Ors. AIR 1960 SC 190. Where there is no deliberate flouting of the orders of the Court but a mere misinterpretation of the executive instructions, it would not be a case of Civil Contempt Ashok Kumar Singh and Ors. Vs. State of Bihar and Ors. 1992 CriLJ284*

v) In **Hukum Chand Deswal v. Satish Raj Deswal,** *(2021) 13 SCC 166)* Hon'ble Supreme Court held as under:

> *"20. At the outset, we must advert to the contours delineated by this Court for initiating civil contempt action in Ram Kishan v. Tarun Bajaj [Ram Kishan v. Tarun Bajaj, (2014) 16 SCC 204: (2015) 3 SCC. (L&S) 311]. In*

paras 11, 12 and 15 of the reported decision, this Court noted thus: (SCC pp. 209-11)

> *11. The contempt jurisdiction conferred on to the law courts power to punish an offender for his wilful disobedience / contumacious conduct obstruction to the majesty of law, for the reason that respect and authority commanded by the courts of law are the greatest guarantee to an ordinary citizen that his rights shall be protected and the entire democratic fabric of the society will crumble down if the respect of the judiciary is undermined. Undoubtedly, the contempt jurisdiction is a powerful weapon in the hands of the courts of law but that by itself operates as a string of caution and unless, thus, otherwise satisfied beyond reasonable doubt, it would neither be fair nor reasonable for the law courts to exercise jurisdiction under the Act. The proceedings are quasi-criminal in nature, and therefore, standard of proof required in these proceedings is beyond all reasonable doubt. It would rather be hazardous to impose sentence for contempt on the authorities in exercise of the contempt jurisdiction on mere probabilities.....*
>
> *12. Thus, in order to punish a contemnor, it has to be established that disobedience of the order is "wilful". The word "wilful" introduces a mental element and hence, requires looking into the mind of a person/contemnor by gauging his actions, which is an indication of one's state of mind. "Wilful" means knowingly*

intentional, conscious, calculated and deliberate with full knowledge of consequences flowing therefrom. It excludes casual, accidental, bona fide or unintentional acts or genuine inability. Wilful acts does not encompass involuntarily or negligent actions. The act has to be done with a "bad purpose or without justifiable excuse or stubbornly, obstinately or perversely". Wilful act is to be distinguished from an act done carelessly, thoughtlessly, heedlessly or inadvertently. It does not include any act done negligently or involuntarily. The deliberate conduct of a person means that he knows what he is doing and intends to do the same. Therefore, there has to be a calculated action with evil motive on his part. Even if there is a disobedience of an order, but such disobedience is the result of some compelling circumstances under which it was not possible for the contemnor to comply with the order, the contemnor cannot be punished. "Committal or sequestration will not be ordered unless contempt involves a degree of default or misconduct."

15. It is well-settled principle of law that if two interpretations are possible, and if the action is not contumacious, a contempt proceeding would not be maintainable. The effect and purport of the order is to be taken into consideration and the same must be read in its entirety. Therefore, the element of willingness is an indispensable requirement to bring home the charge within the meaning of the Act.

vi) In Niaz Mohd. v. State of Haryana, (1994) 6 SCC 332 the Hon'ble Supreme Court extensively discussed the nature and scope of civil contempt. The relevant paragraph of the judgment is as follows:

> *"9. Section 2(b) of the Contempt of Courts Act, 1971 (hereinafter referred to as „the Act") defines "civil contempt" to mean "wilful disobedience to any judgment, decree, direction, order, writ or other process of a court ...". Where the contempt consists in failure to comply with or carry out an order of a court made in favour of a party, it is a civil contempt. The person or persons in whose favour such order or direction has been made can move the court for initiating proceeding for contempt against the alleged contemner, with a view to enforce the right flowing from the order or direction in question. But such a proceeding is not like an execution proceeding under Code of Civil Procedure. The party in whose favour an order has been passed, is entitled to the benefit of such order. The court while considering the issue as to whether the alleged contemner should be punished for not having complied with and carried out the direction of the court, has to take into consideration all facts and circumstances of a particular case. That is why the framers of the Act while defining civil contempt, have said that it must be wilful disobedience to any judgment, decree, direction, order, writ or other process of a court. Before a contemner is punished for non-compliance of the direction of a court, the court must not only be satisfied about the disobedience of any judgment, decree,*

direction or writ but should also be satisfied that such disobedience was wilful and intentional. The civil court while executing a decree against the judgment-debtor is not concerned and bothered whether the disobedience to any judgment, or decree, was wilful. Once a decree has been passed it is the duty of the court to execute the decree whatever may be consequence thereof. But while examining the grievance of the person who has invoked the jurisdiction of the court to initiate the proceeding for contempt for disobedience of its order, before any such contemner is held guilty and punished, the court has to record a finding that such disobedience was wilful and intentional. If from the circumstances of a particular case, brought to the notice of the court, the court is satisfied that although there has been a disobedience but such disobedience is the result of some compelling circumstances under which it was not possible for the contemner to comply with the order, the court may not punish the alleged contemner."

vii) From the above legal provisions, it is seen that for proceeding under civil contempt, wilful disobedience of the contemnor of the judgement or order must be proved. In the present case, respondent has filed an appeal before Hon'ble NCLAT against the tribunal's order dated 24.01.2025 and the matter is sub judice. Further the respondent in his counter has pleaded that he has greatest respect to the tribunal and he could not pay because

of the appeal and his financial position. In these circumstances, there is no proof to substantiate that the acts of respondent are wilful / intentional disobedience of the tribunal order.

viii) Hence the issue number 1 as to '*Whether the acts of respondent amount to civil contempt vis a vis the tribunal's order dated 24.01.2025*' is decided in favour of respondent. No civil contempt is proved.

7.8. Regarding non exhausting of alternative remedy of execution petition

a) In ***Chaduranga Kanthraj Urs and others vs P Ravikumar and others***: *2024 Live Law (SC) 971* in the judgment authored by Justice Aravind Kumar, it is stated that:

> *"The weapon of contempt will not be used for execution of the decree or implementation of an order for which alternative remedy in law is provided for. The paramount consideration is given to maintain court's dignity and majesty of law. In Sudhir Vasudeva Vs. George Ravishekeran, this Court has observed that a Court exercising jurisdiction under the Contempt of Courts Act, 1971 must not travel beyond the four corners of the orders in relation to which contempt has been alleged.*

That the Court hearing a contempt petition ought to restrict the scope of its enquiry to such directions which are explicit in the judgment or orders of which contempt has been alleged."

b) In **R.N. Dey And Others vs Bhagyabati Pramanik & Others** *(2000) 4 SCC 400,* Hon'ble Supreme Court held as under:

We may reiterate that weapon of contempt is not to be used in abundance or misused. Normally, it cannot be used for execution of the decree or implementation of an order for which alternative remedy in law is provided for. Discretion given to the Court is to be exercised for maintenance of Courts dignity and majesty of law. Further, an aggrieved party has no right to insist that Court should exercise such jurisdiction as contempt is between a contemnor and the Court. It is true that in the present case, the High Court has kept the matter pending and has ordered that it should be heard along with the First Appeal. But, at the same time, it is to be noticed that under the coercion of contempt proceeding, appellants cannot be directed to pay the compensation amount which they are disputing by asserting that claimants were not the owners of the property in question and that decree was obtained by suppressing the material fact and by fraud. Even presuming that claimants are entitled to recover the amount of compensation as awarded by the trial court as no stay order is granted by the High Court, at the most they are entitled to recover the same by executing the said award wherein the State can or may contend that the

award is nullity. In such a situation, as there was no wilful or deliberate disobedience of the order, the initiation of contempt proceedings was wholly unjustified.

Further, the decree-holder, who does not take steps to execute the decree in accordance with the procedure prescribed by law, should not be encouraged to invoke contempt jurisdiction of the court for non-satisfaction of the money decree. In land acquisition cases when a decree is passed the State is in the position of a judgment debtor and hence the court should not normally lend help to a party who refuses to take legally provided steps for executing the decree. At any rate, the court should be slow to haul up officers of the Government for contempt for non-satisfaction of such money decree.

c) From the above judicial pronouncements, it is observed that execution and contempt are the complementary legal remedies, each serving distinct yet occasionally overlapping purposes in the enforcement of decrees. While execution remains the primary and statutory right of a decree-holder, contempt is a discretionary power vested in the court. It is typically invoked when there is wilful conscious and deliberate disobedience of a court's order direction or undertaking. Various courts

have consistently maintained that contempt should not be used as a shortcut to bypass execution proceedings.

d) In the present case, applicant has not exhausted the option of filing Execution Petition, before filing the Contempt Petition. No satisfactory explanation has been given by the applicant as to why contempt application was filed without filing execution petition**. In this count also, the contempt application filed is not maintainable.**

7.9. From the above analysis, we find that the civil contempt petition filed by the applicant is not maintainable. The same is dismissed.

-Sd-
VENKATARAMAN SUBRAMANIAM
MEMBER (TECHNICAL)

-Sd-
SANJIV JAIN
MEMBER (JUDICIAL)