

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**

*[Through Physical hearing/VC Mode (Hybrid)]*

**ITEM No.18**

**Cont. Application (IBC) 03/2025,  
IA (IBC) 805/2025 in  
C.P. (IB) No. 215/BB/ 2019**

**IN THE MATTER OF:**

M/s. Reddarow Communications ... Petitioner

Vs.

M/s. Veracious Builders & Developers Pvt. Ltd. ... Respondent

**Petition under Section 9 of IBC, 2016**

**Order delivered on: 07.10.2025**

**CORAM:**

**SHRI SUNIL KUMAR AGGARWAL  
HON'BLE MEMBER (JUDICIAL)**

**SHRI RADHAKRISHNA SREEPADA  
HON'BLE MEMBER (TECHNICAL)**

**PRESENT:**

For the Applicant in  
Cont. Appln. : Shri Suchint Krishna

For the Respondent : Shri Siddarth Samir

**ORDER**

**Cont. Application (IBC) 03/2025**

1. This application has been filed by Liquidator against the suspended Directors of Corporate Debtor for non-compliance of order dated 14.12.2023 whereby they were required to deposit/contribute about Rs.13 crore in the liquidation account.
2. The Respondents are stated to have filed an Appeal against the said order but that has hardly been listed in the last more than 1½ years. It is informed that it is coming up before Hon'ble NCLAT on 14.10.2025. Obviously there is no interim order in favour of Respondents/Applicants.

3. **Vide separate order the Contempt Application No.03/2025 has been dismissed** leaving the liquidator at liberty to file Execution petition.

**IA (IBC) 805/2025**

1. This application seeks extension of liquidation period by 06 months from 08.09.2025.
2. Heard the Applicant.
3. The liquidation had commenced on 17.01.2020. There are no assets of corporate debtor left to be realized, nor any funds stated to be available in the liquidation account for distribution. Liquidation is just continuing to pursue the order passed in the PUFEE application.
4. Instead of clinging to the matter, Liquidator to consider moving for dissolution of corporate debtor by keeping the liquidation account open. In this background, **liquidation period is extended for two (02) months from 08.09.2025. Accordingly, IA (IBC) 805/2025 disposed of.**

**List the main C.P on 12.11.2025.**

**-Sd-  
RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd-  
SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**

**IN THE NATIONAL COMPANY LAW TRIBUNAL, BENGALURU BENCH**  
*(Exercising powers of Adjudicating Authority under  
The Insolvency and Bankruptcy Code, 2016)*

**Contempt Application No. 03/2025**

in

**C.P. (IB) No. 215/BB/2019**

*(Application U/s. 425 of the Companies Act, 2013 and Contempt of Court Act, 1971  
R/w Rule 11 of National Company Law Tribunal Rules, 2016.)*

**IN THE MATTER OF:**

**Veracious Builders and Developers Private Limited**

*Represented by its Liquidator,*

**Ms. Shirley Mathew**

Office at: No. 31, Wheeler Road Extension,  
St. Thomas Town, Bangalore- 560084.

...Applicant

**Versus**

**1. Mr. Kaluvoy Sreenivasulu Reddy**

G-03, Ground Floor, Laa Royal  
Manor, 11<sup>th</sup> Main, 11<sup>th</sup> Cross,  
HAL 2<sup>nd</sup> Stage, Indiranagar,  
Bengaluru- 560038.

...Respondent No. 1

**2. Mrs. Kaluvoy Madhavi**

Wife of Mr. Kaluvoy Sreenivasulu Reddy  
G-03, Ground Floor, Laa Royal  
Manor, 11<sup>th</sup> Main, 11<sup>th</sup> Cross,  
HAL 2<sup>nd</sup> Stage, Indiranagar,  
Bengaluru- 560038.

...Respondent No. 2

**IN THE DECIDED MATTER OF:**

**Reddarow Communications**

...Petitioner/Operational Creditor

*Versus*

**Veracious Builders and Developers Private Limited**

...Respondent/Corporate Debtor

**Order Delivered: 07.10.2025**

**Coram:**

1. Shri Sunil Kumar Aggarwal, Hon'ble Member (Judicial)

2. Shri Radhakrishna Sreepada, Hon'ble Member (Technical)

## ORDER

1. The Present Application by Ms. Shirley Mathew (hereinafter referred to as '*Applicant/ Liquidator*') liquidator of Veracious Builders and Developers Private Limited (hereinafter referred to as '*the Corporate Debtor*') on 29.03.2025 seeking initiation of contempt proceedings against the Respondents for disobedience of Order dated 14.12.2023 passed under Section 66 by this Authority in I.A. No. 302/2022.
2. The relevant facts of the case, in brief, are mentioned below:
  - i. The Corporate Debtor is a company incorporated under the provisions of the Companies Act, 2013; and was involved in the business of *inter-alia*, real estate development. The Respondents are Promoters and members of the suspended Board of Directors of the Corporate Debtor. As the Corporate Debtor was unable to pay its debts, a petition came to be filed against it under Section 9 of the IBC which was admitted on 30.07.2019.
  - ii. Liquidation order of the Corporate Debtor was passed on 17.01.2020 in terms of Section 33(2) of the Code, and the Applicant being its Resolution Professional was also appointed as the Liquidator.
  - iii. The Liquidator had filed PUF E IA 302 of 2020 against the respondents that was allowed on 14.12.2023 and the Respondents were directed to jointly and severally make payment of **Rs.13,21,92,691/-** (*Rupees Thirteen Crore Twenty-One Lakh Ninety-Two Thousand Six Hundred Ninety-One only*) to the assets / liquidation account of the Corporate Debtor.
  - iv. The Applicant had asked the respondents to comply with order through email dated 18.12.2023. A further notice dated 28.12.2023, Annexure B, was also served on the Respondents.
  - v. The Respondents instead served a copy of an appeal filed before Hon'ble NCLAT vide diary number 9805111008452024 purportedly challenging the order dated 14.12.2023, on the applicant. However, the appeal does not seem to have been numbered as certain defects pointed by the Registry of NCLAT have not been rectified by the Respondents due to which it never came up before the Hon'ble NCLAT and no notice has been issued to her. It is further submitted

that the appeal filed by the Respondents is frivolous and is a delay tactic to avoid making payment and that there is no stay on the operation of the order.

- vi. The Applicant further submits that the Respondents are aware of the order and have no excuse for non-compliance. Their refusal to comply with the order is illegal and amounts to wilful disobedience of the order of this Tribunal. It is settled law that once a direction is issued by a competent Court, it has to be obeyed and implemented.
  - vii. Section 19 of the Contempt of Courts Act, defines “civil contempt” as 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. Further, Section 425 of the Companies Act, 2013 confers the power on this to punish for contempt. Hence, this Application.
3. The Respondent No.1 & Respondent No. 2 have filed objections dated 22.07.2025 contending that:
- i. they have preferred an Appeal against the order dated 14.12.2023 passed in the above application, being Company Appeal (AT) (Insolvency) No. 85 of 2025, before the Hon'ble National Company Law Appellate Tribunal, Chennai Bench, which is currently pending adjudication.
  - ii. That no contempt can be imputed merely on account of non-compliance with a contested order, particularly when the matter is sub-judice before the Hon'ble Appellate Tribunal. It is well established that the sine qua non for invocation of contempt jurisdiction under Section 2(b) of the Contempt of Courts Act, 1971 is the existence of a wilful and deliberate disobedience of a direction of a court of law. The Respondents submit that there is neither any wilful disobedience nor any intention to undermine the authority of this Tribunal. On the contrary, the Respondents have acted bona fide in exercising their statutory right of appeal.
  - iii. It is further submitted that while this Tribunal is indeed empowered to exercise contempt jurisdiction in view of Section 425 of the Companies Act, 2013, which confers upon it the same powers as a High Court in respect of contempt, such jurisdiction must be exercised with circumspection and only in cases where a clear case of wilful and contumacious disobedience is made out. In the absence of such finding, the present application is wholly misconceived and an

abuse of the process of law. Accordingly, the Application deserves to be dismissed *in limine*.

- iv. Further, it is submitted that the present proceedings are misconceived insofar as what the Applicant is actually attempting to do is seeking execution of the aforesaid order dated 14.12.2023 in the guise of initiating contempt proceedings while it is settled law that contempt proceedings are not a substitute for execution, and that an order capable of execution ought not to be the subject matter of an application under the Contempt of Courts Act, 1971.
- v. The Present Application was filed on 06.02.2025, the Applicant claims that the Respondent is in contempt of the order dated 14.12.2023. In this regard, section 20 of the Contempt of Courts Act, 1971, is relevant:

*“20. Limitation for actions for contempt. - No court shall initiate any proceedings of contempt, either on its own motion or otherwise, after the expiry of a period of one year from the date on which the contempt is alleged to have been committed.”*

In accordance with Section 20 of the Contempt of Courts Act, 1971, the present application is barred by limitation as it has been filed more than a year after the Petitioner sent the notice. The provision of section 20 of the Contempt of Courts Act, 1971, is mandatory and not just directory.

4. The Respondents have relied on the following citations, filed with their written submissions dated 14.08.2025:

- *S. Tirupathi Rao v. M. Lingamaiah, 2024 SCC OnLine SC 1764*
- *Chief Judicial Magistrate, Wardha v. U.B. Dhande, 1983 SCC OnLine Bom 224*
- *Earth Designers and Developers Pvt. Ltd. v. M.K. Patil 2003 SCC Online Bom 388*
- *Ram Kishan v. Tarun Bajaj (2014) 16 SCC 204*
- *Om Prakash Jaiswal v. D.K. Mittal 2000 3 SCC 171*
- *Kapildeo Prasad Sah v. State of Bihar (1999) 7 SCC 569*
- *R.N. Dey v. Bhagyabati Pramanik 2000 4 SCC 400*
- *Kanwar Singh Saini v. High Court of Delhi 2012 4 SCC 307*
- *Chaduranga Kanthraj URS v. P. Ravi Kumar 2024 SCC Online SC 3681*

5. We have heard the learned Counsels for the Parties and carefully perused the pleadings & other material produced.

6. In crux of Order dated 14.12.2023 is reproduced below:

*“Therefore, this Tribunal is of the considered opinion that the Respondent are jointly and severally liable to make a total reimbursement/payment of an amount of Rs. 13,21,92,691/- to the Liquidation account of the corporate debtor.”*

7. It appears that a belated appeal has been preferred against the order before Hon'ble NCLAT, Chennai, being Company Appeal (AT) (Insolvency) No. 85 of 2025, but there is no stay of the operation of order. The respondents thus are under an obligation to comply with the same.
8. So far as the question, whether contempt proceedings or an Execution petition should have been taken by the RP as first recourse, is concerned, given that the direction to contribute to the respondents has all the features of a money decree, reference may be made to ***Kapildeo Prasad Sah & Ors. versus State of Bihar & Ors. (1999)7 SCC 569*** wherein it was observed that the disobedience should be wilful and should be clear violation of court's order with the knowledge of contemnor. The Judgement also records that initiation of contempt proceeding is not a substitute for execution proceedings though at times purpose may also be achieved. Further in ***Chaduranga Kanthrai Urs v. P. Ravi Kumar 2024 SCC OnLine SC***, the proposition was reiterated as under:

*“1.11. 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 v. 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“*

9. It is not that resort to contempt action cannot at all be taken but in most of the cases it should not be the first recourse. Where a party has an alternative efficacious remedy available in law for execution of an order or decree, initiation of contempt proceedings appears premature.
10. It is further noted that Section 424(3) of the Companies Act, 2013 empowers the NCLT to take action regarding enforcement or execution of its orders, with the same powers as are available to a Civil Court executing a decree under the Code of Civil Procedure. Section 424 (3) is reproduced below:

*“Any order made by the Tribunal or the Appellate Tribunal may be enforced by that Tribunal in the same manner as if it were a decree made by a court in a suit pending therein, and it shall be lawful for the Tribunal or the Appellate Tribunal to send for execution of its orders to the court within the local limits*

*of whose jurisdiction,-- (a) in the case of an order against a company, the registered office of the company is situate; or (b) in the case of an order against any other person, the person concerned voluntarily resides or carries on business or personally works for gain.”*

Further Rule 56 of the National Company Law Tribunal Rules, 2016 provide that for execution of an order passed by the Tribunal, the holder of an order shall make an application to the Tribunal in Form NCLT-8, and the procedure for the same shall be in accordance with the provisions of the Code of Civil Procedure, 1908. Reference must be made to the judgment of Hon'ble NCLAT in the matter of **K. Muthusamy vs. N. Sankarnaryana and Ors.** wherein the following was held:

*“3.3.5 .....8. Now sub-section (3) of Section 424 of the Companies Act, 2013 empowers the Tribunal to get its order executed. The provision does not confine itself only to the beneficiary of the order. If any of the party to the Company Petition whether petitioner or the respondent brings it to the notice of the Company Law Board (now Tribunal) that the order passed by it has not been enforced, it is always open to the Company Law Board (now Tribunal) to get the same executed in the same manner as if it were a decree made by a court in a suit, and it is lawful for the Company Law Board or this Tribunal to send the order for execution to the competent court within the local limits of whose jurisdiction the registered office of the company is situated....”*

11. Therefore, for now the **contempt application is found to be pre-emptory and premature, hence dismissed, leaving the contentions raised in its behalf open. The Applicant is at liberty to file execution application to enforce order dated 14.12.2023.**

**-Sd-  
RADHAKRISHNA SREEPADA  
MEMBER (TECHNICAL)**

**-Sd-  
SUNIL KUMAR AGGARWAL  
MEMBER (JUDICIAL)**