

NATIONAL COMPANY LAW APPELLATE TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

Company Appeal (AT) (Insolvency) No. 1600 of 2026
& I.A. No. 6133 of 2026

Arising out of Impugned Order dated 12.09.2022 passed by National Company Law Tribunal, New Delhi Bench (Court No. IV), at New Delhi in C.A. No.485/2019

IN THE MATTER OF:

1. Pradip Kumar Bajaj, son of Mohan Lal Bajaj, Residing at 4PB, Mani Tower, 31/41,
Binova Bhawe Road, Kolkata - 700038;

2. Anju Bajaj, wife of Pradip Kumar Bajaj
Residing at 4PB, Mani Tower, 31/41,
Binova Bhawe Road, Kolkata - 700038;

.... Appellants

VERSUS

Mr. Vaibhav Khandelwal,
Liquidator of Mohan Motor Dealers Private Limited,
having his IBBI Regn. No. IBBI/IPA 001/IP-
P02157/2020-21/13348
and his address at 6, Old Post Office Street, Temple
Chambers, 3rd Floor, Room No. 80, Kolkata - 700001;

.... Respondent

PRESENT

For Appellant Mr. Anirban Bhattacharya, Ms. Radhika Misra, Mr. Sayantan Bose, Ms. Manisha Das, Mr. Subham Saurabh, Mr. Rajeev Choudhary, Advocates.

For Respondent Mr. Rishav Banerjee, Mr. Shambo Nandy, Mr. Daksh Sharma, Mr. Moulinath Mitra, Advocates.

With

Company Appeal (AT) (Insolvency) No. 1601 of 2026
& I.A. No. 6137 of 2026

(Arising out of Impugned Order dated 20.08.2026 passed in RA- 73/ND/2026 in CP(IB)-80/ND/2023 by the Hon'ble National Company Law Tribunal, New Delhi)

IN THE MATTER OF:

Harshit Bajaj,

son of Pradip Kumar Bajaj,

Residing at 4PB, Mani Tower, 31/41,

Binova Bhawe Road, Kolkata - 700038;

...Appellant

VERSUS

Mr. Vaibhav Khandelwal,

Liquidator of Mohan Motor Dealers Private Limited,

having his IBBI Regn. No. IBBI/IPA 001/IP-

P02157/2020-21/13348

and his address at 6, Old Post Office Street, Temple

Chambers, 3rd Floor, Room No. 80, Kolkata - 700001;

....Respondent

PRESENT

For Appellant

Mr. Anirban Bhattacharya, Ms. Radhika Misra, Mr. Sayantan Bose, Ms. Manisha Das, Mr. Subham Saurabh, Mr. Rajeev Choudhary, Advocates.

For Respondent

Mr. Rishav Banerjee, Mr. Shambo Nandy, Mr. Daksh Sharma, Mr. Moulinath Mitra, Advocates.

Company Appeal (AT) (Insolvency) No. 1609 of 2026
& I.A. No. 6156 of 2026

(Arising out of Impugned Order dated 20.08.2026 passed in RA- 73/ND/2026 in CP(IB)-80/ND/2023 by the Hon'ble National Company Law Tribunal, New Delhi)

IN THE MATTER OF:

1. Gayetri Singh,

wife of Ashok Singh, Residing at 66/11, Atindra
Mukherjee Lane, Howrah - 711102;

2. Rohit Kumar Singh,

son of Ashok Singh,
residing at 66/11, Atindra Mukherjee Lane,
Howrah -711102

....Appellants

VERSUS

Mr. Vaibhav Khandelwal,

Liquidator of Mohan Motor Dealers Private Limited,
having his IBBI Regn. No. IBBI/IPA 001/IP-
P02157/2020-21/13348

and his address at 6, Old Post Office Street, Temple
Chambers, 3rd Floor, Room No. 80, Kolkata - 700001;

.... Respondent

PRESENT

For Appellant

Mr. Anirban Bhattacharya, Ms. Radhika Misra, Mr.
Sayantan Bose, Ms. Manisha Das, Mr. Subham Saurabh,
Mr. Rajeev Choudhary, Advocates.

For Respondents

Mr. Rishav Banerjee, Mr. Shambo Nandy, Mr. Daksh
Sharma, Mr. Moulinath Mitra, Advocates.

J U D G E M E N T

(14.10.2026)

NARESH SALECHA, MEMBER (TECHNICAL)

1. There are three appeals before us i.e. Company Appeal (AT) (INS) No. 1600 of 2026, Company Appeal (AT) (INS) No. 1601 of 2026 and Company Appeal (AT) (INS) No. 1609 of 2026 filed by the Appellants.

Company Appeal (AT) (INS) No. 1600 of 2026

2. The appeal is filed by the Appellants i.e., Pradip Kumar Bajaj and Anju Bajaj under Section 61 of the Insolvency and Bankruptcy Code, 2016, (“**Code**”) arising out of Impugned Order dated 12.06.2026 passed by the Learned National Company Law Tribunal, Kolkata Bench (“**Adjudicating Authority**”) in Contempt Petition No. 6/(KB)/2024 filed in I.A.(IB) No. 360/KB of 2022 in C.P. (IB) No. 1685/(KB)/2019.

Mr. Vaibhav Khandelwal, who is the Liquidator of Mohan Motor Dealers Private Limited, is the Respondent herein.

Company Appeal (AT) (INS) No. 1601 of 2026

3. The appeal is filed by the Appellant i.e., Harshit Bajaj under Code, arising out of Impugned Order dated 12.06.2026 passed by the Adjudicating Authority in Contempt Petition No. 6/(KB)/2024 filed in I.A.(IB) No. 360/KB of 2022 in C.P. (IB) No. 1685/(KB)/2019.

Mr. Vaibhav Khandelwal, who is the Liquidator of Mohan Motor Dealers Private Limited, is the Respondent herein.

Company Appeal (AT) (INS) No. 1609 of 2026

4. The appeal is filed by the Appellants i.e. Gayetri Singh and Rohit Kumar Singh under Section 61 of the Code arising out of Impugned Order dated 12.06.2026 passed by the Adjudicating Authority in Contempt Petition No.

6/(KB)/2024 filed in I.A.(IB) No. 360/KB of 2022 in C.P. (IB) No. 1685/(KB)/2019.

5. Mr. Vaibhav Khandelwal, who is the Liquidator of Mohan Motor Dealers Private Limited, is the Respondent herein.

Common Pleadings

6. The Appellants stated that the Corporate Debtor was admitted into Corporate Insolvency Resolution Process (CIRP) by an Order of Admission dated 03.08.2021. Thereafter, on or about 17.04.2022, the erstwhile Resolution Professional of the Corporate Debtor filed I.A. (IB) No. 360/KB/2022 under Sections 43, 45 and 66 of the Code read with Rule 11 of the National Company Law Tribunal Rules, 2016 before the Adjudicating Authority, seeking recovery of alleged fraudulently transferred assets, directions for recovery of specific sums from various parties, investigation into the affairs of the Corporate Debtor, and other consequential reliefs. The Appellants submitted that by an Order dated 14.09.2022 the Corporate Debtor was directed to be liquidated and the Respondent was appointed as the Liquidator.

7. The Appellants contended that by the judgment and order dated 30.01.2024, I.A. No. 360 of 2022 was allowed and the following parties were directed to make payment of the following sums to the liquidation estate: Bihariji Consultancy Private Limited – Rs. 1,44,00,000; Swaraj Vanijya Private Limited – Rs. 1,64,94,271; Trinity Vanijya Private Limited – Rs. 1,17,24,262; Mohan

Motors Business Pvt. Ltd. – Rs. 2,56,81,497; Govardhan Nirman Private Limited – Rs. 42,56,729; Pradip Kumar Bajaj – Rs. 1,02,58,637; and Harshit Bajaj – Rs. 13,22,427 (with certain variations in amounts appearing in related records such as Rs. 1,79,56,344, Rs. 69,57,183, Rs. 1,29,34,271, Rs. 3,35,42,107, Rs. 10,00,000 and Rs. 16,83,500 in respect of other named entities). The Appellants stated that in the underlying petition there was no statement from which it would be evident that the Resolution Professional or Liquidator had been independently satisfied of the culpability of the Appellants. The petition merely contains a reference to a forensic audit report dated 01.03.2022 and the observations contained therein. Therefore, it is evident that there is no independent satisfaction of Respondent, nor have any reasons for the same been stated. The Appellants submitted that the Respondent has not personally analysed the transactions and has not come to any independent conclusion about the culpability of the Appellants and the other respondents. The Appellants were termed as related parties, but no reason for the same was brought out, and it was merely alleged that the Appellants had entered into preferential transactions with the Corporate Debtor. The Appellants submitted that in the said order, the Appellants were held liable for preferential transactions as related parties, and appeals preferred by certain appellants before this Appellate Tribunal were dismissed (by order dated 06.12.2024 of this Appellate Tribunal on the ground that condonation of delay in refiling was not granted).

8. The Appellants stated that immediately thereafter the Respondent issued demand notices calling for payment of the amounts as contained in the order dated 30.01.2024. In the meantime, the Appellants were faced with insolvency proceedings under Section 95 of the Code. On filing of the said applications, there was an order of moratorium against the Appellants, and as on the present date there are orders of bankruptcy against them (orders dated 12.01.2024 and 18.06.2024).

9. The Appellants contended that against this background, the Respondent No.1 filed Contempt Petition No. 06/KB/2024 inter alia praying for: (a) an appropriate order holding the Appellant's as Contemnors to be in contempt of the order dated 30.01.2024 and/or initiating requisite contempt proceedings for their wilful and intentional disobedience; (b) directions compelling the Contemnors to ensure compliance with the letter and spirit of the said order; (c) issuance of rule nisi calling upon them to show cause why they should not be fined Rs. 2,000 and/or sentenced to imprisonment or detention in civil prison; (d) making the rule absolute and imposing fine of Rs. 2,000 and/or imprisonment or civil detention for six months if sufficient cause is not shown; (e)–(h) specific directions requiring immediate payment of Rs. 4,68,75,262 jointly and/or severally by certain Contemnors, Rs. 2,56,81,497 by others, Rs. 1,02,58,637 by one individual, and Rs. 13,22,427 by another individual to the liquidation estate; (i) ad-interim orders; (j) costs including advocate's fees; and (k) such further orders as may be deemed fit.

10. The Appellants submitted that the Appellants filed their reply affidavits in the contempt proceedings, highlighting the fact that there is a subsisting moratorium and that they had never acted in disregard of the authority of the Adjudicating Authority and had the highest respect for judicial orders. It was categorically pleaded that there was no intentional or contumacious violation of any order. One of the Appellants i.e. Harshit Bajaj explained that he is an individual engaged in the business of trading in shares and securities and has no regular or assured source of income; his earnings fluctuate entirely depending upon market conditions, and he does not possess sufficient financial resources or valuable immovable assets enabling him to comply immediately with the monetary directions. In support of financial incapacity, Income Tax Returns were produced by the Appellants which disclose severe business losses during the relevant assessment years, clearly demonstrating that the inability to make payment arose solely because of genuine financial hardship and not because of any wilful refusal. The Appellants specifically contended that inability to comply owing to financial incapacity does not constitute civil contempt and that contempt jurisdiction cannot be invoked merely as a coercive mechanism for recovery of money.

11. The Appellants stated that the contempt application was heard and reserved by the Adjudicating Authority for orders by an order dated 19.11.2025, and the Appellants were directed to file their written notes, which they duly filed. The Appellants alleged that the contempt petition proceeds on the premise that the

Appellants are obliged to pay money to the liquidation estate in terms of the order dated 30.01.2024 and are therefore liable to make payment. There is nothing in the petition to suggest that the Appellants have deliberately or wilfully or acted in contumacious violation of the order dated 30.01.2024; in fact, the petition contains no particulars of the alleged acts of contempt.

12. The Appellants contended that the Respondent was well aware of the fact that the Appellants did not have the means to make payment and had been declared bankrupt, and that there is an insolvency proceeding initiated against them. As such the Appellants were and are in an impecunious condition, and non-payment was on account of the inability of the Appellants to pay without there being any motive on their part to deliberately or wilfully violate the order of the Adjudicating Authority.

13. The Appellants submitted that, however, ignoring the aforesaid, the Adjudicating Authority passed the Impugned Order dated 12.06.2026 under which the Appellants have been directed to comply with the order dated 30.01.2024, failing which all their personal properties have been directed to be attached and sold. By way of the Impugned Order, the Appellants have also been threatened with a fine of a sum of Rs. 2,00,000, failing which they will be detained in civil prison. The Appellants pleaded that no reason were assigned for the conclusion that the Appellants have deliberately, wilfully or contumaciously violated the order dated 30.01.2024.

14. The Appellants stated that there is a complete non-application of mind on the part of the Adjudicating Authority. The Adjudicating Authority has not given reasons for coming to the conclusion and has ignored the fact that the Appellants did not have the means to make any payment which was explained on affidavit by the appellants. It is the case of the Appellants that mere inability to make payment cannot amount to a contempt of an order of a court. No reason has been assigned or recorded for the conclusion that the Appellants would be required to make payment to the liquidation estate.

15. The Appellants contended that the Adjudicating Authority erred in law as well as in facts in failing to come to any conclusion that the conditions specified under the Contempt of Courts Act or any other ancillary provisions have been satisfied. The Adjudicating Authority further erred in law as well as in facts by failing to consider that inability to make payment cannot amount to an act of contempt. Inability of the Contemnors to clear the dues, in terms of the order of the Adjudicating Authority, on account of financial crunch cannot constitute wilful disobedience or circumvention, which is a condition precedent for inflicting punishment for contempt. The Appellants submitted that before an alleged contemnors are punished for non-compliance of the direction of a court, the Adjudicating Authority must be satisfied that the disobedience were wilful and intentional.

16. The Appellants relied upon various judgements to argue their contentions inter-alia:

- i. R.N. Dey vs. Bhagyabati Pramanik, (2000) 4 SCC 400*
- ii. Matrix Cellular Services Pvt. Ltd. through Capt. Rakesh Walia vs. Sanjoy Mukherji & Ors., 2012 SCC OnLine Del 6321*
- iii. Aneeta Hada vs. Godfather Travels & Tours Private Ltd. (2012) 5 SCC 661*
- iv. State Bank of India and Ors. vs. Jyoti Structures Ltd. and Ors. 2026 SCC OnLine NCLAT 659*
- v. R.S. Sehrawat vs. Rajeev Malhotra, (2018) 10 SCC 574 wherein following Sahdeo vs. State of U.P., (2010) 3 SCC 705*
- vi. Ram Kishan vs. Tarun Bajaj and Ors., (2014) 16 SCC 204*
- vii. Balwnatbhai Somabhai Bhnadari vs. Hiralal Somabhai Contractor, (2023) 17 SCC 545*
- viii. KKR Infra Projects Pvt. Ltd. vs. UOI, OM.P. 1150/ 2012*
- ix. Vijay Kumar Bhatia vs. Som Datt Enterprises Ltd., 2018 SCC OnLine Del 12764 [Paras 27-28]-*
- x. Anil Ratan Sarkar and Ors. vs. Hirak Ghosh and Ors., (2002) 4 SCC 21*
- xi. Agyapaul Singh vs. State Bank of India (SAMB), (2017) 5 SCC 235*
- xii. Om Prakash Jaiswal vs. D.K. Mittal and Ors., (2000) 3 SCC 171*

17. The Appellants stated that above judgements lay down general case of contempt and the Adjudicating Authority miserably failed to follow the same.

18. Concluding arguments, the Appellants requested this Appellate Tribunal to set aside the Impugned Order and allow the present appeals.

19. Per contra, the Respondent denied all the averments made by the Appellant as misleading and baseless.

20. The Respondent/Liquidator submitted that the present Appeals challenge the order dated 12.06.2026 passed by the Adjudicating Authority, in Contempt Petition No. 6/KB/2024, whereby the Appellants were held guilty of wilful non-compliance with the directions contained in the order dated 30.01.2024. The Respondent submitted that the contempt proceedings arose from the substantive order dated 30.01.2024 passed under Sections 43, 45 and 66 of the code, concerning preferential, undervalued and fraudulent transactions undertaken in relation to the Corporate Debtor.

21. The Respondent contended that the order dated 30.01.2024 is not the order under challenge in the present Appeals. The said order had adjudicated the PUFEE transactions and issued directions for restoration/recovery, including a monetary obligation of Rs.13,22,427/- in respect of the concerned Appellant. It is submitted that the order dated 30.01.2024 was itself challenged before this Appellate Tribunal and the challenge came to be dismissed on 06.12.2024. Consequently, the said order had attained finality and continued to remain operative and binding upon the concerned parties.

22. The Respondent submitted that the present Appeals cannot be converted into a second challenge to the findings recorded in the order dated 30.01.2024.

According to the Respondent, the contempt proceedings were concerned only with the subsequent conduct of the Appellants and the question whether their continued failure to comply with the subsisting directions constituted wilful disobedience. The findings relating to the underlying PUFÉ transactions, having attained finality, could not be reopened in the contempt proceedings.

23. The Respondent contended that the order dated 30.01.2024 had found transactions which resulted in depletion of the assets of the Corporate Debtor to the extent of approximately Rs. 8.57 crores and had consequently issued directions for recovery. The Respondent submitted that the obligation arising from the said order was therefore not an ordinary unsecured monetary claim but flowed directly from the adjudication of transactions under Sections 43, 45 and 66 of the code.

24. The Respondent submitted that Contempt Petition No. 6/KB/2024 was instituted on account of continued non-compliance with the aforesaid binding directions. Notice was issued to the alleged contemnors on 13.06.2024. The Appellants appeared before the Adjudicating Authority, filed their Replies and Written Notes and placed their respective defences on record. They were also repeatedly directed to remain personally present and were afforded opportunities to explain the circumstances in which compliance had not been affected.

25. The Respondent contended that the plea of denial of natural justice or want of notice is wholly untenable. The initial notice issued in contempt proceedings was a notice to show cause and could not itself have contained a final finding of

contempt. The distinction between initiation of contempt proceedings and final adjudication was material. According to the Respondent, the final finding was returned only after the Appellants had appeared, filed their replies and written submissions, advanced their respective defences and were heard by the Adjudicating Authority.

26. The Respondent submitted that the reliance placed by the Appellants upon *State Bank of India v. Jyoti Structures Ltd.*, 2026 SCC OnLine NCLAT 659, was misplaced. It is contended that, unlike a case where a person is condemned unheard, the Appellants in the present matter were individually before the Adjudicating Authority and had been afforded a meaningful opportunity to meet the allegations of non-compliance. Their defences were duly considered before the impugned order was passed.

27. The Respondent further contended that the Appellants' reliance upon the fact that they were not individually arrayed in the original proceedings relating to the PUFÉ transactions did not create an absolute bar to subsequent contempt proceedings. It is submitted that Section 2(b) of the Contempt of Courts Act, 1971 defines civil contempt as wilful disobedience of any judgment, decree, direction, order or other process of a Court. The relevant enquiry in the contempt proceedings was therefore whether the conduct of the persons subsequently proceeded against constituted wilful disobedience of the operative directions.

28. The Respondent clarified that the case against the Appellants was not founded merely upon their status as Directors. Insofar as Appellants Gayetri

Singh and Rohit Kumar Singh were concerned, it is submitted that they were Directors of the entities which were beneficiaries of the transactions adjudicated as PUFÉ transactions. Their directorial status was also admitted in the Appeal. They had themselves relied upon the financial records of the concerned companies, including financial statements bearing their signatures as Directors. Having relied upon their position and knowledge of the affairs of the concerned entities, they could not simultaneously contend that their directorial status was irrelevant when responsibility for compliance with the binding order arose.

29. The Respondent submitted that the Appellants had raised a specific defence that they were merely Directors and were not responsible for the affairs of the concerned companies. The Adjudicating Authority, however, afforded them repeated opportunities to identify the persons who, according to them, were actually responsible for the management of the concerned entities and for securing compliance with the order dated 30.01.2024. Despite such opportunities, no such person was identified. The Respondent contended that this conduct was relevant to the assessment of wilfulness.

30. The Respondent further submitted that the objection raised by one of the Appellants that the order dated 30.01.2024 did not contain any specific personal direction against her could not, by itself, defeat the contempt proceedings. It is contended that the issue before the Adjudicating Authority was whether the concerned persons, who were subsequently brought before it in contempt, were

responsible for securing compliance with the operative order and whether their subsequent conduct amounted to wilful disobedience.

31. The Respondent relied upon Section 12(5) of the Contempt of Courts Act, 1971 and submitted that the provision recognises the liability of a Director, Manager, Secretary or other officer where the contempt committed by a company is attributable to his or her consent, connivance or neglect. It is clarified that the Respondent did not contend that every Director is automatically liable for contempt merely by virtue of holding office. Rather, the statutory ingredients had to be examined on the facts of each case. According to the Respondent, the factual circumstances, including the Appellants' role as Directors of the beneficiary entities, their participation in the contempt proceedings, their failure to identify any other person responsible for compliance and the findings concerning depletion of the Corporate Debtor's assets, justified the conclusion reached by the Adjudicating Authority.

32. The Respondent submitted that the reliance placed by the Appellants upon *Matrix Cellular Services Pvt. Ltd. v. Sanjoy Mukherji*, 2012 SCC OnLine Del 6321, *Aneeta Hada v. Godfather Travels & Tours*, (2012) 5 SCC 661, and *Dr. U.N. Bora v. Assam Roller Flour Mills Assn.*, (2022) 1 SCC 101, and other cited judgements were misplaced and that the said authorities were required to be considered in their respective statutory and factual contexts. According to the Respondent, none of these decisions dispensed with the factual enquiry required under Section 12(5) of the Contempt of Courts Act.

33. On the question of execution proceedings, the Respondent contended that the pendency of execution proceedings did not create an absolute bar to the exercise of contempt jurisdiction. It is submitted that I.A. No. 1786/KB/2024 had been pursued and, by order dated 07.11.2024, the Adjudicating Authority had again directed compliance with the order dated 30.01.2024. I.A. No. 1432 of 2025 was also pending. According to the Respondent, execution and contempt operate in distinct fields: execution concerns enforcement of the substantive rights flowing from the operative order, whereas contempt concerns wilful disobedience of the Court's command.

34. The Respondent relied upon *Rama Narang v. Ramesh Narang*, (2006) 11 SCC 114, particularly paragraphs 24, 25 and 30, and submitted that the availability or pendency of execution does not, by itself, constitute an absolute bar to contempt where the ingredients of contempt are otherwise established. It is therefore contended that the execution proceedings formed part of the chronology of non-compliance but did not extinguish the independent question as to whether the Appellants had wilfully failed to comply with the binding order.

35. With regard to the plea of financial inability, the Respondent submitted that wilful disobedience necessarily requires a conscious and deliberate breach and that genuine inability, if established, may be relevant to the question of wilfulness. However, the Respondent contended that a mere assertion of financial incapacity or indigence cannot, by itself, establish impossibility of compliance.

36. The Respondent relied upon ***Ram Kishan v. Tarun Bajaj***, (2014) 16 SCC 204, and submitted that the principle laid down therein concerning wilful disobedience was not disputed. The question in the present case, according to the Respondent, was whether genuine inability had actually been established by cogent and complete material. The Appellants had asserted that they had no assets or sufficient means to comply and, in some cases, stated that their assets had been sold in SARFAESI proceedings. However, despite directions, they had not filed affidavits of assets or made complete disclosure of their personal assets and financial resources before the Adjudicating Authority or this Appellate Tribunal.

37. The Respondent contended that the absence of complete asset disclosure was material to the assessment of the bona fides of the plea of financial inability. It was submitted that a person claiming impossibility of compliance was required to place sufficient material before the Court to demonstrate that the inability was genuine, complete and continuing. A bare assertion of impecuniosity, unsupported by the requisite disclosure, could not conclusively negate wilful disobedience.

38. The Respondent further submitted that the financial statements relied upon by the Appellants did not establish what had become of the assets or funds involved in the PUFEE transactions. The financial statements relied upon commenced from FY 2022, whereas the transactions adjudicated in the PUFEE proceedings extended up to FY 2020–21. It is therefore contended that subsequent financial statements, without a complete explanation regarding the assets and

funds dealt with during the period of the adjudicated transactions, could not by themselves establish impossibility of compliance.

39. The Respondent contended that the Appellants had also failed to place before the Adjudicating Authority or this Appellate Tribunal the complete financial statements of the four relevant companies for the period during which the PUFÉ transactions were undertaken. Consequently, the subsequent financial position relied upon by the Appellants could not, in isolation, be treated as determinative of their inability to comply with the restoration/payment directions.

40. The Respondent relied upon *Agyapaul Singh v. State Bank of India (SAMB)*, (2017) 5 SCC 235, and submitted that the said decision emphasises consideration of the contemnor's reply before arriving at a final conclusion. According to the Respondent, that requirement stood fully satisfied in the present case since the Appellants had filed their replies and written notes and had been heard before the impugned order was passed. Similarly, the principles stated in *Anil Ratan Sarkar v. Hiral Ghosh*, (2002) 4 SCC 21, and the other authorities relied upon by the Appellants did not assist them once their explanations had been considered and found insufficient on the material available.

41. The Respondent submitted that the financial material relied upon by the Appellants had to be considered in the context of the antecedent PUFÉ findings. It is contended that a person could not rely upon a subsequent depletion of assets, without explaining the disposition of the assets and funds involved in the

transactions already adjudicated, to contend that compliance with a restoration order had become impossible.

42. The Respondent further submitted that proceedings under Sections 95 and 96 of the code did not render the Section 66 adjudication or the order dated 30.01.2024 inoperative. Reliance was placed upon *Ashok Mahindru & Anr. v. Vivek Parti*, Company Appeal (AT) (Insolvency) No. 1324 of 2022, particularly paragraphs 9, 11 and 12, and *Praful Satra & Ors. v. Vaishali Patrikar*, Company Appeal (AT) (Insolvency) No. 348 of 2025, particularly paragraph 56, to contend that the interim moratorium under Section 96 does not stay proceedings under Section 66. Thus, according to the Respondent, reliance upon proceedings under Sections 95 and 96 could not bar or suspend proceedings arising out of the Section 66 adjudication or the contempt proceedings founded upon non-compliance with the operative order.

43. The Respondent submitted that the Appellants' reliance upon *R.N. Dey v. Bhagyabati Pramanik*, (2000) 4 SCC 400, was also misplaced insofar as it was sought to be treated as creating an absolute prohibition against contempt whenever execution proceedings were available. According to the Respondent, the present proceedings were not instituted merely as a substitute for execution but arose from the alleged wilful disobedience of a subsisting judicial command.

44. On the question of purging of contempt, the Respondent contended that contempt jurisdiction is not confined to punitive consequences and that the Court may issue appropriate directions to secure compliance with its orders and, where

necessary, neutralise advantages obtained through contumacious conduct. Reliance was placed upon ***State Bank of India & Ors. v. Dr. Vijay Mallya***, (2024) 12 SCC 85, particularly paragraphs 13 to 16, wherein the Supreme Court recognised the relevance of consequential directions and disgorgement of benefits secured through contumacious conduct.

45. The Respondent further relied upon ***Urban Infrastructure Real Estate Fund v. Dharmesh S. Jain & Anr.***, (2022) 17 SCC 474, particularly paragraphs 4 to 6, and ***Dr. Prashanta Padmanabha Amin v. R.N. Sheetal Wad***, 2006 SCC OnLine Del 608, particularly paragraphs 107 and 108, to submit that a contemnor may be afforded an opportunity to purge or mitigate contempt by complying with the underlying directions before further orders regarding punishment are made.

46. The Respondent submitted that, in the present case, the opportunities to purge contempt were not merely theoretical. By a separate order dated 12 June 2026, the Adjudicating Authority expressly granted liberty to the Respondent/Liquidator to revive the contempt proceedings in the event of further non-compliance and for consequential orders. It was therefore contended that the apprehension raised by the Appellants regarding automatic imprisonment or automatic attachment of their properties was misconceived, since such consequential consequences would arise only upon continued non-compliance and in accordance with further orders of the Adjudicating Authority.

47. The Respondent contended that the challenge to the directions concerning attachment and sale of personal properties and the proposed fine of Rs. 2,00,000/-

had to be kept distinct from the underlying finding of contempt. Even assuming that any particular consequential direction was required to be examined independently, such challenge could not, by itself, erase the finding that the Appellants had failed to comply with the subsisting order.

48. The Respondent submitted that Section 425 of the Companies Act, 2013 confers upon the Adjudicating authority and the Appellate Tribunal the same jurisdiction, powers and authority in respect of contempt of their own orders as are available to a High Court and permits exercise of powers under the Contempt of Courts Act, 1971, subject to the statutory framework. It is therefore contended that the Adjudicating Authority acted within its statutorily conferred jurisdiction while dealing with the alleged contempt of its order.

49. The Respondent contended that the chronology of proceedings itself demonstrated that the contempt jurisdiction had not been exercised mechanically. The underlying order dated 30.01.2024 was passed after adjudication of the PUFÉ transactions; its challenge was dismissed on 6 December 2024; execution proceedings were thereafter pursued and further directions for compliance were issued on 7 November 2024; contempt proceedings were instituted; notices were issued; the Appellants appeared and filed their replies and written submissions; their respective defences were considered; and repeated opportunities to comply were afforded before the impugned order dated 12 June 2026 was passed.

50. The Respondent submitted that the Appellants could not simultaneously rely upon their directorial status for the purpose of producing and relying upon

the financial records of the concerned companies and disassociate themselves from the affairs of those companies when responsibility for compliance with the binding order arose. It is contended that their failure to identify any other person who was allegedly responsible for the affairs of the beneficiary entities was a circumstance which the Adjudicating Authority was entitled to take into consideration while determining wilfulness.

51. The Respondent further submitted that the present proceedings were not founded upon an automatic attribution of corporate liability to every Director. Rather, the Appellants were individually brought before the Adjudicating Authority in contempt, their explanations were sought, their defences were considered, and their conduct was assessed against the material available on record. The Respondent therefore contended that the challenge to the impugned order must demonstrate a jurisdictional or procedural infirmity in that process and could not merely reiterate the defences which had already been considered and rejected.

52. The Respondent submitted that the Appellants could not be permitted to reopen the underlying PUFEE adjudication in the present Appeals. The order dated 30 January 2024 had attained finality upon dismissal of the challenge on 6 December 2024, and the contempt proceedings proceeded on the footing that the said order remained operative. The question before the Adjudicating Authority was therefore not whether the transactions were preferential, undervalued or

fraudulent, but whether the operative directions arising from the adjudication had been wilfully disobeyed.

53. The Respondent contended that permitting a person to first benefit from transactions which had been adjudicated to have depleted the estate of the Corporate Debtor and thereafter defeat the restoration/payment directions merely by asserting inability to comply, without complete disclosure of assets and the disposition of the relevant funds, would frustrate the statutory scheme governing avoidance transactions under the code. Such a course, according to the Respondent, would render the object of the avoidance provisions and the restoration of the Corporate Debtor's estate otiose.

54. The Respondent submitted that the order dated 30 January 2024, as well as the subsequent directions for compliance, continued to remain uncompiled with. It is contended that the impugned order had again afforded the Appellants an opportunity to comply with the original directions and that the separate order dated 12 June 2026 had expressly granted liberty to the Liquidator to revive the contempt proceedings for consequential orders in the event of continued non-compliance.

55. The Respondent therefore submitted that the apprehension of the Appellants that they would automatically be imprisoned or that their properties would automatically be attached was wholly misplaced. The consequential consequences referred to in the impugned order would arise only in accordance

with further orders of the Adjudicating Authority upon continued non-compliance.

56. The Respondent, accordingly, contended that none of the defences advanced by the Appellants, whether relating to want of notice, denial of natural justice, absence of a specific personal direction, their status as Directors, pendency of execution proceedings, alleged financial inability, subsequent financial statements, proceedings under Sections 95 and 96 of the code, or the challenge to consequential directions, furnished a lawful justification for their continued failure to comply with the binding order dated 30 January 2024.

57. In the circumstances, the Respondent submitted that the impugned order dated 12 June 2026 was passed only after the Appellants were afforded a full and meaningful opportunity of hearing, their respective defences were considered, and repeated opportunities to comply with the subsisting directions were afforded. It is therefore contended that the impugned order disclosed no jurisdictional infirmity, material procedural irregularity or violation of the principles of natural justice warranting interference by this Appellate Tribunal.

58. Concluding its arguments, the Respondent requested this Appellate Tribunal to dismiss the appeal.

Findings

59. At the outset we note that the three appeals challenge Impugned order dated 12.06.2026 of the Adjudicating Authority in Contempt Petition No. 6/KB/2024. The appellants are Pradip Kumar Bajaj and Anju Bajaj (No. 1600), Harshit Bajaj (No. 1601), and Gayetri Singh and Rohit Kumar Singh (No. 1609). The respondent is the Liquidator of Mohon Motor Dealers Private Limited. The arguments overlap, so the appeals are decided together.

60. We further note that by order dated 30.01.2024 in I.A. (IB) 360/KB/2022 (the avoidance order), passed under sections 43, 45 and 66 of the Code, the Adjudicating Authority directed seven respondents to pay money to the liquidation estate within 15 days. Appeals against it were dismissed by this Appellate Tribunal on 06.12.2024 because delay in re-filing was not condoned, and the said order has since then attained finality.

61. We note that the money was not paid by the Appellant by 14.02.2024 and the Respondent filed I.A. 1786/KB/2024 for execution, and I.A. 1432/2025 which are pending. It is noted that by order dated 07.11.2024, the Adjudicating Authority asked for payment by bank draft into an escrow account of the Bench, to be released after the Appeals are decided. In the contempt petition, the Adjudicating Authority on 13.06.2024, called upon the Appellants to show cause, by affidavit, why a Rule should not be issued. It reserved the matter on 19.11.2025 and decided it on 12.06.2026 vide the Impugned Order.

62. We note that the impugned order holds all the Appellants guilty of wilful disobedience (paragraphs 6 and 7). Paragraph 11 of the Impugned Order further stipulates that if the sums are not deposited within seven days, all personal properties of each Appellant shall be attached for 3 months and may be sold by the Liquidator. Each appellant was asked to show cause within seven days, failing which a fine of Rs. 2,00,000 was proposed to be issued and, on non-payment, six months in civil prison.

63. Paragraph 6.21 of the avoidance order dated 30.01.2024 fixed the sums below. The last column shows how each appellant came into the contempt petition.

Respondent to the avoidance application	Sum directed (Rs.)	Named in the contempt petition
No. 1 Bihariji Consultancy Pvt. Ltd.	1,44,00,000	Gayetri Singh and Rohit Kumar Singh, as directors
No. 2 Swaraj Vanijya Pvt. Ltd.	1,64,94,271	Same
No. 3 Trinity Vanijya Pvt. Ltd.	1,17,24,262	Same

No. 5 Govardhan Nirman Pvt. Ltd.	42,56,729	Same
No. 4 Mohan Motors Business Pvt. Ltd.	2,56,81,497	Pradip Kumar Bajaj and Anju Bajaj, as directors
No. 7 Pradip Kumar Bajaj	1,02,58,637	Pradip Kumar Bajaj, in his own name
No. 9 Harshit Bajaj	13,22,427	Harshit Bajaj, in his own name
No. 8 Anju Bajaj	No direction	Only as a director of No. 4

64. The Appellants brought to our notice that none of the five companies was made a party to the contempt petition, and no relief was asked against any company and the Appellants Gayetri Singh, Rohit Kumar Singh and Anju Bajaj were named only because they were directors of companies that were told to pay.

65. We observe that the Contempt of Courts Act applies to the NCLT through section 425 of the Companies Act. Section 19 of the Contempt of Courts Act, 1971 stipulates provision for the appeal only against an order that punishes contempt. We note that in the case of the Midnapore *Peoples' Coop. Bank Ltd. v. Chunilal Nanda*, (2006) 5 SCC 399, the Honourable Supreme Court held that an order that only starts contempt, or only holds a person guilty, cannot be appealed.

It also held that directions closely tied to a punishment order can be appealed along with it.

66. We note that in the present case, the impugned order in paragraph 11, stipulates that attachment, sale, a fine and prison follow, if the sums are not paid and cause is not shown within seven days. The appellants tried to impress us with arguments that the petition was not maintainable because execution was already pending. In this regard, we would like to recall that in the case of **Rama Narang v. Ramesh Narang**, (2006) 11 SCC 114, the Honourable Supreme Court held that the power to punish wilful disobedience is not lost because execution is possible. The relevant portion of the judgement reads as under:

“24. All decrees and orders are executable under the Code of Civil Procedure. Consent decrees or orders are of course also executable. But merely because an order or decree is executable, would not take away the court's jurisdiction to deal with a matter under the Act provided the court is satisfied that the violation of the order or decree is such, that if proved, it would warrant punishment under Section 13 of the Act on the ground that the contempt substantially interferes or tends substantially to interfere with the due course of justice. The decisions relied upon by the respondents themselves hold so as we shall subsequently see.

25. In such circumstances it would neither be in consonance with a statute, judicial authority, principle or logic to draw any distinction between the wilful violation of the terms of a consent decree and wilful violation of a decree which is

passed on adjudication. The decision in Babu Ram Gupta case must, therefore, be limited to its own peculiar facts.

30. This decision reinforces our view of the law. It does not in any way run contrary to our opinion as expressed earlier on the interpretation to be put on Section 2(b) of the Act. On the other hand, the Court repelled the submission of the respondents that the petitioner's remedy lay in executing the decree in the following words: (SCC p. 370, para 12).

"The fact that the petitioner can execute the decree can have no bearing on the contempt committed by the respondents."

67. We need to appreciate that Contempt is quasi-criminal. The person must be told the charge, and guilt must be proved beyond reasonable doubt. The Impugned order can be set aside of the contempt conviction on the ground that no formal charge was framed or given to the contemnor.

68. We observe that the order of 13.06.2024 only asked the Appellants to show cause why a Rule should not be issued. It records no prima facie view of wilful disobedience, and no charge was framed against anyone. We reproduce the order dated 13.06.2024 below for ready reference:

DIVISION BENCH
COURT - I

S-1

NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH
KOLKATA

C.P. (IB)/1685(KB)2019
CONT.A. (IBC)/6(KB)2024

CORAM: 1. HON'BLE MEMBER(J), SMT. BIDISHA BANERJEE
2. HON'BLE MEMBER(T), SHRI BALRAJ JOSHI

ATTENDANCE-CUM-ORDER SHEET OF THE HEARING ON 13TH JUNE 2024

IN THE MATTER OF	PARAGON FINANCE LIMITED VS MOHAN MOTOR DEALERS PRIVATE LIMITED
UNDER SECTION	IBC UNDER SEC 7

Appearances via video conference/physically

Mr. Rajarshi Banerjee, Adv.] For the Applicant/ Liquidator

ORDER

1. Ld. Counsel for the Applicant/ Liquidator present.
2. CONT.A. (IBC)/6(KB)2024
 - i. Registry is directed to issued notice to the alleged Contemnors to show-cause why Rule should not be issued in the matter, within two weeks by way of an affidavit.
 - ii. Post this matter on 22/07/2024.

Balraj Joshi
Member (Technical)

Bidisha Banerjee
Member (Judicial)

69. The impugned order then holds everyone guilty in two short paragraphs 6 and 7 and only afterwards asks for cause of punishment. We reproduce para 6 & 7 of the Impugned Order which reads as under:

“ 6. The said Order dated 30.01.2024 is a detailed, speaking and reasoned order which is a culmination of multiple hearings of the said avoidance application, and neglecting compliance of the same shall inevitably amount to contempt.

7. In view of the foregoing, this Tribunal is convinced that the Respondents have requisite knowledge of the said payment

directions issued by this Tribunal vide Order dated 30.01.2024 but have wilfully, deliberately and intentionally disobeyed and violated the said Order dated 30.01.2024. They are held guilty of contempt.”

(Emphasis supplied)

70. The Respondent has however submitted that every appellant filed a reply and was heard. This is a material fact however, it does not take the place of a charge. The harm also differs from person to person, for instance Pradip Kumar Bajaj and Harshit Bajaj were told by name to pay a fixed sum, so they knew the allegation, and the missing charge, if any, can still be cured. They knew of it, because they appealed against it, and the appeals failed on delay. The order is clear and has one meaning. It has also been brought out that no stay of payment was ever granted, and that nothing has been deposited in the escrow account.

71. We need to be cautious of the fact that only wilful disobedience is contempt, and genuine inability is a defence. But once non-payment of an order for money is shown, the reasons a person cannot pay are within his own knowledge. He must bring them forward, with full disclosure of his assets and income. A bare claim of poverty is not enough. We note the pleading of the Respondent that the Appellants did not co-operate and did not give any information prima facie, we do not support such attitude of the Appellants.

72. It is also noted that Harshit Bajaj owes Rs. 13,22,427 and relies on his income-tax returns. He has not shown any step to pay even a part in more than

two years. Similarly, Pradip Kumar Bajaj owes Rs. 1,02,58,637 and relies on personal insolvency orders. If his estate had already passed out of his hands when payment fell due, he cannot be said to have refused wilfully. If it had not, the orders do not excuse him.

73. Thus, we are of view that the guilt cannot be fixed without a charge. The finding in paragraphs 6 and 7 (quoted earlier) is therefore treated only as the Adjudicating Authority's view that a case for contempt is made out. The Adjudicating Authority must have framed specific charges, called for affidavits of information as required by the Adjudicating Authority including of assets and income, and then decided wilfulness with reasons.

74. We will also refer to the case the case of the director's Anju Bajaj, Gayatri Singh, and Rohit Kumar Singh. We have noted submissions of the Respondent, who makes a fair point that a company acts only through people, and orders against companies would be easy to avoid if directors could say the order was not against them. It is the case of the Respondent that Gayetri Singh and Rohit Kumar Singh called themselves mere directors and asked to name who ran the companies, but they named no one. Here we find that mere a directorship alone is not enough if there is no vicarious liability in contempt. The Adjudicating Authority had to find what each of these three knew and did. We don't find such specific findings. The Respondent submitted that the assets of the Corporate Debtor were siphoned out. That is not an answer. The avoidance order has to make the Appellants personally liable, and a contempt petition cannot do what that

order did not. Whether the Appellant consented to or connived at any default is for the Adjudicating Authority to find on evidence, after a specific charge. The impugned order says nothing on it. The holding of contempt cannot stand.

75. Similarly, we find that Gayatri Singh and Rohit Kumar Singh, were not parties to the avoidance application. That is not a bar, because a person who knows of an order and wilfully causes it to be broken, can be in contempt. But the impugned order does not say that either was in charge of any company or took part in the decision not to pay. The Respondent however submitted that they were asked to name the person in charge and did not. We are of prima facie view that a person cannot be held guilty merely because he did not name someone else. That would turn the burden around. The demand notice of 01.02.2024 also went only to the companies. Under section 12(4) of The Contempt of Courts Act 1971, a director is liable only if he was in charge when the contempt was committed, which on the petition is from 14.02.2024. When Gayetri Singh and Rohit Kumar Singh became directors, and what they did after that, must be shown by evidence. We tend to agree with the submissions of the Respondent that a director cannot ignore a court order by calling himself a dummy. Equally, he cannot be punished because his name is on a register. The holding of contempt against them has no finding on their own role behind it and cannot stand as recorded. Similarly, Sections 12(4) and 12(5) of The Contempt of the Courts Act, 1971 speak of a company that breaks an undertaking given to a court. The avoidance order was an order and not an undertaking.

76. Now we shall examine the issues regarding directions given by the Adjudicating authority as contained in para 11 of the impugned order which reads as under:

11. Accordingly, we hold the Respondents herein to have committed contempt of the said Order dated 30.01.2024, and consequently, make the following orders:

- i. All the Respondents are mandatorily directed to comply with the letter and spirit of the said Order dated 30.01.2024 passed by this Hon'ble Tribunal in I.A.(IB) No. 360/KB/2022 in C.P. (IB) NO. 1685/KB/2019 and pay the respective sums as directed to them **forthwith**. Upon failure of depositing the said respective sums to the Applicant herein within 7 days of uploading of this order, all personal properties of each of the liable Respondents shall be attached for 3 months and upon further non-payment, the same may be sold by the Liquidator to the extent of recovery of their respective liability;*
- ii. Each of the Respondents shall to show sufficient cause as to why they should not be fined and/or be sentenced to imprisonment and/or detention in civil prison for having wilfully, deliberately, intentionally and contumaciously violating the said Order dated 30.01.2024, within 7 days of uploading of this order, failing which each of them shall be liable to a fine of Rs. 2,00,000 (Rupees Two Lakh). Upon non-payment of the said fine, each of the Respondent shall be liable to be held in detention for a term of 6 months in civil prison;*

iii. Costs of and/or incidental to the present application, including advocates' fees incurred by the Applicant/Liquidator, be borne by the respective Respondents/Contemnors;

(Emphasis supplied)

77. The Respondent submitted that nothing has been attached or sold yet, and that penalties follow only on continued default. That does not change what paragraph 11 says, and it cannot stand. In this connection we note that Section 12(1) of the Contempt of Courts Act 1971 allows a fine of up to Rs. 2,000, and section 12(2) bars anything more. We reproduce below section 12 of the Contempt of Courts Act, 1971:

12. Punishment for contempt of court. —

(1) Save as otherwise expressly provided in this Act or in any other law, a contempt of court may be punished with simple imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both:

Provided that the accused may be discharged or the punishment awarded may be remitted on apology being made to the satisfaction of the court.

Explanation. —An apology shall not be rejected merely on the ground that it is qualified or conditional if the accused makes it bona fide.

(2) Notwithstanding anything contained in any other law for the time being in force, no court shall impose a sentence in

excess of that specified in sub-section (1) for any contempt either in respect of itself or of a court subordinate to it.

(3) Notwithstanding anything contained in this section, where a person is found guilty of a civil contempt, the court, if it considers that a fine will not meet the ends of justice and that a sentence of imprisonment is necessary shall, instead of sentencing him to simple imprisonment, direct that he be detained in a civil prison for such period not exceeding six months as it may think fit.

(4) Where the person found guilty of contempt of court in respect of any undertaking given to a court is a company, every person who, at the time the contempt was committed, was in charge of, and was responsible to, the company for the conduct of business of the company, as well as the company, shall be deemed to be guilty of the contempt and the punishment may be enforced, with the leave of the court, by the detention in civil prison of each such person:

Provided that nothing contained in this sub-section shall render any such person liable to such punishment if he proves that the contempt was committed without his knowledge or that he exercised all due diligence to prevent its commission.

(5) Notwithstanding anything contained in sub-section (4), where the contempt of court referred to therein has been committed by a company and it is proved that the contempt has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such

director, manager, secretary or other officer shall also be deemed to be guilty of the contempt and the punishment may be enforced, with the leave of the court, by the detention in civil prison of such director, manager, secretary or other officer.

Explanation. —For the purposes of sub-sections (4) and (5),

—

(a) “company” means anybody corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

(Emphasis supplied)

78. Thus, we find that the fine of Rs. 2,00,000, as stated in the Impugned order is a hundred times the limit of Rs. 2000 stipulated in Section 12(1) of the Contempt of Courts Act, 1971. We are therefore of considered opinion that the penalty indicated in the Impugned order is without jurisdiction for every appellant and can't be sustained.

79. As regards Prison, Section 12(3) of the Contempt of Courts Act, 1971 allows civil prison of up to six months, but only if the court finds that a fine will not meet the ends of justice. No such finding is recorded. The order makes prison follow automatically from non-payment of the fine, which takes away the court's discretion. This part of the Impugned Order also cannot be allowed to sustain.

80. On the issue of attachment and sale, the Contempt Act does not allow this as punishment, and section 12(2) bars any punishment beyond section 12(1). Sections 17(3) and 17(4) allow attachment only where a person is likely to

abscond to avoid notice, and the property is released once he appears. That secures presence. It does not recover money. We reproduce the Section 17 of the Contempt of Court Act, 1971 which reads as under:

17. Procedure after cognizance. —

(1) Notice of every proceeding under section 15 shall be served personally on the person charged, unless the court for reasons to be recorded directs otherwise.

(2) The notice shall be accompanied—

(a) in the case of proceedings commenced on a motion, by a copy of the motion as also copies of the affidavits, if any, on which such motion is founded; and

(b) in case of proceedings commenced on a reference by a subordinate court, by a copy of the reference.

(3) The Court may, if it is satisfied that a person charged under section 15 is likely to abscond or keep out of the way to avoid service of the notice, order the attachment of his property of such value or amount as it may deem reasonable.

(4) Every attachment under sub-section (3) shall be effected in the manner provided in the Code of Civil Procedure, 1908 (5 of 1908), for the attachment of property in execution of a decree for payment of money, and if, after such attachment, the person charged appears and shows to the satisfaction of the court that he did not abscond or keep out of the way to avoid service of the notice, the Court shall order the release of his property from attachment upon such terms as to costs or otherwise as it may think fit.

(5) Any person charged with contempt under section 15 may file an affidavit in support of his defence, and the court may

determine the matter of the charge either on the affidavits filed or after taking such further evidence as may be necessary, and pass such order as the justice of the case requires.

(Emphasis supplied)

81. We observe that Rule 11 of the NCLT Rules grants inherent powers, to the Adjudicating Authority but not beyond the limits of the of the Contempt of Courts Act, 1971, as far as the proceeding relating to contempt are concerned. The directions also cover all personal properties of each Appellant to be attached, however, names no property and ties none to any sum.

82. Therefore, we are of the opinion that Paragraph 11 has no basis in the of the Contempt of Courts Act, 1971 or in any power of the Adjudicating Authority. It cannot stand for any appellant. If the contempt case goes on, punishment must be decided afresh within section 12, after hearing the appellants.

83. In view of our detailed discussions, we find merit in the appeals, albeit on technicalities and we find many infirmities contained in the impugned order, which cannot be allowed to be sustained. Therefore, the matter needs to be remanded back to the Adjudicating Authority to decide the contempt afresh against the Appellants after giving due opportunities to the Appellants. Needless to say, that the adjudicating authority is free to decide in accordance with law, uninfluenced by any of the observations made herein above.

84. At the cost of repetition, we would clarify and reiterate that we are not touching upon the merits of the case and further take into consideration that

avoidance order 30.01.2024 by the Adjudicating Authority has already attained finality when this Appellate Tribunal dismissed appeals from the Appellants vide order dated 06.12.2024 and no appeal travelled to the Hon'ble Supreme court.

85. The appeals are disposed of in above terms. There shall be no order as to cost and IA, if any stand closed. The parties are directed to appear before the adjudicating authority on 26 October 2026.

**[Justice Mohammad Faiz Alam Khan]
Member (Judicial)**

**[Naresh Salecha]
Member (Technical)**

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