S.No.13

IN THE NATIONAL COMPANY LAW TRIBUNAL
HYDERABAD BENCH – 1
VC AND PHYSICAL (HYBRID) MODE

ATTENDANCE CUM ORDER SHEET OF THE HEARING HELD ON
20-01-2026 AT 12:30 PM

Company Petition IB/249/2021
AND
Cont App (IBC) 18/2025 in IA (IBC) 950/2025 & IA (IBC) 126/2026 in Company Petition IB/249/2021
u/s. 95 of IBC, 2016

IN THE MATTER OF:

Central Bank of India **…Petitioner**

AND

Mr. Ritesh Agarwal & Rajvir Industries Ltd **…Respondent**

C O R A M:-
SH. RAJEEV BHARDWAJ, HON'BLE MEMBER (JUDICIAL)
SH. SANJAY PURI, HON'BLE MEMBER (TECHNICAL)

O R D E R

Cont App (IBC) 18/2025 in IA (IBC) 950/2025

Present: Mr. Y Suryanarayana, Learned Counsel for the Applicant.

Mr. S Rajagopalan, Learned Counsel for the Respondent.

Orders pronounced, recorded vide separate sheets.

In the result, this application is dismissed.

IA (IBC) 126/2026

This is an application filed by the Bankruptcy Trustee to take on record the 5th Progress report for the quarter ending 31.12.2025. Progress report is taken on record.

Accordingly, **this application is allowed and disposed of.**

-Sd/-
MEMBER (T)

-Sd/-
MEMBER (J)

Siva/manohar

IN THE NATIONAL COMPANY LAW TRIBUNAL

HYDERABAD BENCH – I, HYDERABAD

Contempt Application (IBC) 18 of 2025

In

IA (IBC) No. 950 of 2025

In

CP (IB) No. 249/95/HDB/2021

(Application Filed Under S.425 of the Companies Act, 2013 R/w S.60(5) of the Insolvency and Bankruptcy Code, 2016 R/w Rule 11 of the National Company Law Tribunal Rules, 2016 R/w Section 10 and 12 of the Contempt of Courts Act, 1971))

IN THE MATTER OF M/s. RAJVIR INDUSTRIES LTD.

Between:

Mr. Venkata Chalam Varanasi

Bankruptcy Trustee

R/o. No. 12-13-205, street no. 2, Tarnaka,

Secunderabad-500017

…Applicant

Versus

Mr. Ritesh Agarwal

H NO: 85-86, Nandavan ap text book colony

Gunrock enclave, Secunderabad-500009

AND ALSO AT H NO: 8-2-293/82 Plot No. 324

Road No; 79, Phase III, Jubilee Hills, Hyderabad-500033

LAST RESIDING AT 263, Road No. 78,

Jubilee Hills, 33, Hyderabad-500034.

… Contemnor/Respondent

Date : 20.01.2026

Coram:

Sri Rajeev Bhardwaj, Hon'ble Member (Judicial)

Sri Sanjay Puri, Hon'ble Member (Technical)

Parties/Counsels:

For Applicant	:	Mr. Y Suryanarayana, Advocate
Bankruptcy Trustee	:	Mr. Venkata Chalam Varanasi
For Respondent/Contemnor	:	Mr. S Rajagopalan, Advocate

PER: BENCH

ORDER

1. The present application is filed by Mr. Venkata Chalam Varanasi, Bankruptcy Trustee (hereinafter referred to as the 'Applicant'), under section 425 of the Companies Act, 2013 r/w section 60(5) of the Insolvency and Bankruptcy Code, 2016 (Code) r/w Rule 11 of the National Company Law Tribunal Rules, 2016 r/w Section 10 and 12 of the Contempt of Courts Act, 1971, against Mr. Ritesh Agarwal, Bankrupt (hereinafter referred to as the 'Respondent'), *inter alia*, seeking for the following reliefs:

   i. To allow the Application and to punish alleged Contemnor under Section 12 of the Contempt of Courts Act, 1971 read with Section

425 of the Companies Act, 2013, read with Section 60(5) of the Code, in the strictest terms, for committing contempt of court for intentionally, deliberately,and wilfully disobeying the Order dated 23.06.2025 in I.A. No.950 of 2025;

ii. To issue a non-bailable warrant against the Respondent for securing the presence of the Respondent.

Brief background of the case:

2. The Respondent is the Personal Guarantor of the Corporate Debtor, M/s. Rajvir Industries Limited. On an application filed by the Central Bank of India, this Tribunal, vide order dated 21.04.2022, initiated the insolvency resolution process against the Personal Guarantor.

3. Thereafter, due to the failure to submit a repayment plan within the prescribed time, the creditor preferred I.A. No. 1300 of 2024, seeking the initiation of bankruptcy proceedings.

4. Pursuant to the same, this Tribunal vide order dated 11.12.2024 has admitted the Respondent into the bankruptcy process and appointed the Applicant herein as the Bankruptcy Trustee.

Case of the Applicant:

5. It is the case of the Applicant that, during the course of the bankruptcy proceedings, repeated requests were made to the Respondent to furnish information, documents, and the statement of financial position, as mandated under the Code and the applicable Regulations governing the bankruptcy of personal guarantors.

6. Despite the Applicant's efforts, the Respondent failed to provide the required assistance and cooperation. Hence, the Applicant filed an application I.A. No. 950 of 2025 seeking appropriate directions against the Respondent to cooperate with the Applicant and to furnish a statement

of financial position in terms of Section 129 of the Code, read with Regulation 12 of the relevant Regulations.

7. Subsequently, this Tribunal, vide order dated 23.06.2025, has allowed I.A. No. 950 of 2025 and issued categorical directions to the Respondent to extend all assistance and cooperation to the Applicant/Bankruptcy Trustee and to provide a statement of financial position, while also observing that failure to comply may invite appropriate action under the law.

8. As submitted by the Applicant, the aforesaid order dated 23.06.2025 was duly communicated to the Respondent. Thereafter, the Applicant addressed a letter dated 26.06.2025, followed by a final request letter dated 11.07.2025, calling upon the Respondent to comply with the directions of this Tribunal. However, despite the due receipt of the order and repeated reminders, the Respondent has neither responded nor complied with the directions issued by this Tribunal.

9. It is further submitted that the requisitions sought from the Respondent were, in fact, first raised as early as 20.12.2024 and that the Respondent has persistently avoided compliance even after the authoritative pronouncement of this Tribunal. Such continued non-compliance has caused grave prejudice to the bankruptcy process and adversely affected the interests of creditors and other stakeholders.

10. The Applicant contends that the conduct of the Respondent amounts to wilful, deliberate, and intentional disobedience of the order dated 23.06.2025 passed by this Tribunal. It is asserted that the Respondent, despite having full knowledge of the order and its consequences, consciously chose to disregard the same.

11. We have heard Mr. Y Suryanarayana, Ld. Counsel for the Applicant, Mr. S. Rajagopalan, Ld. Counsel for the respondent and perused the documents placed on record.

12. In light of the above facts, the point that arises f or consideration before this Tribunal is:

> **Whether the respondent has wilfully and deliberately disobeyed the order dated 23.06.2025 passed by this Tribunal in IA 950 of 2025, thereby attracting contempt under section 425 of the Companies Act, 2013 read with contempt of courts Act 1971, and if so, what consequential directions are warranted**?

13. Before adverting to the facts of the present case, it is apposite to note that under Section 425 of the Companies Act, 2013, this Tribunal is vested with the same jurisdiction, powers and authority in respect of contempt as are vested in the Hon'ble High Courts, and is empowered to exercise such powers in accordance with the provisions of the Contempt of Courts Act, 1971.

14. Civil contempt, as defined under Section 2(b) of the Contempt of Courts Act, 1971, means wilful disobedience to any judgment, decree, direction, or order of a court. Thus, two essential ingredients are sine qua non for establishing civil contempt, namely;

    i. *Disobedience of any judgment, decree, directions, orders, or other process of the Court.*
    ii. *Disobedience or breach must be wilful, deliberate, and intentional*

15. The Hon'ble Supreme Court in ***Ram Kishan v. Tarun Bajaj***, reported in ***(2014) 16 SCC 204***, has held that the expression "wilful" introduces a mental element and signifies a conscious, deliberate, and intentional act done with full knowledge of its consequences, excluding accidental or

bona fide non-compliance. It has also been held that casual, inadvertent or negligent acts do not constitute wilful disobedience and that punishment for contempt cannot be imposed where non-compliance is on account of genuine or compelling circumstances. The same is extracted below:

> *"12. Thus, in order to punish a contemnor, it has to be established that disobedience of the order is "willful". The word "willful" 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. "Willful" 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. willful 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". willful 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."*

16. Now coming to the facts of the present case, it is clear from the record that the present Application has been filed seeking initiation of contempt proceedings against the Respondent for wilful and deliberate disobedience of the order dated 23.06.2025 passed by this Tribunal. The relevant paragraph is extracted below:

> "*In view of the above facts, we hereby direct Bankrupt to extend all assistance and cooperation to the Bankruptcy Trustee to complete the Bankruptcy Process and provide his statement of financial position mandated U/s. 129 of the Act.*

We further make it clear that if bankrupt does not comply with this order and does not provide cooperation as directed, appropriate action against bankrupt as per law may be initiated. In view of this directions, this application is allowed and disposed off."

17. A careful reading of the aforesaid direction reveals that the mandate issued by this Tribunal is in broad and general terms. The Respondent was directed to "extend all assistance and cooperation" to the Bankruptcy Trustee. However, no specific act, obligation, timeline, or definite course of conduct was spelt out. The direction is thus omnibus in nature and lacks the precision required for invoking contempt jurisdiction.

18. It is a settled position of law that contempt proceedings are quasi-criminal in nature, and the standard of proof required is that of proof beyond reasonable doubt. The element of wilfulness and deliberateness must be clearly established, leaving no scope for ambiguity or inference.

19. Further, while exercising jurisdiction under the Contempt of Courts Act, 1971, the Tribunal must confine itself strictly to the four corners of the order alleged to have been violated. The scope of enquiry in contempt proceedings is limited to examining whether there has been a clear, specific, and unambiguous direction, and whether there has been a conscious and intentional disobedience thereof. Where the directions are vague or capable of more than one interpretation, the appropriate course is not to invoke contempt jurisdiction but to seek clarification or further directions from the court which passed the original order.

20. In the present case, the directions relied upon are general and wide in amplitude. In the absence of a clearly defined mandate specifying the precise acts to be performed by the Respondent, it cannot be conclusively held that there has been wilful or deliberate disobedience so as to attract the rigours of contempt.

21. Additionally, we take note of the fact that though it was stated that the Respondent was represented by learned counsel, Mr. S. Rajagopalan, no vakalatnama authorising such appearance has been placed on record.

22. In view of the above discussions, we are not inclined to hold that the Respondent has committed contempt of this Tribunal.

Accordingly, the present application is dismissed.

Sd/-
Sanjay Puri
Member(Technical)

Sd/-
Rajeev Bhardwaj
Member (Judicial)