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\* **IN THE HIGH COURT OF DELHI AT NEW DELHI****BEFORE****HON'BLE MR. JUSTICE PURUSHAINDRA KUMAR KAURAV**+ **CCP(O) 66/2024 in CS(OS) 1906/2006****1. CAPITAL LAND BUILDERS PVT. LTD**

A-5/1, DOCTORS LANE, GOL MARKET  
NEW DELHI ITS DIRECTOR MR. ANKUR SACHDEVA

**2. ANKUR SACHDEVA**  
S/O SHRI O.P. SACHDEVA  
305, TAGORE PARK,  
DELHI-110009

**3. LATE PROMILA KISHOR**  
W/O SHRI KISHOR LAI  
A-5/ 1, DOCTORS LANE, GOL MARKET  
NEW DELHI

**4. OM PRAKASH SACHDEVA**  
S/O LATE K.R. SACHDEVA  
R/O 305, TAGORE PARK,  
DELHI-110009

.....Plaintiffs

*(Through: Mr. T. K. Ganju and Mr. Vikas Dhawan, Sr. Advs with  
Mr. Aquib Ali, Ms. Amreen Khaliq and Mr. Arsh Kaul, Advs.)*

versus

**M/S SHAHEED MEMORIAL SCTY. (REGD.) & ORS**

.....DEFENDANTS

**AND**



**1. AJAY CHAUDHARY**

**2. ARJUN CHAUDHARY**

**3. AJAY YADAV**

**4. ANURADHA CHAUDHARY**

C-311, SARITAVIHAR,  
NEW DELHI

**5. REGISTRAR/SUB-REGISTRAR**

SR-IVA-SHAHDARA  
NEW DELHI

.... CONTEMNORS

(Through: Mr. Vivek Sharma and Mr. V. K. Mehra, Advs for D-2.  
Mr. Sumeher Bajaj, Adv for R-4 in CCP(O) 66/2024.  
Mr. Vijay Joshi, CGSC with Mr. Shubham Chaturvedi, Adv for  
D-9 to 11.)

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Reserved on: 09.12.2025

Pronounced on: 23.01.2026  
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### **JUDGMENT**

*“The contempt power, though jurisdictionally large, is discretionary in its unsheathed exercise.”*

*V.R. Krishna Iyer, J. in S.Mulgaokar, In re<sup>1</sup>*

The present contempt petition arises out of the alleged wilful disobedience of the order dated 06.11.2009, passed by the Division Bench of this Court in FAO (OS) No. 337/2009. The said appeal itself emanated from the interim order dated 06.08.2009, passed in CS (OS) No. 1906/2006. Before adverting to the core of the contempt petition, it is necessary to



briefly outline the background of facts and the proceedings having a bearing on the adjudication of the present petition.

2. As per the amended memo of parties dated 22.02.2023, the suit is being prosecuted by 4 plaintiffs against 10 defendants. Plaintiff No. 1 is a private limited company incorporated under the Companies Act, 1956 (hereinafter '*plaintiff company*'). The particulars of its shareholding, including the names of its shareholders, as well as the names of directors and the dates of their induction, etc, are specifically pleaded in paragraph no. 1.9 of the plaint. Plaintiffs No. 2 to 4 are directors and shareholders of the plaintiff company.

3. Defendant No. 1 is a cooperative society registered under the Societies Registration Act, 1860 (hereinafter '*defendant society*'). It is stated that certain shares of the plaintiff company, which were originally held by one C.H. Brahmprakash, were subsequently transferred to the defendant society. Thereafter, the defendant society was allotted additional shares in the plaintiff company.

4. It is also the case of the plaintiffs that defendant society transferred all its shares, from time to time, commencing from the year 1989, and consequently ceased to be a member of the plaintiff company.

5. The record of the plaintiff company of the year 1987, detailing the shareholding of defendant society and the subsequent transfer of such shares to third-party purchasers, are specifically pleaded in paragraph no. 2.1 of the plaint. Defendants No. 2 to 7 claim to be the members of the governing body of the defendant society.

6. Defendant No. 8 is the Registrar of Companies, defendant No. 9 is the

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<sup>1</sup> (1978) 3 SCC 339 para 23



Assistant Registrar of Companies, and defendant No. 10 is the Registrar of Societies.

7. For the sake of convenience, defendants No. 1 to 10 are hereinafter collectively referred to as the “defendants”, unless the context requires otherwise.

8. The suit is founded on the assertion that defendants, acting in connivance with each other, had falsified statutory and corporate records and interfered with the affairs of plaintiff company with the sole object of defrauding the plaintiffs. It is specifically pleaded that these defendants were illegally holding themselves out as directors of the plaintiff company and were attempting to develop and sell the lands owned by the plaintiff company.

9. Accordingly, the plaintiffs are seeking, *inter alia*, a decree of permanent injunction restraining defendant Nos. 1 to 8 from representing themselves as directors or stakeholders of plaintiff company, along with other ancillary and consequential reliefs.

10. On 06.10.2006, the Court had directed for issuance of summons. An *ex parte ad-interim* injunction was also granted, restraining defendants No. 1 to 7, their agents and employees from representing, themselves, as shareholders or representatives of the plaintiff-company. The Registrar of Companies was also directed to preserve the company’s records. Subsequently, on 30.10.2006, the defendants gave an undertaking before the Court not to convene any Extraordinary General Meeting (EGM) during the pendency of the suit.

11. However, during the pendency of the suit, certain defendants, namely Ajay Chaudhry, Ajay Yadav, Abdul Haq and Surender, executed 26 sale



deeds and violated the injunction order dated 06.10.2006. Consequently, by order dated 25.04.2009, the said contemnors were sentenced to imprisonment for a period of two weeks.

12. Subsequently, on 06.08.2009, this Court modified the original injunction order dated 06.10.2006 and restrained both the plaintiffs and the defendants from dealing with the assets of the plaintiff-company during the pendency of the suit. The said order was carried in appeal by both sides.

13. By a detailed judgment dated 06.11.2009, the Division Bench held that the plaintiffs have been managing the affairs of the company for several decades and that there was no justification to restrain them from dealing with the company's assets. Accordingly, the Division Bench modified the order dated 06.08.2009 and restrained only the defendants, their agents and employees from representing, themselves as shareholders or directors of the plaintiff-company, or from dealing with its assets or creating any third-party rights therein.

14. Notwithstanding the finality of the Division Bench order dated 06.11.2009, this Court, *vide* order dated 07.03.2019, again restrained the plaintiff from dealing with the company's assets. The plaintiff challenged the said order in FAO(OS) 90/2019. By order dated 29.04.2019, the Division Bench stayed the operation of the restraint and permitted the plaintiff to sell the company's properties subject to safeguards, including disclosure to the Court and receipt of consideration through banking channels. The interim order was made absolute on 04.09.2019.

15. Thereafter, with the consent of the parties, FAO(OS) 90/2019 was finally disposed of by order dated 22.01.2024, permitting the plaintiff-company to sell its land and properties subject to detailed conditions relating



to furnishing of records, sale at or above circle rates, receipt of consideration through lawful banking channels, and rendering of accounts in the event the suit was decided against the plaintiff.

16. In order to further protect the subject matter of the suit and allay the apprehensions of the defendants, this Court, *vide* order dated 21.07.2025, modified the consent directions and mandated that any sale of the company's assets be conducted at prevailing market rates, with full disclosure to the Court, receipt of consideration through banking channels, and appointment of a Local Commissioner-cum-Observers to assess and report the market value at the time of sale.

17. It is the categorical case of the plaintiffs that, notwithstanding the repeated and binding orders of this Court and the Division Bench, the defendants have continued their contemptuous conduct by acting through relatives, associates, and representatives. In June 2014, the plaintiffs discovered that third parties had trespassed upon the company's properties, claiming rights as purchasers. It is stated that upon inquiry, it was revealed that one Mrs Anuradha Chaudhary, who, according to the plaintiffs, was never appointed as a director or authorized signatory of the plaintiff-company, had executed 12 sale deeds, either personally or through a GPA holder, falsely representing herself as a director of the company.

18. The plaintiff asserts that the said sale deeds were executed without any board resolution, without authority of law, without receipt of consideration by the plaintiff-company, and in blatant violation of the subsisting injunction orders passed by this Court and the Division Bench. The consideration received from the said transactions was allegedly misappropriated, and the registrations were carried out despite the continued



operation of the restraint orders passed by the Court, giving rise to the present contempt proceedings.

19. In the present contempt application, four respondents have been impleaded as contemnors. However, the allegation of contempt has been pressed only against proposed contemnor no. 4.

20. The gravamen of the plaintiffs' case is that the Division Bench had by its order dated 06.11.2009, issued a clear and unambiguous direction restraining the defendants, their agents, employees or any person claiming through them, from representing themselves as Directors of plaintiff company, from using any letterhead of the company, and from dealing with or alienating the assets of the company in any manner whatsoever. Despite the restraint, it is stated that the said directions were wilfully, knowingly and repeatedly disobeyed.

21. It is reiterated that the proposed contemnor is not arrayed as a defendant in the suit. However, she is the wife of Ajay Chaudhary, one of the defendants, the sister of Ajay Yadav, and the mother of Arjun Chaudhary. She, thus, stands in a direct and proximate familial relationship with the defendants.

#### **Submissions**

22. Mr. T. K. Ganju, learned senior counsel appearing for the applicant/plaintiff, submits that proposed contemnor No. 4, Ms. Anuradha Chaudhary, despite being fully aware of the subsisting interim orders, deliberately proceeded to execute as many as twelve sale deeds, thereby wilfully disobeying and undermining the authority of the Court. It is contended that her knowledge of the order dated 06.11.2009 is incontrovertible, inasmuch as, she is a close family member of Defendant



Nos. 2 to 4 and had, in fact, represented the defendants in various proceedings, including the present civil suit, in the capacity of an advocate. Learned senior counsel further submits that there is no specific or categorical denial by proposed Contemnor No. 4 to the allegations set out in paragraph no. 12 of the contempt petition, which itself warrants an adverse inference.

23. Mr. Ganju further submits that the conduct of the contemnors did not stop at the execution of sale deeds. He states that despite explicitly restraining the defendants and their agents from holding Board meetings, an Annual General Meeting was convened on 25.08.2010. This meeting was attended by proposed contemnor No.4 and her daughter, Avanti, and resolutions were allegedly passed to induct proposed contemnor No.4 as a Director of the company. Such actions, it is urged, constituted a further and aggravated act of wilful disobedience of the orders of the Court.

24. Learned senior counsel places reliance on various decisions of the Supreme Court and of this Court in *Krishna Gupta v. Sh. Narendra Nath & Anr.*<sup>2</sup>, *Sita Ram v. Babu alias Babu Rai*,<sup>3</sup> *Indra Pasricha v. Deepika Chauhan & Ors.*<sup>4</sup> and *Himalayan Cooperative Group Housing Society v. Balwan Singh & Ors.*,<sup>5</sup> to contend that even a non-party to the original proceedings is bound by the orders of the Court if it is established that such a person had knowledge of the directions by the Court and acted in conscious disregard thereof. He further relies upon the decisions of the

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<sup>2</sup> 2017 SCC OnLine Del 10990

<sup>3</sup> (2017) 2 SCC 456

<sup>4</sup> 2022 SCC OnLine Del 1090

<sup>5</sup> (2015) 7 SCC 373





Supreme Court in *Surjit Singh & Ors. v. Harbans Singh & Ors.*,<sup>6</sup> *Tayabbhai M. Bagasarwalla & Anr. v. Hind Rubber Industries Pvt. Ltd. & Ors.*,<sup>7</sup> *Jehal Tanti & Ors. v. Nageshwar Singh (Dead) through LRs*,<sup>8</sup> *Balwanthbhai Somabhai Bhandari v. Hiralal Somabhai Contractor (Deceased) represented by LRs & Ors.*,<sup>9</sup> and a decision dated 03.05.2024 in *Chander Bhan (Dead) through LRs v. Mukhtiar Singh & Ors.*,<sup>10</sup> to submit that where documents or sale deeds are executed in violation of subsisting orders, or are found to be forged, such documents are void and *non est* in the eyes of law, and any proposed transfer of title thereunder is liable to be ignored.

25. On these premises, Mr. Ganju submits that a clear case of contempt is made out against Contemnor No. 4, warranting strict action by this Court.

26. *Per contra*, Mr. Sumeher Bajaj, learned counsel for the proposed contemnor No.4, submits that proposed contemnor No. 4 was never impleaded as a party to the main suit, CS(OS) No. 1906/2006, despite the plaintiffs having full and complete knowledge of her shareholding and voting rights at the time of institution of the suit on 04.10.2006. It is stated that the plaint itself, particularly paragraphs 5.1 to 5.6, expressly acknowledges the relevant statutory filings and corporate actions.

27. It is also submitted that the proposed contemnor No. 4 was never bound by the injunction granted in favour of the plaintiffs. According to Mr Bajaj, the acts attributed to the proposed contemnor No. 4, including the transfer of shares and the sale of properties, were undertaken prior to the

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<sup>6</sup> (1995) 6 SCC 50

<sup>7</sup> (1997) 3 SCC 443

<sup>8</sup> (2013) 14 SCC 689

<sup>9</sup> 2023 SCC OnLine SC 1139



passing of the injunction. It is stated that she was neither impleaded as a party nor personally served, and no injunction operated against her by name. The subsequent attempt to portray her as an “agent” of the defendants is misconceived, according to learned counsel, as the impugned acts were carried out by her in her independent capacity, founded on her own shareholding and asserted rights.

28. Mr. Bajaj also submits that the parties concerned have already submitted themselves to the jurisdiction of civil Courts by instituting and contesting separate civil suits, some filed by the plaintiffs and some by the proposed contemnor No. 4. These proceedings, according to learned counsel, many of which are at advanced stages with issues framed and some carried in appeal, comprehensively cover disputes relating to shareholding, authority, and the validity of property transfers and sales. The issues sought to be agitated in contempt substantially overlap with those pending adjudication in the civil suits and require full-fledged trials involving an appreciation of evidence. In such circumstances, recourse to contempt jurisdiction is impermissible and would seriously prejudice the ongoing proceedings.

29. It is lastly submitted that the contempt petition is a collateral attempt to overcome fundamental defects in the main suit, including non-impleadment of the proposed contemnor No. 4 and the absence of any amendment seeking relief against her. She acted independently and not in violation of any operative injunction applicable to her or to the properties in question. While the interim arrangements in the suit have evolved over time, including restrictions upon the plaintiffs themselves, none of those orders

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<sup>10</sup> Civil Appeal No. 2991 of 2024



bind contemnor No. 4. Given the narrow and exceptional scope of contempt jurisdiction and the pendency of multiple civil proceedings on the same subject matter, the present petition is misconceived and liable to be dismissed.

30. Reliance has been placed on various decisions in *S.N. Banerjee vs Kuchwar Lime & Stone Co.*<sup>11</sup>, *Bimla Chandra Sen v Kamla Mathur*<sup>12</sup>, *Mohiddin Basha v Municipal Corp*<sup>13</sup>, *Gajjan Singh v Tersam Singh*<sup>14</sup> and *Brij Kishor Chauhan v Balwant Singh*<sup>15</sup>

31. In rejoinder submissions, it was reiterated by Mr. Ganju, that any person who has notice or knowledge of an injunction order and who aids or abets its violation is equally liable for contempt, even if such person is not formally arrayed as a party to the proceedings. Reference has been made to the decision of the Madras High Court in *Vidya Charan Shukla v. Tamil Nadu Olympic Association*.<sup>16</sup> Learned senior counsel has drawn the attention of the Court to the scheme and intent underlying Order XXXIX Rules 2A of CPC. It is submitted that the proviso to Order XXXIX Rule 2A of CPC is wide enough to bring within its fold ‘any person’ guilty of deliberate disobedience of the order of the Court.

32. Mr. Ganju has distinguished all the decisions on which reliance has been placed by the proposed contemnor. It is further contended by him that the argument sought to be raised on the basis of the alleged holding of 80 shares by proposed contemnor No. 4 in the plaintiff company is wholly

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<sup>11</sup> 'AIR 1938 PC 295'

<sup>12</sup> MANU/DE/0426/1982

<sup>13</sup> AIR 2001 BOM 18

<sup>14</sup> (2001) 129 (3) PLR 538

<sup>15</sup> MANU/HP/1334/2016



misconceived and cannot be used as a shield to justify the acts done in clear violation of subsisting injunction orders.

33. Additionally, it is submitted that the proposed contemnor no. 4, being an advocate who had appeared for some of the defendants, was under a heightened professional and ethical obligation to ensure compliance with the orders of this Court. Any conduct facilitating breach of the injunction, Mr. Ganju submitted, in such circumstances, aggravates the contempt rather than mitigating

34. I have heard learned counsel appearing for the parties and have perused the record.

### **Analysis**

35. At the outset, it is noted that the invocation of contempt jurisdiction under Order XXXIX Rule 2-A of CPC is of a summary and exceptional nature and can be invoked only where there is a clear, unambiguous, and wilful disobedience of an order of the Court. The relevant provision is extracted as under: -

#### ***2A. Consequence of disobedience or breach of injunction.***

*(1) In the case of disobedience of any injunction granted or other order made under [rule 1 or rule 2](#) or breach of any of the terms on which the injunction was granted or the order made, the Court granting the injunction or making the order, or any Court to which the suit or proceeding is transferred, may order the property of the person guilty of such disobedience or breach to be attached, and may also order such person to be detained in the civil prison for a term not exceeding three months, unless in the meantime the Court directs his release.*

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<sup>16</sup> AIR 1991 Mad 323



*(2) No attachment made under this rule shall remain in force for more than one year, at the end of which time if the disobedience or breach continues, the property attached may be sold and out of the proceeds, the Court may award such compensation as it thinks fit to the injured party and shall pay the balance, if any, to the party entitled thereto.*

36. The Supreme Court in ***Food Corporation of India v. Sukh Deo Prasad***<sup>17</sup> has held that the power exercised by a civil Court under Order XXXIX Rule 2-A of the CPC is analogous to the power to punish for civil contempt under the Contempt of Courts Act, 1971. Consequently, the burden lies heavily on the person alleging violation to establish, by clear, cogent evidence, that the order of injunction has been breached. The standard of proof is necessarily a strict one, leaving no room for doubt, and there is no scope for findings founded on conjecture, surmise or inference. Given the penal consequences that may follow, the jurisdiction under Order XXXIX Rule 2-A is required to be exercised with great circumspection, restraint and responsibility. Paragraph no 38 of the aforementioned decision is as under: -

*38. The power exercised by a court under Order 39 Rule 2-A of the Code is punitive in nature, akin to the power to punish for civil contempt under the Contempt of Courts Act, 1971. The person who complains of disobedience or breach has to clearly make out beyond any doubt that there was an injunction or order directing the person against whom the application is made, to do or desist from doing some specific thing or act and that there was disobedience or breach of such order. While considering an application under Order 39 Rule 2-A, the court cannot construe the order in regard to which disobedience/breach is alleged, as creating an obligation to do something which is not mentioned in the "order", on surmises, suspicions and inferences. The power under Rule 2-A should be exercised with great caution and responsibility."*

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<sup>17</sup> MANU/SC/0444/2009



37. In ***U.C. Surendranath v. Mambally's Bakery***<sup>18</sup>, the Supreme Court held that disobedience, to attract punitive action under the Rule, must be wilful. Paragraph No. 7 of the aforementioned decision reads as under: -

*“7. For finding a person guilty of wilful disobedience of the order under Order 39 Rule 2-A CPC there has to be not mere “disobedience” but it should be a “wilful disobedience”. The allegation of wilful disobedience being in the nature of criminal liability, the same has to be proved to the satisfaction of the court that the disobedience was not mere “disobedience” but a “wilful disobedience”. As pointed out earlier, during the second visit of the Commissioner to the appellant's shop, tea cakes and masala cakes were being sold without any wrappers/labels. The only thing which the Commissioner has noted is that “non-removal of the hoarding” displayed in front of the appellant's shop for which the appellant has offered an explanation which, in our considered view, is an acceptable one.”*

38. Subsequently, in ***Amazon.Com NV Investment Holdings LLC v. Future Retail Ltd.***,<sup>19</sup> while considering the decisions in ***Food corporation*** and ***Mambally's Bakery***, the Supreme Court observed that the text of Rule 2-A does not expressly incorporate such a requirement. However, it remains trite that irrespective of the terminology employed, the Court must be satisfied, on strict and irrefutable evidence, of a conscious and deliberate violation of the injunction before proceeding to impose punitive or coercive measures.

39. It is equally well settled that the foundational requirement for invoking the contempt jurisdiction, whether under the Contempt of Courts Act, 1971 or under Order XXXIX Rule 2-A of the CPC, is that the order alleged to have been violated must be shown to be operative and binding upon the alleged contemnor. Such a binding effect may arise either because

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<sup>18</sup> CIVIL APPEAL No(s). 5775 OF 2019

<sup>19</sup> (2022) 1 SCC 209



the person proceeded against is a party to the proceedings in which the order was passed, or because such a person is shown to be acting in concert with, at the behest of, or in aid of a party who is directly bound by the injunction and had knowledge thereof.<sup>20</sup> Absent proof that the order operated against the alleged contemnor and that the contemnor had notice of the order, the jurisdiction under Rule 2-A cannot be validly invoked. Therefore, in order to place the consequences of any violation of the Court's order upon any person, it must be ascertained that the person was indeed bound to adhere to the order.

40. In *Krishna Gupta* this Court, in essence, reiterated that an order of injunction is a remedy *in personam* and ordinarily binds only the parties to the proceedings in which it is passed. It was observed that as a rule, persons who are not parties to the suit cannot be proceeded against for contempt merely on account of an alleged violation of such an order. However, the Court expounded that a well-recognised exception to this principle exists. Where it is established that a third party had clear knowledge of the injunction and deliberately acted in aid of, or in concert with, a party bound by the order so as to defeat or breach it, such third party may also be proceeded against for contempt. The Court traced the origins of this principle to nineteenth-century English decisions such as *Seaward v. Paterson*<sup>21</sup> which was affirmed by the Privy Council in *S.N. Banerjee v. Kuchwar Lime and Stone Co. Ltd*<sup>22</sup>. and has been copiously reiterated, including in *Vidya Charan Shukla*.

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<sup>20</sup> Reference to *Krishna Gupta v. Narendra Nath & Anr* (CCP(O) 60/2016 in CS(OS) 663/2011 dt. 11.10.2017)

<sup>21</sup> (1895-99) All ER 1127

<sup>22</sup> AIR 1938 PC 295



41. It was held that it is incumbent upon the contempt-applicant in such instances to place sufficient and cogent material on record to demonstrate that the non-party not only had notice of the injunction but also consciously aided and abetted its breach. Equally, a person proceeded against for contempt is entitled to establish that the order was not within his knowledge, that it was ambiguous or reasonably capable of more than one interpretation, or that his conduct was guided by a *bona fide* understanding of the order, negating any intention to disobey.

42. The Court applied these principles to hold that third-party contempt cannot be presumed merely on the basis of knowledge of an injunction. The Court held that unless there is clear evidence showing intentional assistance, facilitation or participation in the violation of the injunction by a party bound by it, a non-party cannot be proceeded against for contempt.

43. Thus, it can be concluded that ordinarily, a person who is not a party to the proceedings in which an order of injunction is passed cannot be proceeded against for contempt. The liability of a third party is thus an exception to the general rule. As explained by the English Court in *Seaward v. Paterson* and followed by Indian Courts in *Krishna Gupta* and *Vidya Charan Shukla*, before a stranger can be committed for contempt, it must be clearly established that the order in question was either served upon him or that he had actual knowledge of its contents. The foundational requirement is proof of knowledge of the injunction and a deliberate decision to flout or undermine it.

44. Furthermore, where a third party, with full knowledge of the injunction, knowingly aids, abets, or assists the party bound by the order in





committing its breach, such third party may also be held liable for contempt. The law does not permit the authority of the Court to be defeated indirectly through the acts of strangers. Even a person not *eo nomine* restrained by the order may be guilty of contempt if his conduct, in consciously and deliberately assisting in the breach, renders the injunction ineffective or frustrates its object.<sup>23</sup> However, in order to make out a case of contempt against a third person or stranger, the applicant bears a heavy burden to prove the three essentials of knowledge, concert between the person who was bound by the order and the alleged contemnor and wilful disregard of the orders of the Court. This heavy burden is also for a reason that the party seeking an injunction is not only advised, but duty-bound to implead all proper and necessary parties so that relief, if granted by the Court, is not defeated or rendered nugatory on account of such parties being kept out of the purview of the proceedings.

45. That said, a limitation to the principle binding third parties also exists, particularly where a third-party acts in the exercise of an independent legal right, *bona fide* and not as a means to circumvent the order of the Court. In such cases, an action of contempt will not lie as the violation cannot be said to be deliberately and wilfully intended to breach the directive of the Court. This exception has been clearly articulated in ***CL Jain Woollen Mills v. Anand Bordia***<sup>24</sup>, the Court held that a person or authority who was not a party to the original proceedings cannot be proceeded against for contempt for non-compliance with an order passed therein. The Court further held that where a third party asserts and acts upon an independent legal or contractual

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<sup>23</sup> Reference to *SN Banerjee*



right, the mere fact that such action incidentally impacts the implementation of a Court order does not amount to contempt. In such circumstances, as noted hereinabove, non-compliance by the third party cannot be characterised as wilful disobedience, particularly when the order did not expressly bind that party.

46. Thus, an exception to third-party liability in a contempt proceeding is that a stranger to the proceedings, acting *bona fide* in exercise of an independent legal right and without being bound by the order, cannot be held liable for contempt, and any grievance against such a third party must be worked out in separate proceedings rather than through contempt jurisdiction.

47. Tested on this anvil, the present petition fails to satisfy the essential ingredients necessary to constitute contempt against the third party and fails to meet the precondition necessary for invoking the exception of holding a third party in contempt.

48. The edifice of the plaintiff's case rests on the assertion that the alleged acts of execution of sale deeds and participation in corporate affairs were in violation of the order dated 06.11.2009 passed by the Division Bench. The said relevant extract of the order is reproduced as under: -

*“...the respondents, their agents and employees are, thus, restrained from representing themselves as shareholders or directors of the said company and consequent thereto are restrained from acting on behalf of the company by using any letterhead, bank accounts or dealing with the assets of the company in any manners whatsoever and cannot be permitted to file any statutory forms or returns on behalf of the*

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<sup>24</sup> 1996 SCC OnLine Del 341



*company. This injunction would operate during the pendency of the suit.”*

49. A careful scrutiny of the order dated 06.11.2009 reveals that the injunction was expressly operative only against the defendants to the suit and their agents and employees. Proposed contemnor No. 4 was neither arrayed as a party to the suit nor named in the injunctive order, nor was any restraint issued *eo nomine* against her. In such circumstances, and consistent with the settled position that an injunction operates *in personam*, the burden is heavily upon the plaintiffs to establish, by clear, cogent and unimpeachable evidence, that proposed contemnor No. 4 was acting as an agent of, or in active concert with, the defendants bound by the injunction, with full knowledge thereof and with a deliberate intent to circumvent or defeat the orders of this Court.

50. The record demonstrates that the plaintiffs were fully aware, even prior to the institution of the suit on 04.10.2006, that proposed contemnor No. 4 was asserting rights as a shareholder of the plaintiff company. The allotment of shares in her favour between 18.03.2006 and 05.09.2006 was specifically adverted to in the plaint itself. Notwithstanding such admitted knowledge, the plaintiffs consciously elected not to implead proposed contemnor No. 4 as a party to the suit, nor did they seek any relief or restraint against her. This position persisted even thereafter, despite further disclosures placed on record in proceedings under Order XXXIX Rule 2-A CPC and otherwise, which again brought to the fore her shareholding and asserted role in the company. The deliberate omission to implead her assumes considerable significance in the context of the present contempt proceedings.



51. If alleged contemnor No.4 was indeed supposed to be bound by the order of injunction, the plaintiffs ought to have impleaded her, as alleged contemnor No.4's predisposition towards the plaintiff- Company was well within their knowledge. The plaintiffs' character as the *dominus litus* comes with certain obligations, one of the foremost obligations being impleadment of all the parties, *qua* whom some relief is required, or who could potentially affect the rights of the plaintiffs.

52. The gravamen of the plaintiffs' allegation is that Proposed Contemnor No. 4, despite having knowledge of the order dated 06.11.2009, wilfully violated the same by executing 12 sale deeds between August 2013 and May 2014. The details of the 12 sale deeds are reproduced as under: -

| <b>S. No.</b> | <b>Date of Sale Deed</b> | <b>Seller</b>     | <b>Purchaser(s)</b>                           | <b>Plot No.</b> | <b>Sale Consideration (Rs.)</b> |
|---------------|--------------------------|-------------------|---|-----------------|---------------------------------|
| 1             | 12.11.2013               | Anuradha Chowdhry | Alpa Maheshwari                               | B-2/F           | 20,00,000/-                     |
| 2             | 30.08.2013               | Anuradha Chowdhry | Gunjan Agarwal, Bhawna Bansal, Pooja Vashisth | B-5             | 30,00,000/-                     |
| 3             | 13.11.2013               | Anuradha Chowdhry | Bimla Gupta, Manju Devi                       | B-38            | 22,00,000/-                     |
| 4             | 22.11.2013               | Anuradha Chowdhry | Neelam  | B-35            | 22,00,000/-                     |
| 5             | 02.08.2013               | Anuradha Chowdhry | Krishan Lal Sachdeva                          | B-19            | 22,00,000/-                     |
| 6             | 30.08.2013               | Anuradha Chowdhry | Shivani                                       | B-2             | 30,00,000/-                     |



|    |            |  |                                     |      |             |
|----|------------|--|-------------------------------------|------|-------------|
| 7  | 14.11.2013 | Anuradha Chowdhry  | Sandhya Jain                        | B-6  | 20,00,000/- |
| 8  | 02.08.2013 | Anuradha Chowdhry  | Sudesh Luthra,<br>Pooja Sahni       | B-55 | 31,20,000/- |
| 9  | 13.05.2014 | Anuradha Chowdhry<br>(through<br>her attorney<br>holder Mr.<br>Sushil<br>Luthra) | Manmohan<br>Sharma,<br>Narayan Seth | B-8  | 78,95,000/- |
| 10 | 14.03.2014 | Anuradha Chowdhry  | Neeru                               | B-63 | 32,40,000/- |
| 11 | 14.03.2014 | Anuradha Chowdhry  | Darshi                              | B-65 | 32,40,000/- |
| 12 | 03.04.2014 | Anuradha Chowdhry  | Vikas Bharat<br>Dvaj                | A-37 | 40,00,000/- |

53. A perusal of the aforesaid indicates that the execution of twelve sale deeds during the period 2013–2014 was undertaken by proposed Contemnor No. 4 in her own asserted and independent capacity as a shareholder of the plaintiff-company and as a person claiming independent authority as a director thereof. Whether such authority was validly conferred upon her, or whether her shareholding or directorship is lawful, are matters which lie at the core of civil disputes already pending between the parties. Such disputed and triable questions of fact and law cannot be adjudicated in the summary and penal jurisdiction of contempt under the guise of alleged violation of an injunction. Moreover, the order of injunction was meant to restrain the defendants from the performance of certain acts, owing to their independent



lives, and it could not be construed to mean a restraining order against all shareholders or against the operation of the entire corporate entity.

54. The plaintiffs' awareness of the position of the proposed contemnor no.4 is evident from the pleadings and documents themselves, as pointed out by Mr. Bajaj, including the share certificates dating back to March and September of 2006 in the name of Mrs Anuradha Chaudhary. The plaintiffs were again put to notice of proposed contemnor No.4 shareholding and asserted role through Form 20B filed along with I.A. 4764/2008 on 19.04.2008, and thereafter, upon the filing of I.A. 2130/2011.

55. Furthermore, the amended Written Statement on behalf of the defendants 4, 5 and 6 filed in 2014 clearly disclosed the names of directors of the plaintiff company, and the proposed contemnor No. 4 was one of them. The relevant extract of the aforementioned written statement reads as under: -

*"5.6 All the defendants 2 to-8 except defendant No.7 Shri Sidharth Chowdhry are registered shareholders of the company, and the following are the Directors of the company among the defendants.:-*

*Shri Ajay Yadav*

*Shri Arjun Chowdhry*

*Shri Surender Pal*

*Shri Abdul Haq Farhan*

*Smt. Anuradha Chowdhry*

*Sh. BrahmAneja"*

56. Despite such repeated and specific knowledge, the plaintiffs consciously chose not to implead proposed contemnor No. 4 as a party to the



suit, nor did they seek any amendment or extension of the injunction so as to bind proposed contemnor No. 4. The plaintiffs, having failed to implead proposed contemnor No. 4 despite full knowledge of her asserted status and actions, and having allowed limitation to run its course, cannot now seek to indirectly bind her through contempt proceedings. More so, when the purported authority of alleged contemnor No.4 forms the subject matter of a separate civil proceeding pending between the parties, any view by this Court, to directly or indirectly bind alleged contemnor no.4 to the injunction order would, effectively, cause prejudice to her position *qua* the plaintiff company, despite having been consciously left out by the plaintiffs from the proceedings, wherein the injunction order was passed.

57. The Court also takes note of the fact that Proposed Contemnor No. 4 was appointed as a director of the plaintiff company on 25.08.2010 in EGM. Significantly, neither her shareholding nor her appointment as a director has been interfered with. Moreover, on the plaintiffs' own plea before the Division Bench, the injunction on creating third-party rights in the assets of the plaintiff- company was modified and was only operating against the defendants and not the plaintiffs or plaintiff- company. Essentially, except for the brief *interregnum* between 06.08.2006 and 06.11.2009, the plaintiffs themselves have not been under any restraint from dealing with the assets of the plaintiff-company. As already noted hereinabove, *vide* order dated 06.11.2009, the restraint was expressly confined only to the defendants, their agents and employees. Thereafter, even the restraint imposed by the learned Single Judge *vide* order dated 07.03.2019 stood stayed by the Division Bench on 29.04.2019, and was ultimately vacated and superseded by the



final order dated 22.01.2024, thereby reaffirming the plaintiffs' continuing authority to deal with and alienate the plaintiff company's assets.

58. Moreover, the allegation against proposed contemnor No. 4 is premised also on her familial relationship with defendant Nos. 1 to 3 and the bare assertion that she acted on their behalf. Such an allegation, resting only on the proximity of the relationship, is untenable. A familial relationship, by itself, neither establishes agency nor supports a presumption of aiding and abetting so as to attract contempt jurisdiction. Any adverse finding on the basis of the familial relationship alone would run contrary to the position of law regarding the binding value of the injunction on third parties as discussed hereinabove, and would provide a short-circuited route to prove the exception, which the plaintiffs have not managed to prove with cogent evidence.

59. Further material reliance has also been placed by the plaintiffs on the professional status of proposed contemnor No. 4 as an advocate on behalf of some of the defendants. However, as noted hereinabove, mere knowledge of an order, even by reason of professional association, does not render a non-party liable for contempt in the absence of proof of deliberate disobedience or conscious assistance in breach. The decision relied upon by the plaintiffs, i.e., ***Himalaya Cooperative Group Housing Society***, pertains to the authority of counsel to bind clients and therefore has no application to the facts of the present case. Despite knowledge of the order, a person could very well be under a legitimate and *bona fide* impression that he/she is free to act in his/her individual capacity, as the order is not binding upon such





person. Thus, the knowledge of the order cannot be a material reason or factor to advance the case of the plaintiffs.

60. Moreover, it is an admitted position that in the year 2016 the plaintiffs instituted independent suits before the Karkardooma Courts seeking cancellation of the very sale deeds which are the subject matter of the present proceedings, and significantly, such suits were filed only against the proposed contemnor No. 4. Undoubtedly, it is always open to the plaintiffs to proceed only against proposed contemnor No. 4 and yet allege, in parallel proceedings, that she was aiding or acting at the behest of the defendants. However, the plaintiffs' own conduct in choosing to implead proposed contemnor No. 4 alone, and in asserting substantive reliefs against her in her individual capacity, is relevant to reflect that the plaintiffs' understanding and awareness that proposed contemnor No. 4 was asserting and exercising an independent right in executing the sale deeds, rather than acting merely as an agent, proxy, or instrumentality of the defendants.

61. In view of the aforesaid, the essential ingredients necessary to sustain a finding of contempt against proposed contemnor No. 4 are conspicuously absent. No case of contempt is, therefore, made out against her. The preconditions necessary for binding the third parties to an injunction order have not been established by the plaintiffs.

62. Before parting with the matter, it is apposite to advert to the conduct of proposed contemnor no. 4. It is an admitted and undisputed position that she was fully cognizant of the pendency of the proceedings before this Court, as also the subsisting orders passed therein. Notwithstanding such unequivocal knowledge, she consciously chose neither to seek impleadment



nor to move any application for intervention, despite being aware that the outcome of the present proceedings could have a direct bearing on her asserted rights in the plaintiff company. Though mere knowledge of judicial proceedings, absent any overt act, positive conduct, or wilful disobedience, is insufficient to fasten contemptuous liability upon a third party and therefore does not enure to the benefit of the plaintiffs, however, the conduct of proposed contemnor no. 4 cannot be ascribed with a mark of approval. Her silence and inaction, viewed in totality, evince a conspicuous failure to timely, diligently, or *bona fide* assert or vindicate her alleged rights at the relevant juncture.

63. The present petition is accordingly dismissed.

64. Liberty is reserved in favour of the plaintiffs to pursue such other remedies as may be available to them in accordance with law. Nothing stated herein shall be construed as an observation on the merits of the main civil suit. No order as to costs.

**CS(OS) 1906/2006 and CCP(O) 60/2024, CCP(O) 61/2024, CCP(O) 62/2024, CCP(O) 63/2024, CCP(O) 64/2024, CCP(O) 65/2024, CRL.M.A. 4824/2010, CRL.M.A. 7819/2014, I.A. 10509/2007, I.A. 6250/2013, I.A. 9315/2014, I.A. 26181/2015, I.A. 9653/2020, I.A. 30840/2024, I.A. 2032/2025, I.A. 22718/2025, I.A. 22719/2025, I.A. 27111/2025, I.A. 28032/2025**

65. List before the Roster Bench on 25.03.2026, i.e., the date already fixed.

**(PURUSHAINDRA KUMAR KAURAV)  
JUDGE**

**JANUARY 23, 2026**

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