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IN THE SUPREME COURT OF INDIA  
CIVIL ORIGINAL JURISDICTION

CONTEMPT PETITION (CIVIL) NO. 39 OF 2006  
IN  
CIVIL APPEAL NO.2127 OF 1999

COMMERCIAL TAX OFFICER AND ANR. PETITIONERS

VERSUS

M/S.GODFREY PHILIPS (I) LTD.  
THR. ITS REPRESENTATIVE CONTEMNOR/  
RESPONDENT

CONTEMPT PETITION (CIVIL) NO. 40 OF 2006  
IN  
CIVIL APPEAL NO.2126 OF 1999

COMMERCIAL TAX OFFICER AND ANR. PETITIONERS

VERSUS

M/S.I.T.C. LTD.  
THROUGH ITS REPRESENTATIVE CONTEMNOR/  
RESPONDENT

CONTEMPT PETITION (CIVIL) NO. 41 OF 2006  
IN  
CIVIL APPEAL NO.2123 OF 1999

COMMERCIAL TAX OFFICER AND ANR. PETITIONERS

VERSUS

M/S.VST INDUSTRIES LTD.  
THR. ITS REPRESENTATIVE CONTEMNOR/  
RESPONDENT

O R D E R

1. The Commercial Tax Officer of the State of Andhra Pradesh and the State of Andhra Pradesh represented by the Secretary, Ministry of Commercial Taxes and Finance are the petitioners in all these contempt petitions. They allege that the contemnors/ respondents have willfully disobeyed the orders and directions issued by this Court vide its order dated 20.01.2005, while disposing of the Writ Petition Nos.567 of 1994 and connected matters.

2. A request is made in these Contempt Petitions to call upon the contemnors to show cause as to why appropriate contempt proceedings should not be taken against them under Article 129 of the Constitution of India read with Section 12 of the Contempt of Courts Act, 1971 (for short 'the Act').

3. The Constitution Bench of this Court on 20.01.2005, while disposing of Writ Petition Nos.567 of 1994 and connected matters in paras 94 and 95 had specifically passed the following orders. The same reads as under:

"94. It was stated on behalf of the State Governments that after obtaining interim orders from this Court against recovery of luxury tax, the appellants continued to charge such tax from consumers/customers. It is alleged that they did not pay such tax to respective State Governments. It was, therefore, submitted that if the appellants are allowed to retain the amounts collected by them towards luxury tax from consumers, it would amount to 'unjust

enrichment' by them.

95. In our opinion, the submission is well founded and deserves to be upheld. If the appellants have collected any amount towards luxury tax from consumers/customers after obtaining interim orders from this Court, they will pay the said amounts to the respective State Governments."

(emphasis supplied)

4. In view of the aforesaid orders passed by this Court, the petitioners are of the view that though the contemnors/respondents have collected the luxury tax from consumers/customers, after obtaining interim orders from this Court, they have not paid the same to the respective State Governments. Therefore, the petitioners are requesting us to initiate appropriate contempt proceedings against the contemnors/ respondents.

5. After service of notice, the respondents have filed their detailed statement of objections wherein they have specifically denied the allegations made by the petitioners in the Contempt Petitions.

6. During the pendency of these Contempt Petitions, in order to resolve the dispute between the parties, we had directed (1) M/s. Anandam and Co. and (2) M/s. Laxminiwas Neeth & Co., Auditors/Chartered Accountants, agreeable to both the parties to look into the books of accounts, ledgers etc. of the respondents and file respective reports before this Court showing as to whether any sum was collected by the respondents towards Luxury Tax from their Customers/ Consumers, on and after 01.04.1999 until 20.01.2005, i.e. during the operation of the stay order dated 01.04.1999. The Auditors/Chartered Accountants have filed their report.

7. In the report filed by the Auditors/ Chartered Accountants a clean chit is given to the contemnors/respondents. However, the petitioners dispute the report of the Auditors/Chartered Accountants. In the matters of this nature, in our opinion, it may not be appropriate for us to initiate any proceedings, much less proceedings under contempt against the respondents. In that view of the matter, we decline to grant the relief sought for by the petitioners in these contempt petitions. The contempt petitions are disposed of accordingly.

8. However, we permit the petitioners to issue appropriate show cause notice(s) to the respondents, inter alia, bringing to their notice that the respondents, after obtaining interim orders from this Court, have collected luxury tax from consumers/customers, but have not paid the same to the State Government. We make it clear that in the show cause notice the petitioners will furnish all the particulars available with them to the respondents, so that the respondents can furnish appropriate reply to the petitioners.

9. After receipt of the show cause notice(s), the respondents are at liberty to take out all such contentions which are available to them, including certain contentions raised in these proceedings apart from maintainability. They are also at liberty to place reliance on the report of the Auditors/Chartered Accountants. After receipt of the reply to the said show cause notice, the petitioners will consider the same and pass appropriate orders in accordance with law after affording opportunity of hearing to the respondents. If, for any reason, the respondents are aggrieved by the orders that may be passed by the petitioners, they are at liberty to question the same before an appropriate forum.

10. Pursuant to the directions issued by this Court dated 09.11.2012, the respondents have deposited a sum of Rs.10 lakhs each before the Registry of this Court towards the professional fee/charges of the Auditors/Chartered Accountants. In view of the disposal of these Contempt Petitions, the said amount, along with accrued interest, be disbursed to the Auditors/ Chartered Accountants within a month's time from today by preparing appropriate Demand Drafts.

Ordered accordingly.

.....J.  
(H.L. DATTU)

.....J.  
(S.A. BOBDE)

NEW DELHI;  
FEBRUARY 06, 2014  
ITEM NO.3

COURT NO.3

SECTION XVI

S U P R E M E C O U R T O F I N D I A  
RECORD OF PROCEEDINGS

CONTEMPT PETITION (C) NO. 39 OF 2006 IN Civil Appeal 2127/1999

COMMERCIAL TAX OFFICER & ANR. Petitioner(s)

VERSUS

M/S.GODFREY PHILIPS (I) LTD. TH. ITS. REP. Respondent(s)

WITH CONMT.PET.(C) NO. 40 of 2006 IN C.A.NO.2126/1999  
CONMT.PET.(C) NO. 41 of 2006 IN C.A.NO.2123/1999  
[ALL THE MATTERS FOR FINAL DISPOSAL]

Date: 06/02/2014 These Petitions were called on for hearing today.

CORAM :

HON'BLE MR. JUSTICE H.L. DATTU  
HON'BLE MR. JUSTICE S.A. BOBDE

For Petitioner(s) Mr.H.P.Raval, Sr.Adv.  
Ms. C.K. Sucharita,Adv.  
Ms.Laxmi Shashtri, Adv.

For Respondent(s)in Mr.R.F.Nariman, Sr.Adv.  
C.P.(C)No.40/06 in Mr.Ravinder Narain, Adv.  
C.A.NO.2126/1999 Mr.Ajay Aggarwal, Adv.  
Ms.Mallika Joshi, Adv.  
Mr.Amit Agarwal, Adv.  
Mr.Prabal Mehrotra,Adv.  
Mr. Rajan Narain,Adv.

For Respondent(s)in Mr.S.Ganesh, Sr.Adv.  
C.P.(C)No.41/06 in Mr.Ravinder Narain, Adv.  
C.A.NO.2123/1999 Mr.Ajay Aggarwal, Adv.  
Ms.Mallika Joshi, Adv.  
Mr.Amit Agarwal, Adv.  
Mr.Prabal Mehrotra,Adv.  
Mr. Rajan Narain,Adv.

For Respondent(s)in  
C.P.(C)No.39/06 in Mr.Ravinder Narain, Adv.

C.A.NO.2127/1999 Mr.Ajay Aggarwal, Adv.  
Ms.Mallika Joshi, Adv.  
Mr.Amit Agarwal, Adv.  
Mr.Prabal Mehrotra,Adv.  
Mr. Rajan Narain,Adv.

UPON hearing counsel the Court made the following  
O R D E R

The Contempt Petitions are disposed of, in terms of the signed order.

(G.V.Ramana)  
Court Master  
(signed order is placed on the file)

(Vinod Kulvi)  
Asstt.Registrar