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LPA No.13 of 2026

IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 08.09.2026

CORAM

THE HON'BLE MR.SUSHRUT ARVIND DHARMADHIKARI,

CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE G. ARUL MURUGAN

LPA No.13 of 2026

Gaurav Metal
Represented by its Partner, Sanjay Mittal,
D.No. 15, Nooker Nallamuthu Street, Broadway,
Chennai - 600 001. Appellant

Vs

1. Pandiraja
The Additional Commissioner, Central Goods and Sevices Tax and Central Excise (ECM), Enforcement and Compliance Management, Chennai North Commissionerate No. 26/1, Mahatma Gandhi Road, Chennai 600 034.

2.Ramarao Reddy
The Superintendent, Central Goods and Services Tax and Central Excise (ECM), Enforcement and Compliance Management, Chennai North Commissionerate, No. 26/1, Mahatma Gandhi Road, Chennai 600 034. Respondents

PRAYER : Appeal filed to set aside the order in Cont.P.No.345 of 2025 dated 06.02.2026 and direct the respondents to comply with the original order dated 07.09.2023 in letter and spirit by returning the balance and units of Sales Bills and other missing records.

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For Appellant Mr.Saurabh Sankar Sengupta

For Respondents Mr.K.Mohanamurali,
Senior Standing Counsel

JUDGMENT

(Judgment of the Court was
delivered by the Hon'ble Chief Justice)

This appeal has been filed challenging the order dated 06.02.2026 passed in Contempt Petition No.345 of 2025, wherein, the learned Single Judge has closed the contempt petition with liberty to appellant to canvass all issues before the respondent in the show cause proceedings.

2. Learned counsel for appellant submitted that the learned Single Judge has failed to consider that by closing the contempt petition, the appellant is left without any remedy and the appellant is now forced to defend a tax demand, while the very evidence required for such defence remains in the custody of the respondents.

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3. The scope of contempt jurisdiction is well settled. In *Sudhir Vasudeva v. M.George Ravishekeran*[1], the Supreme Court clearly delineated the boundaries of contempt powers. At paragraph 19, the Supreme Court held thus:

> *"19.* ***The power vested in the High Courts as well as this Court to punish for contempt is a special and rare power available both under the Constitution as well as the Contempt of Courts Act, 1971****. It is a drastic power which, if misdirected, could even curb the liberty of the individual charged with commission of contempt. The very nature of the power casts a sacred duty in the Courts to exercise the same with the greatest of care and caution. This is also necessary as, more often than not, adjudication of a contempt plea involves a process of self-determination of the sweep, meaning and effect of the order in respect of which disobedience is alleged.* ***The Courts must not, therefore, travel beyond the four corners of the order which is alleged to have been flouted or enter into questions that have not been dealt with or decided in the judgment or the order violation of which is alleged. Only such directions which are explicit in a judgment or order or are plainly self-evident ought to be***

[1]*(2014) 3 SCC 373*

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taken into account for the purpose of consideration as to whether there has been any disobedience or wilful violation of the same. Decided issues cannot be reopened; nor can the plea of equities be considered. The Courts must also ensure that while considering a contempt plea the power available to the Court in other corrective jurisdictions like review or appeal is not trenched upon. No order or direction supplemental to what has been already expressed should be issued by the Court while exercising jurisdiction in the domain of the contempt law; such an exercise is more appropriate in other jurisdictions vested in the Court, as noticed above. *The above principles would appear to be the cumulative outcome of the precedents cited at the Bar, namely, Jhareswar Prasad Paul v. Tarak Nath Ganguly, (2002) 5 SCC 352; V.M. Manohar Prasad v. N. Ratnam Raju, (2004) 13 SCC 610, Bihar Finance Service House ConstructionCoop. Society Ltd. v. Gautam Goswami. (2008) 5 SCC 339, and Union of India v. Subedar Devassy PV, (2006) 1 SCC 613."*

[emphasis supplied]

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4. The law laid down by the Supreme Court establishes three clear rules:

(i) A court exercising contempt jurisdiction cannot travel beyond the explicit terms of the original order;

(ii) Contempt jurisdiction cannot be used to issue fresh, additional, or supplemental directions to expand the original order; and

(iii) Contempt proceedings cannot re-examine or modify issues already decided, nor can they usurp corrective jurisdictions like review or appeal.

5. In the case at hand, admittedly, the learned Single Judge has not exceeded his jurisdiction and, in fact, has not entertained the contempt petition. The learned Single Judge, while closing the contempt petition, has passed the following order:

"This Contempt Petition is filed alleging that the order of this court dated 24.01.2020 in C.S.No.215 of 2015 has been deliberately disobeyed by the respondents. In the counter filed, it is stated that in pursuant to the direction of this court, the statement of accounts is submitted to this court in a sealed cover as per the modified order dated 13.07.2020. However, it is strongly contended by the learned counsel for the contempt petitioners that the sealed

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cover submitted to this court on behalf of the first respondent cannot be presumed to contain the statement of accounts of both the respondents.

2. In response to this submission, the learned counsel for the respondents states that earlier, the learned Single Judge of this court has clarified that the statement of accounts of respondents 1 and 2 need not be in two separate covers and further, in the counter, it is submitted that the second respondent cannot file any account much less separate account for the products pertaining to two styles. The only manner in which the 2nd respondent said to comply with the order dated 24.01.2020 is to the accounts of the 1st respondent pertaining to its product therein, the two style numbers. However, this court is clear in its order that any product sold anywhere in the world carrying the disputed two designs/styles, the account should be rendered. The 2nd respondent can either plead that the accounts of the business is available in the sealed covers or make a plea that in the separate account for the product pertaining to two styles need not be filed by the 2nd respondent.

3. Now the 2nd respondent has taken both the pleas which are inconsistent to each other. Only on opening the sealed cover, the real fact whether the accounts of the 2nd respondent is furnished to this court or not will come to light.

4. Hence, this court for the present, close the contempt petition with liberty to the petitioner herein to revive the petition at later point of time after the sealed

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cover is open. It is made clear that the order of this court dated 24.01.2020 is to get the details of the sale particulars of these two styles sold by the 1st respondent as well as by the 2nd respondent."

6. Considering the narrow scope of the jurisdiction to be exercised by the contempt court, we are of the view that, if the appellant is aggrieved by the non-compliance of the order passed in C.S.No.215 of 2015, it is for them to work out the remedy in accordance with law. We find that the order passed by the learned Single Judge in closing the contempt petition does not warrant any appellate interference.

7. The appeal stands dismissed. There shall be no order as to costs. Consequently, CMP No.10778 of 2026 is closed.

(SUSHRUT ARVIND DHARMADHIKARI, CJ.) (G. ARUL MURUGAN, J.)
08.09.2026

Index : Yes/No
Neutral Citation : Yes/No
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LPA No.13 of 2026

THE HON'BLE CHIEF JUSTICE
AND
G. ARUL MURUGAN, J.

(tar)

LPA No.13 of 2026

08.09.2026

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IN THE HIGH COURT OF JUDICATURE AT MADRAS

DATED: 14.10.2026

CORAM

THE HON'BLE MR.SUSHRUT ARVIND DHARMADHIKARI,

CHIEF JUSTICE

AND

THE HON'BLE MR.JUSTICE G.ARUL MURUGAN

LPA No. 13 of 2026

CNR:{HCMA010718692026}

1. Gaurav Metal
Represented by its Partner, Sanjay Mittal,
D.No. 15, Nooker Nallamuthu Street,
Broadway, Chennai - 600 001.

Appellant(s)

Vs

1. Pandiraja
The Additional Commissioner, Central Goods and Sevices Tax and Central Excise (ECM), Enforcement and Compliance Management, Chennai North Commissionerate No. 26/1, Mahatma Gandhi Road, Chennai 600 034.

2.Ramarao Reddy
The Superintendent, Central Goods and Services Tax and Central Excise (ECM), Enforcement and Compliance Management, Chennai North Commissionerate, No. 26/1, Mahatma Gandhi Road, Chennai 600 034.

Respondent(s)

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For Appellant(s): Mr.Saurabh Sankar Sengupta
Thro' VC

For Respondent(s): Mr.K.Mohanamurali,
Senior Standing Counsel

ORDER

(Order of the Court was made by the Hon'ble Chief Justice)

The appeal is listed today under the caption 'for being mentioned'.

2. Learned counsel appearing for the appellant submitted that while extracting the order of the learned Single Judge in Contempt Petition No.345 of 2025 in paragraph 5, inadvertently, the order in C.S.No.215 of 2015 has been extracted and in paragraph 6 also, instead of mentioning Contempt Petition No.345 of 2025, C.S.No.215 of 2015 has been mentioned.

3. Considering the submission, in paragraph 5, the extract portion shall be replaced with the following:

> *"This Contempt Petition has been filed for wilful disobedience of the Order dated 07.09.2023 passed by this Court in W.P.No.26209 of 2023 by the Respondents.*
>
> ***2.*** *The operative portion of the Order dated*

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07.09.2023 is extracted hereunder:-

> *"Mr.V.Sundareswaran, learned Senior Standing Counsel takes notice on behalf of the respondents and submits that all the relied upon documents in the Show Cause Notice dated 04.08.2023 has been furnished and all the documents which were seized during the course of search and seizure will be returned to the petitioner within a period of four weeks from today.*
>
> *2. Recording the above submission of the learned Senior Standing Counsel for the respondents, this Writ Petition is disposed of at the time of admission, by dispensing with the requirement of filing of counter affidavit, by directing the second respondent to furnish/return all the documents seized from the petitioner's premises within a period of four weeks from today.*
>
> *3. The petitioner shall file additional reply/representation to the above Show Cause Notice within a period of four weeks thereafter.*
>
> *4. The second respondent shall pass appropriate orders on merits and in accordance with law within a period of two weeks thereafter. No costs. Connected Writ Miscellaneous Petition is closed. "*

3. *The learned counsel for the Petitioner has submitted that the Order passed by this Court has been only partially complied with, as only part of the documents have been returned to the Petitioner and still there are certain other important documents that are yet to be returned.*

4. *On the other hand, the learned Senior Standing Counsel for the Respondents has filed an Affidavit in November, 2025, wherein, it is stated as under:-*

> *'3.4. In compliance with the directions of the Hon'ble High Court, the petitioner was requested to collect the required documents from the department vide letter dated 09.11.2023.*
>
> *3.5. As per the Order of Seizure in Form GST INS-02 dated 21.12.2021, various documents were seized under 15 serial numbers during the search operation conducted on that date. Out of these, documents at SI. Nos. 12 to 15 were returned to the petitioner on 24.01.2022.*
>
> *3.6. Further in pursuant to the directions of the Hon'ble High Court of Madras, documents seized under Sl. Nos. 2, 5, 6, 7, 8, 10, and 11 were*

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fully returned on 20.11.2023, duly acknowledged by the petitioner. Thus, out of the total 15 items seized, 11 items were returned on 24.01.2022 and 20.11.2023.

4. The respondents humbly submit that, due to paucity of office space, the Headquarters Preventive Unit shifted old seized records to a common store room, which was also utilized by other sections for storage. During this process, some files became inter-mixed with those of other sections. Hence, the documents could not be returned in entirety. Intensive searches were undertaken, and the following seized documents were subsequently traced and are returned to the petitioner on 24.10.2025.

SI.No.As per order of seizur	Description of Goods (Yet to be returned)	Quantity / Units returned on 24.10.2025
1	Sales Bills	03
3	Purchase Bills	05
4	Purchase Register	02
9	Bank Statement Files	03

5. It is further humbly submitted that after returning of above documents, the position of seized documents is as follows:-

SI.No. As per order of seizure	Description of Goods (Yet to be returned)	Quantity or Units	Quantity/ Units returned	Balance Documents to be returned
1	Sales Bills	11	03	8
2	Sales Register	3	Fully returned on 20.11.2023	
3	Purchase Bills	06	05	1
4	Purchase Register	02	Fully returned on 24.10.2025	
5	Ledger Register	04	Fully returned on 20.11.2023	
6	Stock Register	02	Fully returned on 20.11.2023	
7	Cash Book Register	02	Fully returned on 20.11.2023	
8	Bank Register	04	Fully returned on 20.11.2023	
9	Bank Statement Files	04	03	1

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10	File named TCS 31.03.2021 – Debit Notes	01	Fully returned on 20.11.2023
11	Made up files containing loose sheets numbered 1 to 24	01	Fully returned on 20.11.2022
12	Post dated Cheque	03	Fully returned on 24.01.2022
13	Post dated Cheque	03	Fully returned on 24.01.2022
14	Post dated Cheque	01	Fully returned on 24.01.2022
15	Post dated Cheque	07	Fully returned on 24.01.2022

5.1 It is further humbly submitted that the officers of the HPU section, as well as other sections, frequently access the store room to retrieve records, and during such movement, certain files may have been inadvertently misplaced or mixed with other records. Nevertheless, most of the seized documents have already been returned. and the remaining few have been traced and are proposed to be handed over shortly. Sincere and continuous efforts are being made to trace the balance documents, which will be returned to the petitioner as soon as they are located.

6. It is further humbly submitted that the respondent has acted in good faith and with due diligence, without any will full or deliberate disobedience of the Hon'ble Court's orders.

6.1. The present affidavit is submitted to place the factual position on record for kinds consideration.

7. Therefore, it is respectfully prayed that this Hon'ble Court may be pleased to this affidavit on record the close the contempt and thus render justice."

5. *The failure on the part of the Respondents to return the documents in time has resulted in adjudication and issuance of Show Cause Notice No.04/2023-GST-CH.N(ADC) dated 04.08.2023 to the petitioner.*

6. *The said Show Cause Notice dated 04.08.2023 has been issued alleging that the Petitioner has availed an Input Tax Credit on the basis of fake invoices issued by the fake Entities without*

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the actual receipt of the goods, which was utilized for discharging the tax liability.

7. *It is noticed that there is a substantial compliance of the Order dated 07.09.2023 of this Court in W.P.No.26209 of 2023 and therefore, adjudication of the proceedings initiated vide Show Cause Notice No.04/2023-GST-CH.N(ADC) dated 04.08.2023 cannot be kept pending without any finality.*

8. *That apart, the issue as to whether all the documents have been received by the Petitioner or not cannot be adjudicated in a Contempt Petition and that it is for the Petitioner to establish that all relevant documents, which were seized by the Respondents have been furnished or not before the Respondent in the show cause proceedings.*

9. *It is open for the petitioner to canvass all issues before the Respondent in the show cause proceedings.*

10. *Therefore, this Contempt Petition stands closed with liberty to the Petitioner to raise a defence, as stated above, in the proceedings initiated vide Show Cause Notice No.04/2023-GST-CH.N(ADC) dated 04.08.2023. No costs."*

4. Similarly, in paragraph 6, instead of "C.S.No.215 of 2015", "Cont.P.No.345 of 2025" shall be substituted.

After making the aforesaid corrections, the Registry shall issue a fresh order copy.

(SUSHRUT ARVIND DHARMADHIKARI, CJ.) (G.ARUL MURUGAN, J.)
14.10.2026

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The Hon'ble Chief Justice
and
G.Arul Murugan, J.

(sra)

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