

SUBHA AND PRABHA BUILDERS: In this detailed ruling, allowing assessee/petitioner's Writ, Karnataka High Court (Kar HC) has interalia held that:

a) Where petitioner's tax liability has already been determined by assessing authority and the assessee filing an appeal in normal course if he is aggrieved by said determination, can never be a ground for retention of impounded documents indefinitely when such retention is not provided in statute itself. (Section 131(3) - proviso considered at length)

b) Specified authority having power to retain impounded books, under subject provision (section 131(3) proviso), in view of High Court, has no power to keep extending the period repeatedly, as is done in present case, for years together. The extension can only be one time exercise and supplementing outer limit of 15 days for some days depending upon circumstances. (24/4/2009)