

In view of willful evasion of payment of tax by assessee application for waiver of interest rejected by HC

Summary – The High Court of Madhya Pradesh in a recent case of Mansukhlal Pitalia, (the Assessee) held that In view of willful evasion of payment of tax by assessee application for waiver of interest should be rejected

Facts

- Pursuant to search proceedings carried out in case of assessee, block assessment was completed under section 158BC determining taxable income of assessee. The Assessing Officer also calculated interest under section 220(2) and a demand was raised.
- The assessee's case was that since the levy on interest was on the higher side, it was causing great hardship to him. He thus filed an application before the Commissioner/Principal Commissioner for waiver of the interest under section 220(2A) and the same was rejected.
- On writ:

Held

- The payment of amount towards interest certainly causes hardship to an assessee, but on this ground alone, the interest cannot be waived.
- In the present case, it can never be said that the assessee was not able to pay the tax due to the circumstances beyond the control of the assessee. It is a case of wilful evasion of payment of tax which has been correctly determined by lower authorities.
- Every person is having certain compulsion while paying interest and that cannot be the sole ground for allowing the application in respect of waiver of the interest.
- Accordingly, the instant petition stands dismissed.