

Initiation of prosecution proceedings upheld by HC as assessee failed to produce evidence of submitting TDS to Govt.

Summary – The High Court of Karnataka in a recent case of Dr. Viloo Patell, (the Assessee) held that Initiation of prosecution proceedings were correct as assessee failed to produce evidence of submitting TDS to Govt.

Facts

- The assessee was the Managing Director of a Group of companies and prosecution proceedings were initiated against him under section 276B for failure to remit the tax deducted at source.
- The impugned action was challenged by the assessee.

Held

- The HC noted that as per the sanction order the Commissioner Sanctioning Authority has narrated the facts of the case, referred to provisions of law applicable to the facts and has observed that an opportunity was given to the assessee in default to make the payment.
- In case, any amount was paid pursuant to the said show-cause notice, the proof thereof could have been produced by assessee so as to avoid criminal prosecution. There is nothing on record to show that the remittances made by the assessee have been brought to the notice of the Central Government.
- Hence, there is no merit in the prayer made in the petition by the assessee and the same is dismissed.