



Moti B. Totlani

That where an Assessee paid interest on late submission of TDS and claimed said interest as deduction, the A O however disallowed said claim on ground that interest paid under section 201(1A) would be penal in nature, the tribunal held that since tax was deducted by assessee on behalf of third party, interest charged on failure to remit same within due date to government would be compensatory in nature and interest paid on delayed payment of TDS under section 201(1A) was to be allowed as deduction. (ResolveSalvage & FireIndia (P.) Ltd. v. Deputy Commissioner of Income-tax* [2022] 139 taxmann.com 196 (Mumbai - Trib.) APRIL 18, 2022) That where an Assessee had borrowed home loan from bank for buying certain flats and had taken another loan from a bank for making repayment of said