

Income Tax Act 1961 s 194K - Income in respect of units

Any person responsible for paying to a resident any income in respect of—

(a) units of a Mutual Fund specified under clause (23D) of section 10; or

(b) units from the Administrator of the specified undertaking; or

(c) units from the specified company, shall, at the time of credit of such income to the account of the payee or at the time of payment thereof by any mode, whichever is earlier, deduct income-tax thereon at the rate of ten per cent:

Provided that the provisions of this section shall not apply—

(i) where the amount of such income or, as the case may be, the aggregate of the amounts of such income credited or paid or likely to be credited or paid during the financial year by the person responsible for making the payment to the account of, or to, the payee does not exceed five thousand rupees; or

(ii) if the income is of the nature of capital gains.

Explanation 1.—For the purposes of this section,—

(a) “Administrator” means the Administrator as referred to in clause (a) of section 21 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);

(b) “specified company” means a company as referred to in clause (h) of section 21 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002);

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**(c) “specified undertaking” shall have the meaning assigned to it in clause (i) of section 21 of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 (58 of 2002).**

**Explanation 2.—For the removal of doubts, it is hereby clarified that where any income referred to in this section is credited to any account, whether called "suspense account" or by any other name, in the books of account of the person liable to pay such income, such crediting shall be deemed to be the credit of such income to the account of the payee and the provisions of this section shall apply accordingly.**

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