

Income in respect of units.

194K. Where any income is payable to a resident in respect of units of a Mutual Fund specified under clause (23D) of section 10 or of the Unit Trust of India, the person responsible for making the payment shall, at the time of credit of such income to the account of payee or at the time of payment thereof in cash or by issue of a cheque or draft or by any other 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 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 two thousand five hundred rupees:

Provided further that the amount of one thousand rupees shall be computed with reference to the income credited or paid—

- (a) In respect of a branch office of the Mutual Fund or of the Unit Trust of India, as the case may be, and
- (b) Under a particular scheme under which the units have been issued :

Provided also that no deduction shall be made under this section from any such income credited or paid on or after the 1st day of April, 2003.

Explanation.—For the purposes of this section,—

- (a) “Unit Trust of India” means the Unit Trust of India established under the Unit Trust of India Act, 1963 (52 of 1963);
- (b) where any income as aforesaid 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 credit of such income to the account of the payee and the provisions of this section shall apply accordingly.