Finance Act, 2003

Section 56 - Amendment of Section 115r

In section 115R of the Income-tax Act, for sub-section (2), the following shall be substituted, namely:--

'(2) Notwithstanding anything contained in any other provision of this Act, any amount of income distributed by the specified company or a Mutual Fund to its unit holders shall be chargeable to tax and such specified company or Mutual Fund shall be liable to pay additional income-tax on such distributed income at the rate of twelve and one-half per cent.:

Provided that nothing contained in this sub-section shall apply in respect of any income distributed,--

(a) by the Administrator of the specified undertaking, to the unit holders; or

(b) to a unit holder of open-ended equity oriented funds in respect of any distribution made from such funds for a period of one year commencing from the 1st day of April, 2003.

Explanation.--For the purposes of this sub-section, "Administrator" and "specified company" shall have the meanings respectively assigned to them in the Explanation to clause (35) of section 10.'.
