Finance Act, 1997

Section 25 - AMENDMENT OF SECTION 80IA -InSection 80-IA of the Income Tax Act

a) in sub-section (1), after the words "scientific and industrial research and development",- (i) the words "or providing telecommunication services whether basic or cellular" shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996; (ii) after the words "or providing telecommunication services whether basic or cellular" as so inserted, the words "or operating an industrial park or commercial production of mineral oil in the North -Eastern Region" shall be inserted with effect from the 1st day of April, 1998; (b) in sub-section (4), with effect from the 1st day of April, 1998,- (i) for the portion beginning with the words "This section applies-" and ending with the words, brackets and figures "either of the conditions (iii) or (iv) are fulfilled, namely:-", the following shall be substituted, namely:- "This section applies to the business of any hotel- (a) where conditions (i), (ii) and (v), and (b) either of the conditions (iii) or (iv); or (c) either of the conditions (iii-a) or (iv-a), are fulfilled, namely :-"; (ii) after clause (iii), the following clause shall be inserted, namely :- "(iii-a) the business of the hotel, located in a hilly area or a rural area or a place of pilgrimage or such other place as the Central Government may, having regard to the need for development of infrastructure for tourism in any place and other relevant considerations, specify for the purpose of this clause, starts functioning at any time during the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2001: Provided that nothing contained in this clause shall apply to any hotel located at a place within the municipal jurisdiction (whether known as a Municipality, Municipal Corporation, Notified Area Committee, Town Area Committee or a Cantonment Board or by any other name) of Calcutta, Chennai, Delhi and Mumbai;"; (iii) after clause (iv), the following clause shall be inserted, namely :- "(iv-a) the business of the hotel, located in a place other than a place referred to in clause (iii -a) of this sub-section and not being located at a place within the municipal jurisdiction (whether known as a Municipality, Municipal Corporation, Notified Area Committee, Town Area Committee or a Cantonment Board or by any other name) of Calcutta, Chennai, Delhi and Mumbai, starts functioning at any time during the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2001;"; (c) after sub-section (4-B), the following sub-section shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(4 -C) This section applies to any undertaking which starts providing telecommunication services whether basic or cellular at any time on or after the 1st day of April, 1995 but before the 31st day of March, 2000."; (d) after sub-section (4-C) as so inserted, the following sub-sections shall be inserted with effect from the 1st day of April, 1998, namely :- "(4-D) This section applies to any undertaking which begins to operate an industrial park notified by the Central Government in accordance with the scheme framed and notified by that Government for the period beginning on the 1st day of April, 1997 and ending on the 31st day of March, 2002. (4-E) This section applies to any undertaking which begins commercial production of mineral oil in the North-Eastern Region."; (e) in sub-section (5),- (i) after clause (i-b), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(i -c) in the case of an undertaking referred to in sub " section (4-C), hundred per cent of the profits and gains derived from such business for the initial five assessment years and thereafter, twenty-five per cent of the profits and gains derived from such business : Provided that where the assessee is a company, the provisions of this clause shall have effect as if for the words 'twenty-five per cent', the words 'thirty per cent' had been substituted;"; (ii) after clause (i-c), as so inserted, the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(i-d) in the case of an industrial park referred to in sub-section (4 - D), hundred per cent of the profits and gains derived from such business for the initial five assessment years and thereafter, twenty-five per cent of the profits and gains derived from such business : Provided that where the assessee is a company, the provisions of this clause shall have effect as if for the words 'twenty -five per cent', the words 'thirty per cent' had been substituted;"; (iii) after clause (ii), the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(ii-a) in the case of a hotel referred to in clause (iii-a) of sub-section (4), fifty per cent of the profits and gains derived from the business of such hotel: Provided that the said hotel is approved by the prescribed authority for the purposes of this clause in accordance with the rules made under this Act;"; (iv) in clause (iii), after the word, brackets and figures "clause (iv)", the words, brackets, figures and letter "or clause (iv-a) shall be inserted with effect from the 1st day of April, 1998; (v) after clause (iv), the following clause shall be inserted with effect from the 1st day of April, 1998, namely - "(v) in the case of an undertaking referred to in sub-section (4-E) hundred per cent of profits and gains derived from such business for the initial seven assessment years,"; (f) in sub-section (6),- (i) after clause (v), the following clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely: - "(vi) ten in the case of an assessee, being an undertaking referred to in sub-section (4-C), deriving profits and gains from telecommunication services, whether basic or cellular;"; (ii) after clause (vi) as so inserted, the following clauses shall be inserted with effect from the 1st day of April, 1998, namely :- "(vii) ten in the case of an assessee, being an undertaking referred to in sub-section (4-D), deriving profits and gains from operating an industrial park; (viii) seven in the case of an assessee being an undertaking referred to in sub-section (4 -E) deriving profits and gains from commercial production of mineral oil in the North-Eastern Region;"; (g) in sub-section (12), in clause (c),- (i) after sub-clause (3), the following sub-clause shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 1996, namely:- "(4) 'in the case of an undertaking referred to in subsection (4 -C)' means the assessment year relevant to the previous year in which the undertaking starts to provide the telecommunication services whether basic or cellular;"; (ii) after sub-clause (4) as so inserted, the following sub-clauses shall be inserted with effect from the 1st day of April, 1998, namely :- "(5) 'in the case of an undertaking operating an industrial park' referred to in sub - section (4-D) means the assessment year relevant to the previous year in which the undertaking starts operating such industrial park notified for the purposes of the said sub-section; (6) 'in the case of an undertaking engaged in the business of commercial production of mineral oil' referred to in sub-section (4-E) means the assessment year relevant to the previous year in which the undertaking commences the commercial production of mineral oil;"; (iii) after clause (f), the following clause shall be inserted with effect from the 1st day of April, 1998, namely :- "(g) 'North-Eastern Region' means the region comprising the States of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura.".