

Finance Act, 1999

Section 47 - AMENDMENT OF SECTION 80-HHD -InSection 80HHD of the Income Tax Act-,

a) in sub-section (2), with effect from the 1st day of June, 1999,- (i) for the portion beginning with the words "where the Chief Commissioner" and ending with the words "may allow in this behalf", the words "within such further period as the competent authority may allow in this behalf", shall be substituted', (ii) the Explanation shall be numbered as Explanation I thereof and after Explanation I as so numbered, the following Explanation shall be inserted, namely:- 'Explanation 2.-For the purposes of this sub-section, the expression "competent authority" means the Reserve Bank of India or such other authority as is authorised under any law for the time being in force for regulating payments and dealings in foreign exchange.'; (b) in sub-section (2-A), for the word "Explanation", the word and figure "Explanation I" shall be substituted with effect from the 1st day of June, 1999; (c) in sub-section (4), with effect from the 1st day of April, 2000,- (;) after clause (e), the following clause shall be inserted, namely :- "(f) subscription to equity shares forming part of any eligible issue of capital made by a public company;"; (ii) in the proviso, for the words, brackets and letters "clauses (a) to (e)", the words, brackets and letters "clauses (a) to (f)" shall be substituted', (d) after sub-section (5), the following sub-section and Explanation shall be inserted with effect from the 1st day of April, 2000, namely :- "(5-A) Where any amount credited to the reserve account under clause (b) of sub-section (1) has been utilised for subscription to any equity shares referred to in clause (f) of sub-section (4) and either whole or any part of such equity shares are transferred or converted into money by the assessee at any time within a period of three years from the date of their acquisition, the aggregate amount so utilised in respect of such equity shares shall be deemed to be the profits of the previous year in which the equity shares are transferred or converted into money. Explanation.-A person shall be treated as having acquired any shares on the date on which his name is entered in relation to those shares in the register of members of the public company."; (e) in sub-section (6), for the words, brackets and figure "Explanation to sub-section (2)", the words, brackets and figures "Explanation I to sub-section (2)" shall be substituted with effect from the 1st day of June, 1999; (f) in the Explanation, after clause (d), the following clause shall be inserted with effect from the 1st day of April, 2000, namely :- '(e) "eligible issue of capital" means an issue made by a public company formed and registered in India and the entire proceeds of the issue is utilised wholly and exclusively for the purpose of carrying on the business of- (i) setting up and running of new hotels approved by the prescribed authority; or (ii) providing such new facility for the growth of tourism in India, as the Central Government may, by notification in the Official Gazette, specify.'