

Finance Act, 2000

Section 8 - AMENDMENT OF SECTION 11 In Section 11 of the Income Tax Act, in sub-section

5),- (a) in clause (vii), the following proviso shall be inserted with effect from the 1st day of April, 2001, namely :- "Provided that where an investment or deposit in any public sector company has been made and such public sector company ceases to be a public sector company,- (A) such investment made in the shares of such company shall be deemed to be an investment made under this clause for a period of three years from the date on which such public sector company ceases to be a public sector company; (B) such other investment or deposit shall be deemed to be an investment or deposit made under this clause for the period up to the date on which such investment or deposit becomes repayable by such company;"; (b) in clauses (viii) and (ix), for the words, brackets and figures "which is approved by the Central Government for the purposes of clause (viii) of sub-section (1) of Section 36", the words, brackets and figures "which is eligible for deduction under clause (viii) of sub-section (1) of Section 36" shall be substituted; (c) after clause (ix), the following shall be inserted, with effect from the 1st day of April, 2001, namely :- '(ix-a) deposits with or investment in any bonds issued by a public company formed and registered in India with the main object of carrying on the business of providing long-term finance for urban infrastructure in India. Explanation.-For the purposes of this clause,- (a) "long -term finance" means any loan or advance where the terms under which moneys are loaned or advanced provide for repayment along with interest thereof during a period of not less than five years; (b) "public company" shall have the meaning assigned to it in Section 3 of the Companies Act, 1956 (1 of 1956); (c) "urban infrastructure" means a project for providing potable water supply, sanitation and sewerage, drainage, solid waste management, roads, bridges and flyovers or urban transport;'.