Finance Act, 2007

Section 28 - Amendment of section 80-IA: In section 80-IA of the Income-tax Act,

i) in sub-section (2), after the words "distribution lines", the words "or lays and begins to operate a cross-country natural gas distribution network" shall be inserted with effect from the 1st day of April, 2008; (ii) in sub-section (3), for the word, brackets and figures "clause (iv)", the words, brackets and figures "clause (iv) or clause (vi)" shall be substituted with effect from the 1st day of April, 2008; (iii) in sub-section (4), with effect from the 1st day of April, 2008,-- (A) in clause (i), in the Explanation, in clause (d), for the words "or inland port", the words ", inland port or navigational channel in the sea" shall be substituted; (B) in clause (v), in sub-clause (b), for the figures, letters and words "31st day of March, 2007", the figures, letters and words "31st day of March, 2008" shall be substituted; (C) after clause (v), the following clause shall be inserted, namely- '(vi) any undertaking carrying on the business of laying and operating a cross-country natural gas distribution network, including pipelines and storage facilities being an integral part of such network, which fulfils the following conditions, namely- (a) it is owned by a company registered in India or by a consortium of such companies or by an authority or a board or a corporation established or constituted under any Central or State Act; (b) it has been approved by the Petroleum and Natural Gas Regulatory Board established under sub-section (1) of section 3 of the Petroleum and Natural Gas Regulatory Board Act, 2006(19 of 2006) and notified by the Central Government in the Official Gazette; (c) one-third of its total pipeline capacity is available for use on common carrier basis by any person other than the assessee or an associated person; (d) it has started or starts operating on or after the 1st day of April, 2007; and (e) any other condition which may be prescribed. Explanation.--For the purposes of this clause, an "associated person" in relation to the assessee means a person-- (i) who participates directly or indirectly or through one or more intermediaries in the management or control or capital of the assessee; (ii) who holds, directly or indirectly, shares carrying not less than twenty-six per cent. of the voting power in the assessee; (iii) who appoints more than half of the Board of directors or members of the governing board, or one or more executive directors or executive members of the governing board of the assessee; or (iv) who guarantees not less than ten per cent. of the total borrowings of the assessee.'; (iv) after sub-section (12), the following sub-section shall be inserted with effect from the 1st day of April, 2008, namely- "(12A) Nothing contained in sub-section (12) shall apply to any enterprise or undertaking which is transferred in a scheme of amalgamation or demerger on or after the 1st day of April, 2007."; (v) after sub-section (13), the following Explanation shall be inserted and shall be deemed to have been inserted with effect from the 1st day of April, 2000, namely- "Explanation.--For the removal of doubts, it is hereby declared that nothing contained in this section shall apply to a person who executes a works contract entered into with the undertaking or enterprise, as the case may be.".