

Finance Act,1990

Section 24 - Amendment of Section 80-i

In section 80-I of the Income-tax Act, -

(a) after sub-section (1), the following sub-section shall be inserted, namely :-

'(1A) Notwithstanding anything contained in sub-section (1), in relation to any profits and gains derived by an assessee from -

(i) an industrial undertaking which begins to manufacture or produce articles or things or to operate its cold storage plant or plants; or

(ii) a ship which is first brought into use; or

(iii) the business of a hotel which starts functioning,

on or after the 1st day of April, 1990, there shall, in accordance with and subject to the provisions of this section, be allowed in computing the total income of the assessee, a deduction from such profits and gains of an amount equal to twenty-five per cent. thereof :

Provided that in the case of an assessee, being a company, the provisions of this sub-section shall have effect in relation to profits and gains derived from an industrial undertaking or a ship or the business of a hotel as if for the words "twenty-five per cent.", the words "thirty per cent." had been substituted.'

(b) in sub-section (2), in clause (iii), for the words "nine years", the words "fourteen years" shall be substituted;

(c) in sub-section (3), in clause (iii), for the words "nine years", the words "fourteen years" shall be substituted;

(d) in sub-section (4), in clause (iv), for the words, figures and letters "before the 1st day of April, 1990", the words, figures and letters "before the 1st day of April, 1995" shall be substituted;

(e) in sub-section (5), after the second proviso, the following provisos shall be inserted, namely :-

'Provided also that in the case of -

(i) an industrial undertaking which begins to manufacture or produce articles or things or to operate its cold storage plant or plants; or

(ii) a ship which is first brought into use; or

(iii) the business of a hotel which starts functioning,

on or after the 1st day of April, 1990, provisions of this sub-section shall have effect as if for the words "seven assessment years", the words "nine assessment years" had been substituted :

Provided also that in the case of an assessee, being a co-operative society, deriving profits and gains from an industrial undertaking or a ship or a hotel referred to in the third proviso, the provisions of that proviso shall have effect as if for the words "nine assessment years", the words "eleven assessment years" had been substituted.'

