Finance (No. 2) Act, 2004

Section 17 - Amendment of Section 80-ia

In section 80-IA of the Income-tax Act, with effect from the 1st day of April, 2005.--

(a) in sub-section (2), after the words "generates power or commences transmission or distribution of power", the words "or undertakes substantial renovation and modernisation of the existing transmission or distribution lines" shall be inserted;

(b) in sub-section (3),--

(A) in the opening portion, for the words, brackets and figures "undertaking referred to in clause (iv)", the words, brackets and figures "undertaking referred to in clause (ii) or clause (iv)"shall be substituted;

(B) after clause (ii) and before Explanation 1, the following proviso shall be inserted, namely:--

"Provided that nothing contained in this sub-section shall apply in the case of transfer, either in whole or in part, of machinery or plant previously used by a State Electricity Board referred to in clause (7) of section 2 of the Electricity Act, 2003(36 of 1999), whether or not such transfer is in pursuance of the splitting up or reconstruction or reorganisation of the Board under Part XIII of that Act.";

(c) in sub-section (4),--

(A) in clause (ii), for the figures, letters and words "31st day of March, 2004", the figures, letters and words "31st day of March, 2005" shall be substituted;

(B) in clause (iv), after sub-clause (b), the following shall be inserted, namely:--

'(c) undertakes substantial renovation and modernisation of the existing network of transmission or distribution lines at any time during the period beginning on the 1st day of April, 2004 and ending on the 31st day of March, 2006.

Explanation.--For the purposes of this sub-clause, "substantial renovation and modernisation" means an increase in the plant and machinery in the network of transmission or distribution lines by at least fifty per cent. of the book value of such plant and machinery as on the 1st day of April, 2004.'.
