

Finance Act, 1995

Section 19 - Amendment of Section 80-ia

In section 80-IA of the Income-tax Act, with effect from the 1st day of April, 1996, -

(a) in sub-section (1), for the words and brackets "operation of a ship (such business being hereinafter referred to as the eligible business)", the words and brackets "operation of a ship or developing, maintaining and operating any infrastructure facility (such business being hereinafter referred to as the eligible business)" shall be substituted;

(b) in sub-section (2), in clause (iv), after sub-clause (c), the following sub-clause shall be inserted, namely :-

"(d) in the case of an industrial undertaking being a small scale industrial undertaking, not specified in sub-clause (b) or in sub-clause (c), it begins to manufacture or produce articles or things or to operate its cold storage plant at any time during the period beginning on the 1st day of April, 1995, and ending on the 31st day of March, 2000;"

(c) after sub-section (4), the following sub-section shall be inserted, namely :-

"(4A) This section applies to any enterprise carrying on the business of developing, maintaining and operating any infrastructure facility which fulfils all the following conditions, namely :-

(i) the enterprise is owned by a company registered in India or by a consortium of such companies;

(ii) the enterprise has entered into an agreement with the Central Government or a State Government or a local authority or any other statutory body for developing, maintaining and operating a new infrastructure facility subject to the condition that such infrastructure facility shall be transferred to the Central Government, State Government, local authority or such other statutory body, as the case may be, within the period stipulated in the agreement;

(iii) the enterprise starts operating and maintaining the infrastructure facility on or after the 1st day of April, 1995.";

(d) in sub-section (5), -

(i) in clause (i), in sub-clause (a), after the words, brackets and letter "sub-clause (a)", the words, brackets and letter "or sub-clause (d)" shall be inserted;

(ii) after clause (i), the following clause shall be inserted, namely :-

"(ia) in the case of an enterprise referred to in sub-section (4A), hundred per cent. of the profits and gains derived from such business for the initial five assessment years and thereafter, thirty per cent. of such profits and gains;"

(e) in sub-section (6), after clause (iii), the following clause shall be inserted, namely :-

"(iv) any ten consecutive assessment years falling within a period of twelve assessment years beginning with the assessment year in which an assessee begins operating and maintaining infrastructure facility.";

(f) in sub-section (12) -

(i) for clause (c), the following clauses shall be substituted, namely :-

'(c) "initial assessment year", -

(1) in the case of an industrial undertaking or cold storage plant or ship or hotel, means the assessment year relevant to the previous year in which the industrial undertaking begins to manufacture or produce articles or things, or to operate its cold storage plant or plants or the ship is first brought into use or the business of the hotel starts functioning;

(2) in the case of an enterprise, carrying on the business of developing, operating and maintaining any infrastructure facility, means the assessment year specified by the assessee at his option to be the initial year, not falling beyond the twelfth assessment year starting from the previous year in which the enterprise begins operating and maintaining the infrastructure facility;

(ca) "infrastructure facility" means a road, highway, bridge, airport, port or rail system or any other public facility of a similar nature as may be notified by the Board in this behalf in the Official Gazette;'