

Finance Act 2001

Section 44 - Amendment of Section 80-ia

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

(a) for sub-section (1), the following sub-section shall be substituted with effect from the 1st day of April, 2002, namely :-

"(1) Where the gross total income of an assessee includes any profits and gains derived by an undertaking or an enterprise from any business referred to in sub-section (4) (such business being hereinafter referred to as the eligible business), 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 of an amount equal to hundred per cent. of profits and gains derived from such business for ten consecutive assessment years." ;

(b) in sub-section (2), for the proviso, the following proviso shall be substituted with effect from the 1st day of April, 2002, namely :-

'Provided that where the assessee develops or operates and maintains or develops, operates and maintains any infrastructure facility referred to in clause (a) or clause (b) or clause (c) of the Explanation to clause (i) of sub-section (4), the provisions of this sub-section shall have effect as if for the words "fifteen years", the words "twenty years" had been substituted.' ;

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

"(2A) Notwithstanding anything contained in sub-section (1) or sub-section (2), the deduction in computing the total income of an undertaking providing telecommunication services, specified in clause (ii) of sub-section (4), shall be hundred per cent. of the profits and gains of the eligible business for the first five assessment years commencing at any time during the periods as specified in sub-section (2) and thereafter, thirty per cent. of such profits and gains for further five assessment years." ;

(d) in sub-section (3), for the words "industrial undertaking" where ever they occur, the word "undertaking" shall be substituted with effect from the 1st day of April, 2002 ;

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

(i) in clause (i),-

(A) for the words, brackets and figures "of (i) developing, (ii) maintaining and operating or (iii) developing, maintaining and operating", the words, brackets and figures "of (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining" shall be substituted with effect from the 1st day of April, 2002 ;

(B) for sub-clause (b), the following sub-clause shall be substitute with effect from the 1st day of April, 2002, namely :-

"(b) it has entered into an agreement with the Central Government or a State Government or a local authority or any other statutory body for (i) developing or (ii) operating and maintaining or (iii) developing, operating and maintaining a new infrastructure facility ;" ;

(ii) for the Explanation, the following Explanation shall be substituted with effect from the 1st day of April, 2002, namely :-

Explanation.-For the purposes of this clause, "infrastructure facility" means-

(a) a road including toll road, a bridge or a rail system ;

(b) a highway project including housing or other activities being an integral part of the highway project;

(c) a water supply project, water treatment system, irrigation project, sanitation and sewerage system or solid waste management system ;

(d) a port, airport, inland waterway or inland port. ;

(iii) for clause (ii), the following clause shall be substituted, namely :-

"(ii) any undertaking which has started or starts providing telecommunication services whether basic or cellular, including radio paging, domestic satellite service, network of trunking, broadband network and internet services on or after the 1st day of April, 1995, but on or before the 31st day of March, 2003 ;" ;

(iv) in clause (iii),-

(A) after the words "an industrial park", the words "or special economic zone" shall be inserted with effect from the 1st day of April, 2002 ;

(B) for the words, figures and letters "the 31st day of March, 2002", the words, figures and letters "the 31st day of March, 2006" shall be substituted ;

(v) in clause (iv),-

(A) for the words "industrial undertaking" at both the places where they occur, the word "undertaking" shall be substituted with effect from the 1st day of April, 2002 ;

(B) in sub-clauses (a) and (b), for the words, figures and letters "ending on the 31st day of March, 2003" the words, figures and letters "ending on the 31st day of March, 2006" shall be substituted with effect from the 1st day of April, 2002 ;

(f) in sub-section (7), for the words "industrial undertaking" at both the places where they occur, the word "undertaking" shall be substituted with effect from the 1st day of April, 2002 ;

(g) in sub-section (8), with effect from the 1st day of April, 2002,-

(i) for the word "goods" wherever it occurs, the words "goods or services" shall be substituted ;

(ii) for the Explanation, the following Explanation shall be substituted, namely :-

'Explanation.-For the purposes of this sub-section, "market value", in relation to any goods or services, means the price that such goods or services would ordinarily fetch in the open market.' ;

(h) in sub-section (9), for the words "industrial undertaking" at both the places where they occur, the word "undertaking" shall be substituted with effect from the 1st day of April, 2002. .
