

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5173
ANSWERED ON:10.12.2010
(HEADING)CONSTRUCTION OF ADDITIONAL LANE
Naik Dr. Sanjeev Ganesh,Sule Supriya

Will the Minister of FINANCE be pleased to state:

- (a) Whether widening existing roads for construction of an additional lane as part of highway project is eligible for tax concessvion provided to other infrastructure activities under Section 80A of Income Tax Act;
- (b) if so, the details and time since when such concession has been provided;
- (c) the extent to which the Government has been able to provide tax sops to national highway by widening projects; and
- (d) the future plan in this regard?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE: SHRI S.S.PALANIMANICKAM

(a) Yes Sir.

(b)&(c) The Central Board of Direct Taxes issued circular No. 4/2010 on 18.5.2010 wherein it was clarified that widening of an existing road by constructing additional lanes as a part of a highway project by an undertaking would be regarded as a new infrastructure facility for the purpose of Section 80IA (4)(i). However, simply relaying of an existing road would not be classifiable as a new infrastructure facility for this purpose.

(d) As a matter of policy it has been decided not to extend the scope of any profit linked tax incentive like the one available under the Section 80IA of the Income Tax Act 1961.