

F.No.178/14/2010-ITA.I  
Government of India  
Ministry of Finance  
Department of Revenue  
Central Board of Direct Taxes

New Delhi, the 18<sup>th</sup> May, 2010.

Circular No. 4 /2010

Subject:- Widening of existing road – definition of a new infrastructure facility – clarification regarding.

References have been received by the Board as to **whether widening of existing roads constitutes creation of new infrastructure facility** for the purpose of Section 80IA (4)(i) of the Income Tax Act, 1961.

Section 80IA (4)(i) provides for a deduction to an undertaking engaged in developing, or operating and maintaining, or developing, operating and maintaining any infrastructure facility subject to satisfaction of the conditions laid down in the Section. The Explanation to subsection 80IA(4)(i) states that for the purpose of this clause, infrastructure facility means inter alia:-

- “(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;”

The issue has been examined by the Board. It has been decided 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.

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To

1. The Chairman, Members and all other officers in the CBDT of the rank of Under Secretary and above.
2. All Chief Commissioners / Directors General of Income Tax.
3. The Dir (RSP&PR), Mayur Bhawan, New Delhi for printing in the quarterly tax bulletin and for circulation as per usual mailing list.
4. The Comptroller and Auditor General of India (40 copies).
5. The DIT(Vigilance), Mayur Bhawan, New Delhi.
6. The Joint Secretary and Legal Advisor, Ministry of Law & Justice, New Delhi.
7. All Directors of Income Tax, New Delhi.
8. Director General of Income-tax, NADT, Nagpur.

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