**Finance (No. 2) Act, 1998**

**Section 34 - Amendment of Section 80-ia**

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

(a) in sub-section (1) with effect from the 1st day of April, 1999.--

(i) after the words "basic or cellular", the words "including radiopaging, domestic satellite service or network of trunking and electronic data interchange services or construction and development of housing projects" shall be inserted;

(ii) after the words "commercial production", the words "or refining" shall be inserted;

(b) in sub-section (2),--

(i) in clause (iii) in the proviso, for the words, figures and letters "ending on the 31st day of March, 1998", the words, figures and letters "ending on the 31st day of March, 2000" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1998;

(ii) in clause (iv), in sub-clause (b),--

(A) for the words, figures and letters "ending on the 31st day of March, 1998", the words, figures and letters "ending on the 31st day of March, 2000" shall be substituted and shall be deemed to have bee substituted with effect from the 1st day of April, 1998;

(B) in the proviso, for the figures "2000", the figures "2003" shall be substituted with effect from the1st day of April, 1999;

(iii) in sub-clause (c), for the words, figures and letters "ending on the 31st day of March, 1999", the words, figures and letters "ending on the 31st day of March, 2000" shall be substituted and shall be deemed to have been substituted with effect from the 1st day of April, 1998;

(c) in sub-section (4B), in clause (ii), for he figures "1998", the figures "1999" shall be substituted;

(d) in sub-section (4C), after the words "basic or cellular", the words "including radiopaging, domestic satellite service or network of trunking and electronic data interchange services" shall be inserted with effect from the 1st day of April, 1999;

(e) (i) in sub-section (4E), after the words "commercial production," the words "or refining" shall be inserted.

(ii) in sub-section (4E), the following proviso shall be inserted, with effect from the 1st day of April, 1999, namely:--

"Provided that the provisions of this section shall apply in case of refining of mineral oil where the undertaking begins refining on or after the 1st day of October, 1998";

(f) after sub-section (4E), the following sub-section shall be inserted with affect from the 1st day of April, 1999, namely:--

"(4F) This section applies to an undertaking, engaged in developing and building housing projects approved by a local authority subject to the condition that the size of the plot of land has a minimum area of one acre, and the residential unit has a built up area not exceeding one thousand square feet;

Provided that the undertaking commences development and construction of the housing project on or after the 1st day of October, 1998 and completes the same before the 31st day of March, 2001."

(g) in sub-section (5), after clause (v) the following clause shall be inserted with effect from the 1st day of April, 1999, namely:--

"(vi) in the case of a housing project referred to in sub-section (4F), hundred per cent of profits and gains derived from such business";

(h) in sub-section (6),--

(i) in clause (vi), after the words "basic or cellular", the words "including radiopaging and domestic satellite service" shall be inserted with effect from the 1st day of April, 1999;

(ii) in clause (viii) after the words "commercial production", the words "or refining" shall be inserted with effect from the 1st day of April, 1999;

(i) after sub-section (9) the following sub-section shall be inserted with effect from the 1st day of April, 1999, namely:--

(9A) Where any amount of profits and gains of an industrial undertaking or of a hotel in the case of an assessee is claimed and allowed under this section for any assessment year, deduction to the extent of such profits and gains shall not be allowed under any other provisions of the Chapter under the heading "C- Deduction in respect of certain incomes", and shall in no case exceed the profits and gains of the undertaking or hotel, as the case may be;

(i) in sub-section (12),--

(i) clause (a) shall be re-lettered as clause (aa) and before clause (aa) as so re-lettered, the following clause shall be inserted with effect from the 1st day of April, 1999, namely:--

'(a) "domestic satellite" means a satellite owned and operated by an Indian company for providing telecommunication service;

(ii) in clause (c), with effect from the 1st day of April, '1999,--

(A) in sub-clause (4) after the words "basic or cellular", the words "including radiopaging and domestic satellite service" shall be inserted;

(B) in sub-clause (b), after the words "commercial production", the word "or refining" shall be inserted;

(iii) in clause (ca), in sub-clause (i), after the word "port", the words "inland waterways and inland ports," shall be inserted with effect from the 1st day of April, 1999.