Prepared by CA Jaimin N. Desai

No.	PARTICULARS	S : 10A	S : 10AA	S : 10B	S : 10BA
1	Who Is eligible to get it ?	(1) A unit who begins the manufacturing activity in a Special Economic Zone between 1/4/2000 to 31/3/2005 (2) A unit in FTZ which begins the activity any time after 1/4/1980 & (3) A unit in EHTP / STP which begins the activity any time after 1/4/1993	A Unit set up under SEZ on or after 1/4/2005	A 100% Export Oreinted Unit (EOU) approved by the Board for this purpose is eligible. It must manufacture article or thing or computer software	The Undertaking should manufacture HAND MADE articles or things CARRYING ARTISTIC VALUE and requires USE OF WOOD AS MAIN RAW MATERIAL. It SHOULD NOT use IMPORTED RAW MATERIAL
2	Should it be a new Unit ?	Yes. It should not be formed by spliting up or reconstuction of existing business. Re establisment will be enternained for tax consession	Yes. It should not be formed by spliting up or reconstuction of existing business. Re establisment will be enternained for tax consession	No. Not Necessary. If a Unit is earlier in DTA and than becomes EOU, than also, it is absolutely ok. To check Para 40.8 of singhania. V.V.Important	Yes. It should not be formed by spliting up or reconstuction of existing business. Re establisment will be enternained for tax consession
3	Can Old Machine be Used ?	No. But there are two exceptions (1) Old machinery which is not used in India earlier/ imported from foreign country will be allowed & (2) 20% of the total machinery value can be old	No. But there are two exceptions (1) Old machinery which is not used in India earlier/ imported from foreign country will be allowed & (2) 20% of the total machinery value can be old	No. But there are two exceptions (1) Old machinery which is not used in India earlier/ imported from foreign country will be allowed & (2) 20% of the total machinery value can be old	No. But there are two exceptions (1) Old machinery which is not used in India earlier/ imported from foreign country will be allowed & (2) 20% of the total machinery value can be old
4	Repatrition of Funds	Foreign funds must be brought into India within 6 Months from the end of Previous Year of export. RBI or other competent authority can raise the time limit	No Such condition for repartition exists. Only export activity is enough for claiming deduction under this section	Foreign funds must be brought into India within 6 Months from the end of Previous Year of export. RBI or other competent authority can raise the time limit	Foreign funds must be brought into India within 6 Months from the end of Previous Year of export. RBI or other competent authority can raise the time limit
5	Remittance after time limit	Deduction under the section will be allowed in the year of remittance. AO Can pass the order within 4 years from the end of previous year in which remittance is received	Not Applicable	Deduction under the section will be allowed in the year of remittance. AO Can pass the order within 4 years from the end of previous year in which remittance is received	Deduction under the section will be allowed in the year of remittance. AO Can pass the order within 4 years from the end of previous year in which remittance is received
6	Audit and Return	Form No.56F to be filed and return has to be filed before the due date of filing return. If belated return, deduction is not available	Form No.56F to be filed and return has to be filed before the due date of filing return. If belated return, deduction is not available	Form No.56F to be filed and return has to be filed before the due date of filing return. If belated return, deduction is not available	Form No.56H to be filed and return has to be filed before the due date of filing return. If belated return, deduction is not available
7	Amount of Deduction	Profit x Export Turnover/Total Turnover. Export Turnover to exclude (a) Freight (b) telecommunication charges (c) Insurance Exp. (d) expenses incurred in foreign exchage for providing techical services	Profit x Export Turnover/Total Turnover. Export Turnover to exclude (a) Freight (b) telecommunication charges (c) Insurance Exp. (d) expenses incurred in foreign exchage for providing techical services	Profit x Export Turnover/Total Turnover. Export Turnover to exclude (a) Freight (b) telecommunication charges (c) Insurance Exp. (d) expenses incurred in foreign exchage for providing techical services	Profit x Export Turnover/Total Turnover. Export Turnover to exclude (a) Freight (b) telecommunication charges (c) Insurance Exp. (d) expenses incurred in foreign exchage for providing techical services
8	Deduction period	For 10 consecutive years from the previous year in which the production starts.	For 15 consecutive years from the previous year in which the production starts.	For 10 consecutive years. Refer Para 40.8 of Singhania. Very Important	The section is applicabe for six assessment years beginning from A.Y.2004-05 to A.Y.2009-10
9	Admissible amount	For first 5 years : 100% of amount calculated above For next 2 Years : 50% of the amount calculated. For next 3 years : 50% PROVIDED an equal amount of SEZ special reserve amount is created and used for purchasing plant and machinery within 3 years from the date of creation of reserve	For first 5 years : 100% of amount calculated above For next 5 Years : 50% of the amount calculated. For next 5 years : 50% PROVIDED an equal amount of SEZ special reserve amount is created and used for purchasing plant and machinery within 3 years from the date of creation of reserve	No such breakup is stated. Amount admissible is the amount as calculated in point 7 above.	No such breakup is stated. Amount admissible is the amount as calculated in point 7 above.

10	Last year of this section	A.Y. 2010-11. Thus Previous Year 2009-10 is the last year of this section	Not Notified Till Date	A.Y. 2010-11. Thus Previous Year 2009-10 is the last year of this section	The section is applicabe for six assessment years beginning from A.Y.2004-05 to A.Y.2009-10
No.	**PARTICULARS**	**S : 10A**	**S : 10AA**	**S : 10B**	**S : 10BA**
11	Amalgamation/Demerger	The deduction will be available to amalagamated or resulting company only.	The deduction will be available to amalagamated or resulting company only.	The deduction will be available to amalagamated or resulting company only.	No such specification
12	Powers of AO	AO can recompute profit if (1) transfer between two units of same units of tax payer (of which one is eligilble for benefit of this section) & 2) transfer between unit of tax payer (eligible for benefit of this section) with any other person with whom, the tax payer has close connections	AO can recompute profit if (1) transfer between two units of same units of tax payer (of which one is eligilble for benefit of this section) & 2) transfer between unit of tax payer (eligible for benefit of this section) with any other person with whom, the tax payer has close connections	AO can recompute profit if (1) transfer between two units of same units of tax payer (of which one is eligilble for benefit of this section) & 2) transfer between unit of tax payer (eligible for benefit of this section) with any other person with whom, the tax payer has close connections	AO can recompute profit if (1) transfer between two units of same units of tax payer (of which one is eligilble for benefit of this section) & 2) transfer between unit of tax payer (eligible for benefit of this section) with any other person with whom, the tax payer has close connections
13	Impact of this section	Deduction under section 32, section 35 and 36(1)(ix) are deemed to be given. Unabsorbed Depriciation and Unabsorbed exp on scientific research and family planning cannot be carried forward. Losses under Section 72(1), 74(1) and 74(3) not allowed to be carried forward. Deduction under S: 80IA and 80 IB shall not be available even after expriy of this section.	Deduction under section 32, section 35 and 36(1)(ix) are deemed to be given. Unabsorbed Depriciation and Unabsorbed exp on scientific research and family planning cannot be carried forward. Losses under Section 72(1), 74(1) and 74(3) not allowed to be carried forward. Deduction under S: 80IA and 80 IB shall not be available even after expriy of this section.	Deduction under section 32, section 35 and 36(1)(ix) are deemed to be given. Unabsorbed Depriciation and Unabsorbed exp on scientific research and family planning cannot be carried forward. Losses under Section 72(1), 74(1) and 74(3) not allowed to be carried forward. Deduction under S: 80IA and 80 IB shall not be available even after expriy of this section.	No such specification
14	Is it compulsory	No. Option is available to units not to avail this section. A declaration of non claiming the benefit should be filed before due date of return	This is definitely beneficial. The section is silent about the option availibilty	No. Option is available to units not to avail this section. A declaration of non claiming the benefit should be filed before due date of return	No such specification
15	MAT	In case of a company, the section is silent about MAT provision. Thus, though the normal tax liablity will be calculated as provided here. But MAT will be applicable only. Hence, for company assessee, this benefit is more or less useless	In case of a company, the section is silent about MAT provision. Thus, though the normal tax liablity will be calculated as provided here. But MAT will be applicable only. Hence, for company assessee, this benefit is more or less useless	In case of a company, the section is silent about MAT provision. Thus, though the normal tax liablity will be calculated as provided here. But MAT will be applicable only. Hence, for company assessee, this benefit is more or less useless	In case of a company, the section is silent about MAT provision. Thus, though the normal tax liablity will be calculated as provided here. But MAT will be applicable only. Hence, for company assessee, this benefit is more or less useless
16	Additional Conditions	NIL	NIL	NIL	(1) 90% of the sales should be in overseas market (2) The unit should employ 20 or more workers in production (3) Deduction under S:10A and S:10B should not be taken. All the three conditions should be satisfied cummulitavely

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