Deduction u/s 10 AA

This deduction is for export business located in special Economic Zone

IfS		XXX
IFHP		XXX
IFB	XXX	
Less :- Deduction u/s 10 AA(note 1)	(XXX)	XXX
CG		XXX
IFOS		XXX
GTI		XXX
Less :- u/s VI A		(XXX)
NTI		XXX

Note

1 :- Amount of Deduction = Taxable IFB *Export turnover (of eligible uni)

total turnover (of eligible unit)

*** Assessee can claim deduction u/s 80 IB or u/s 10 AA (any one)

In exam we will be given 2 P/L A/c one of eligible units & other P/L a/c of units located in domestic tariff area outside SEZ . we will consider only P/c a/c of unit under SEZ.

Particulars	Deductions
First 5 years	100% of above formula
Next 5 years	50% of above formula
Next 5 years	50% of above formula Amount transferred to SEZ
Afterwards	No deductions

2:- Export Turnover

Export proceeds brought in India in convertible Foreign Exchange within 6 months from the end of A.Y. or shall be extended period/time as may be permitted by RBI/Other competent Authority	XXX
Add:- Export proceeds deposited in a special Foreign Bank a/c opened with permission of RBI (within the time limit)(	XXX
Less:- FII_2 in incurred outside India	(XX)
Export Turnover	XXX

F- freight incurred outside India

I- Insurance incurred outside India

T- telecommunication

T- Expenses on providing Technical services outside India

Assessee claiming deduction u/s 10 AA is subject to compulsory audit & this section is applicable to assessee exporting goods

Conditions for deduction u/s 10AA

1. In the last 5 years (out of first 15 years),deduction is allowed only if the assessee creates Special Economic Zone Reinvestment allowance reserve A/c (SEZRARA)
2. The amount of SEZRARA should be utilized for acquisition of plant & Machinery within 3 years from the end of the year in which reserve is created (within 3 years ,it should be acquired & put to use)
3. Till the acquisition of Plant & Machinery the amount of reserve can be used for business purposes (except Dividend Distribution ,Asset creation outside India & remittance outside India
4. If the reserve is mis utilized ,then the misused amount shall be taxable in the year of mis utilization .If the reserve is not utilized for acquisition of plant & Machinery within than the used amount shall be taxable in the 4th year
5. The assessee should furnish the details of plant & machinery along with the return of income (the year in which plant & machinery is put to use)
6. Other conditions same as in section 80 IA, 80IB , etc (for all 15 years general conditions)