

**Finance Act 2007**

**Section 7 - Amendment of Section 10aa**

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In section 10AA of the Income-tax Act, for sub-section (4), the following subsection shall be substituted and shall be deemed to have been substituted with effect from the 10th day of February, 2006, namely:--

"(4) This section applies to any undertaking, being the Unit, which fulfils all the following conditions, namely:--

(i) it has begun or begins to manufacture or produce articles or things or provide services during the previous year relevant to the assessment year commencing on or after the 1st day of April, 2006 in any Special Economic Zone;

(ii) it is not formed by the splitting up, or the reconstruction, of a business already in existence:

Provided that this condition shall not apply in respect of any undertaking, being the Unit, which is formed as a result of the re-establishment, reconstruction or revival by the assessee of the business of any such undertaking as is referred to in section 33B, in the circumstances and within the period specified in that section;

(iii) it is not formed by the transfer to a new business, of machinery or plant previously used for any purpose.

Explanation.--The provisions of Explanations 1 and 2 to sub-section (3) of section 80-IA shall apply for the purposes of clause (iii) of this sub-section as they apply for the purposes of clause (ii) of that sub-section."

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