



(For Private Circulation)

# SURSEZ Times

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From the Chairman's Desk

Dear Readers,

The first quarter of the financial year 2009-10 has just ended. The general performance of the Indian Companies during the quarter has shown improvements inspite of global slowdown. This proves the point that the Indian domestic Industry is insulated to a great extend from the external world due to very strong internal demand of the country. However, inspite of strong domestic demand, the growth of Indian Industries and economy is also dependent on global economic environment. With the slow recovery of global recession, our first challenge is to return to the GDP growth rate of 9% p.a. at the earliest.



The main growth drivers in the current period are private investments in manufacturing industries and Government spending on infrastructure projects. To counter the negative fallout of the global slow down on the Indian economy, the Government responded by providing fiscal stimulus packages in the form of tax relief to boost demand and increase expenditure on public projects to create employment and public assets. The RBI took a number of monetary easing and liquidity enhancing measures to facilitate flow of funds from the financial system to meet the needs of productive sectors.

I am sure, with the recent presentation of the budget by the Government and other Government support, Indian Industry will be able to maintain its reasonable growth rate.

For benefit of the SEZ, the Government of India has already announced some favorable measures which will boost the Export earnings from our SURSEZ unit holders (details given in this edition of the SURSEZ Times).

I am sure, with the stabilization of global economy, total exports from SURSEZ will improve substantially.

With Best Wishes

S.N.Sharma

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## Budget Highlights 2009-10

### **1. Section 10AA of the Income Tax Act amended to replace the words "by the assessee" with the words "by the undertaking".**

"Clause 6 of the Bill seeks to amend section 10AA of the Income tax Act relating to special provision in respect of newly established Units in Special Economic Zones.

Under the existing provisions contained in sub-section (7) of said section, the profits derived from the export of articles or things or services shall be the amount which bears to the profits of the business of the undertaking, being the Unit, the same proportion as the export turnover in respect of such articles or things or services bears to the total turnover of the business carried on by the assessee.

It is proposed to amend the said sub-section so as to substitute the reference to "assessee" by the word "undertaking". After the proposed amendment deduction under aforesaid section shall be computed with reference to the total turnover of the undertaking.

This amendment will take effect from 1st April, 2010 and will, accordingly, apply in relation to assessment year 2010-2011 and subsequent years."

### **2. EOUs and SEZ units to take note of amendment proposed to be carried out in Section 80A of the Income Tax Act. 29. In section 80A of the Income-tax Act,**

(a) after sub-section (3), the following sub-sections shall be inserted, and shall be deemed to have been inserted with effect from the 1st day of April, 2003, namely:

'(4) Notwithstanding anything to the contrary contained in section 10A or section 10AA or section 10B or section 10BA or in any provisions of this Chapter under the heading "C-Deductions in respect of certain incomes", where, in the case of an assessee, any amount of profits and gains of an undertaking or unit or enterprise or eligible business is claimed and allowed as a deduction under any of those provisions for any assessment year, deduction in respect of, and to the extent of, such profits and gains shall not be allowed under any other provisions of this Act for such assessment year and shall in no case exceed the profits and gains of such undertaking or unit or enterprise or eligible business, as the case may be.

(5) Where the assessee fails to make a claim in his return of income for any deduction under section 10A or section 10AA or section 10B or section 10BA or under any provision of this Chapter under the heading "C.Deductions in respect of certain incomes", no deduction shall be allowed to him thereunder.;

(b) after sub-section (5) as so inserted, the following sub-section shall be inserted, namely:

(6) Notwithstanding anything to the contrary contained in section 10A or section 10AA or section 10B or section 10BA or in any provisions of this Chapter under the heading "C-Deductions in respect of certain incomes", where any goods or services held for the purposes of the undertaking or unit or enterprise or eligible business are transferred to any other business carried on by the assessee or where any goods or services held for the purposes of any other business carried on by the assessee are transferred to the

undertaking or unit or enterprise or eligible business and, the consideration, if any, for such transfer as recorded in the accounts of the undertaking or unit or enterprise or eligible business does not correspond to the market value of such goods or services as on the date of the transfer, then, for the purposes of any deduction under this Chapter, the profits and gains of such undertaking or unit or enterprise or eligible business shall be computed as if the transfer, in either case, had been made at the market value of such goods or services as on that date.

### **3. Contribution under the MDA Scheme increased to Rs. 124 crore.**

Union Budget has increased contribution under Market Development Assistance Scheme by 148% to Rs. 124 crore. Eligible EOUs and SEZ unit should participate in EPCES programmes or ITPO programmes for taking assistance from EPCES under MDA Scheme. Guidelines for MDA has already been circulated by EPCES. For getting any information on this Scheme, you can contact Mr. O.P. Kapoor, Dy. Director General EPCES

### **Success Stories in SURSEZ - Kiran Jewelry**

"Kiran" is an identity in the world of Diamond Manufacturing since 1985 and today acclaims the title of "The world Leader" in manufacturing and marketing of white diamonds under 25 pointers. Focusing on its core-strengths of manufacturing, KIRAN has carved a prime niche for itself in the mass luxury segment. The company also in India's largest employment opportunity creator with 17,000 skilled craftsmen and professionals under its umbrella adding value to diamonds and the jewels it creates.

Being a DTC Sightholder company, Kiran has achieved benchmarks in terms of quality, complying with the best practices, principles, ethics and norms of the industry.

Kiran has also received various awards from the Gems & Jewellery Exports Promotion Council in India for excellent performance including Second Best Performer of the year 2007 (DTC Category).

Kiran Jewelry commenced its operations in SURSEZ from 03 April 2009. The unit is set up for manufacturing diamond studded gold jewellery catering to the U.S.A,

Middle-East, Far-East, Australian and Canadian markets.

The group led by Shri Vallabhbhai Lakhani, Shri Mavjibhai Patel and Shri Babubhai Patel has many accolades from the Gem and Jewellery Export Promotion Council.

The SURSEZ factory is a five storied building and has state of art machinery supplied by the best suppliers world wide.

Kiran Jewelry, in its SURSEZ unit will be employing around 1500 workmen at its full capacity. At present, it is working with the strength of 350 employees including 200 highly skilled workmen and 150 trainees employed from Sachin. This has been done with a view to create employment opportunities for the local population.



*A view of Kiran Jewelry unit*

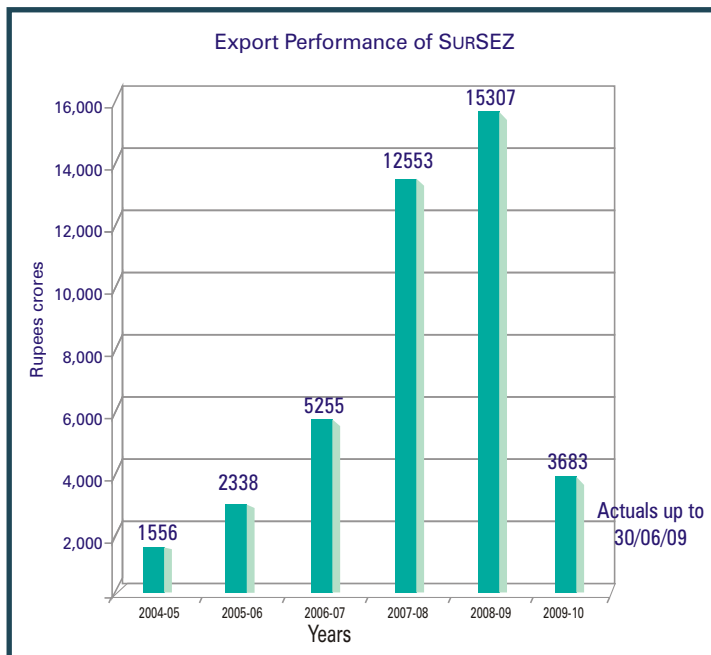
### Interactive Meeting With Unit-Holders

Interaction between unit-holders and DGDC officials have been taking place on an ongoing basis. As part of this initiative, two meetings were held, one during last week of April and another one during last week of June 2009.

During these meetings, issues concerning day-to-day working of the Zone were discussed with particular emphasis on housekeeping, movement of employees, and so on. During the recent meeting, suggestions had been made by unit-holders concerning halt of more trains at Sachin Station, transportation arrangement between Sachin Station and Zone gate, issue of entry passes etc. Some of the earlier suggestions pertaining to telephone facility at Zone gate, fax facility, etc. have been recently implemented.

It is believed that this exercise of regular interaction is useful for all concerned and this needs to be continued for the general improvement in day-to-day working of SURSEZ. Suggestions are invited from unit-holders in this connection.

### SURSEZ Performance



◀ Export Performance of SURSEZ

Number of Units as on 30/06/09

In operation - 181.

Under implementation - 16.

"You have to learn the rules of the game.  
And then you have to play better than anyone else."

*Albert Einstein*