

STICS LTD.

STATEMENT OF ASSESSABLE INCOME

PAN NO. AAACU 3472 D/SPECIAL RANGE 47

ACCOUNTING YEAR ENDED ON 31.03.2005

ASSESSMENT YEAR
2005-2006PROFIT FOR THE YEAR ENDED 31.03.2005
AS PER ATTACHED AUDITED ACCOUNTS

(8,309,988.00)

ADD: ITEMS INADMISSIBLE

[A] DEPRECIATION AS PER SCHEDULE XIV OF COMPANIES ACT 5,964,970.00

[B] U/S 145A[I] DIFFERENCE IN VALUATION OF INVENTORIES

AS AT 31.03.2005 U/S 145A

VALUATION AFTER ADJUSTMENTS U/S 145A 8,978,917.00

LESS: VALUATION AS PER ACCOUNTS 11,598,610.00 (2,619,693.00)

[II] INCREASE IN SALES

SALES TAX -

EXCISE DUTY INCURRED ON SALES 6,793,568.00 6,793,668.00

[C] INCOME TAX[D] U/S 43 B

PROVIDENT FUND 503,725.00

PROFESSION TAX 5,500.00

BONUS - 509,225.00

[E] EXPENDITURE OF PERSONAL NATURE

20 % OF SALES PROMOTION EXPENSES 175,500.00

TRAVELLING EXPENSES 5,864.00 181,364.00

[F] EMPLOYEES'S CONTRIBUTION TO PROVIDENT FUND U/S 2(24)(X) 429,995.00 11,259,529.00
2,949,541.00LESS: ALLOWABLES

[A] DEPRECIATION UNDER INCOME TAX ACT 2,378,497.00

[B] U/S 145 AINCREASE IN PURCHASES DUE TO EXCISE DUTY PAID ON
PURCHASE OF RAW MATERIALS 10,616,655.00

[C][I] EXCISE DUTY PAID ON INPUTS IN STOCK AS ON 31.03.2005 260,643.00

[II] EXCISE DUTY PAID ON CLOSING STOCK OF FINISHED
GOODS CLEARED FROM BONDED WAREHOUSE
DURING 01.04.2004 TO 31.03.2005 1,346,061.00[D] U/S 43 B BONUS - 14,601,856.00
GROSS TOTAL INCOME (11,652,315.00)LESS: DEDUCTION U/S 80HHC AS PER ATTACHED ANNEXURE A
TAKEN AS NIL DUE TO NEGATIVE PROFIT -

NET ASSESSABLE INCOME (11,652,315.00)

ROUNDED OFF TO (11,652,315.00)

TAX PAYABLE ON NET ASSESSABLE INCOME NIL

LESS: TAX DEDUCTED AT SOURCE (STATEMENT ATTACHED) NIL

REFUND DUE U/S 244 A NIL

FROM 10CCAC
[See rule 18BBA (3)]

Report under section *80HHC (4) /80HHC (4A) of the Income Tax Act, 1961

1. We have examined the accounts and records of M/s UNION QUALITY PLASTICS LTD., 379/381, NARSI NATHA STREET, AGH CHAMBERS, 5TH FLOOR, MUMBAI-400003, PAN NO: AAACU 3472 D / JT.CIT.SPL.RANGE - 47 relating to the business of export out of India/ sale of goods and merchandise carried on by the assessee during the year ended on 31st March, 2005

2. We certify that the deduction to be claimed by the assessee under sub-section (1) of section 80HHC of the Income Tax Act, 1961, in respect of the assessment year 2003-2004 is Rs. NIL which has been determined on the basis of the sale proceeds received by the assessee in convertible foreign exchange. The said amount has been worked out on the basis of the details in Annexure A to this form .

3. We therefore, certify that the total deduction to be claimed by the assessee under section 80HHC in respect of the assessment year 2005-06 is NIL .

PLACE : MUMBAI-20

DATE :




N.O. MEHTA & CO.
CHARTERED ACCOUNTANTS
SIGNED BY THE HAND OF
PARTNER N.O. MEHTA
MEMBERSHIP NO.7583

Report Junction.com

ANNEXURE A

[See paragraph 2(.,) of Form no. 10CCAC]
 Details relating to the claim by the exporter for deduction under
 section 80HHC of the Income- tax Act, 1961

| | |
|--|-----------------------------|
| 1] Name of the Assessee | UNION QUALITY PLASTICS LTD. |
| 2] Assessment Year | 2005-06 |
| 3] Total turnover of the business | 97,676,266.00 |
| 4] Total Export turnover | 47,744,551.00 |
| 5] Total profits of the business | (8,309,988.00) |
| 6] Export turnover in respect of trading goods | NIL |
| 7] Direct cost of trading goods exported | N.A. |
| 8] Indirect cost attributable to trading goods exported | N.A. |
| 9] Total of 7+ 8 | NIL |
| 10] Profits from export of trading goods [6 minus 9] | NIL |
| 11] Adjusted total turnover [3 minus 6] | 97,676,266.00 |
| 12] Adjusted export turnover [4 minus 6] | 47,744,551.00 |
| 13] Adjusted profits of the business | |
| 14] Profits derived by the assessee from export of goods or merchandise to which section 80HHC applies, computed under sub-section (3) of section 80HHC | 815,032.00 |
| 15] Export turnover, deduction in respect of which will be claimed by a supporting manufacturer in accordance with proviso to sub-section (1) of section 80HHC | NIL |
| 16] Profit from the export turnover mentioned in Item 15 above, calculated in accordance with proviso to sub-section (1) of section 80HHC | NIL |
| 17] Deduction under section 80HHC to which the assessee is entitled (Item 14 minus Item 16) | 815,032.00 |
| 18] Remarks , if any | AS PER WORKING GIVEN BELOW |

PLACE : MUMBAI-20

DATE :



N. O. Mehta
 N. O. MEHTA & CO.
 CHARTERED ACCOUNTANTS
 SIGNED BY THE HAND OF
 PARTNER N.O.MEHTA
 MEMBERSHIP NO.7583

NOTE: 1 ADJUSTED TOTAL TURNOVER

| | |
|-------------------------|----------------------|
| LOCAL SALES | 49,931,715.00 |
| EXPORT SALES | 47,744,551.00 |
| TOTAL TURNOVER | <u>97,676,266.00</u> |
| LESS: FRIGHT ON EXPORT | 860,705.00 |
| EXPORT INCENTIVES | 2,402,693.00 |
| ADJUSTED TOTAL TURNOVER | <u>94,412,868.00</u> |

NOTE: 2 ADJUSTED EXPORT TURNOVER

| | |
|--------------------------|----------------------|
| EXPORT SALES | 47,744,551.00 |
| LESS: FRIGHT ON EXPORT | 860,705.00 |
| LESS: EXPORT INCENTIVES | 2,402,693.00 |
| ADJUSTED EXPORT TURNOVER | <u>44,481,153.00</u> |

NOTE: 3 COMPUTATION OF THE PROFIT OF BUSINESS UNDER THE HEAD PROFITS AND GAINS OF BUSINESS OR PROFESSION :

| | | |
|--|---------------|------------------------|
| PROFIT FOR THE YEAR ENDED 31.03.2005 AS PER ATTACHED AUDITED ACCOUNTS | | (8,309,988.00) |
| ADD: ITEMS INADMISSIBLE | | |
| [A] DEPRECIATION AS PER SCHEDULE XIV OF COMPANIES ACT | 5,964,970.00 | |
| [B] U/S 145A | | |
| (I) DIFFERENCE IN VALUATION OF INVENTORIES | | |
| AS AT 31.03.2005 U/S 145A | | |
| VALUATION AFTER ADJUSTMENTS U/S 145A | 8,978,917.00 | |
| LESS: VALUATION AS PER ACCOUNTS | 11,598,610.00 | (2,619,693.00) |
| (II) INCREASE IN SALES | | |
| SALES TAX | | |
| EXCISE DUTY INCURRED ON SALES | 6,793,668.00 | 6,793,668.00 |
| [C] INCOME TAX | | |
| [D] U/S 43 B | | |
| PROVIDENT FUND | 503,725.00 | |
| PROFESSION TAX | 5,500.00 | |
| BONUS | - | 509,225.00 |
| [E] EMPLOYEES'S CONTRIBUTION TO PROVIDENT FUND U/S 2(24)(X) | 429,995.00 | 11,078,165.00 |
| | | <u>2,768,177.00</u> |
| LESS: ALLOWABLES | | |
| [A] DEPRECIATION UNDER INCOME TAX ACT | 2,378,497.00 | |
| [B] U/S 145 A | | |
| INCREASE IN PURCHASES DUE TO EXCISE DUTY PAID ON PURCHASE OF RAW MATERIALS | 10,616,655.00 | |
| [C][I] EXCISE DUTY PAID ON INPUTS IN STOCK AS ON 31.03.2005 | 260,643.00 | |
| [II] EXCISE DUTY PAID ON CLOSING STOCK OF FINISHED GOODS CLEARED FROM BONDED WAREHOUSE DURING 01.04.2004 TO 31.03.2005 | 1,346,061.00 | |
| [D] U/S 43 B BONUS | - | 14,601,856.00 |
| | | <u>(11,833,679.00)</u> |

J. MEHTA

②

NOTE : 4 PROFIT OF BUSINESS = TOTAL PROFIT LESS 90% OF EXPORT INCENTIVES

$$= -11833679 - 90\% \text{ OF } 2402693$$

$$= -11833679 - 2162423$$

$$= -9671256$$

NOTE : 5 PROFIT DERIVED FROM EXPORT OF GOODS MANUFACTURED

ADJUSTED PROFIT OF BUSINESS X ADJ.EXPORT TURNOVER / ADJ.TOTAL TURNOVER

$$= -9671256 \times 44481153 / 94412868$$

$$= -4556461$$

SINCE IT IS A NEGATIVE FIGURE IT IS TO BE IGNORED AS PER THE TRIBUNAL DECISION TAKEN IN A.M.MOOSA VS.ASST.CIT.(1996) 96 TAXMAN 161 (MANG.)54 TTJ (COCH.)193.

NOTE: 6 DEDUCTION U/S 80HHC

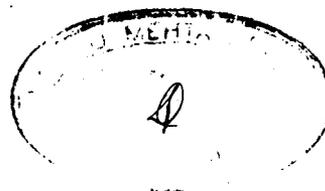
80% OF PROFIT DERIVED + ADJ.EXPORT TURNOVER / ADJ.TOTAL TURNOVER X 90% OF EXPORT INCENTIVES FROM EXPORT OF GOODS MANUFACTURED

$$= 0 + 44481153 / 94412868 \times 2162423$$

$$= 0 + 1018791$$

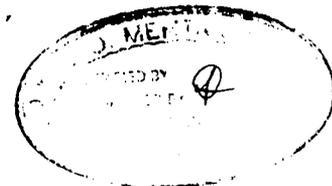
$$= 80\% \text{ OF } 1018791$$

$$= 815032$$



**STATEMENT OF LOSS CARRIED FORWARD
ASSESSMENT YEAR 2005-06**

| ASSESSMENT YEAR | NATURE OF LOSS ALLOWANCE | AMOUNT | AMOUNT ADJUSTED | AMOUNT CARRIED FORWARD |
|-----------------|--------------------------|----------|-----------------|------------------------|
| 1997-1998 | BUSINESS DEPRECIATION | 5474236 | NIL | 5474236 |
| | | 10268024 | NIL | 10268024 |
| 1998-1999 | BUSINESS DEPRECIATION | 21474204 | NIL | 21474204 |
| | | 7919017 | NIL | 7919017 |
| 1999-2000 | BUSINESS DEPRECIATION | 57923958 | NIL | 57923958 |
| | | 7897372 | NIL | 7897372 |
| 2000-2001 | BUSINESS DEPRECIATION | 31203646 | NIL | 31293648 |
| | | 6193274 | NIL | 6193274 |
| 2001-2002 | BUSINESS DEPRECIATION | 20325401 | NIL | 20325401 |
| | | 4861955 | NIL | 4861955 |
| 2002-2003 | BUSINESS DEPRECIATION | 10110015 | NIL | 10110015 |
| | | 3836985 | NIL | 3836985 |
| 2003-2004 | BUSINESS DEPRECIATION | 10604224 | NIL | 10604224 |
| | | 2988189 | | 2988189 |
| 2004-2005 | BUSINESS DEPRECIATION | 18538509 | NIL | 18538509 |
| | | 3013109 | | 3013109 |
| | | | Total | 222712118 |



FORM NO. 3CD
[See rule 6G(2)]

**Statement of particulars required to be furnished under section
44AB of the Income-tax Act, 1961**

PART - A

1. Name of the assessee: **Union Quality Plastics Ltd.**
2. Address: **379 / 381, Narsi Natha Street, A.G.H. Chambers, 5th. Floor, Mumbai-4**
3. Permanent Account No.: **AAACU 3472 D**
4. Status: **Corporate Body**
5. Previous year ended: **31-03-2005**
6. Assessment year: **2005-2006**

PART - B

7. (a) If firm or Association of Persons, indicate names of partners/members and their profit sharing ratios. **Not Applicable**
(b) If there is any change in the partners/ members or their profit sharing ratios, the particulars of such change.
8. (a) Nature of business or profession: **Manufacturing HDPE**
(b) If there is any change in the nature of business or profession the particulars of such change. **Bags and Tarpaulins.**
9. (a) Whether books of account are prescribed under Section 44AA? If yes, list of books so prescribed: **No**
(b) Books of accounts maintained: **Cash Book, Bank Book, Ledger, Journal Proper, Purchase and Sales Register, Carbon Copies Of Sales Bill and Stock Register.**
(In case books of account are maintained in a computer system, mention the books of account generated by such computer system) **All the above books are generated by a Computer System.**
- (c) List of books of account of account examined: **Cash Book, Bank Book, Ledger, Journal Proper, Purchase and Sales Register.**
10. Whether the profit and loss account includes any profits and gains assessable on presumptive basis, if yes, indicate the amount and the relevant section (44AD, 44AE, 44AF, 44B, 44BB, 44BBA, 44BBB or any other relevant section) **Not Applicable**
11. (a) Method of accounting employed in the previous year **Mercantile**
(b) Whether there has been any change in the method of accounting employed vis-à-vis the method employed in the immediately preceding previous year. **No Change**
(c) If answer to (b) above is in the affirmative, give details of such change, and the effect thereof on the profit or loss. **Not Applicable**
(d) Details of deviation, if any, in the method of accounting employed in the previous year from accounting standards prescribed u/s 145 and the effect thereof on the profit or loss. **No Deviations.**



12. (a) Method of valuation of closing stock employed in the previous year: **Stock is valued on FIFO basis at cost or market price whichever is lower. As per Schedule A-1**
- (b) Details of deviation, if any, from the method of valuation prescribed u/s 145A and the effect thereof on the profit or loss:
13. Amounts not credited to the profit and loss account, being:
- (a) the items falling within the scope of Section 28; **No**
- (b) the proforma credits, drawbacks, refunds of duty of customs or excise, or refunds of sales tax, where such credits, drawback, refunds are admitted as due by the authorities concerned; **We have been given to understand that no such amount is admitted payable or refundable to the assessee during the year.**
- (c) escalation claims accepted during the previous year; **No**
- (d) any other item of income; **No**
- (e) Capital receipts, if any. **No**
14. Particulars of depreciation allowable as per the Income-tax Act, 1961 in respect of each asset or block of assets, as the case may be, in the following form: **Annexure A-2**
- (a) Description of asset/block of assets.
- (b) Rate of depreciation
- (c) Actual cost or written down value as the case may be
- (d) Additions/deductions during the year with dates; in case of addition of an asset, date put to use; including adjustments on account of
- (i) Modified Value Added Tax credit claimed and allowed under the Central Excise Rules, 1944, in respect of assets acquired on or after 1st March 1944.
- (ii) Change in rate of exchange of currency, and
- (iii) Subsidy or grant or reimbursement, by whatever name called.
- (e) Depreciation allowable.
- (f) Written down value at the end of the year.
15. Amounts admissible under Sections 33AB, 33ABA, 33AC, 35, 35ABB, 35AC, 35CCA, 35CCB, 35D, 35E. **RS.33914 U/S 35D**
- (a) Debited to the profit & loss account. (showing the amount debited and deduction allowable under each section separately);
- (b) Not debited to the profit and loss account. **Nil**
16. (a) Any sum paid to an employee as bonus or commission for services rendered, where such sum was otherwise payable to him as profits or dividend [Section 36(1)(ii)] **None**
- (b) Any sum received from employees towards contributions to any provident fund or superannuation fund or any other fund mentioned in Section 2(24)(x); and due date for payment and the actual date of payment to the concerned authorities [Section 36(1)(va)]. **As per Schedule A-3**
17. Amounts debited to the profit and loss account, being -
- (a) Expenditure of capital nature; **Nil**

| | |
|--|--|
| (b) Expenditure of personal nature, | Travelling Expenses Rs.175500/- Rs.5864/- |
| (c) Expenditure on advertisement in any souvenir, brochure, tract, pamphlet or the like, published by a political party; | Nil |
| (d) Expenditure incurred at clubs - | |
| (i) as entrance fees and subscriptions | Nil |
| (ii) as cost for club services and facilities used | Nil |
| (e)(i) expenditure by way of penalty or fine for violation of any law for the time being in force; | Nil |
| (ii) any other penalty or fine. | Nil |
| (iii) expenditure incurred for any purpose which is an offence or which is prohibited by law; | Nil |
| (f) amounts inadmissible u/s 40(a); | Nil |
| (g) interest, salary, bonus, commission or remuneration inadmissible under section 40(b)/40(ba) and computation thereof; | Nil |
| (h) amount inadmissible under section 40A(3) read with rule 6DD and computation thereof; | |
| (i) Provision for payment of gratuity not allowable under section 40A(7); | Nil |
| (j) any sum paid by the assessee as an employer not allowable under section 40A(9); | Nil |
| (k) Particulars of any liability of a contingent nature. | As per Note 8 attached to and forming part of Balance Sheet. |
| 18. Particulars of payments made to persons specified under section 40A(2)(b) | As per Schedule A-4 |
| 19. Amounts deemed to be profits and gains under section 33AB or 33ABA or 33AC. | Nil |
| 20. Any amount of profit chargeable to tax under section 41 and computation thereof | Nil |
| 21* (i) In respect of any sum referred to in clauses (a), (c) (d) or (e) of section 43B the liability for which - | |
| (A) pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year and was | As per Schedule A-5 |
| (a) paid during the previous year | |
| (b) not paid during the previous year | |
| (B) was incurred in the previous year and was | As per Schedule A-6 |
| (a) paid on or before the due date for furnishing the return of income of the previous year under section 139(1); | |
| (b) not paid on or before the aforesaid date. | |
| (ii) In respect of any sum referred to in clause (b) of Section 43B, the liability for which | |
| (A) pre-existed on the first day of the previous year but was not allowed in the assessment of any preceding previous year: | As per Schedule A-7 |
| (a) nature of liability; | |
| (b) due date of payment under second proviso to Section 43B; | |
| (c) actual date of payment; | |
| (d) if paid otherwise than in cash, whether the sum has been realised within fifteen days of the aforesaid due date; | |
| (B) was incurred in the previous year: | As per Schedule A-8 |
| (a) nature of liability; | |
| (b) due date of payment under second proviso | |

the aforesaid due date

- * State whether sales tax, customs duty, excise duty, other indirect tax, levy, cess, imposts etc., are passed through the profit and loss account.

22. (a) Amount of Modified Value Added Tax credits availed of or utilised during the previous year and its treatment in the profit and loss account and treatment of outstanding Modified Value Added Tax credits in the accounts **As per Schedule A-9**
- (b) Particulars of income or expenditure of prior period credited or debited to the profit and loss account **Rs.208517/- As Sales Tax**
23. Details of any amount borrowed on hundi or any amount due thereon (including interest on the amount borrowed) repaid, otherwise than through an account payee cheque [Section 69D] **Nii**
24. (a) *Particulars of each loan or deposit in an amount exceeding the limit specified in Section 269SS taken or accepted during the previous year:- **As per Schedule A-10**
- (i) Name, address and permanent account number (if available with the assessee) of the lender or depositor;
 - (ii) Amount of loan or deposit taken or accepted;
 - (iii) Whether the loan or deposit amount was squared during the previous year;
 - (iv) Maximum amount outstanding in the account at any time during the previous year;
 - (v) Whether the loan or deposit was taken or accepted otherwise than by an account payee cheque or an account payee bank draft
- * (These particulars need not be given in the case of a government company, a banking company or a corporation established by a Central, State or Provincial Act.)
- (b) Particulars of each repayment of loan or deposit in an amount exceeding the limit specified in Section 269T made during the previous year:-
- (i) name, address and permanent account number (if applicable with the assessee) of the payee;
 - (ii) Amount of the repayment;
 - (iii) Maximum amount outstanding in the account at any time during the previous year;
 - (iv) Whether the repayment was made otherwise than by account payee cheque or account payee bank draft;

25. Details of brought forward loss and depreciation allowance in the following manner to the extent available; **As Per Schedule A-11**

| Sl. No | Assess ment Year | Nature of loss/ Allowan ce (in rupees) | Amount as returned (in rupees) | Amount as assessed [give reference to relevant order] | Remarks |
|--------|------------------|--|--------------------------------|---|---------|
| | | | | | |

