

**23<sup>rd</sup>**

# **Annual Report**

**2009-2010**



**Pee Cee Cosma Sope Limited**

## Company Information

### Board of Directors

<b>Ashok Kumar Jain</b>	: <i>Executive Chairman</i>
<b>Pramod Kumar Jain</b>	: <i>Managing Director</i>
<b>Mahendra Kumar Jain</b>	: <i>Director</i>
<b>Mayank Jain</b>	: <i>Director</i>
<b>Nemi Chandra Jain</b>	: <i>Director</i>
<b>Amar Singh Rajput</b>	: <i>Director</i>
<b>Anil Gupta</b>	: <i>Director</i>

<b>Registered Office</b> "Padam Deep" G-10/8, Sanjay Place, AGRA-282 002 (U.P.)	<b>Bankers</b> State Bank of India, Agra
<b>Works</b> 51 & 52, Malanpur Industrial Area, Malanpur, Distt - Bhind (M.P.)	<b>Registrar &amp; Share Transfer Agent</b> Skyline Financial Services Pvt. Ltd. D-153A, 1st Floor, Okhala Industrial Area Phase - I, New Delhi-110 020
<b>Auditors</b> M/s. Doogar & Associates Chartered Accountants 13, Cummunity Centre, East of Kailash, New Delhi-110065	

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**Annual General Meeting on Thursday, 30th December 2010  
at Hotel Ashish Palace, Fatehabad Road, AGRA at 3.00 p.m.**

As a measure of economy copies of the Annual Report will not be distributed at the Annual General Meeting. Share holders are requested to kindly bring their copies to the meeting.

## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 23<sup>rd</sup> Annual General Meeting of the Members of the Company will be held on Thursday, 30<sup>th</sup> December, 2010 at 3.00 P.M. at Hotel Ashish Palace, Fatehabad Road, Agra to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2010 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' (along with the Compliance Certificate) thereon.
2. To declare dividend on Equity Shares for the year ended 31<sup>st</sup> March, 2010.
3. To appoint a Director in place of Mr Anil Gupta who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr Nemi Chandra Jain who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

### Special Business:

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**Resolved that** pursuant to the provisions of Section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 and other applicable provisions, if any, M/s R&D, Company Secretaries, Delhi, be and are hereby re-appointed for the purpose of issuance of compliance certificate, to hold office from the date of this meeting until the conclusion of the next Annual General Meeting of the Company and the Board of Directors of the Company be and is hereby authorised to fix their remuneration.”

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

“**Resolved that** pursuant to the provisions Section 198, 269, 309 & 310 read with Schedules XIII of the Companies Act, 1956, and other applicable provisions, if any, consent of the members be and is hereby given for increase in the remuneration of **Mr Pramod Kumar Jain**, Managing Director with effect from **1<sup>st</sup> January, 2011** for the remaining period of his current term as the Managing Director of the Company in the following manner:

1. Salary at the rate of Rs. 1,00,000 per month. Annual increment in salary, not exceeding Rs. 10,000/- per month as may be sanctioned by the Board will be effective from 1<sup>st</sup> January each year.
2. In addition to salary the Managing Director shall also be entitled to the following perquisites and allowances:
  - (i) **Gas, Electricity, Water and Furnishings:** The expenditure incurred by the company on Gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
  - (ii) **Medical Reimbursement:** Expenses incurred for self and his family.
  - (iii) **Leave Travel Concession:** Leave as per rules of the company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company.
  - (iv) **Club Fees:** Fees of clubs subject to a maximum of two clubs.
  - (v) **Medical Insurance:** Medical Insurance for self and his family.
3. For the purpose of calculating the above ceiling perquisites will be evaluated as per Income Tax Rules, 1962, wherever applicable. In the absence of any such rules,

## NOTICE OF ANNUAL GENERAL MEETING

perquisites shall be evaluated at actual cost.

4. In addition to the aforesaid the Managing Director shall also be eligible for the following perquisites, which shall not be included in the computation of the ceiling limit for minimum remuneration as above.

(i) **Contribution To Provident Fund and Superannuation Fund:** Company's contribution towards Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together is not taxable under the Income Tax Act, 1961.

(ii) **Gratuity:** Gratuity payable as per rules of the company not exceeding one half month's salary for each completed year of service.

5. The Managing Director shall also be entitled for the following benefits:

(i) **Car:** Provision for use of Car for Company's business purposes and partly for personal or private purposes.

(ii) **Telephone:** Provision of Mobile phone and telephone at residence will not be considered as a perquisite but the company shall bill personal long distance calls.

(iii) **Entertainment Expenses:** Reimbursement of entertainment expenses actually and properly incurred for the business of the company subject to a reasonable ceiling as may be fixed from time to time.

**Resolved further that** in the event of loss or inadequacy of the profit, the aforesaid remuneration shall be payable as the minimum remuneration. **Resolved further that** the Board of Directors of the Company be and is hereby authorised to fix the terms of the remuneration of the Managing Director and to vary the same from time to time within the aforesaid limit."

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution:**

**"Resolved that** pursuant to the provisions Section 198, 269, 309 & 310 read with Schedules XIII of the Companies Act, 1956, and other applicable provisions, if any, consent of the members be and is hereby given for increase in the remuneration of **Mr Ashok Kumar Jain**, Whole Time Director of the company designated as Executive Chairman of the company, with effect from **1<sup>st</sup> January, 2011** for the remaining period of his current term as the Whole Time Director of the Company in the following manner:

1. Salary at the rate of Rs. 1,00,000 per month. Annual increment in salary, not exceeding Rs. 10,000/- per month as may be sanctioned by the Board will be effective from 1<sup>st</sup> January each year.

2. In addition to salary the Whole Time Director shall also be entitled to the following perquisites and allowances:

(i) **Gas, Electricity, Water and Furnishings:** The expenditure incurred by the company on Gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

(ii) **Medical Reimbursement:** Expenses incurred for self and his family.

(iii) **Leave Travel Concession:** Leave as per rules of the company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company.

(iv) **Club Fees:** Fees of clubs subject to a maximum of two clubs.

(v) **Medical Insurance:** Medical Insurance for self and his family.

3. For the purpose of calculating the above ceiling perquisites will be evaluated as per Income Tax Rules, 1962, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at

## NOTICE OF ANNUAL GENERAL MEETING

actual cost.

4. In addition to the aforesaid the Whole Time Director shall also be eligible for the following perquisites, which shall not be included in the computation of the ceiling limit for minimum remuneration as above.

(i) **Contribution To Provident Fund and Superannuation Fund:** Company's contribution towards Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together is not taxable under the Income Tax Act, 1961.

(ii) **Gratuity:** Gratuity payable as per rules of the company not exceeding one half month's salary for each completed year of service.

5. The Whole Time Director shall also be entitled for the following benefits:

(i) **Car:** Provision for use of Car for Company's business purposes and partly for personal or private purposes.

(ii) **Telephone:** Provision of Mobile phone and telephone at residence will not be considered as a perquisite but the company shall bill personal long distance calls.

(iii) **Entertainment Expenses:** Reimbursement of entertainment expenses actually and properly incurred for the business of the company subject to a reasonable ceiling as may be fixed from time to time.

**Resolved further that** in the event of loss or inadequacy of the profit, the aforesaid remuneration shall be payable as the minimum remuneration.

**Resolved further that** the Board of Directors of the Company be and is hereby authorised to fix the terms of the remuneration of the Whole Time Director and to vary the same from time to time within the aforesaid limit."

### NOTES:

**A. Appointment of Proxy:** A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The proxy form in order to be effective must be deposited with the Company not less than 48 hours before the time fixed for commencement of the Meeting.

**B. Corporate Members:** Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.

**C. Book Closure:** The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 23<sup>rd</sup> December 2010 to Thursday, 30<sup>th</sup> December 2010 (both days inclusive).

**D. Members/Proxies** attending the meeting are requested to bring their copy of Annual Report to the Meeting.

**E. Queries at the AGM:** Queries proposed to be raised at the Annual General Meeting may be sent to the Company at its registered office at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the same in the meeting.

**F. Transfer of unclaimed dividend to Investors' Fund:** In terms of the provisions of Section 205C of the Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any dividend, which remains unpaid/unclaimed for a period of 7 years from the date of declaration, is required to be transferred to Investor Education and Protection Fund ('the Fund'). A shareholder can therefore claim the amount of unpaid/unclaimed dividend up till 7 years from the date of declaration of dividend. Accordingly, the Company has already transferred the amount of Rs 1,08,125 being unpaid/unclaimed dividend pertaining to the financial year 2001-02 and Rs. 5,52,792 pertaining to the financial year 2002-03.

## NOTICE OF ANNUAL GENERAL MEETING

Financial Year Ended	Rate of Dividend	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2004	25	27.09.2004	26.09.2011	27.10.2011
31.03.2005	25	22.09.2005	21.09.2012	22.10.2012
31.03.2009	25	09.09.2009	08.09.2016	09.10.2016

- G.** The unpaid/unclaimed dividend pertaining to the financial year 2003-04 shall also be transferred to the Fund as and when due. Therefore the shareholders who have not encashed their Dividend warrants are requested to kindly contact the Company for revalidation/issue of fresh dividend warrants.
- H.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the Company at its Registered Office.
- I. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- J. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 6 to 8 is enclosed herewith.

### Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956

#### Item No. 6:

In terms of the provisions of section 383A of the Companies Act, 1956, M/s R&D, Company Secretaries were appointed for the purpose of issuance of the Compliance Certificate for the financial year ended 31<sup>st</sup> March, 2010. M/s R&D, Company Secretaries hold office until the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment. Your directors recommend their re-appointment.

None of the directors of the Company is concerned or interested in the proposed resolution.

#### Item No. 7:

Mr Pramod Kumar Jain has been the Managing Director of the Company since last 24 years. Considering his valuable contributions to the Company, it is proposed to increase the remuneration payable to Mr Pramod Kumar Jain, Managing Director w.e.f 1<sup>st</sup> January, 2011.

**As per the provisions of section 269 read with schedule XIII of the Companies Act, 1956, the aforesaid increase in the remuneration of Mr Pramod Kumar Jain require approval of members of the Company.**

The members' approval is required by way of a Special resolution for increase in remuneration to **Mr Pramod Kumar Jain** as Managing Director.

**The aforesaid explanatory statement for item no. 7 should also be deemed to be notice of the abstract for terms of payment of remuneration to Mr Pramod Kumar Jain as Managing Director.**

None of the directors of the Company except Mr Pramod Kumar Jain, Mr Ashok Kumar Jain, Mr Mahendra Kumar Jain and Mr Mayank Jain concerned or interested in the proposed resolution.

#### Item No. 8:

Mr Ashok Kumar Jain has been the Whole Time Director of the Company since last 24 years. Considering his seniority and valuable contributions to the Company, the board has appoint Mr Ashok Kumar Jain as the Executive Chairman of the company and it is proposed to increase the remuneration payable to Mr Ashok Kumar Jain, Whole Time Director w.e.f 1<sup>st</sup> January, 2011.

**As per the provisions of section 269 read with schedule XIII of the Companies Act, 1956, the aforesaid increase in the remuneration of Mr Ashok Kumar Jain require approval of members of the Company.**

**The aforesaid explanatory statement for item no. 8 should also be deemed to be notice of the abstract for terms of payment of remuneration to Mr Ashok Kumar Jain as Whole Time Director.**

None of the directors of the Company except Mr Pramod Kumar Jain, Mr Ashok Kumar Jain, Mr Mahendra Kumar Jain and Mr Mayank Jain concerned or interested in the proposed resolution.

**FOR AND ON BEHALF OF THE BOARD  
FOR PEE CEE COSMA SOPE LTD.**

**(A.K. JAIN)**  
Executive Chairman

**PLACE : AGRA  
DATED : 2ND DECEMBER, 2010**

**DIRECTORS' REPORT**
**Dear Members**

Your Directors are pleased to present 23<sup>rd</sup> Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31<sup>st</sup> March, 2010.

**Financial Highlights**

(Amount in Rs. in Lacs )

Particulars	Financial Year ended	
	31 <sup>st</sup> March, 2010	31 <sup>st</sup> March, 2009
Total Income	2899.11	3623.79
Total Expenditure	2688.63	3428.95
Profit before tax	210.48	194.84
Provision for tax	42.54	70.12
Profit after tax including income from extraordinary items	458.73	124.72
Transfer to Reserve	46.00	12.50
Paid-up Share Capital	120.00	120.00
Reserves and Surplus (excluding revaluation reserve)	995.66	571.86
Dividend Per Share (in Rs)	2.50	2.50

**Year in Retrospect**

During the year under review, total income of the Company was Rs. 2899.11 lac as against Rs. 3623.79 lac in the previous year. Decline in turnover is due to closure of of Rudrapur unit of the Company during the year. Profit for the year was Rs. 458.73 lac (last year Rs. 124.72 lac) which includes surplus of Rs. 290.79 lac from sale of land and building and other assets of Rudrapur unit. Your Directors are putting in their best efforts to further improve the performance of the Company.

**Material Changes after the date of Balance Sheet**

Subsequent to the date of the Balance Sheet, the Board approved merger of soap manufacturing and marketing business of the parent Company- Pee Cee Soap and Chemicals Pvt Ltd along with

“Doctor” Brand in the Company- Pee Cee Cosma Sope Ltd.

Main objective of such restructuring is given below:

Doctor Soap Group has been primarily engaged in manufacturing and marketing of washing soap and detergents for over 60 years. The Group has also diversified into real estate sector and over a period of time has accumulated an impressive portfolio of land bank and built up space. To achieve further growth and synergy in different business operations, it is proposed to consolidate the entire soap manufacturing and marketing business of the Group along with “Doctor” Brand in the Flagship Company- Pee Cee Cosma Sope Ltd. Further, real estate business is proposed to be demerged into 4



## DIRECTORS' REPORT

companies to achieve optimum economic size and to enable to enter into different partnerships in various real estate projects in future.

To achieve the aforesaid objectives, a Scheme of Arrangement is proposed for

- (a) De-merger of Real Estate Business of Pee Cee Soap and Chemicals Pvt Ltd into Resultant Companies No. 1 to 4; and
- (b) Amalgamation of Pee Cee Soap and Chemicals Pvt Ltd (with "Doctor" Brand, Soap Business and other residual business) with Pee Cee Cosma Sope Ltd.

The aforesaid Scheme of Arrangement is subject to the approval of the members of these Companies, approval of the concerned High Court(s) and other competent authorities, if any.

### Dividend

Your Directors are pleased to recommend a Dividend of 25% (i.e., Rs 2.50 per share) on Equity share capital of the Company for the financial year ended on 31<sup>st</sup> March, 2010. The Dividend, if approved by you at the forthcoming Annual General Meeting will absorb Rs. 34.98 lacs.

### Public Deposits

During the year under report, your Company did not accept any deposits from the public in terms of the provisions of section 58A of the Companies Act, 1956.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

**Conservation of Energy & Technology Absorption:** Information as required under Section 217(1)(e) of the Companies Act, 1956,

read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in **Annexure A**, forming part of this report.

- a. **Export Activities:** There was no export activity in the Company during the year under review. The Company is not planning any export in the near future as well.
- b. **Foreign Exchange Earnings and Outgo:** There was no Foreign Exchange earnings and outgo during the year under review.

### Particulars of Employees

During the financial year under review, none of the Company's employees was in receipt of remuneration as prescribed under section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, and hence no particulars are required to be disclosed in this Report.

### Directors

After the last Annual General Meeting, none of the Directors were appointed or resigned from the Board.

Mr Anil Gupta and Mr Nemi Chand Jain retire by rotation and being eligible offers themselves for re-appointment. Directors recommend there re-appointment.

### Auditors

M/s Doogar & Associates, Chartered Accountants, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. A certificate under section 224(1) of the Companies Act, 1956 regarding their eligibility for the proposed re-



**DIRECTORS' REPORT**

appointment has been obtained from them. Your Directors recommend their re-appointment.

**Auditors' Report**

Comments made by the Statutory Auditors in the Auditors' Report are self-explanatory and do not require any further clarification.

**Secretarial Compliance Certificate**

In terms of the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained the necessary Compliance Certificate from M/s R&D, Company Secretaries, New Delhi. The Compliance Certificate is annexed herewith and forms part of this Report. Comments made in the Compliance Certificate are self-explanatory and do not require any further clarification.

**Directors' Responsibility Statement**

In terms of the provisions of section 217(2AA) of the Companies Act, 1956, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached Annual Accounts and the Auditors' Report thereon, your Directors confirm that:

- a. in preparation of the annual accounts, the applicable accounting standards have been followed;
- b. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2010 and of the profit of the Company for the year ended on that date;

- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

**Stock Exchange Listing**

The Equity Shares of the Company are listed at the Mumbai Stock Exchange Limited, Mumbai and The Uttar Pradesh Stock Exchange Association Ltd, Kanpur. The Company has already paid listing fees for the financial year 2010-11 to these Stock Exchanges.

**Corporate Governance**

Presently, Clause 49 of the Listing Agreement relating to the Corporate Governance is not applicable to the Company during the financial year under review. However, the Company observes good corporate practices to enhance the stakeholders' value.

**Acknowledgment**

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from Banks and various Government Departments. The Board also places on record its appreciation of the devoted services of the employees; support and co-operation extended by the valued business associates and the continuous patronage of the customers of the Company.

**FOR AND ON BEHALF OF THE BOARD  
FOR PEE CEE COSMA SOPE LTD.**

**(A.K. JAIN)**  
Executive Chairman

PLACE : AGRA  
DATED : 2ND DECEMBER, 2010

**ANNEXURE TO DIRECTORS' REPORT**
**Annexure - A**

**INFORMATION AS PER SECTION 217(1) (e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2010:**

**PARTICULARS AS PER FORM A:**
**A. POWER AND FUEL CONSUMPTION**

	2009-2010	2008-2009
1. ELECTRICITY		
(a) PURCHASED:		
Units (in lacs)	03.41	04.85
Total amount (in lacs)	19.34	29.95
Rate/Units (in Rs.)	5.67	06.17
(b) OWN GENERATION:		
(i) Through Diesel Generator		
Units (in lacs)	0.05	00.03
(ii) Total amount (in lacs)	0.91	01.17
Rate/Units (in Rs.)	18.74	38.26
(iii) Through Steam Turbine/ Generator	N.A	N.A
2. LIGHT DIESEL OIL/FURNACE		
OIL Quantity(Kilo Ltrs.)	151.27	160.49
Total Cost (in lacs)	38.72	45.62
Average/Ltrs (in Rs.)	25.60	28.43
B. NO OF UNITS PER METRIC TONNE OF PRODUCTION		
Laundry Soap & Detergent		
(i) Electricity	30.87	34.92
(ii) LDO/FO	25.60	24.31

**PARTICULARS AS PER FORM B :**

A. RESEARCH AND DEVELOPMENT (R & D)		
(a) Specified Areas in which R & D carried out by the Company:	N.A.	N.A.
(b) Benefits derived as a result of the above R & D :	N.A.	N.A.
(c) Future plan of action	N.A.	N.A.

(d) Expenditure on R & D		
(i) Capital	N.A.	N.A.
(ii) Recurring	N.A.	N.A.
(iii) Total	N.A.	N.A.
(iv) Total R & D Expenditure as a percentage of total turnover	N.A.	N.A.

**B. TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION**

(a) Efforts in brief, made towards Technology Absorption, Adaption and innovation:	N.A.	N.A.
(b) Benefits derived as a result of the above efforts e.g., product improvement, cost reduction, product development, import substitution etc.,	N.A.	N.A.
(c) In case of imported technology, (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished :		
i) Technology imported	N.A.	N.A.
ii) Year of import	N.A.	N.A.
iii) Has technology been fully absorbed	N.A.	N.A.
iv) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action	N.A.	N.A.

**C. FOREIGN EXCHANGE EARNINGS AND OUT GO:**

(a) Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans	Nil	Nil
(b) Total foreign exchange used	Nil	Nil
(c) Total foreign exchange earned	Nil	Nil

**FOR AND ON BEHALF OF THE BOARD  
FOR PEE CEE COSMA SOPE LTD.**

**(A.K. JAIN)**  
Executive Chairman

PLACE : AGRA  
DATED : 2ND DECEMBER, 2010

## COMPLIANCE CERTIFICATE

**CIN : L24241UP1986PLC008344**  
**Nominal Capital : Rs. 6.00 Crore**

The Members of  
 Pee Cee Cosma Sope Ltd  
 "Padam Deep", G-10/8  
 Sanjay Place, Agra 282 005

We have examined the registers, records, books and papers of Pee Cee Cosma Sope Ltd (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under, the provisions contained in the Memorandum & Articles of Association of the Company for the financial year ended on 31<sup>st</sup> March, 2010. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the financial year ended on 31<sup>st</sup> March, 2010:

1. The Company has kept and maintained registers as stated in "Annexure: A" to this Certificate, as per the provisions of the Act and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in "Annexure: B" to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under save as mentioned in the aforesaid "Annexure: B".
3. The Company is a public limited company.
4. The Board of Directors duly met (5) times and its Share Transfer Committee duly met (21) times, on the dates as mentioned below, in respect of which proper notices were given and the proceedings were properly recorded and signed including the circular resolutions passed, in the Minutes Book maintained for the purpose:
  - a. Meetings of the Board of Directors were held on 29<sup>th</sup> April, 2009; 24<sup>th</sup> July, 2009; 29<sup>th</sup> October 2009, 28<sup>th</sup> January 2010, 19<sup>th</sup> March, 2010.
  - b. Meetings of the Share Transfer Committee were held on 30<sup>th</sup> April, 2009; 15<sup>th</sup> May, 2009; 30<sup>th</sup> May, 2009; 15<sup>th</sup> June 2009; 30<sup>th</sup> June 2009; 15<sup>th</sup> July 2009; 13<sup>th</sup> August 2009; 31<sup>st</sup> August 2009; 30<sup>th</sup> September 2009; 15<sup>th</sup> October 2009; 31<sup>st</sup> October 2009; 16<sup>th</sup> November 2009; 30<sup>th</sup> November 2009; 15<sup>th</sup> December 2009; 31<sup>st</sup> December 2009; 15<sup>th</sup> January 2010; 30<sup>th</sup> January 2010; 15<sup>th</sup> February 2010; 27<sup>th</sup> February 2010; 15<sup>th</sup> March 2010 and 31<sup>st</sup> March 2010.
  - c. No Meeting of Remuneration Committee was held

during the financial year.

5. The Company closed its Register of Members from 1<sup>st</sup> September, 2009 to 9<sup>th</sup> September, 2009 (both days inclusive) and necessary compliance of section 154 of the Act has been made. The Company did not have any debentures.
6. The annual general meeting for the financial year ended on 31<sup>st</sup> March, 2009 was held on 9<sup>th</sup> September, 2009 after giving due notice to the members of the Company and the resolutions passed thereat were duly recorded in the Minutes Book maintained for the purpose.
7. No extra ordinary general meeting was held during the financial year.
8. The Company has not advanced any loans to its directors and/or persons or firms or companies referred to in section 295 of the Act.
9. The Company has entered into transactions falling under section 297 of the Act during the year under review. In this connection the company has complied with Section 297 of the Act and obtained necessary approvals of the Central Government.
10. The Company has made necessary entries in the register(s) maintained under section 301 of the Act.
11. There was no case falling under section 314 of the Act.
12. The Company has not issued any duplicate share certificate.
  13. a. The Company has delivered all the certificates on lodgments thereof for transfer etc. in accordance with the provisions of the Act and there was no allotment of shares during the financial year under scrutiny.
  - b. The Company has declared 25% dividend i.e. Rs. 2.50 per Share on the Paid Up Equity Shares Capital of the Company for the financial year 2008-2009.
  - c. The Company has paid/posted dividend warrants to all members within a period of 30 days from the date of declaration of dividend. The company had transferred unpaid dividend to Unpaid Dividend Account with the Punjab National Bank , Sanjay Place , Agra
  - d. The Company has transferred the amount of Rs 1,08,125 on account of un-paid dividend account of the Company for the financial year 2001-02 to the Investor Education and Protection Fund.
  - e. The Company has duly complied with the requirements of section 217 of the Act.

## COMPLIANCE CERTIFICATE

14. The Board of Directors of the Company is duly constituted. Appointment/re-appointment of director(s)/ additional director(s), etc, have been duly made.
15. The Company has not appointed any managing director, whole time director or manager during the financial year. Mr Pramod Kumar Jain and Mr Ashok Kumar Jain are the Managing Director and Whole Time Director of the Company.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The Company did not obtain any approval of the Central Government, Company Law Board, Regional Director, Registrar of Companies or other prescribed authorities under the various provisions of the Act during the financial year except the following:
24. The amount borrowed by the Company from directors, members, public, financial institutions, banks and others was within the borrowing limits of the Company.
25. The Company has complied with applicable provisions of the Act in making loans and investments or giving guarantees or providing securities to other bodies corporate.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Registered Office of the Company from one State to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the Objects Clause of the Company during the year under scrutiny.

Particulars Of contracts	Under Section	Authority granting Approval	No. Of app- roval/ date
To enter into contract for sale of second hand plant & machineries, equipments and utilities etc., to be uses in the manufacturing of soap and detergents etc., to the Contractee Party- Pee Cee Soap & Chemicals Pvt. Ltd.	297	Central Government (Regional Director)	4/199/T-2/ UP/7568 dated : 26.02.10

18. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any Shares during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not redeemed any preference shares or debentures during the financial year.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares, as there was no such offering from the Company during the financial year.
23. The Company has not invited or accepted any public deposits including un-secured loans taken, falling under section 58A of the Act during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to the Name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to the Authorised Share Capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the year under review.
31. There was no prosecution initiated against or show cause notice received by the Company for alleged offenses under the Act. Similarly, no fines, penalties or punishment was imposed on the Company under the Act during the financial year.
32. The Company has not received any amount as security from its employees in terms of section 417(1) of the Act.
33. Since the Company has not constituted any provident fund under section 418 of the Act, provisions of section 418 are not applicable to Pee Cee Cosma Sope Ltd

**For R & D Company Secretaries**

**(Debabrata Deb Nath)**

**Partner**

**ACS: 23935; CP: 8612**

Place : New Delhi

Dated : 2nd December, 2010

**ANNEXURE TO COMPLIANCE CERTIFICATE**
**Annexure: A**
**Registers maintained by the Company**

Sl. No.	Particulars	Relevant Section
1	Copies of Annual Returns	159
2	Register of Members	150
3	Register of Particulars of Directors, Managing Director, Manager and Secretary	303
4	Register of Directors' Share holding	307
5	Register(s) of contracts, companies and firms in which Directors are interested	301
6	Register of Share Transfer	-
7	Register of Charges and copies of instruments creating charge	143/136
8	Register of investments or loan made, guarantee given or security provided	372A
9	Register of Fixed Assets	-
10	Register of Renewed and Duplicate share Certificates	Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960
11	Register of Split Share Certificates	Rule 7 of the Companies (Issue of Share Certificates) Rules, 1960

**Annexure: B**
**A. Forms & Returns filed with the Registrar of Companies, New Delhi**

Sr. No.	Particulars of Forms & Returns Filed	Date of Filing	Whether filed within Prescribed time	Additional Fees Paid
1.	Form 23 filed u/s 192 for passing Ordinary Resolution u/s 293(1)(a) through postal ballot	16.04.09	Yes	N.A.
2.	Form 8 u/s 125 to 130 for modification of charge vide instrument dated 23 <sup>rd</sup> July 2009	28.07.09	Yes	N.A.
3.	Form 8 u/s 125 to 130 for modification of charge vide instrument dated 23 <sup>rd</sup> July 2009	28.07.09	Yes	N.A.
4.	20A for Declaration of the Compliance with provision of section 149(2A)	08.08.09	NA	N.A.
5.	Form 66 for filing Compliance Certificate u/s 383A for the financial year ended 31st March, 2009	26.09.09	Yes	N.A.
6.	Form 23 u/s 192 for passing Special Resolution u/s 372A for making inter-corporate loans upto Rs. 25 Crores	08.10.09	Yes	N.A.
7.	Form 23AC & 23ACA for filing Annual Accounts u/s 220 for the Financial year ended 31st March, 2009	08.10.09	Yes	N.A.
8.	Form 1 under IEPF (Awareness & Protection of Investors) Rules, 2001 upon deposit of unclaimed dividend pertaining to the financial year 2001-02	28.10.09	Yes	N.A.
9.	20B for filing Annual Return u/s 159 made up to 9th September 2009 being the date of AGM	24.11.09	No	Yes

**B. Forms & Returns filed with the Regional Director, Central Government or other authorities**

Sr. No.	Particulars of Forms & Returns Filed	Date of Filing	Whether filed within Prescribed time	Additional Fees Paid
1.	Form 24A filed u/s 297 for application to Central Government (Regional Director) for approval to enter into arrangements for sale of manufacturing unit at Rudrapur to Pee Cee Soap and Chemicals Pvt Ltd company in which directors are interested	18.05.09	N.A.	N.A.
2.	Form 24A filed u/s 297 for application to Central Government (Regional Director) for approval to enter into arrangements for appointment of Pee Cee Soap & Chemicals Pvt Ltd – Contractee Company Ltd to act as the Consignee Distributor/ Agent of the Company in which directors are interested	27.03.10	N.A.	N.A.
3.	Form 24A filed u/s 297 for application to Central Government (Regional Director) for approval to enter into arrangements with Pee Cee Soap & Chemicals Pvt Ltd – Contractee Company Ltd for use of its trademark in connection with the manufacture pack, sell, export and distribute washing soaps, detergent cake, cleaning preparation, cleaning compounds, soap chips, soaps, chemicals, detergents and toilets soaps and other products of the Company in which directors are interested	27.03.10	N.A.	N.A.

## AUDITORS' REPORT

To,  
The Members,  
**Pee Cee Cosma Sope Ltd.**

1. We have audited the attached Balance Sheet of **Pee Cee Cosma Sope Ltd.**, as at 31st March, 2010, the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 & 5 of the said Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

(a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

(b) in our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;

(c) the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

(d) in our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section [3C] of Section 211 of the Companies Act, 1956;

(e) on the basis of written representations received from the Directors, as on 31st March 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

5. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view in conformity with the accounting principles generally accepted in India:

(a) in the case of Balance Sheet, of the State of Affairs of the Company as at 31<sup>st</sup> March 2010;

(b) in the case of Profit and Loss Account, of the Profit for the year ended on that date; and

(c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**FOR DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 000561N

**(CA. UDIT BANSAL)**  
Partner  
M.No. 401642

Place : Agra  
Dated : 31st July, 2010



## ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the accounts of Pee Cee Cosma Sope Limited for the year ended 31st March, 2010)

1. (a) The Company has maintained proper records to showing full particulars including quantitative details and situation of fixed assets.
  - (b) The Company has a phased program of physical verification of its fixed assets which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - (c) During, the year Company has disposed of Land, Building and Misc Assets of Rudrapur unit at Pantnagar, Uttranchal for a consideration of Rs. 1150 lacs. However such disposal does not affect the going concern assumption as all operating assets have been re-installed/replaced at their Malanpur unit.
2. (a) The inventory, except material lying with the third parties has been physically verified by the management during the year.
  - (b) In our opinion and according to the information and explanations given to us the procedures followed by the management for such physical verification are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
3. (a) The Company has not granted any loan to a Company covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly provisions of clause 4 (iii) (b) (c) (d) of the order are not applicable to the Company
  - (b) Company has taken unsecured loan from one company covered in the register maintained under section 301 of the Companies Act, 1956.
- The maximum amount involved during the year was Rs. 72.56 Lac and the Year end balance is Rs. NIL.
- (c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions on which loan has been taken from a company covered in the register maintained under section 301 of the Companies Act, 1956, prima facie are not prejudicial to the interest of the company.
  - (d) There is no overdue amount of loan taken from a company covered in the register maintained under section 301 of the Companies Act, 1956.
4. In our opinion and according to the information and explanations given to us there is an adequate internal control system commensurate with the size of the Company and nature of its business with regard to the purchase of inventory and fixed assets and also for the sale of goods & services. Further on the basis of our examination of the books of the Company, carried out in accordance with the generally accepted auditing practices in India, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control systems.
5. (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.
  - (b) In our opinion, and according to the information and explanations given to us the transactions made in pursuance of contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public during the year within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.



## ANNEXURE TO AUDITORS' REPORT

8. The Central Government has prescribed the maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 for the products of the Company. We have broadly reviewed the accounts and records of the Company in this connection and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have however, not made a detailed examination of the same.

9. (a) According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales tax, Service tax, Custom Duty, Excise Duty, Cess and other statutory dues have been generally regularly deposited with the appropriate authorities during the year and there are no undisputed statutory dues outstanding as on the date of balance sheet for a period exceeding six months from the date they become payable.

(b) According to the information & explanations given to us and as per the books and records examined by us, there are no dues of Income Tax, Sales tax, Excise duty, Custom duty, Wealth Tax, Service Tax and Cess which have not been deposited on account of any dispute, except the following, along with the forum where dispute is pending:

Name of the Statute	Nature of	Amount	Forum where dispute is Pending
M.P Land Revenue Act, 1959	Land Conversion Charge	14,03,603.00	Court of Collector, Bhind (M.P.)
Service Tax Act	Service Tax	294439.00	Deputy Commissioner Central Excise (Gwalior)
Service Tax Act	Service Tax	33192.00	Commissioner(A) Central Excise (Indore)

10. The Company has no accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year and in the immediately preceding financial year.

11. According to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. The Company has not borrowed any amount from

any financial institution or debenture holder.

12. According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as the company is not a chit fund or a Nidhi/mutual benefit fund/society.

14. The provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company as the company is not dealing in or trading in shares, securities, debentures and other investments.

15. To the best of our information the Company has not given any guarantee for loans taken by others from bank or financial institutions.

16. To the best of our information, the term loans have been applied for the purpose for which the Company has obtained them.

17. According to the information and explanations given to us and on an overall examination of the books of accounts of the Company, we report that no funds raised on short-term basis have been used for long-term investments.

18. The Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year.

20. The Company has not raised any money by public issues during the year.

21. According to the information and explanations given to us, during the year no fraud on or by the Company has been noticed or reported, during the course of our audit.

**FOR DOOGAR & ASSOCIATES**  
Chartered Accountants  
Firm Reg No. 000561N

**(CA. UDIT BANSAL)**  
Partner  
M.No. 401642

Place : Agra  
Dated : 31st July, 2010

**BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	SCHEDULES	Figures As at 31/03/2010	Figures As at 31/03/2009
<b>I. SOURCES OF FUNDS :</b>			
<b>1. Shareholder's Funds</b>			
a) Share Capital	A	1,20,00,000	1,20,00,000
b) Reserve & Surplus	B	<u>9,95,66,197</u>	<u>5,71,85,862</u>
<b>Total Shareholder's Funds</b>		<b><u>11,15,66,197</u></b>	<b><u>6,91,85,862</u></b>
<b>2. Loan Funds</b>			
a) Secured Loans	C	2,24,97,388	6,64,48,376
b) Unsecured Loans	D	—	72,56,329
<b>3. Deferred Tax Liability (Net)</b>			
<b>Total</b>		<b><u>---</u></b>	<b><u>31,17,581</u></b>
<b>II. APPLICATION OF FUNDS</b>			
<b>1. Fixed Assets</b>			
a) Gross Block	E	6,86,73,369	15,23,16,292
b) Less : Depreciation		<u>3,66,57,305</u>	<u>3,85,28,837</u>
Net Block		3,20,16,064	11,37,87,455
Capital Work-in-progress		<u>27,75,143</u>	
		<b><u>3,47,91,207</u></b>	<b><u>11,37,87,455</u></b>
<b>2. Currents Assets, Loans and Advances</b>			
a) Inventories	F	3,01,52,804	2,83,63,529
b) Sundry Debtors	G	42,55,903	45,49,283
c) Cash & Bank Balances	H	18,37,967	1,16,47,939
d) Loans And Advances	I	<u>9,41,30,764</u>	<u>73,91,936</u>
<b>Sub Total</b>		<b><u>13,03,77,438</u></b>	<b><u>5,19,52,687</u></b>
<b>3. Less : Current Liabilities and Provisions</b>			
a) Liabilities	J	46,50,287	96,87,395
b) Provisions		2,65,18,496	1,00,44,599
<b>Sub Total</b>		<b><u>3,11,68,783</u></b>	<b><u>1,97,31,994</u></b>
<b>Net Currents Assets</b>		<b><u>9,92,08,655</u></b>	<b><u>3,22,20,693</u></b>
<b>4. Deffered Tax Asset (Net)</b>		63,723	—
<b>Total</b>		<b><u>13,40,63,585</u></b>	<b><u>14,60,08,148</u></b>

**ACCOUNTING POLICIES AND NOTES TO ACCOUNTS T**

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date.

 For **Doogar & Associates**  
 Chartered Accountants  
 Firm Reg No. 000561N

For and on Behalf of the Board

**(CA. UDIT BANSAL)**  
 Partner  
**M.No. 401642**  
 Place : Agra  
 Dated : 31st July, 2010

**A.K.Jain** Executive Chairman  
**P.K. Jain** Managing Director  
**M.K. Jain** Director  
**N.C. Jain** Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

PARTICULARS	SCHEDULES	(Amount in Rupees)	
		Figures for Current Year	Figures for Previous Year
<b>INCOME :</b>			
01 Sales	K	31,23,52,100	40,09,85,429
Less : Excise Duty		<u>2,47,33,470</u>	<u>3,75,34,612</u>
Net Sales		<b>28,76,18,630</b>	<b>36,34,50,817</b>
02 Other Income	L	5,75,542	9,02,648
03 Variation in stocks	M	17,16,675	(19,74,062)
Total		<u>28,99,10,847</u>	<u>36,23,79,403</u>
<b>EXPENDITURE :</b>			
04 Raw Material Consumed	N	21,56,61,540	27,33,81,797
05 Manufacturing Expenses	O	87,75,676	1,03,41,773
06 Payments to and Provisions for Employee	P	1,24,32,493	1,46,55,022
07 Establishment Expenses	Q	89,07,898	84,27,513
08 Sales and Distribution Expenses	R	1,48,91,702	1,59,35,105
09 Financial Charges	S	26,39,629	91,32,371
10 Depreciation		<u>55,54,201</u>	<u>1,10,21,459</u>
<b>Total</b>		<b><u>26,88,63,139</u></b>	<b><u>34,28,95,040</u></b>
<b>PROFIT BEFORE EXTRAORDINARY ITEM :</b>			
<b>Add Extraordinary Item</b>		2,10,47,708	1,94,84,364
Net Surplus from Sale of Land & Building and Misc. Fixed Assets of Rudrapur Unit (Net of Tax Expense of Rs. 90.15.000)		<u>2,90,78,512</u>	<u>1,94,84,364</u>
<b>PROFIT AFTER EXTRAORDINARY ITEM BUT BEFORE TAXATION</b>		<b>5,01,26,220</b>	<b>1,94,84,364</b>
11 Provision for Taxation			
(a) Income Tax		74,35,000	38,40,000
(b) Fringe Benefit Tax			2,08,000
(c) Deferred Tax		<u>(31,81,304)</u>	<u>29,64,555</u>
<b>PROFIT AFTER TAXATION :</b>		4,58,72,524	1,24,71,808
12 Balance brought forward from last year		2,38,43,403	1,61,45,712
Less: Income Tax Adjustments relating to Previous Years		<u>(6,112)</u>	<u>14,267</u>
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>			
<b>13 APPROPRIATIONS</b>			
(a) Proposed Dividend		30,00,000	30,00,000
(b) Tax on Proposed Dividend		4,98,300	5,09,850
(c) General Reserve		46,00,000	12,50,000
<b>BALANCE CARRIED TO BALANCE SHEET</b>		6,16,23,739	2,38,43,404
Basic & Diluted Earning Per Share of Rs.10.00 each			
<b>Before Extraordinary Item</b>		<b>14.00</b>	<b>10.39</b>
<b>After Extraordinary Item</b>		<b>38.23</b>	<b>10.39</b>
(Refer Note No.12 of Notes on Accounts)			
<b>ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS T</b>			
The schedules referred to above form an integral part of the Profit & Loss Account.			
As per our report of even date.			
For Doogar & Associates Chartered Accountants Firm Reg No. 000561N		For and on Behalf of the Board	
<b>(CA. UDIT BANSAL)</b> Partner <b>M.No. 401642</b> Place : Agra Dated : 31st July, 2010		<b>A.K.Jain</b> Executive Chairman <b>P.K. Jain</b> Managing Director <b>M.K. Jain</b> Director <b>N.C. Jain</b> Director	

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	Figures As at 31/03/2010	Figures As at 31/03/2009
<b>SCHEDULE - A : SHARE CAPITAL</b>		
<b>AUTHORISED</b> 60,00,000 Equity shares of Rs. 10 each	6,00,00,000	6,00,00,000
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b> 12,00,000 Equity shares of Rs. 10 each for cash at par	1,20,00,000	1,20,00,000
<b>Total</b>	1,20,00,000	1,20,00,000
<b>SCHEDULE - B : RESERVES &amp; SURPLUS</b>		
<b>CAPITAL RESERVE</b> As per Last Balance Sheet	5,00,000	5,00,000
<b>GENERAL RESERVE</b> As per Last Balance Sheet	3,28,42,458	3,15,92,458
Add: Transferred from P&LA/c	46,00,000	12,50,000
	3,74,42,458	3,28,42,458
<b>SURPLUS</b> AS PER PROFIT AND LOSS ACCOUNT	6,16,23,739	2,38,43,404
<b>Total</b>	9,95,66,197	5,71,85,862
<b>SCHEDULE - C : SECURED LOANS</b>		
<b>TERM LOAN</b>		
State Bank Of India, Agra (Rudrapur Project)	—	4,23,92,464
<b>WORKING CAPITAL LOAN FROM BANK</b>		
State Bank of India, Agra	1,92,51,640	2,10,63,745
State Bank of India, Malanpur	30,85,252	26,74,901
<b>CAR LOAN</b>		
ICICI.Bank Car Loan	1,60,496	3,17,266
<b>Total</b>	2,24,97,388	6,64,48,376
<b>Note:</b>		
Term Loan & Working capital loan from State Bank of India, Agra are secured by way of hypothecation of stocks, receivables, packing materials, stores, spares etc., consumables, goods in process, finished goods, book debts and all other movable assets, present & future plant and machinery. The above limit is further collaterally secured by way of equitable mortgage of land & building at plot no.51-52 Malanpur Industrial Area, Distt. Bhand. (M.P.) and plot no. 7, Sector -1, IIE, Pantnagar, Uttaranchal and further secured by personal guarantee of four directors. During the year for the Rudrapur Project has been full repaid and accordingly charge over securities on plot no. 7 Sector 1 IIE, Pant Nagar Uttaranchal has been vacated and which have been sold during the year.		
Vehicle Loans are Secured against hypothecation of related vehicle and personal guarantee of Director		
<b>SCHEDULE - D : UNSECURED LOANS</b>		
Inter Corporate Loan (Company in which directors are interested)	---	60,00,000
Interest Accrued and Due	---	12,56,329
<b>Total</b>	---	72,56,329



# PEE CEE COSMA SOPE LIMITED

## FIXED ASSETS

### SCHEDULE - E

S. No	PARTICULARS	GROSS BLOCK			DEPERECIATION			NET BLOCK			
		AS AT 01/04/2009	ADDITION	SALES/ADJ.	AS AT 31.03.2010	UP TO 31.03.2009	FOR THE YEAR	SALES/ADJ.	UP TO 31.03.2010	W.D.V AS AT 31.03.2009	W.D.V AS AT 31.03.2010
1	LEASE HOLD LAND	24513956	144673	23709229	949400	—	—	—	—	949400	24513956
2	TEMPLE BUILDING	820438	—	—	820438	401517	20946	422463	422463	397975	418921
3	BUILDING	64892950	439400	49088325	16244025	17003724	728015	4629851	13101888	3142137	47889226
4	PLANT & MACHINERY	54101854	648087	13422124	41327817	15037490	4051557	2010069	17078978	24248839	39064364
5	FURNITURE & FIXTURES AND OFFICE EQUIPMENT	3360062	162690	262405	3260347	2701550	143440	93898	2751092	509255	658512
6	VEHICLE	4627032	2222247	777937	6071342	3384555	610243	691914	3302884	2768458	1242477
	<b>TOTAL</b>	<b>152316292</b>	<b>3617097</b>	<b>87260020</b>	<b>68673369</b>	<b>38528836</b>	<b>5554201</b>	<b>7425732</b>	<b>36657305</b>	<b>32016064</b>	<b>113787456</b>
7	CAPITAL WORK IN PROGRESS	—	2775143	—	2775143	—	—	—	—	2775143	—
	<b>GRAND TOTAL</b>	<b>152316292</b>	<b>6392240</b>	<b>87260020</b>	<b>71448512</b>	<b>38528836</b>	<b>5554201</b>	<b>7425732</b>	<b>36657305</b>	<b>34791207</b>	<b>113787456</b>
	<b>PREVIOUS YEAR FIGURES</b>	<b>56916307</b>	<b>95463727</b>	<b>63742</b>	<b>152316292</b>	<b>27566043</b>	<b>11021459</b>	<b>58665</b>	<b>38528837</b>	<b>113787455</b>	<b>29350264</b>

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	Figures As at 31/03/2010	Figures As at 31/03/2009
<b>SCHEDULE - F: INVENTORIES</b> (Taken as valued and certified by the Management)		
<b>(A) STOCK OF SPARES &amp; LOOSE TOOLS</b>	8,36,741	11,90,536
<b>(B) STOCK IN TRADE</b>		
a. Raw Materials	1,58,59,060	1,54,32,665
b. Stock in process	13,39,050	19,41,450
c. Finished Goods produced by the Company	1,21,17,953	97,98,878
<b>Total</b>	<u>3,01,52,804</u>	<u>2,83,63,529</u>
<b>SCHEDULE - G: SUNDRY DEBTORS</b> (Unsecured Considered Good)		
a. Exceeding Six Months	---	1,757
b. Others	42,55,903	45,47,526
<b>Total</b>	<u>42,55,903</u>	<u>45,49,283</u>
(Debtors Include Rs 2,11,966.53 (previous year 24,602.88) due from M/s Pee Cee Soap & Chemicals Pvt Ltd , a company under the same Management Maximum amount due at any time during the year Rs. 66,71,533 Previous Year Rs.86,29,838 )		
<b>SCHEDULE - H: CASH &amp; BANK BALANCES</b>		
a. Cash on hand	4,07,623	2,21,177
b. Balances with Scheduled Banks		
i. On Current Account	3,21,079	53,77,998
ii. On Unclaimed Dividend Account	10,84,087	10,10,454
iii. On Fixed Deposit Account	20,000	50,20,000
iv. Interest Accrued on FDR but not due (held as margin money against bank guarantee)	5,178	18,310
<b>Total</b>	<u>18,37,967</u>	<u>1,16,47,939</u>
<b>SCHEDULE - I: LOANS &amp; ADVANCES</b> (Unsecured & considered good unless otherwise stated)		
<b>A. LOANS</b>		
a. Loan to Staff & Labour	54,600	20,750
<b>B. ADVANCES</b>		
a. Advances recoverable in cash or in kind or for value to be received	8,41,295	11,42,449
b. Advance for Land	7,04,10,000	---
c. Advance payments against Income Tax	2,14,25,971	45,53,235
d. Balance with Central Excise Authorities	7,65,301	5,42,570
e. Security Deposits	4,21,604	6,27,901
f. Advance payments against Fringe Benefit Tax	2,11,993	5,05,031
<b>Total</b>	<u>9,41,30,764</u>	<u>73,91,936</u>

(Include Rs 4,50,00,000 due from M/s Pee Cee Soap &amp; Chemicals Pvt Ltd , a company under the same management .Maximum amount due at any time during the year Rs. 4,50,00,000 Previous year NIL)

**SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	Figures As at 31/03/2010	Figures As at 31/03/2009
<b>SCHEDULE - J: CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>CURRENT LIABILITIES</b>		
a. Sundry Creditors		
(i) Due to Micro Small & Medium Enterprises	6,99,469	1,57,768
(ii) Due to Others (see note-1 below)	17,96,418	33,97,725
b. Advances and Deposits from customers	6,07,534	41,04,164
c. Unclaimed Dividends (see note-2 below)	10,83,837	10,10,205
d. Other Liabilities	4,63,029	10,17,533
<b>Total</b>	<b>46,50,287</b>	<b>96,87,395</b>
Note - 1 : Includes Rs. 68,270.61 due to directors in current Account (previous year Rs.53,303/-)		
<b>PROVISIONS</b>		
a. Provision for Taxation	2,11,15,000	46,65,000
b. Provision for Fringe Benefit Taxation	2,08,000	5,43,000
c. Provision for Leave Encashment	1,39,173	63,500
d. Provision for Excise Duty on Stock	11,07,133	8,30,075
e. Provision for Bonus	4,50,890	3,81,459
f. Provision for Gratuity	—	51,715
g. Proposed Dividend	30,00,000	30,00,000
h. Provision for Tax on Proposed Dividend	4,98,300	5,09,850
<b>Total</b>	<b>2,65,18,496</b>	<b>1,00,44,599</b>



**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	Current Year Figures	Previous Year Figures
<b>SCHEDULE - K : SALES</b>		
Domestic Sales	31,36,97,749	40,29,33,809
Less : Cash Discounts Rs.4,05,780 (previous year Rs 6,95,084), Rate differences Rs, 9,39,870 (previous year Rs 12,53,297)	13,45,649	19,48,380
<b>Net Sales</b>	31,23,52,100	40,09,85,429
<b>SCHEDULE - L : OTHER INCOME</b>		
a. Interest received (TDS Rs. 22,736 previous year Rs. 10,947)	2,71,319	55642
b. Refund from Sales Tax/Excise Department	31,969	7,31,370
c. Dividend received from Birla Sunlife Mutual Fund	93,062	---
d. Sale of scrap etc.	---	89,653
e. Profit on sale of assets	89,116	19,317
f. Liabilities no longer required written off	56,497	6,666
g. Short Term Capital Gain on Mutual Fund	33,579	---
<b>Total</b>	5,75,542	9,02,648
<b>SCHEDULE - M : VARIATION IN STOCKS</b>		
Closing Stock		
a. Process Goods	13,39,050	19,41,450
b. Finished Goods	1,21,17,953	97,98,878
<b>Sub Total</b>	1,34,57,003	1,17,40,328
Less : Opening Stock		
a. Process Goods	19,41,450	14,27,393
b. Finished Goods	97,98,878	1,22,86,997
<b>Sub Total</b>	1,17,40,328	1,37,14,390
<b>Variation</b>	17,16,675	(19,74,062)
<b>SCHEDULE - N : RAW MATERIALS CONSUMED</b>		
a. Opening Stock	1,54,32,665	1,12,97,861
Less: Stock of Raw Material sold	70,513	---
b. Add : Purchases	21,61,58,448	27,75,16,601
	23,15,20,600	28,88,14,462
c. Less : Closing Stock	1,58,59,060	1,54,32,665
<b>Total Raw Material Consumed</b>	21,56,61,540	27,33,81,797

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	Current Year Figures	Previous Year Figures
<b>SCHEDULE - O :      MANUFACTURING EXPENSES</b>		
a. Stores and Spares	8,22,663	12,21,661
b. Power & Fuel	59,36,315	76,75,377
c. Lab Maintenance	61,161	1,00,761
d. Machinery Repairs	6,47,529	4,66,136
e. Building Repairs	2,00,875	47,763
f. Excise Duty Provided on closing stock	11,07,133	8,30,075
Total	87,75,676	1,03,41,773
<b>SCHEDULE - P :      PAYMENTS TO AND PROVISIONS FOR EMPLOYEES</b>		
a. Wages, Salaries and Bonus	1,11,45,698	1,28,05,098
b. Company's Contribution to Provident and other Funds	9,17,852	9,06,185
c. Gratuity	68,387	5,06,558
d. Employees Welfare and other ammenities	3,00,556	4,37,181
Total	1,24,32,493	1,46,55,022
<b>SCHEDULE - Q :      ESTABLISHMENT EXPENSES</b>		
a. Rent	6,01,506	9,79,246
b. Rates and Taxes	92,404	76,642
c. Insurance Charges	4,17,271	4,90,175
d. Postage & Telephone	4,22,806	5,51,735
e. Travelling & Conveyance	9,33,007	10,27,561
f. Directors remuneration	16,58,196	15,13,002
g. Directors Sitting Fees	49,000	27,500
h. Fees A/c	65,259	96,610
l. Legal & Professional Charges	4,75,604	5,28,643
j. Printing & Stationery Expenses	1,55,140	2,99,326
k. Auditors Remuneration	1,81,995	1,76,686
l. Payment to Internal Auditors	40,000	40,000
m. Electricity Expenses	1,78,065	42,321
n. Charity & Donations	10,101	9,151
o. Other Repairs	2,45,565	2,52,394
p. Running & maint.of Vehicles	12,96,345	11,43,314
q. Security Service Charges	5,34,120	7,17,022
r. Sundry Balance w/off	---	513
s. Plant Sifting Expenses	11,91,472	---
t. Other Establishment Expenses	3,48,233	4,52,577
u. Fixed Assets written off	4,443	3,095
v. Loss on Sale of Fixed Assets	7,366	---
Total	89,07,898	84,27,513

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010**

(Amount in Rupees)

PARTICULARS	Current Year Figures	Previous Year Figures
<b>SCHEDULE - R : SALES &amp; DISTRIBUTION EXPENSES</b>		
a. Advertisement & Publicity Expenses	7,81,735	6,15,821
b. Sales Promotion Expenses	11,44,820	6,65,968
c. Freight & Forwarding Charges	69,64,356	86,05,430
d. License Fees	8,68,500	10,61,374
e. Sales Commission	51,24,386	48,55,646
f. Entry Tax / Sales Tax	7,905	1,30,866
<b>Ttal</b>	1,48,91,702	1,59,35,105
<b>SCHEDULE - S : FINANCIAL CHARGES</b>		
a. Bank Charges	87,746	79,307
b. Interest on Bank borrowing	24,96,875	73,77,247
c. Other Interest	55,008	16,75,817
<b>Total</b>	26,39,629	91,32,371

**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010****1. SIGNIFICANT ACCOUNTING POLICIES:****1.01 Accounting Convention:**

The financial statements are prepared to comply in all material aspects with Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The Financial Statements has been prepared under historical cost conventions, on accrual basis. The Accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

**1.02 Accounting Policies:****a. SALES:**

Sale of goods is recognized at the time of dispatch of finished goods to the customers and is net of excise duty, sales return, rate difference and cash discounts. Consignment sales are recognized on receipt of account sales from the agents.

**b. PURCHASES:**

Purchases include cost of materials, transportation charges, Entry Tax and are net of refund of Sales Tax, credit availed under the Cenvat Scheme and State VAT during the year and other claims and discounts.

**c. RETIREMENT BENEFITS**

- i) Contributions payable by the Company to the concerned government authorities in respect of provident fund, family pension fund and employee state insurance are charged to the profit and loss account.
- ii) The Company is having Group Gratuity Scheme with Life Insurance Corporation of India. The net present value of the Company's obligation towards Gratuity to employees is funded and actuarially determined as at the Balance Sheet date based on the Projected Unit Credit Method. However as per the Actuarial valuation the fair value of plan assets as at 31.03.2010 is more than the present value of obligation as at 31.03.2010, therefore no adjustment have been made in the Balance Sheet. Further the amount of premium of Rs. 68387.00 paid to LIC is debited to Profit and Loss Account.
- iii) Provision for leave encashment in respect of unavailed leave standing to the credit of employees is made on accrual basis. In accordance with revised AS-15 as per the actuarial valuation made, the provision of leave encashment is less as compared to actual liability provided in the accounts. Hence the management is of the opinion that provision is to be made on accrual basis.

**d. DEPRECIATION:**

Depreciation is provided on written down method at the rates specified in Schedule XIV of the Companies Act, 1956 on pro-rata basis. Lease hold lands including site development are not depreciated.

**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010****e. FIXED ASSETS:**

All Fixed Assets are valued at cost less depreciation. Pre-operative expenses including trial run expenses (net of revenue) are capitalized. Interest on borrowings and financing cost during the period of construction is added to the cost of fixed assets. Leasehold land is stated at cost.

**f. IMPAIRMENT OF ASSETS:**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the profit and loss account in the year in which is identified as impaired.

**g. INVENTORIES:**

(i) Raw materials, Packing Material, Stores & Spares and Fuel are valued at lower of cost or net realisable value.

(ii) Finished and Semi-finished goods produced by the Company are valued at lower of cost or net realisable value.

(iii) Cost of materials given in g (i) is ascertained on First in First out basis. Work in Progress and finished goods are valued on full absorption cost basis.

**h. ACCOUNTING FOR TAXES ON INCOME**

Provision for current income tax is made in accordance with the provisions of Income Tax Act, 1961. In accordance with Accounting Standard (AS)-22 "Accounting for Taxes on Income", Deferred Tax resulting from timing differences between book & tax profit is accounting for at the current rate of tax to the extent that the timing differences are expected to crystallise. Deferred Tax Assets are recognised only when there is virtual certainty of sufficient future profits available to realise such assets.

**i. INVESTMENTS**

Long-term investments are carried at cost less provision, if any, for diminution in value other than temporary.

**j. BORROWING COSTS**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to revenue.

**k. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Contingent liability if any is disclosed by way of notes on account. Provision is made in accounts in respect of those contingencies which are likely to materialize in to liabilities after the year-end till the adoption of accounts by the Board of Directors and which have material effect on the position stated in the balance sheet. Contingent Assets are neither recognized nor disclosed in the financial statements.

**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010**

**2. NOTES TO ACCOUNTS**
**2.01. Contingent Liabilities Not Provided For:**

	Current Year	Previous Year
(i) Bank Guarantees	20,000	50,20,000
(ii) Service Tax	3,27,631	6,16,645
(iii) Excise Duty claims for Cenvat Credit, differential duty etc., (Rs. 1,95,119 deposited under protest)	1,95,119	1,95,119
(iv) Capital Contract Outstanding to be Executed on capital account and not Provided for	6,35,658	NIL
(v) The SDO Gohad has raised a demand of Rs.14,03,603.00 on the Company as charges for change of land use from agriculture to industrial in respect of its factory land measuring 7.25 acres in Malanpur Industrial Area, Malanpur District Bhind which is disputed by the Company and is still pending at the Court of Collector Bhind(M.P.).		

**2.02. Auditors Remuneration:**

	Current Year	Previous Year
(i) Audit Fees	Rs 1,50,000	Rs. 1,50,000
Service Tax thereon	Rs. 15,450	Rs. 15,450
(ii) Certifications Fee	Rs. 15,000	10,000
Service Tax thereon	Rs. 1,545	1,236
	<hr/> Rs. 1,81,995	<hr/> Rs. 1,76,686

**2.03. Managerial Remuneration:**

Managing & Whole Time Director		
Salary	14,40,000	13,20,000
Perquisites	2,18,916	1,93,002
	<hr/> 16,58,196	<hr/> 15,13,002

**2.04.** In the opinion of the management the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. Provisions for all known liabilities are adequate and are neither in excess nor in short of the amount reasonably necessary.

**2.05. Movement of Deferred Tax Liabilities (Net) as on 31st March 2010 is as follows.**

Particulars	Deferred Tax Assets		Deferred Tax Liability	
	31.03.10	31.03.09	31.03.10	31.03.09
Opening Balance	NIL	NIL	31,17,581	1,53,026
Closing Balance	63,723	NIL	NIL	31,17,581
Deferred Tax Liability as on 31.03.2010				63,723
Net Deferred Tax Liability as on 31.03.2010				63,723
Net Deferred Tax charged to Profit & Loss Account for the year				31,81,304

**2.06. Segment Reporting:**

The Company has only one segment of Soaps and Detergents and accordingly the disclosure requirements as prescribed in the "Accounting Standard (AS) -17 on segment reporting" is not applicable.

**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010**

**2.07. Earnings per share:**

The calculation of Earning per Share (EPS) as disclosed in the Balance Sheet - abstract has been made in accordance with the Accounting Standard (AS) - 20 Earning per Share.

	<b>Year ended 31st March, 2010</b>	<b>Year ended 31st March, 2009</b>
Profit before tax and extraordinary item	2,10,47,707	1,94,84,364
Less: Tax Expenses	42,53,696	70,12,555
Profit after tax and before extraordinary item	1,67,94,011	1,24,71,809
Profit after Tax and extraordinary item	4,58,72,523	1,24,71,809
Total No of Equity Shares	12,00,000	12,00,000
Basic/Diluted earnings per share (Face value - Rs. 10/- per share)		
-Before Extraordinary item	14.00	10.39
-After Extraordinary Item	38.23	10.39

**2.08. A. Related Party Disclosure:**

Details of disclosure as required by "Accounting Standard (AS) -18 on Related Party Disclosures" are as under:-

<b>Party</b>	<b>Relationship</b>
1. Pee Cee Soap and Chemicals Pvt. Ltd.	A Company under the same Management
2. Key Management Personnel	

**Name of Key Management Personnel**

Mr. A.K.Jain  
Mr. P.K.Jain  
Mr. M.K.Jain  
Mr. Mayank Jain

**Designation**

Executive Chairman  
Managing Director  
Non Executive Director  
Non Executive Director

**B. Related Party Transactions:**

<b>Transaction</b>	<b>Associates</b>	<b>Key Management Personnel</b>
License Fees Paid	8,68,500 (10,61,374)	
Commission Paid	46,80,885 (43,17,027)	
Consignment Paid	23,40,44,116 (21,58,51,379)	
Remuneration paid		16,58,196 (15,13,002)
Board Meeting Fees		24,000 (27,500)
Rent Paid	2,64,420 (2,69,179)	
Acceptance of Loan	NIL (65,00,000)	
Refund of Loan	72,56,329 (1,17,65,202)	
Interest Paid	NIL (16,24,423)	
Sale Of Laundry Soap	NIL (6,49,08,890)	
Advance for Land	4,50,00,000 (NIL)	

**Note :** Amount in brackets shown the previous year figures.



**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010**

<b>Balance</b>	<b>as on 31/03/2010</b>	<b>as on 31/03/2009</b>
Trade Payables Account	Rs. 8,61,800	Rs. 10,03,647
Trade Receivable Account	Rs. 10,73,766	Rs. 2,42,603
Remuneration Payable Accounts	Rs. 68,270	Rs. 53,303
Trade Security Account	Rs. NIL	Rs 25,00,000
Unsecured Loan	Rs. NIL	Rs. 72,56,329
Advance for Land Purchase	Rs. 4,50,00,000	Rs. NIL

**2.09** Balance in various accounts included in Sundry Debtors, Creditors and Loan & Advances are subject to confirmation from respective Parties.

**2.10** Disclosure pertaining to Micro, Small and medium enterprises (as per information available with the Company)

<b>S. No.</b>	<b>Particulars</b>	<b>Amount as at 31.03.2010</b>	<b>Amount as at 31.03.2009</b>
1.	Principal Amount due outstanding	6,99,469	1,57,768
2.	Interest due on (1) above and unpaid	NIL	NIL
3.	Interest paid to the suppliers during the year	NIL	NIL
4.	Payments made to the supplier beyond the appointed day during the year	NIL	NIL
5.	Interest due and payable for the period of delay		NIL
6.	Interest accrued and remaining unpaid	NIL	NIL
7.	Amount of further interest remaining due and payable in succeeding year.	NIL	NIL

**2.11 Employee Benefit**

The details of the Company's post-retirement benefit plans for gratuity for its employees are given below which is certified by the actuary and relied upon by auditors:

**A. Gratuity**

i) Movement in the liability recognized in Balance Sheet is as under:

<b>Description</b>	<b>Amount (Rs.) Current Year</b>	<b>Amount (Rs.) Previous Year</b>
Present value of obligation at the beginning of the year	2051393	1841006
Current service cost	136266	132930
Interest cost	163662	128517
Benefit paid	(19673)	(90173)
Actuarial (gain) / loss on obligation	(164239)	39113
Present value of obligation as at the end of year	<b>2167409</b>	<b>2051393</b>

**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010**

ii) Net assets / liability recognized in Balance Sheet as at 31<sup>st</sup> March, 2010

Description	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
Present value of obligation as at 31 <sup>st</sup> March, 2010	2167409	2051393
Fair value of plan assets as at 31 <sup>st</sup> March, 2010	2622964	2358840
(Assets)/Liabilities recognized in the Balance Sheet	<b>(455555)</b>	<b>(307447)</b>

lii) Amount recognized in Profit & Loss account is as under:

Description	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
Current service cost	136266	132930
Interest cost	163662	128517
Expected return on planned assets	(215410)	(160950)
Net actuarial (gain)/loss recognized during the year	(164239)	39113
Expenses to be recognized in the statement of P/L	<b>(79721)</b>	<b>139610</b>

iv) Changes in fair value of plan assets

Description	Amount (Rs.) Current Year	Amount (Rs.) Previous Year
Fair value of plan assets at the beginning of the period	2358840	1789291
Expected return on plan assets	215410	160950
Contribution	68387	498772
Benefit Paid	(19673)	(90173)
Actuarial Gain/Loss	NIL	NIL
Fair value of plan assets at the end of the period	<b>2622964</b>	<b>2358840</b>

For determination of gratuity liability of the Company the following actuarial assumption were used.

Discount rate	8.00%	7.00%
Future salary increase	5.00%	5.00%
Expected rate of return on planned assets	9.15%	7.76% & 9.25%
Method used	Projected unit credit Actuarial method	Projected unit credit Actuarial method

The fair value of plan assets as at 31.03.2010 is more than the present value of obligation as at 31.03.2010, therefore no adjustment have been made in the Balance Sheet. Further the amount of premium of Rs. 68387.00 paid to LIC is debited to Profit and Loss Account.

**B. Leave Encashment**

Provision for leave encashment in respect of unavailed leaves standing to the credit of employees is made on actuarial basis. The Company does not maintain any fund to pay for leave encashment.

**SCHEDULE - 'T' NOTES ATTACHED TO AND FORMING PART OF THE  
BALANCE SHEET AS AT 31ST MARCH, 2010**

i) Movement in the liability recognized in Balance Sheet is as under:

<b>Description</b>	<b>Amount (Rs.) Current Year</b>	<b>Amount (Rs.) Previous Year</b>
Present value of obligation at the beginning of the year	86593	76958
Interest cost	6908	5372
Current service cost	13457	9029
Actuarial (gain)/loss on obligation	(12106)	(4766)
Benefit Paid	NIL	NIL
Present value of obligation at the end of the year	<b>94852</b>	<b>86593</b>

ii) Amount recognized in Profit & Loss account is as under:-

<b>Description</b>	<b>Amount (Rs.) Current Year</b>	<b>Amount (Rs.) Previous Year</b>
Current service cost	13457	9029
Interest cost	6908	5372
Net actuarial (gain)/loss recognized during the year	(12106)	(4766)
Recognized in Profit & Loss account	<b>8259</b>	<b>9635</b>

iii) Amount recognized in the Balance Sheet as at 31<sup>st</sup> March, 2010

<b>Description</b>	<b>Current Year</b>	<b>Previous Year</b>
Present value of obligation as at 31 <sup>st</sup> March, 2010	<b>94852</b>	86593

For determination of liability in respect of leave encashment, the Company has used the following actuarial assumption.

Discount rate	8.00%	7.00%
Future salary increase	5.00%	5.00%
Actuarial method used	Project Unit credit Actuarial Method	Project unit credit Actuarial Method

Provision of leave encashment as per actuarial is less than the liability provided in books of accounts, hence the management is of the opinion that provision for leave encashment is to be made on accrual basis.

**C. Provident Fund**

The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Misc. Provision Act, 1952. This is post employment benefit and is in the nature of defined contribution plan.

**2.12.** Previous year's figures have been re-grouped or re-arranged wherever necessary to make them comparable.

As per our report of even date attached

For and on Behalf of the Board

For **Doogar & Associates**

Chartered Accountants  
Firm Reg No. 000561N

**CA. Udit Bansal**

Partner  
Place : Agra  
Dated : 31st July, 2010

**A.K. Jain**  
**P.K. Jain**  
**M.K. Jain**  
**N.C. Jain**

Executive Chairman  
Managing Director  
Director  
Director

**INFORMATION REQUIRED BY PARA 3 AND 4 OF PART II  
SCHEDULE VI OF THE COMPANIES ACT, 1956**

	FOR THE YEAR ENDED 31ST MARCH, 2010		FOR THE YEAR ENDED 31ST MARCH, 2009	
	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
<b>A. LICENSED CAPACITY</b>				
(i) Laundry Soap	10000	N.A.	23500	N.A.
(ii) Detergent Powder	7000	N.A.	7000	N.A.
(iii) Detergent Cake	5000	N.A.	5000	N.A.
<b>B. INSTALLED CAPACITY</b>				
(i) Laundry Soap	10000	N.A.	23500	N.A.
(ii) Detergent Powder	7000	N.A.	7000	N.A.
(iii) Detergent Cake	5000	N.A.	5000	N.A.
<b>C. OPENING STOCK</b>				
(i) Laundry Soap	106	25,34,978	280	77,07,326
(ii) Detergent Powder	232	48,68,845	152	29,25,592
(iii) Detergent Cake	118	23,95,055	76	16,54,079
<b>TOTAL</b>	<b>456</b>	<b>97,98,878</b>	<b>508</b>	<b>1,22,86,997</b>
<b>D. PRODUCTION</b>				
(i) Laundry Soap	6038	–	6601	--
(ii) Detergents	5367	–	7302	--
<b>TOTAL</b>	<b>11405</b>	<b>–</b>	<b>13903</b>	<b>--</b>
<b>E. SALES</b>				
(i) Laundry Soap	5975	17,13,55,914	6775	19,90,33,749
(ii) Detergent Powder	3622	9,40,00,334	4881	13,28,22,412
(iii) Detergent Cake	1728	4,69,95,852	2298	6,91,29,268
<b>TOTAL</b>	<b>11325</b>	<b>31,23,52,100</b>	<b>13954</b>	<b>40,09,85,429</b>
<b>F. CLOSING STOCK</b>				
(i) Laundry Soap	169	44,19,134	106	25,34,978
(ii) Detergent Powder	239	49,43,608	232	48,68,845
(iii) Detergent Cake	128	27,55,210	118	23,95,055
<b>TOTAL</b>	<b>536</b>	<b>1,21,17,953</b>	<b>456</b>	<b>97,98,878</b>

**INFORMATION REQUIRED BY PARA 3 AND 4 OF PART II  
SCHEDULE VI OF THE COMPANIES ACT, 1956**

	FOR THE YEAR ENDED 31ST MARCH, 2010		FOR THE YEAR ENDED 31ST MARCH, 2009	
	Quantity (M.T.)	Value (Rs.)	Quantity (M.T.)	Value (Rs.)
	<b>G. RAW MATERIAL CONSUMED</b>			
(i) Oil & Fats	2548	8,03,01,080	2658	8,40,39,055
(ii) Chemicals	2807	9,01,29,933	3399	12,29,61,141
(iii) Filler & Additives	4453	1,91,25,548	5884	2,39,78,202
(iv) Packing Materials		1,68,18,402		2,23,14,504
(v) Others		92,86,576		2,00,88,894
<b>TOTAL</b>	<b>9807</b>	<b>21,56,61,540</b>	<b>11941</b>	<b>27,33,81,797</b>

NOTE: The Quantitative Records in respect of production and Sale of Laundry Soap, as a past practice, are maintained in terms of number of packets. The weight has been derived at by multiplying the number of packets/cartons produced with the estimated weight per packet.

As per our report of even date attached

For and on Behalf of the Board

For **Doogar & Associates**

Chartered Accountants

Firm Reg No. 000561N

**CA. Udit Bansal**

Partner

**A.K. Jain**

**P.K. Jain**

**M.K. Jain**

**N.C. Jain**

Executive Chairman

Managing Director

Director

Director

Place : Agra

Dated : 31st July, 2010

**CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2010**

(Amount in Rupees)

SOURCES OF FUND	Figures As at 31/03/2010	Figures As at 31/03/2009
<b>A. CASH FLOW FROM OPERATING ACTIVITIES :</b>		
<b>Net Profit before Tax and extra ordinary items</b>	<b>50126219</b>	<b>19484364</b>
<b>Adjusted for</b>		
Depreciation	5554201	11021458
Fixed Assets written off	4443	3095
Profit on Sale of Fixed Assets (Net of Loss)	(29167628)	(19317)
Interest received	(271319)	(55642)
Income Tax Previous Year Adjustment	6112	(14267)
Interest paid	2551883	9053064
Dividend Received	(93062)	—
Short Term Capital Gain	(33579)	—
<b>Operating Profit before working Capital Change</b>	<b>28677270</b>	<b>39472755</b>
<b>Adjusted for</b>		
Trade & Other Receivables	(69865750)	(687390)
Inventories	(1789275)	(2590719)
Trade Payables	(4740294)	(1034283)
<b>Cash Generated from operations</b>	<b>(47718050)</b>	<b>35160363</b>
Direct Taxes paid (Net of Provision)	(16908586)	(6345154)
Cash Flow before extraordinary items	(64626636)	28815210
<b>Net Cash from Operating Activities</b>	<b>(64626636)</b>	<b>28838266</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed Assets	(6392239)	(3120533)
Purchase of Investments	(27400000)	—
Sale of Fixed Assets	118012473	21299
Sale of Investments	27433579	—
Interest received	271319	55642
Dividend Received	93062	—
<b>Net Cash used in Investing Activities</b>	<b>112018193</b>	<b>(3043590)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Short Term Borrowings	(51207317)	(6985154)
Interest paid	(2551883)	(9053064)
Dividend	(3442330)	(112249)
<b>Net Cash used in Financing Activities</b>	<b>(57201529)</b>	<b>(16150468)</b>
<b>Net increase in Cash and Cash Equivalents(A+B+C)</b>	<b>(9809972)</b>	<b>9621151</b>
<b>Opening Balance of Cash and Cash Equivalents</b>	<b>11647939</b>	<b>2026787</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>1837967</b>	<b>11647939</b>

As per our report of even date attached

For and on Behalf of the Board

 For **Doogar & Associates**

Chartered Accountants

Firm Reg No. 000561N

**CA. Udit Bansal**

Partner

**A.K. Jain**
**P.K. Jain**
**M.K. Jain**
**N.C. Jain**

Executive Chairman

Managing Director

Director

Director

Place : Agra

Dated : 31st July, 2010

## BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(Information as required under part IV of Schedule VI to the Companies Act, 1956)

a)	Registration Details		
-	Registration No	L24241UP1986PLC008344	
-	State Code		20
-	Balance Sheet Date		31.03.2010
b)	Capital raised during the year		(Rs)
-	Public Issue		-
-	Bonus Issue		-
-	Rights Issue		-
-	Others		-
c)	Position of Mobilisation & Deployment of Funds		
-	Total Liabilities		13,40,63,585
-	Total Assets		13,40,63,585
	Sources of Funds		
-	Paid up Capital		1,20,00,000
-	Reserves & Surplus		9,95,66,197
-	Loan Funds		2,24,97,388
-	Deferred Tax Liability (Net)		-
	Application of Funds		
-	Net Fixed Assets		3,47,91,207
-	Investments		Nil
-	Net Current Assets		9,92,08,655
-	Misc. Expenditure		Nil
d)	Performance of Company		
-	Turnover/Other Income		28,81,94,172
-	Total Expenditure		26,88,63,139
-	Profit before Tax		5,01,26,219
-	Profit after Tax		4,58,72,523
-	Earnings per Share before extraordinary item (year end)		14.00
-	Earnings per Share after extraordinary item (year end)		38.23
-	Dividend Rate %		25%
e)	Generic Names of Three Principal Products/Services of Company.		
		1. Laundry Soap	3401.11.42
		2. Synthetic Detergents	3402.90.11
		3. Detergent Cake	3401.11.90

As per our report of even date attached

For and on Behalf of the Board

For **Doogar & Associates**

Chartered Accountants  
Firm Reg No. 000561N

**CA. Udit Bansal**  
Partner

**A.K. Jain**  
**P.K. Jain**  
**M.K. Jain**  
**N.C. Jain**

Executive Chairman  
Managing Director  
Director  
Director

Place : Agra  
Dated : 31st July, 2010





# PEE CEE COSMA SOPE LIMITED

"Padam Deep", G-10/8, Sanjay Place, Agra-282 002

## PROXY FORM

Folio/Client I.D. No. ....

No. of Shares held .....

I/We .....

Of .....

being a Member/Members of PEE CEE COSMA SOPE LIMITED hereby appoint .....

..... or failing him ..... of

as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday the 30th day of December 2010 at 3.00 P.M. And at any adjournment thereof.

Signed this ..... day of ..... 2010.

For Office Use

Proxy No. ....

Date of Receiving .....

No. Of Shares .....

**AFFIX  
Re. 1.00  
REVENUE  
STAMP**

Note : The Proxy must be deposited at the Registered Office of the Company not later then 48 hours before the commencement of the Meeting.



# PEE CEE COSMA SOPE LIMITED

"Padam Deep", G-10/8, Sanjay Place, Agra-282 002

## ATTENDANCE SLIP

Folio/Client I.D. No. ....

Full Name of the Shareholder .....

No. of Shares held .....

Full Name of Proxy .....

I hereby record my presence at the Twenty Third Annual General Meeting of the Company held on Thursday the 30th December 2010 at 3.00 P.M. at **HOTEL ASHISH PALACE, Fatehabad Road, Agra.**

**Signature of Shareholder/Proxy**

This slip may please be handed over at the entrance of the Meeting Hall.