

Company Information

Board of Directors

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

Registered Office

"Padam Deep"
G-10/8, Sanjay Place,
AGRA-282 002 (U.P.)

Bankers

State Bank of India, Agra

Works

51 & 52, Malanpur Industrial Area,
Malanpur,
Distt - Bhind (M.P.)

Registrar & Share Transfer Agent

Skyline Financial Services Pvt. Ltd.
246, 1st Floor, Sant Nagar
East of Kailash, New Delhi-110 065

Auditors

M/s. Doogar & Associates
Chartered Accountants
13, Cummunity Centre,
East of Kailash, New Delhi-110065

CONTENTS

| | |
|--|----|
| Notice of Annual General Meeting..... | 2 |
| Directors' Report..... | 6 |
| Compliance Certificate..... | 10 |
| Auditors' Report..... | 13 |
| Balance Sheet as at 31st March 2011..... | 16 |
| Profit and Loss Account for the Year ended 31st March 2011..... | 17 |
| Schedules..... | 18 |
| Notes on Accounts..... | 25 |
| Cash Flow Statement..... | 34 |
| Balance Sheet Abstract and Company's General Business Profile..... | 35 |

**Annual General Meeting on Friday, 30th September 2011
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 24th Annual General Meeting of the Members of the Company will be held on Friday, 30th September, 2011 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 31st March, 2011 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 appoint a Director in place of Mr Amar Singh Rajput, who retires by rotation and, being eligible, offers himself for re-appointment.
3. 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:

4. 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."

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

"Resolved that pursuant to the provisions of Article no 3(a) of the Articles of Association of the Company, Section 94 of the Companies Act, 1956, and other applicable provisions, if any, the

existing Authorized Share Capital of the Company be and is hereby modified by canceling 32,50,000 Equity shares of Rs. 10 each aggregating to Rs. 3,25,00,000 which, at the date of passing of this resolution, remain un-issued and have not been taken or agreed to be taken by any person.

Resolved further that 3,25,000 Preference Shares of Rs. 100 each aggregating to Rs. 3,25,00,000 be and are hereby created in place of Equity Shares so cancelled.

Resolved further That Clause V of the Memorandum of Association of the Company be substituted with the following new clause:

V. The Authorised Share Capital of the Company is Rs. 10,00,00,000 (Rupees Ten Crore) divided into 27,50,000 (Twenty Seven Lac Fifty Thousand) equity shares of Rs. 10 each aggregating Rs. 2,75,00,000 (Rupees two Crore Seventy Five Lac) and 7,25,000 (Seven Lac Twenty Five Thousand) Preference Shares of Rs. 100 each aggregating Rs. 7,25,00,000 (Rupees Seven Crore Twenty Five Lac).

Resolved further that Board of Directors of the Company be and are hereby authorized to take all necessary steps that may be required to give effect to the aforesaid resolution."

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

Resolved That pursuant to Section 31 of the Companies Act, 1956, and other applicable provisions, Article 3(a) of the Articles of Association of the Company be and is hereby deleted and substituted with the following new Article No. 3(a) in its place:

3(a)The Authorised Share Capital of the Company shall be such amount, and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association of the Company. The Company will have the power to increase or reduce the authorised share capital and to divide the shares, for the time

NOTICE OF ANNUAL GENERAL MEETING

being, into several classes and to attach thereto respectively, such preferential, qualified or special rights, privileges or conditions as may be determined by or in accordance with the provisions of the Act or the Articles of the Company and to modify or abrogate any such rights, privileges and conditions in such manner as may deem fit and consolidate or sub-divide the shares and to issue shares of higher or lower denomination or to otherwise modify the authorised share capital of the Company.

Resolved Further That for the purpose of giving effect to the aforesaid resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things, as they may, in their absolute discretion, deem necessary, proper and desirable."

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

"Resolved That pursuant to the provisions of section 198, 269, 309 read with Schedule XIII of the Companies Act, 1956 & provisions of the Articles of Association of the Company and other applicable provisions, if any, Mr Mahendra Kumar Jain be and is hereby appointed as a Whole Time Director designated as Vice-Chairman of the Company or any other designation as decided by the board from time to time, with effect from 1st August, 2011 till 31st March 2014, on the terms and conditions as mentioned below:

Designation: Whole Time Director designated as Vice-Chairman or any other designation as decided by the board

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 1st 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 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.

NOTICE OF ANNUAL GENERAL MEETING

(iii) **Entertainment Expenses:** Re-imbusement 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.”

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.

| 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 |
| 31.03.2010 | 25 | 30.12.2010 | 04.02.2018 | 06.03.2018 |

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, 29th September 2011 to Friday, 30th September 2011 (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

G. The unpaid/unclaimed dividend pertaining to the financial year 2003-04 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 27th October, 2011. Therefore, the shareholders who have not encashed their Dividend warrants are requested to kindly contact the Company for revalidation/issue of fresh dividend warrants on or before the last date of claiming dividend i.e. 26th September, 2011.

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. 4 to 7 is enclosed herewith.

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

Item No. 4:

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 31st

NOTICE OF ANNUAL GENERAL MEETING

March, 2011. 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. 5:

Presently, the Authorized Share Capital of the Company is Rs. 10,00,00,000 divided into 60,00,000 Equity shares of Rs. 10 each aggregating Rs. 6,00,00,000 and 4,00,000 Preference Shares of Rs 100 each aggregating Rs. 4,00,00,000. In terms of the Scheme of Arrangement approved by the Hon'ble High Court of Allahabad, the company has to issue 7,23,125 Preference Shares of Rs. 100 each aggregating Rs. 7,23,12,500. To accommodate the issue of Preference Shares the Authorized Share Capital of the company requires modification by division of existing Authorized Share Capital of Rs. 10,00,00,000 into 27,50,000 (Twenty Seven Lac Fifty Thousand) equity shares of Rs. 10 each aggregating Rs. 2,75,00,000 (Rupees two Crore Seventy Five Lac) and 7,25,000 (Seven Lac Twenty Five Thousand) Preference Shares of Rs. 100 each aggregating Rs. 7,25,00,000 (Rupees Seven Crore Twenty Five Lac).

Approval of the members of the Company is sought for the proposed increase in the authorised capital. Your directors recommend the resolutions for adoption by members of the Company by Way of Special Resolution.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolution except to the extent of shares held by them.

Item No. 6:

As the Article 3(a) of the Articles of Association of the Company contains the fixed amount of authorised share capital, Article No 3(a) of the Articles of Association of the Company also needs to be changed.

For alteration in the Article of Association, members approval is required in the form of Special Resolution.

None of the Directors of the Company may be deemed to be concerned or interested in the proposed resolutions except to the extent of shares held by them or their relatives.

Item No. 7:

In terms of the Scheme of Arrangement as approved by Hon'ble High Court of Allahabad, all the employees of the Pee Cee Soap and Chemicals Pvt Ltd- Transferor company become the employees of the Pee Cee Cosma Sope Ltd-Transferee company from the effective date of order i.e. 1st August, 2011 the date of filing of order with the Registrar of Companies, Kanpur. In terms of the Scheme of Arrangement and in pursuance to the provisions of Section 269, 309 read with Schedule XIII of the Companies Act, 1956 and other relevant provisions Mr Mahendra Kumar Jain was appointed as a Whole Time Director of the company for his remaining tenure at a remuneration of Rs 1,00,000 per month and other perquisites as detailed in the resolution. His designation will be Vice Chairman or any other designation as decided by the board. The Board of directors of the Company and the remuneration committee of Board of directors has approved appointment and payment of remuneration to Mr Mahendra Kumar Jain.

As per the provisions of section 269 read with schedule XIII of the Companies Act, 1956, the aforesaid appointment and payment of remuneration to Mr Mahendra Kumar Jain require approval of members of the Company.

The aforesaid explanatory statement for item no. 7 should also be deemed to be notice of the abstract for terms of appointment and payment of remuneration to Mr Mahendra Kumar Jain as Whole Time Director under section 302 of the Companies Act 1956.

The board recommends the propose resolutions for adoption of members in the larger interest of the Company.

None of the directors of the Company except Mr Pramod Kumar Jain, Ashok Kumar Jain, and Mr Mahendra Kumar Jain himself is 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 SEPTEMBER, 2011**

DIRECTORS' REPORT
Dear Members

Your Directors are pleased to present 24th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2011.

Financial Highlights

(Amount in Rs. Lacs)

| Particulars | Financial Year ended | |
|--|------------------------------|------------------------------|
| | 31 st March, 2011 | 31 st March, 2010 |
| Total Income | 2662.82 | 2899.68 |
| Total Expenditure | 2673.69 | 2688.20 |
| Profit before tax | (10.48) | 210.48 |
| Extra Ordinary Items | Nil | 290.78 |
| Less : Provision for tax | | |
| Income Tax | Nil | 74.35 |
| Deferred Tax | (1.24) | (31.81) |
| Profit after tax including income from extraordinary items | (9.63) | 458.73 |
| Transfer to General Reserve | Nil | 46.00 |
| Paid-up Share Capital | 120.00 | 120.00 |
| Reserves and Surplus (excluding revaluation reserve) | 985.09 | 995.66 |
| Dividend Per Share (in Rs) | Nil | 2.50 |

Year in Retrospect

During the year under review, total income of the Company was Rs. 2662.82 lacs as against Rs. 2899.68 lacs in the previous year. The Company has incurred the loss of Rs. 9.63 lacs in the current year as against a profit of Rs. 458.73 lacs in the previous year. Due to increase in the cost of raw material and increase in Excise duty on manufacturing of Laundry Soap and Detergent Cake and Powder, the company has suffered loss during the Year. Your Directors are putting in their best efforts to improve the performance of the Company.

Material Changes after the date of Balance Sheet

Subsequent to the end of the financial year and till the date of this report, the Scheme of Arrangement for (a) De-merger of Real Estate Business 1 to 4 of Pee Cee

Soap and Chemicals Pvt Ltd into Shree Riddhi Siddhi Realtech Pvt Ltd, Maya Infracon Pvt Ltd, M2 Reality Pvt Ltd and Pee Cee Realty Builders Pvt Ltd, respectively; 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 has been approved by the Hon'ble High Court of Allahabad vide its order dated 5th July, 2011.

Except the aforesaid there was no other material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the Company-31st March, 2011 and the date of this report.

Dividend

In view of loss suffered by the Company, your Directors regret their inability to recommend any dividend.

DIRECTORS' REPORT
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 Director was appointed. However Mr Mayank Jain has resigned from the Directorship of the Company w.e.f. 24th August, 2011.

In accordance with the provisions of the Act and Articles of Association of the Company, Mr Amar Singh Rajput Director of the Company, is liable to retire by rotation and being eligible, offer himself for re-appointment. The Board recommends his re-appointment at the ensuing Annual General Meeting.

Committee of the Board
Remuneration Committee

The Remuneration Committee comprises of the following members:

- Nemi Chandra Jain : Chairman
- Anil Gupta : Member
- Amar Singh Rajput : Member

Share Transfer Committee

The Share Transfer Committee comprises of the following members:

- Mahendra Kumar Jain : Chairman
- Ashok Kumar Jain : Member
- Nemi Chandra Jain : Member

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-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 31st March, 2011 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 2011-12 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 SEPTEMBER, 2011

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 31ST MARCH, 2011:

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

| | 2010-2011 | 2009-2010 |
|--|-----------|-----------|
| 1. ELECTRICITY | | |
| (a) PURCHASED: | | |
| Units (in lacs) | 2.90 | 03.41 |
| Total amount (in lacs) | 19.07 | 19.34 |
| Rate/Units (in Rs.) | 6.58 | 5.67 |
| (b) OWN GENERATION: | | |
| (i) Through Diesel Generator | | |
| Units (in lacs) | 0.02 | 0.02 |
| (ii) Total amount (in lacs) | 0.90 | 0.91 |
| Rate/Units (in Rs.) | 47.94 | 38.74 |
| (iii) Through Steam Turbine/ Generator | N.A | N.A |
| 2. LIGHT DIESEL OIL/FURNACE | | |
| OIL Quantity(Kilo Ltrs.) | 118.23 | 151.27 |
| Total Cost (in lacs) | 35.61 | 38.72 |
| Average/Ltrs (in Rs.) | 30.12 | 25.60 |
| B. NO OF UNITS PER METRIC TONNE OF PRODUCTION | | |
| Laundry Soap & Detergent | | |
| (i) Electricity | 27.72 | 30.87 |
| (ii) LDO/FO | 20.65 | 25.60 |

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 SEPTEMBER 2011

COMPLIANCE CERTIFICATE

CIN : L24241UP1986PLC008344
Nominal Capital : Rs. 6.00 Crore

January, 2011; 15th February, 2011; 15th March, 2011 and 31st March, 2011.

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

c. Meeting of Remuneration Committee was held on 4th December, 2010.

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 31st March, 2011. 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 31st March, 2011:

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 11 (Eleven) times, Share Transfer Committee duly met (22) times and Remuneration Committee duly met (1) One time 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 27th April 2010; 23rd July 2010; 31st July 2010; 13th August 2010; 19th October 2010; 20th October 2010; 12th November 2010; 2nd December 2010; 4th December, 2010; 12th February 2011 and 1st March, 2011.
 - b. **Meetings of the Share Transfer Committee** were held on 15th April, 2010; 30th April, 2010; 15th May, 2010; 31st May, 2010; 15th June, 2010; 30th June, 2010; 15th July, 2010; 31st July, 2010; 14th August, 2010; 31st August, 2010; 15th September, 2010; 15th October, 2010; 30th October, 2010; 30th November, 2010; 15th December, 2010; 23rd December, 2010; 31st December, 2010; 15th January, 2011; 31st
5. The Company closed its Register of Members from 23rd December, 2010 to 30th December, 2010 (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 31st March, 2010 was held on 30th December, 2010 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 duly complied with the provisions of Section 297 of the Act in respect of Contract specified in that section.
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 issued duplicate share certificate in Compliance with the Act.
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 review.
 - b. The Company has deposited amount of dividend declared in a separate bank account on 4th January 2011 which is within five days from the declaration of such dividend.
 - c. The Company has posted warrants for dividends to all the members within a period of 30 (Thirty) days from the date of declaration and that all Unclaimed/ Unpaid dividend has been transferred to Unpaid Dividend Account with Punjab National Bank on 20th January, 2011.
 - d. The Company has transferred the amounts in Unpaid Dividend Account which have remained unclaimed/ unpaid for a period of Seven years to Investors Education and Protection Fund. The

COMPLIANCE CERTIFICATE

company was not required to transfer any amount on account of application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or un-paid for a period of seven years to the Investor Education and Protection Fund.

e. The Company has duly complied with the requirements of section 217 of the Act.

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 has obtained all necessary approvals of the Central Government, Company Law Board, Regional Director, Registrar of Companies or other prescribed authorities under the various provisions of the Act as detailed below:

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.
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.
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 Nathi)**

Partner

Place : New Delhi

ACS: 23935;

Dated : 2nd September, 2011

CP: 8612

| Particulars Of contracts | Under Section | Authority granting Approval | No. Of app- -roval/ date |
|--|------------------|-----------------------------------|--|
| 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 | 297 | Central Government | 4/90/T-2/ 2010/ UP/2751 dated: 30th July 2010 |
| 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. | 297 | Central Government | 4/91/T- 2/2010/ UP/2752 dated: 30th July 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 61 filed u/s 166 for filing Application with Registrar of Companies for extension of period of Annual General Meeting by 3 months | 14.08.10 | N.A. | N.A. |
| 2. | Form 1 under IEPF (Awareness & Protection of Investors) Rules, 2001 upon deposit of unclaimed dividend pertaining to the financial year 2002-03 | 28.10.10 | Yes | N.A. |
| 3. | Form 23 filed u/s 192 for passing Special Resolution for increase in the remuneration of Mr Pramod Kumar Jain, Managing Director of the company w.e.f. 1 st January, 2011 | 17.01.11 | Yes | N.A. |
| 4. | Form 66 for filing Compliance Certificate u/s 383A for the financial year ended 31 st March 2010 | 17.01.11 | Yes | N.A. |
| 5. | Form 23AC & 23ACA for filing Annual Accounts u/s 220 for the financial year ended 31 st March 2010 | 17.01.11 | Yes | N.A. |
| 6. | 20B for filing Annual Return u/s 159 made up to 30 th December 2010 being the date of AGM | 23.02.11 | Yes | N.A. |

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

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, 2011, 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 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 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 31st March 2011;

(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 : 2nd September, 2011

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, 2011)

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) Fixed assets disposed off during the year were not substantial and therefore do not affect the going concern assumption.
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) The Company had not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under section 301 of the companies Act, 1956. Therefore clause 4(iii) (e) to (g) are not applicable to the Company.
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.
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

ANNEXURE TO AUDITORS' REPORT

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 (F.Y.2007-08) | 33,192.00 | Commissioner-A Central Excise (Indore) |
| Income Tax Act | Income Tax (F.Y.2006-07) | 59,591.00 | Commissioner (Appeal) Income Tax, Agra |

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 : 2nd September, 2011

BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | SCHEDULES | Figures As at 31/03/2011 | Figures As at 31/03/2010 |
|---|-----------|-----------------------------|-----------------------------|
| I. SOURCES OF FUNDS : | | | |
| 1. Shareholder's Funds | | | |
| a) Share Capital | A | 1,20,00,000 | 1,20,00,000 |
| b) Reserve & Surplus | B | <u>9,85,09,417</u> | <u>9,95,66,197</u> |
| Total Shareholder's Funds | | <u>11,05,09,417</u> | <u>11,15,66,197</u> |
| 2. Loan Funds | | | |
| a) Secured Loans | C | 2,90,76,818 | 2,24,97,388 |
| | | <u>2,90,76,818</u> | <u>2,24,97,388</u> |
| Total | | <u>13,95,86,235</u> | <u>13,40,63,585</u> |
| II. APPLICATION OF FUNDS | | | |
| 1. Fixed Assets | | | |
| a) Gross Block | D | 7,50,63,575 | 6,86,73,369 |
| b) Less : Depreciation | | <u>4,06,75,633</u> | <u>3,66,57,305</u> |
| Net Block | | <u>3,43,87,942</u> | <u>3,20,16,064</u> |
| Capital Work-in-progress | | -- | 27,75,143 |
| | | <u>3,43,87,942</u> | <u>3,47,91,207</u> |
| 2. Currents Assets, Loans and Advances | | | |
| a) Inventories | E | 2,96,94,487 | 3,01,52,804 |
| b) Sundry Debtors | F | 76,20,308 | 42,55,903 |
| c) Cash & Bank Balances | G | 12,53,505 | 18,37,967 |
| d) Loans And Advances | H | 9,09,38,615 | 9,41,30,764 |
| Sub Total | | <u>12,95,06,915</u> | <u>13,03,77,438</u> |
| 3. Less : Current Liabilities and Provisions | | | |
| a) Liabilities | I | 61,26,610 | 46,50,287 |
| b) Provisions | | 1,83,70,448 | 2,65,18,496 |
| Sub Total | | <u>2,44,97,058</u> | <u>3,11,68,783</u> |
| Net Currents Assets | | <u>10,50,09,857</u> | <u>9,92,08,655</u> |
| 4. Deferred Tax Asset (Net) | | <u>1,88,436</u> | <u>63,723</u> |
| Total | | <u>13,95,86,235</u> | <u>13,40,63,585</u> |

ACCOUNTING POLICIES AND NOTES TO ACCOUNTS S

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 : 2nd September, 2011

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

Executive Chairman

Managing Director

Director

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011
(Amount in Rupees)

| PARTICULARS | SCHEDULES | Figures for Current Year | Figures for Previous Year |
|---|-----------|-----------------------------|------------------------------|
| INCOME : | | | |
| 01 Sales | J | 29,58,65,346 | 31,23,52,100 |
| Less : Excise Duty | | 2,85,91,941 | 2,47,33,470 |
| Net Sales | | <u>26,72,73,405</u> | <u>28,76,18,630</u> |
| 02 Other Income | K | 3,39,999 | 6,32,942 |
| 03 Variation in stocks | L | (13,31,858) | 17,16,675 |
| Total | | <u>26,62,81,546</u> | <u>28,99,68,247</u> |
| EXPENDITURE : | | | |
| 04 Raw Material Consumed | M | 21,58,86,272 | 21,56,61,540 |
| 05 Manufacturing Expenses | N | 77,47,632 | 87,75,676 |
| 06 Payments to and Provisions for Employee | O | 1,31,79,678 | 1,24,32,493 |
| 07 Establishment Expenses | P | 84,22,563 | 89,65,298 |
| 08 Sales and Distribution Expenses | Q | 1,51,47,626 | 1,48,91,702 |
| 09 Financial Charges | R | 21,87,806 | 26,39,629 |
| 10 Depreciation | | 47,97,599 | 55,54,201 |
| Total | | <u>26,73,69,176</u> | <u>26,89,20,539</u> |
| PROFIT BEFORE EXTRAORDINARY ITEM : | | | |
| Add Extraordinary Item | | (10,87,630) | 2,10,47,708 |
| Net Surplus from Sale of Land & Building and Misc. Fixed Assets of Rudrapur Unit | | — | <u>2,90,78,512</u> |
| PROFIT AFTER EXTRAORDINARY ITEM BUT BEFORE TAXATION | | <u>(10,87,630)</u> | <u>5,01,26,220</u> |
| 11 Provision for Taxation | | | 74,35,000 |
| (a) Income Tax | | | — |
| (b) Deferred Tax | | (1,24,713) | (31,81,304) |
| PROFIT AFTER TAXATION : | | (9,62,917) | 4,58,72,524 |
| 12 Balance brought forward from last year | | 6,16,23,739 | 2,38,43,403 |
| Add/Less: Income Tax Adjustments relating to Previous Years | | (93,863) | (6,112) |
| PROFIT AVAILABLE FOR APPROPRIATION | | <u>6,05,66,959</u> | <u>6,16,23,739</u> |
| 13 APPROPRIATIONS | | | 30,00,000 |
| (a) Proposed Dividend | | — | 4,98,300 |
| (b) Tax on Proposed Dividend | | — | 46,00,000 |
| (c) General Reserve | | — | |
| BALANCE CARRIED TO BALANCE SHEET | | 6,05,66,959 | 6,16,23,739 |
| Basic & Diluted Earning Per Share of Rs.10.00 each | | <u>(0.80)</u> | <u>14.00</u> |
| Before Extraordinary Item | | <u>(0.80)</u> | <u>38.23</u> |
| After Extraordinary Item | | <u>(0.80)</u> | <u>38.23</u> |

(Refer Note No.2.07 of Schedule S)

ACCOUNTING POLICIES & NOTES TO ACCOUNTS S

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

(CA. UDIT BANSAL)

Partner

M.No. 401642

Place : Agra

Dated : 2nd September, 2011

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

Executive Chairman

Managing Director

Director

Director

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | Figures As at 31/03/2011 | Figures As at 31/03/2010 |
|--|-----------------------------|-----------------------------|
| SCHEDULE - A : SHARE CAPITAL | | |
| AUTHORISED 60,00,000 Equity shares of Rs. 10 each | 6,00,00,000 | 6,00,00,000 |
| ISSUED, SUBSCRIBED & PAID UP 12,00,000 Equity shares of Rs. 10 each for cash at par | 1,20,00,000 | 1,20,00,000 |
| Total | 1,20,00,000 | 1,20,00,000 |
| SCHEDULE - B : RESERVES & SURPLUS | | |
| CAPITAL RESERVE As per Last Balance Sheet | 5,00,000 | 5,00,000 |
| GENERAL RESERVE As per Last Balance Sheet | 3,74,42,458 | 3,28,42,458 |
| Add: Transferred from P&LA/c | 46,00,000 | 46,00,000 |
| | 3,74,42,458 | 3,74,42,458 |
| SURPLUS AS PER PROFIT AND LOSS ACCOUNT | 6,05,66,959 | 6,16,23,739 |
| Total | 9,85,09,417 | 9,95,66,197 |
| SCHEDULE - C : SECURED LOANS | | |
| WORKING CAPITAL LOAN FROM BANK | | |
| State Bank of India, Agra | 2,58,54,767 | 1,92,51,640 |
| State Bank of India, Malanpur | 32,22,051 | 30,85,252 |
| CAR LOAN | | |
| ICICI.Bank Car Loan | — | 1,60,496 |
| Total | 2,90,76,818 | 2,24,97,388 |

Note:

Working capital loan from State Bank of India, are secured by way of hypothecation of stocks of raw material, stores, spares, stock in process, Finished Goods, including Book Debts etc, lying in Unit's works, godowns, offices, and elsewhere in units possession including the goods in transit. The above limit is further collaterally secured by way of equitable mortgage of Factory land & building situated at plot no.51-52 Malanpur Industrial Area , Distt. Bhand. (M.P.), and hypothecation of unencumbered plant & machinery of the unit. Further secured by personal guarantee of four Directors.

Vehicle Loans are Secured against hypothecation of related vehicle and personal guarantee of Director.



PEE CEE COSMA SOPE LIMITED

FIXED ASSETS

SCHEDULE - D

(Amount in Rupees)

| S. No. | PARTICULARS | GROSS BLOCK | | | | DEPERECIATION | | | NET BLOCK | |
|--------|---|------------------|----------------|-----------------|------------------|----------------|----------------|------------------|------------------------|------------------------|
| | | AS AT 01/04/2010 | ADDITION | SALES/ADJ. | AS AT 31.03.2011 | FOR THE YEAR | SALES/ADJ. | UP TO 31.03.2011 | W.D.V AS AT 31.03.2011 | W.D.V AS AT 31.03.2010 |
| 1 | LEASE HOLD LAND | 949400 | — | — | 949400 | — | — | — | 949400 | 949400 |
| 2 | TEMPLE BUILDING | 820438 | — | — | 820438 | 19899 | — | 442362 | 378076 | 397975 |
| 3 | BUILDING | 16244025 | 5682446 | — | 21926471 | 314213 | — | 13416101 | 8510370 | 3142137 |
| 4 | PLANT & MACHINERY | 41327817 | 351330 | 202906 | 41476241 | 3425264 | 182598 | 20321644 | 21154597 | 24248839 |
| 5 | FURNITURE & FIXTURES AND OFFICE EQUIPMENT | 3260347 | 45538 | — | 3305885 | 117798 | — | 2868890 | 436995 | 509255 |
| 6 | VEHICLE | 6071342 | 1223952 | 710154 | 6585140 | 920425 | 596673 | 3626636 | 2958504 | 2768458 |
| | TOTAL | 68673369 | 7303266 | 913060 | 75063575 | 4797599 | 779271 | 40675633 | 34387942 | 32016064 |
| 7 | CAPITAL WORK IN PROGRESS | 2775143 | 2665916 | 5441059 | — | — | — | — | — | 2775143 |
| | GRAND TOTAL | 71448512 | 9969182 | 6354119 | 75063575 | 4797599 | 779271 | 40675633 | 34387942 | 34791207 |
| | PREVIOUS YEAR FIGURES | 152316292 | 6392240 | 87260020 | 71448512 | 5554201 | 7425732 | 36657305 | 34791207 | 113787456 |

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | Figures As at 31/03/2011 | Figures As at 31/03/2010 |
|---|-----------------------------|-----------------------------|
| SCHEDULE - E: INVENTORIES (Taken as valued and certified by the Management) | | |
| (A) STOCK OF SPARES & LOOSE TOOLS | 14,29,874 | 8,36,741 |
| (B) STOCK IN TRADE | | |
| a. Raw Materials | 1,61,39,468 | 1,58,59,060 |
| b. Stock in process | 20,96,376 | 13,39,050 |
| c. Finished Goods produced by the Company | 1,00,28,769 | 1,21,17,953 |
| Total | 2,96,94,487 | 3,01,52,804 |
| SCHEDULE - F: SUNDRY DEBTORS (Unsecured Considered Good) | | |
| a. Exceeding Six Months | — | --- |
| b. Others | 76,20,308 | 42,55,903 |
| Total | 76,20,308 | 42,55,903 |
| (Debtors Include Rs 42,63,015 (previous year 2,11,967) 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. 62,82,728 (Previous Year Rs.66,71,533) | | |
| SCHEDULE - G: CASH & BANK BALANCES | | |
| a. Cash on hand | 2,35,807 | 4,07,623 |
| b. Balances with Scheduled Banks | | |
| i. On Current Account | 2,45,952 | 3,21,079 |
| ii. On Unclaimed Dividend Account | 7,44,572 | 10,84,087 |
| iii. On Fixed Deposit Account* | 25,178 | 20,000 |
| iv. Interest Accrued on FDR but not due *(held as security with Sales Tax Department) | 1,996 | 5,178 |
| Total | 12,53,505 | 18,37,967 |
| SCHEDULE - H: LOANS & ADVANCES (Unsecured & considered good unless otherwise stated) | | |
| A. LOANS | | |
| a. Loan to Staff & Labour | 16,500 | 54,600 |
| B. ADVANCES | | |
| a. Advances recoverable in cash or in kind or for value to be received | 8,22,721 | 8,41,295 |
| b. Advance for Land | 7,04,10,000 | 7,04,10,000 |
| c. Advance payments against Income Tax | 1,86,00,017 | 2,14,25,971 |
| d. Balance with Central Excise Authorities | 4,58,780 | 7,65,301 |
| e. Security Deposits | 4,18,604 | 4,21,604 |
| f. Advance payments against Fringe Benefit Tax | 2,11,993 | 2,11,993 |
| Total | 9,09,38,615 | 9,41,30,764 |

(Include Rs 4,50,00,000 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. 4,50,00,000 Previous year 4,50,00,000)

SCHEDULES TO BALANCE SHEET AS AT 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | Figures As at 31/03/2011 | Figures As at 31/03/2010 |
|--|-----------------------------|-----------------------------|
| SCHEDULE - I: CURRENT LIABILITIES & PROVISIONS | | |
| CURRENT LIABILITIES | | |
| a. Sundry Creditors | | |
| (i) Due to Micro Small & Medium Enterprises | 3,89,488 | 6,99,469 |
| (ii) Due to Others (see note-1 below) | 38,91,064 | 17,96,418 |
| b. Advances and Deposits from customers | 6,26,098 | 6,07,534 |
| c. Investors Education and Protection Fund Unclaimed Dividends (Not Due) | 7,44,323 | 10,83,837 |
| d. Other Liabilities | 4,75,637 | 4,63,029 |
| Total | 61,26,610 | 46,50,287 |
| Note - 1 : Includes Rs. 1,33,798 due to directors in current Account (previous year Rs.68,271) | | |
| PROVISIONS | | |
| a. Provision for Taxation | 1,66,85,000 | 2,11,15,000 |
| b. Provision for Fringe Benefit Taxation | 2,08,000 | 2,08,000 |
| c. Provision for Leave Encashment | 2,91,892 | 1,39,173 |
| d. Provision for Excise Duty on Stock | 7,34,378 | 11,07,133 |
| e. Provision for Bonus | 4,51,178 | 4,50,890 |
| f. Proposed Dividend | — | 30,00,000 |
| g. Provision for Tax on Proposed Dividend | — | 4,98,300 |
| Total | 1,83,70,448 | 2,65,18,496 |

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | Current Year Figures | Previous Year Figures |
|--|-------------------------|--------------------------|
| SCHEDULE - J : SALES | | |
| Domestic Sales | 29,68,01,777 | 31,36,97,749 |
| Less : Cash Discounts Rs.3,40,813 (previous year Rs 4,05,780), Rate differences Rs 5,95,619 (previous year Rs 9,39,870) | 9,36,431 | 13,45,649 |
| Net Sales | <u>29,58,65,346</u> | <u>31,23,52,100</u> |
| SCHEDULE - K : OTHER INCOME | | |
| a. Interest received (TDS Rs. 1,716 previous year Rs. 22,736) | 19,812 | 2,71,319 |
| b. Refund from Sales Tax/Excise Department | — | 31,969 |
| c. Dividend received from Birla Sunlife Mutual Fund | — | 93,062 |
| d. Profit on sale of assets | 2,38,655 | 89,116 |
| e. Liabilities no longer required written off | — | 56,497 |
| f. Misc. Income | 53,800 | 57,400 |
| f. Short Term Capital Gain on Mutual Fund | — | 33,579 |
| h. Claim received from Insurance Co. | 27732 | — |
| Total | <u>3,39,999</u> | <u>6,32,942</u> |
| SCHEDULE - L : VARIATION IN STOCKS | | |
| Closing Stock | | |
| a. Process Goods | 20,96,376 | 13,39,050 |
| b. Finished Goods | 1,00,28,769 | 1,21,17,953 |
| Sub Total | <u>1,21,25,145</u> | <u>1,34,57,003</u> |
| Less : Opening Stock | | |
| a. Process Goods | 13,39,050 | 19,41,450 |
| b. Finished Goods | 1,21,17,953 | 97,98,878 |
| Sub Total | <u>1,34,57,003</u> | <u>1,17,40,328</u> |
| Variation | <u>(13,31,858)</u> | <u>17,16,675</u> |
| SCHEDULE - M : RAW MATERIALS CONSUMED | | |
| a. Opening Stock | 1,58,59,060 | 1,54,32,665 |
| Less: Stock of Raw Material sold | — | 70,513 |
| b. Add : Purchases | 21,61,66,680 | 21,61,58,448 |
| | <u>23,20,25,740</u> | <u>23,15,20,600</u> |
| c. Less : Closing Stock | 1,61,39,468 | 1,58,59,060 |
| Total Raw Material Consumed | <u>21,58,86,272</u> | <u>21,56,61,540</u> |

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | Current Year Figures | Previous Year Figures |
|--|-------------------------|--------------------------|
| SCHEDULE - N : MANUFACTURING EXPENSES | | |
| a. Stores and Spares | 9,76,698 | 8,22,663 |
| b. Power & Fuel | 56,03,671 | 59,36,315 |
| c. Lab Maintenance | 70,848 | 61,161 |
| d. Machinery Repairs | 3,38,290 | 6,47,529 |
| e. Building Repairs | 23,747 | 2,00,875 |
| f. Excise Duty Provided on closing stock | 7,34,378 | 11,07,133 |
| Total | 77,47,632 | 87,75,676 |
| SCHEDULE - O : PAYMENTS TO AND PROVISIONS FOR EMPLOYEES | | |
| a. Wages, Salaries and Bonus | 1,15,45,637 | 1,11,45,698 |
| b. Company's Contribution to Provident and other Funds | 10,43,485 | 9,17,852 |
| c. Gratuity | 3,41,706 | 68,387 |
| d. Employees Welfare and other ammenities | 2,48,850 | 3,00,556 |
| Total | 1,31,79,678 | 1,24,32,493 |
| SCHEDULE - P : ESTABLISHMENT EXPENSES | | |
| a. Rent | 5,71,160 | 6,01,506 |
| b. Rates and Taxes | 76,195 | 92,404 |
| c. Insurance Charges | 3,62,894 | 4,17,271 |
| d. Postage & Telephone | 4,37,572 | 4,22,806 |
| e. Travelling & Conveyance | 7,98,593 | 9,33,007 |
| f. Directors remuneration | 20,16,284 | 16,58,196 |
| g. Directors Sitting Fees | 1,10,000 | 49,000 |
| h. Fees A/c | 1,67,821 | 65,259 |
| l. Legal & Professional Charges | 8,88,160 | 4,75,604 |
| j. Printing & Stationery Expenses | 1,36,994 | 1,55,140 |
| k. Auditors Remuneration | 1,81,995 | 1,81,995 |
| l. Payment to Internal Auditors | 40,000 | 40,000 |
| m. Electricity Expenses | 46,755 | 1,78,065 |
| n. Charity & Donations | 13,102 | 10,101 |
| o. Other Repairs | 1,38,607 | 2,45,565 |
| p. Running & maint.of Vehicles | 15,00,629 | 12,96,345 |
| q. Security Service Charges | 5,60,894 | 5,34,120 |
| r. Sundry Balance w/off | 143 | --- |
| s. Plant Sifting Expenses | --- | 11,91,472 |
| t. Other Establishment Expenses | 3,74,765 | 3,48,233 |
| u. Fixed Assets written off | --- | 4,443 |
| v. Loss on Sale of Materials/Scrap | --- | 64,766 |
| Total | 84,22,563 | 89,65,298 |

SCHEDULES TO PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2011

(Amount in Rupees)

| PARTICULARS | Current Year Figures | Previous Year Figures |
|---|-------------------------|--------------------------|
| SCHEDULE - Q : SALES & DISTRIBUTION EXPENSES | | |
| a. Advertisement & Publicity Expenses | 5,60,114 | 7,81,735 |
| b. Sales Promotion Expenses | 5,73,693 | 11,44,820 |
| c. Freight & Forwarding Charges | 81,67,999 | 69,64,356 |
| d. License Fees | 8,78,545 | 8,68,500 |
| e. Sales Commission | 49,58,459 | 51,24,386 |
| f. Entry Tax / Sales Tax | 8,816 | 7,905 |
| Total | 1,51,47,626 | 1,48,91,702 |
| SCHEDULE - R : FINANCIAL CHARGES | | |
| a. Bank Charges | 59,979 | 87,746 |
| b. Interest on Bank borrowing | 20,93,600 | 24,96,875 |
| c. Other Interest | 34,227 | 55,008 |
| Total | 21,87,806 | 26,39,629 |

**SCHEDULE - 'S' NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011****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 31.03.2011 is more than the present value of obligation as at 31.03.2011, therefore no adjustment have been made in the Balance Sheet. Further the amount of premium of Rs. 341706.00 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. Asset costing up to Rs. 5,000 each are fully depreciated in the year of acquisition.

**SCHEDULE - 'S' NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011****e. FIXED ASSETS:**

Fixed Assets are stated at acquisition cost less accumulated depreciation. Cost includes inward freight, duties, taxes and incidental expenses related to acquisition and installation incurred up to the date of commissioning of 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 - 'S' NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011**

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

| | Current Year | Previous Year |
|--|--------------|---------------|
| (i) FDR held as security in Sales Tax | 20,000 | 20,000 |
| (ii) Service Tax | 33,192 | 3,27,631 |
| (iii) Income Tax (A/Y 07-08) | 59,591 | NIL |
| (iv) Excise Duty claims for Cenvat Credit, differential duty etc., (Rs. 1,95,119 deposited under protest) | 1,95,119 | 1,95,119 |
| (v) Capital Contract Outstanding to be Executed on capital account and not Provided for | NIL | 6,35,658 |
| (vi) The SDO Gohad has raised a demand of Rs. 14,03,603 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 | Rs. 15,000 |
| Service Tax thereon | Rs. 1,545 | Rs. 1,545 |
| | <hr/> Rs. 1,81,995 | <hr/> Rs. 1,81,995 |

2.03. Managerial Remuneration:

| | | |
|--------------------------------|-----------------|-----------------|
| Managing & Whole Time Director | | |
| Salary | 17,70,000 | 14,40,000 |
| Perquisites | 2,46,284 | 2,18,916 |
| | <hr/> 20,16,284 | <hr/> 16,58,196 |

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 2011 is as follows.

The deferred tax liability as per AS-22 Accounting for Taxes on Income is as under:

| | Deferred Tax (Assets)/Liability as on 01.04.2010 | Current Year (Charge)/Credit | Deferred Tax (Asset)/Liability as on 31.03.2011 |
|---|--|---------------------------------|---|
| Deferred Tax Liability/Asset: On account of timing difference between | (63,723) | (34,518) | (98,241) |
| i. Depreciation as per Income Tax Act, 1961 and Companies Act, 1956 and expenses allowed on payment basis | | | |
| ii. Provision for Leave Encashment | NIL | (90,195) | (90,195) |
| TOTAL | (63,723) | (1,24,713) | (1,88,436) |

SCHEDULE - 'S' NOTES ATTACHED TO AND FORMING PART OF THE BALANCE SHEET AS AT 31ST MARCH, 2011

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.

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.

| | Year ended 31st March, 2011 | Year ended 31st March, 2010 |
|--|--------------------------------|--------------------------------|
| Profit before tax and extraordinary item | (10,87,630) | 2,10,47,707 |
| Less: Tax Expenses | 1,24,713 | 42,53,696 |
| Profit after tax and before extraordinary item | (9,62,917) | 1,67,94,011 |
| Profit after Tax and extraordinary item | (9,62,917) | 4,58,72,523 |
| 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 | (0.80) | 14.00 |
| -After Extraordinary Item | (0.80) | 38.23 |

2.08. A. Related Party Disclosure:

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

| Party | Relationship |
|---|-------------------------------------|
| 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:

| Transaction | Associates | Key Management Personnel |
|--------------------|--------------------------------|--------------------------|
| License Fees Paid | 8,78,545 (8,68,500) | |
| Commission Paid | 4562702 (46,80,885) | |
| Consignment Sales | 22,81,34,996 (23,40,44,116) | |
| Remuneration paid | | 20,16,284 (16,58,196) |
| Board Meeting Fees | | 51,000 (24,000) |
| Rent Paid | 2,64,420 (2,64,420) | |
| Refund of Loan | NIL (72,56,329) | |
| Advance for Land | NIL | |
| | (4,50,00,000) | |

Note : Amount in brackets shown the previous year figures.

**SCHEDULE - 'S' NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011**

| Balance | as on 31/03/2011 | as on 31/03/2010 |
|-------------------------------|-------------------------|-------------------------|
| Trade Payables Account | Rs. 8,72,132 | Rs. 8,61,800 |
| Trade Receivable Account | Rs. 42,63,215 | Rs. 10,73,766 |
| Remuneration Payable Accounts | Rs. 1,33,798 | Rs. 68,270 |
| Advance for Land Purchase | Rs. 4,50,00,000 | Rs. 4,50,00,000 |

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)

| S. No. | Particulars | Amount as at 31.03.2011 | Amount as at 31.03.2010 |
|---------------|--|------------------------------------|------------------------------------|
| 1. | Principal Amount due outstanding | 3,89,488 | 6,99,469 |
| 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 | 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:

| Description | Amount (Rs.) Current Year | Amount (Rs.) Previous Year |
|--|--------------------------------------|---------------------------------------|
| Present value of obligation at the beginning of the year | 2167409 | 2051393 |
| Current service cost | 113693 | 136266 |
| Interest cost | 178321 | 163662 |
| Benefit paid | (826534) | (19673) |
| Actuarial (gain) / loss on obligation | (108820) | (164239) |
| Present value of obligation as at the end of year | 1524069 | 2167409 |

**SCHEDULE - 'S' NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011**

ii) Net assets / liability recognized in Balance Sheet as at 31st March, 2011

| Description | Amount (Rs.) Current Year | Amount (Rs.) Previous Year |
|--|------------------------------|-------------------------------|
| Present value of obligation as at 31 st March, 2011 | 15,24,069 | 21,67,409 |
| Fair value of plan assets as at 31 st March, 2011 | 23,49,171 | 26,22,964 |
| (Assets)/Liabilities recognized in the Balance Sheet | (8,25,102) | (4,55,555) |

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

| Description | Amount (Rs.) Current Year | Amount (Rs.) Previous Year |
|--|------------------------------|-------------------------------|
| Current service cost | 1,13,693 | 1,36,266 |
| Interest cost | 1,78,321 | 1,63,662 |
| Expected return on planned assets | (2,19,933) | (2,15,410) |
| Net actuarial (gain)/loss recognized during the year | (1,08,820) | (1,64,239) |
| Expenses to be recognized in the statement of P/L | (36,739) | (79,721) |

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 | 26,22,964 | 23,58,840 |
| Expected return on plan assets | 2,19,933 | 2,15,410 |
| Contribution | 3,32,808 | 68,387 |
| Benefit Paid | (8,26,534) | (19,673) |
| Actuarial Gain/Loss | NIL | NIL |
| Fair value of plan assets at the end of the period | 23,49,171 | 26,22,964 |

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

| | | |
|---|---|---|
| Discount rate | 8.20% | 8.00% |
| Future salary increase | 5.00% | 5.00% |
| Expected rate of return on planned assets | 9.15% | 9.15% |
| Method used | Projected unit credit Actuarial method | Projected unit credit Actuarial method |

The fair value of plan assets as at 31.03.2011 is more than the present value of obligation as at 31.03.2011, therefore no adjustment have been made in the Balance Sheet. Further the amount of premium of Rs. 341706.00 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 - 'S' NOTES ATTACHED TO AND FORMING PART OF THE
BALANCE SHEET AS AT 31ST MARCH, 2011**

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

| Description | Amount (Rs.) Current Year | Amount (Rs.) Previous Year |
|--|--------------------------------------|---------------------------------------|
| Present value of obligation at the beginning of the year | 94,852 | 86,593 |
| Interest cost | 7,804 | 6,908 |
| Current service cost | 28,797 | 13,457 |
| Actuarial (gain)/loss on obligation | 88,664 | (12,106) |
| Benefit Paid | (7,989) | NIL |
| Present value of obligation at the end of the year | 2,12,128 | 94,852 |

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

| Description | Amount (Rs.) Current Year | Amount (Rs.) Previous Year |
|--|--------------------------------------|---------------------------------------|
| Current service cost | 28,797 | 13,457 |
| Interest cost | 7,804 | 6,908 |
| Net actuarial (gain)/loss recognized during the year | 88,664 | (12,106) |
| Recognized in Profit & Loss account | 1,25,265 | 8,259 |

iii) Amount recognized in the Balance Sheet as at 31st March, 2011

| Description | Current Year | Previous Year |
|--|---------------------|----------------------|
| Present value of obligation as at 31 st March, 2011 | 2,12,128 | 94,852 |

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

| | | |
|------------------------|--------------------------------------|--------------------------------------|
| Discount rate | 8.25% | 8.00% |
| 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 : 2nd September, 2011

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, 2011 | | FOR THE YEAR ENDED 31ST MARCH, 2010 | |
|------------------------------|--|---------------------|--|---------------------|
| | Quantity (M.T.) | Value (Rs.) | Quantity (M.T.) | Value (Rs.) |
| A. LICENSED CAPACITY | | | | |
| (i) Laundry Soap | 10000 | N.A. | 10000 | N.A. |
| (ii) Detergent Powder | 7000 | N.A. | 7000 | N.A. |
| (iii) Detergent Cake | 5000 | N.A. | 5000 | N.A. |
| B. INSTALLED CAPACITY | | | | |
| (i) Laundry Soap | 10000 | N.A. | 10000 | N.A. |
| (ii) Detergent Powder | 7000 | N.A. | 7000 | N.A. |
| (iii) Detergent Cake | 5000 | N.A. | 5000 | N.A. |
| C. OPENING STOCK | | | | |
| (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 |
| TOTAL | 536 | 1,21,17,952 | 456 | 97,98,878 |
| D. PRODUCTION | | | | |
| (i) Laundry Soap | 5726 | – | 6038 | -- |
| (ii) Detergents | 4722 | – | 5367 | -- |
| TOTAL | 10448 | – | 11405 | -- |
| E. SALES | | | | |
| (i) Laundry Soap | 5744 | 17,33,70,339 | 5975 | 17,13,55,914 |
| (ii) Detergent Powder | 3473 | 8,53,46,749 | 3622 | 9,40,00,334 |
| (iii) Detergent Cake | 1410 | 3,71,48,258 | 1728 | 4,69,95,852 |
| TOTAL | 10627 | 29,58,65,346 | 11325 | 31,23,52,100 |
| F. CLOSING STOCK | | | | |
| (i) Laundry Soap | 151 | 50,28,764 | 169 | 44,19,134 |
| (ii) Detergent Powder | 141 | 33,98,729 | 239 | 49,43,608 |
| (iii) Detergent Cake | 64 | 16,01,276 | 128 | 27,55,210 |
| TOTAL | 356 | 1,00,28,769 | 536 | 1,21,17,953 |

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

| | FOR THE YEAR ENDED 31ST MARCH, 2011 | | FOR THE YEAR ENDED 31ST MARCH, 2010 | |
|---------------------------------|--|---------------------|--|---------------------|
| | Quantity | Value | Quantity | Value |
| | (M.T.) | (Rs.) | (M.T.) | (Rs.) |
| G. RAW MATERIAL CONSUMED | | | | |
| (i) Oil & Fats | 2378 | 9,02,34,071 | 2548 | 8,03,01,080 |
| (ii) Chemicals | 2694 | 8,26,54,074 | 2807 | 9,01,29,933 |
| (iii) Filler & Additives | 4176 | 1,86,87,277 | 4453 | 1,91,25,548 |
| (iv) Packing Materials | | 1,70,50,440 | | 1,68,18,402 |
| (v) Others | | 72,60,410 | | 92,86,576 |
| TOTAL | 9248 | 21,58,86,272 | 9808 | 21,56,61,539 |

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 : 2nd September, 2011

CASH FLOW STATEMENT ANNEXED TO THE BALANCE SHEET FOR THE YEAR ENDED 31ST MARCH 2011

(Amount in Rupees)

| SOURCES OF FUND | Figures As at 31/03/2011 | Figures As at 31/03/2010 |
|---|-----------------------------|-----------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES : | | |
| Net Profit before Tax and extra ordinary items | (1087630) | 50126219 |
| Adjusted for | | |
| Depreciation | 4797599 | 5554201 |
| Fixed Assets written off | — | 4443 |
| Profit on Sale of Fixed Assets (Net of Loss) | (238655) | (29167628) |
| Interest received | (19812) | (271319) |
| Income Tax Previous Year Adjustment | (93863) | 6112 |
| Interest paid | 2127827 | 2551883 |
| Dividend Received | — | (93062) |
| Short Term Capital Gain | — | (33579) |
| Operating Profit before working Capital Change | 5485466 | 28677270 |
| Adjusted for | | |
| Trade & Other Receivables | (172257) | (69865750) |
| Inventories | 458317 | (1789275) |
| Trade Payables | (3109702) | (4740294) |
| Cash Generated from operations | 2661824 | (47718049) |
| Direct Taxes paid (Net of Provision) | 118722 | (16908586) |
| Cash Flow before extraordinary items | 2780546 | (64626636) |
| Net Cash from Operating Activities | 2780546 | (64626636) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of fixed Assets | (4528124) | (6392239) |
| Purchase of Investments | — | (27400000) |
| Sale of Fixed Assets | 190000 | 118012473 |
| Sale of Investments | — | 27433579 |
| Interest received | 19812 | 271319 |
| Dividend Received | — | 93062 |
| Net Cash used in Investing Activities | (4318312) | 112018193 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from Short Term Borrowings | 6579431 | (51207317) |
| Interest paid | (2127827) | (2551883) |
| Dividend | (3498300) | (3442330) |
| Net Cash used in Financing Activities | 953304 | (57201530) |
| Net increase in Cash and Cash Equivalents(A+B+C) | (584462) | (9809972) |
| Opening Balance of Cash and Cash Equivalents | 1837967 | 11647939 |
| Closing Balance of Cash and Cash Equivalents | 1253505 | 1837967 |

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 : 2nd September, 2011

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 | 31.03.2011 |
| b) | Capital raised during the year | (Rs) |
| - | Public Issue | - |
| - | Bonus Issue | - |
| - | Rights Issue | - |
| - | Others | - |
| c) | Position of Mobilisation & Deployment of Funds | |
| - | Total Liabilities | 13,95,86,235 |
| - | Total Assets | 13,95,86,235 |
| | Sources of Funds | |
| - | Paid up Capital | 1,20,00,000 |
| - | Reserves & Surplus | 9,85,09,417 |
| - | Loan Funds | 2,90,76,818 |
| - | Deferred Tax Liability (Net) | (1,88,436) |
| | Application of Funds | |
| - | Net Fixed Assets | 3,43,87,942 |
| - | Investments | Nil |
| - | Net Current Assets | 10,50,09,857 |
| - | Misc. Expenditure | Nil |
| d) | Performance of Company | |
| - | Turnover/Other Income | 26,76,13,405 |
| - | Total Expenditure | 26,76,69,176 |
| - | Profit before Tax | (10,87,630) |
| - | Profit after Tax | (9,62,917) |
| - | Earnings per Share (year end) | (0.80) |
| - | Dividend Rate % | — |
| 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 : 2nd September, 2011



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 Friday the 30th day of September 2011 at 3.00 P.M. And at any adjournment thereof.

Signed this day of 2011.

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 Fourth Annual General Meeting of the Company held on Friday the 30th September 2011 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.