



# PEE CEE COSMA SOPE LIMITED

CIN : L24241UP1986PLC008344

## Company Information

<b>Board of Directors</b>		
<b>Shri Ashok Kumar Jain</b> 120, Jaipur House, Agra-282 002	: Executive Chairman	DIN : 00113133
<b>Shri Pramod Kumar Jain</b> 42, Surya Nagar, Agra-282 002	: Managing Director	DIN : 00112805
<b>Shri Mahendra Kumar Jain</b> 119, Jaipur House, Agra-282 002	: Whole Time Director	DIN : 00172395
<b>Shri Nemi Chandra Jain</b> 3, Chruch Road, Civil Lines, Agra-282 002	: Independent Director	DIN : 00172406
<b>Shri Amar Singh Rajput</b> 43-44, New Subhash Nagar, Lawer's Colony, Agra-282 002	: Independent Director	DIN : 00172301
<b>Shri Anil Gupta</b> 'Shanti Krishna' 5034/3, Sant Nagar, Karol Bagh, New Delhi-110 005	: Resigned (w.e.f. 14/08/2014)	DIN : 00283431

<b>Company Secretary</b> Athar Ali Abdi 3/496 A, Rui Ki Mandi, Shahganj, Agra	<b>Auditors</b> M/s. Doogar & Associates Chartered Accountants 13, Cummunity Centre, East of Kailash, New Delhi-110065
<b>Chief Financial Officer</b> Brij Mohan Verma 35/57 B, Lashkarpur, Agra-282 005 (U.P.)	<b>Works</b> (1) 51 & 52, Malanpur Industrial Area, Malanpur, Distt - Bhind (M.P.) (2) 7th K.M. Stone, Adalpur, Dholpur (Raj.) (3) 655, Village Artoni, Agra (U.P.)
<b>Registered Office</b> "Padam Deep" G-10/8, Sanjay Place, Agra-282 002 (U.P.)	<b>Registrar &amp; Share Transfer Agent</b> Skyline Financial Services Pvt. Ltd. D-153, Ist Floor, Okhla Ind. Area Phase-I, New Delhi-110 020
<b>Bankers</b> State Bank of India, Sanjay Place, Agra	

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Annual General Meeting on Friday, 26th September, 2014  
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.



# PEE CEE COSMA SOPE LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

**Notice** is hereby given that the 27th Annual General Meeting of the Members of M/s Pee Cee Cosma Sope Limited will be held on **Friday, 26th September, 2014 at 3.00 P.M.** at **Hotel Ashish Palace, Fatehabad, Agra, 282 001, Uttar Pradesh**, to transact the following businesses:

### Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet of the Company as at 31st March, 2014 and Profit and Loss Account for the year ended on that date along with the reports of Auditors and Directors thereon; and
2. To declare dividend of 12% on Preference Shares and Equity Shares for the financial year 2013-14.
3. To appoint Mr Ashok Kumar Jain (DIN: 00113133) who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and in this regard 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 139 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, M/s Doogar & Associates, Chartered Accountants (Firm Registration No.000561N), be and is hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 30th AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors."

### Special Business:

5. To re-appoint Shri Nemi Chandra Jain (DIN: 00172406) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Ordinary Resolution**:  
**"Resolved that** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Nemi Chandra Jain (DIN: 00172406), a non-executive Director of the Company, who has submitted a

declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company for 5 (five) consecutive years from the Commencement of the Companies Act, 2013 till 31st March, 2019."

6. To appoint Shri Amar Singh Rajput (DIN: 00172301) as an Independent Director and in this regard 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 Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Shri Amar Singh Rajput (DIN: 00172301), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company 5 (five) consecutive years from the Commencement of the Companies Act, 2013 till 31st March, 2019."

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

**"Resolved that** in supersession of the earlier resolution passed, pursuant to section 293(1) (a) of the Companies Act, 1956, the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), to mortgage and /or create charge on all the immovable and movable properties or such assets of the company wherever situate, present and future and/ or with power to enter upon and take possession of the assets of the company in certain events on such terms and conditions and at such time or times and in such form or manner as it may think fit, to or in favour of Financial Institutions/ Banks/ Trustees for the Debenture holders issued/ proposed to be issued, for an aggregate nominal value not exceeding Rs 100,00,00,000 (Rupees One Hundred Crore only) to secure the Term Loans/ Debentures together with interest, costs, charges, expenses, and other monies including premium payable in



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this connection in terms of the agreement to be entered into between the company and Financial Institutions/ Banks/ Trustees for the Debenture holders, such security to rank pari- passu with, or second or subservient to, the mortgages and / or charges already created or to be created by the company or in such manner as may be agreed to between the concerned parties and as may be thought expedient by the Board.

**Resolved further that** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of creating mortgage/charge as aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to give effect to this resolution."

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

**"Resolved that** in supersession of the earlier resolution passed (pursuant to section 293(1)(d) of the Companies Act, 1956), the consent of the company be and is hereby accorded to the Board of Directors of the company under Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), to borrow any sum or sums of money from time to time at their discretion, for the purpose of business of the company, notwithstanding that the money or moneys to be borrowed together with moneys already borrowed by the company, apart from temporary loans obtained from the company's bankers in the ordinary course of business, may exceed the aggregate of the paid up share capital and free reserves of the company, provided however, that the total amount so borrowed shall not exceed Rs 100,00,00,000 (Rupees One Hundred Crore only)."

**Resolved further that** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of the borrowing(s) aforesaid and further to do all acts, deeds matters and things and to execute all documents, writings as may be necessary, proper or desirable or expedient to

give effect to this resolution."

9. To re-appoint Shri Mahendra Kumar Jain (DIN: 00172395) as a Whole Time Director of the Company designated as Vice-Chairman of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"Resolved that** in accordance with the provisions of the Companies Act, 2013 (including any statutory modification(s) or reenactment thereof, for the time being in force), and the relevant Rules made thereunder, Shri Mahendra Kumar Jain be and is hereby re-appointed as the Whole Time Director of the Company designated as Vice-Chairman of the Company or any other designation as decided by the board from time to time, for fresh tenure of three years commencing on the 1st day of April, 2014 on the following remuneration:

1. Salary at the rate of Rs. 1,20,000 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 April 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



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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:** Re-imbursment 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.

Shri Mahendra Kumar Jain shall not be entitled to sitting fees for attending meetings of the Board or any committee or committees thereof.

The terms and conditions of the said appointment and/or agreement may be altered and varied from time to time by the Board as it may, in its discretion, deem fit, maximum amount payable to Mr Mahendra Kumar Jain as a Whole Time Director in accordance with Schedule V of the Companies Act, 2013 or any amendments made thereafter in this regard.

**Resolved further that** in the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.

**Resolved further that** board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorized to take all necessary steps to give effect to the aforesaid resolution."

**Regd. Office:** By order of the board  
G-10/8 Padam-Deep For **Pee Cee Cosma Sope Ltd**  
Sanjay Place,  
Agra, 282 002  
Uttar Pradesh  
**Date: 14th August, 2014**  
**Place: Agra**

**Ashok Kumar Jain**  
**Executive Chairman**  
**DIN: 00113133**

### Notes :

1. The relevant explanatory statement pursuant to Section 102 of the Companies Act, 2013 in respect of item no. 5 to 9 of the notice set out above is annexed herewith.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED HEREWITH AND, IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE COMMENCEMENT OF ANNUAL GENERAL MEETING.
3. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY IN NUMBER AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. HOWEVER, A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.
4. Every member entitled to vote at the meeting, or on any resolution to be moved thereat, shall be entitled during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice in writing of the intention so to inspect is given to the company.
5. The Share Transfer Books and Register of Members of the Company will remain closed from Monday, 22nd September, 2014 to Friday, 26th September, 2014 (both days inclusive).
6. A. Members holding shares in physical form are requested to notify/send the following to the Registrar & Transfer Agent (RTA) of the Company M/s Skyline Financial Services Pvt Ltd., D-153/A, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi- 110 020; Phone No. 011-26812682-83:-



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- i) their bank account details in order to receive payment of dividend through electronic mode, ii) their email id, in case the same have not been sent earlier, for the purpose of receiving the communication electronically,
    - iii) any change in their address/e-mail id/ECS mandate/ bank details, share certificate(s), held in multiple accounts in identical names or joint accounts in the same order of names, for consolidation of such shareholding into one account.
  - B. Members holding shares in dematerialized form are requested to notify to their Depository Participant:
    - i) **their email id.**
    - ii) all changes with respect to their address, email id, ECS mandate and bank details.
  - C. Kindly note that as per SEBI Circular CIR/MRD/DP/10/2013 dated March 21, 2013 it is mandatory for the company to print the bank account details of the investors in dividend payment instrument. Hence, you are requested to register/ update your correct bank account details with the Company/RTA/Depository Participant, as the case may be.
7. The Securities and Exchange Board of India has notified that the shareholders/ transferee of shares (including joint holders) holding shares in physical form are required to furnish a certified copy of their Income Tax Permanent Account Number (PAN) card to the Company / RTA while transacting in the securities market including transfer, transmission or any other corporate action. Accordingly, all the shareholders/ transferee of shares (including joint holders) in physical form are requested to furnish a certified copy of their PAN Card to the company/ RTA while transacting in the securities market including transfer, transmission or any other corporate action.
8. The shares of the Company are under compulsory Demat trading. Members holding shares in physical form are requested to convert their shares into dematerialized form in their own interest and convenience purpose.
9. In accordance with section 20 of the Companies Act, 2013 service of documents on members by a company is allowed through electronic mode. Accordingly, as a part of Green Initiative, soft copy of the Annual Report for the year ended March 31, 2014 has been sent to all the members whose email address(es) are registered with the Company/Depository Participant(s) unless any member has requested for a hard copy of the same. Further, in terms of SEBI Circular No. CIR/CFD/DIL/7/2011 dated 05.10.2011 the hard copies of Annual Report have been sent to all other members who have not registered their email address(es). Members, who have not yet registered their email address with the Company/RTA/Depository Participant, are requested to do the same at the earliest by submitting duly filled in "e-Communication Registration Form" (available on our website [www.doctorsoap.com](http://www.doctorsoap.com) in Investor Relation) to the Company/RTA. Members can also submit their form along with Attendance Slip at the Registration Counter at AGM. Members holding shares in dematerialized form are requested to register their email address with their Depository Participant only. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, free of cost. The Notice of the 27th Annual General Meeting and the Annual Report for 2013-14 will also be available on the Company's website [www.doctorsoap.com](http://www.doctorsoap.com) for download by the members. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during business hours.
10. The Shareholders/Proxies are requested to produce at the Registration Counter(s) the attendance slip duly completed and signed, for admission to the meeting hall. However, in case of non-receipt of Notice of Annual General Meeting, members are requested to write to the Company at its registered office for issuing the duplicate of the same or download the same from Company's website [www.doctorsoap.com](http://www.doctorsoap.com).
11. In case you have any query relating to the enclosed Annual Accounts you are requested to send the same to the Company Secretary at the Registered Office of the Company at least 10 days before the date of Annual General Meeting so as to enable the management to keep the information ready for replying at the meeting.
12. **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



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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. Detail of Dividend declared against which Dividend remain unpaid are mentioned below:

Financial Year ended	Rate of Dividend (%)	Date of Declaration of Dividend
31.03.2009	25	09.09.2009
31.03.2010	25	30.12.2010
31.03.2013	12	29.09.2013

13. Any shareholder who has not encashed the dividend warrants for the financial year 2008-09, 2009-10 and 2012-13 may claim the same immediately. **Please note that the unclaimed dividend once transferred to Investors Education and Protection Fund cannot be claimed by the shareholders.**
14. The information required to be provided under the Listing Agreement entered into by the Company with the Stock Exchanges regarding the Directors proposed to be reappointed are provided in the Report on Corporate Governance forming part of the Annual Report.
15. Details under Clause 49 of the Listing agreement with the Stock exchanges in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, is separately annexed hereto. The Directors seeking appointment/reappointment have furnished the declaration under Rule 14 of the Companies (Appointment and Qualification of Directors) Rules, 2014 as required under section 164(2) of the Companies Act, 2013.
16. All the documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days between 11.00 am to 1.00 pm up to the date of Annual General Meeting. The Register of Directors' and Key Managerial Personnel & their Shareholding and the Register of Contracts & Arrangements in which directors are interested shall be open for inspection at the meeting to any person having right to attend the meeting.

### 17. Voting through electronic means:

- i) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, a member may exercise his right to vote by electronic means (e-voting) in respect of the resolutions contained in this notice.
- ii) The Company is providing e-voting facility to its members to enable them to cast their votes electronically. The Company has engaged the services of National Securities Depository Limited as the Authorised Agency to provide e-voting facilities.
- iii) The Board of Directors have appointed Mr Debabrata Deb Nath, Company Secretary in Whole Time Practice, 785, Pocket-E, Mayur Vihar-II, Delhi-110 091 as the Scrutinizer, for conducting the e-voting process in a fair and transparent manner.
- iv) Members are requested to carefully read the instructions for e-voting before casting their vote.
- v) The e-voting facility will be available during the following voting period after which the portal will be blocked and shall not be available for e-voting :

<b>Commencement of e-voting</b>	<b>From 9.30 a.m. (IST) on Saturday, 20th September, 2014</b>
<b>End of e-voting</b>	<b>Upto 5.30 p.m. (IST) on Monday, 22nd September, 2014</b>

- vi) The cut-off date (i.e. the record date) for the purpose of e-voting is 22nd August, 2014.
- vii) Declaration of Result of e-voting:
  - a) The voting rights of the Members shall be in proportion to the paid-up value of their shares in the equity capital of the Company as on the cut-off date (i.e. the record date).
  - b) The Scrutinizer shall after the conclusion of e-voting period and before the closing of working hours on 25th September, 2014 unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  - c) The Scrutinizer's decision on the validity of the vote shall be final and binding.



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- d) The Results on resolutions shall be declared on or after the AGM of the Company and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the resolutions.
- e) The result declared along with the Scrutinizer's report shall be placed on the website of the Company (www.doctorsoap.com) within 2 (two) days of passing of the resolutions at the AGM and communicated to the Stock Exchanges where the Company shares are listed.
- viii) The procedure and instructions for e-voting are given separately with this Annual Report.

### **EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

**Item No. 5 & 6 :** As per section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under section 149(4) within a period of one year from 01.04.2014 i.e. the date of commencement of the said section and Rules made there under. Since the Company had already appointed Shri Nemi Chandra Jain and Shri Amar Singh Rajput as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement with the stock exchanges, and who are liable to retire by rotation in the ensuing annual general meeting, the Board of Directors in their meeting held on 14th August, 2014 after consideration has recommended to reappoint the above said directors as Non-Executive Independent Directors within the meaning of section 149 and 152 [including section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years from the Commencement of the Companies Act, 2013 till 31st March, 2019.

The Company has received declarations from Shri Nemi Chandra Jain and Shri Amar Singh Rajput that they meet the criteria of independence as prescribed under section 149 (6) of the Companies Act, 2013 and also under clause 49 of the Listing Agreement with the stock exchanges. They have further confirmed that they are not disqualified from being appointed as Director under section 164 of the said Act. The Board of Directors are of the opinion that Shri Nemi Chandra Jain and Shri Amar Singh Rajput are persons of integrity and possess relevant expertise and

experience and are eligible and fulfills the conditions specified by the Companies Act, 2013 for the position of an independent director of the Company. The Board considers that their association as Directors will be beneficial to and in the interest of the Company. The brief resume of the said Directors, the nature of their expertise in specific functional areas, names of Companies in which they have held directorships, committee memberships/ chairmanships, their shareholding etc., are separately annexed hereto. A copy of respective draft letters of appointment of Shri Nemi Chandra Jain and Shri Amar Singh Rajput as Non-Executive Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. The Board of directors recommend the ordinary resolutions for your approval. The said independent directors are not related to any of the directors or key managerial personnel (including relatives of directors or key managerial personnel) of the Company in terms of Section 2(77) of the Companies Act, 2013.

None of the Directors and key managerial personnel of the Company (including relatives of directors or key managerial personnel) other than the respective Non-Executive Independent Director himself, is concerned or interested, financially or otherwise, in these resolutions.

**Item No. 7 :** In terms of the provisions of section 180(1) (a) of the Companies Act, 2013, the consent of the members by a Special Resolution is necessary to lease or otherwise dispose off the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking the whole or substantially the whole of any such undertakings. Since mortgaging by the company of its movable or immovable properties in favour of various Financial Institutions/ Banks/ Trustees for availing terms loans/other secured borrowings is regarded as disposal of the company's properties / undertakings, it is necessary for the members to pass the resolution under section 180 (1) (a) of the Companies Act, 2013 by way of special resolution.

As required by provisions of section 180 (1) (a) of the Companies Act, 2013 and keeping in view the company's business requirements and its growth plans, it is considered desirable to increase the said limit to Rs 100,00,00,000 (Rupees One Hundred Crore only) in line with borrowings powers envisaged for the Board.

Accordingly, the Board of Directors recommend the resolution for your approval by way of a special resolution.



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None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

**Item No.8 :** In terms of the provisions of section 180(1) (c) of the Companies Act, 2013, the consent of the members by a Special Resolution is necessary to borrow moneys in excess of the aggregate of the paid up share capital and free reserves of the company, apart from temporary loans obtained from the Company's bankers in the ordinary course of business.

As required by provisions of section 180(1)(c) of the Companies Act, 2013 and keeping in view the company's business requirements and its growth plans, it is considered desirable to increase the said limit to Rs 100,00,00,000 (Rupees One Hundred Crore only).

Accordingly, the Board of Directors recommend the resolution for your approval by way of a special resolution.

None of the Directors and key managerial personnel (including relatives of directors or key managerial personnel) of the Company is concerned or interested, financially or otherwise, in this resolution.

**Item No.9 :** Mr Mahendra Kumar Jain has been involved in the Management of the Company since inception and under his dynamic leadership the Company has achieved overall growth. His term as the Whole Time Director of the Company designated as Vice-Chairman of the Company expired on 31st March, 2014 and keeping in view his contributions and the interests of the Company, he was again re-appointed as the Whole Time Director of the Company designated as Vice-Chairman of the Company for a further period of three years w.e.f 1st April, 2014 by the board of directors of the Company and his remuneration was also approved by Remuneration Committee in terms of the provisions of Schedule XIII of the Companies Act, 1956 presently Schedule V of the Companies Act, 2013.

### I. GENERAL INFORMATION

(1)	Nature of Industry	Pee Cee Cosma Sope Ltd engaged in the business of manufacturing, sale, purchase of detergent cake, cleaning preparation, soap chips, detergent powder and various toiletry and other products.
(2)	Date or expected date of commencement of commercial production	The Company is already in existence and is in operation since its inception in 1986
(3)	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable





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(4) Financial Performance of the Company for last 2 years is given below:

Particulars	Financial Year ended	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
	(Amount in lacs)	
Net Revenue from Operation	7567.34	8209.71
Other Income	7.60	3.22
Total Income	7574.94	8212.93
Total Expenditure	7288.88	7843.06
Profit before tax	286.06	369.87
Provision for tax	98.42	125.97
Profit after tax	187.65	234.90
Paid-up Share Capital	537.95	987.75
Reserves and Surplus (excluding revaluation reserve)	1108.35	996.22
(5) Export performance and net foreign exchange collaborations	The Company is not in exports	
(6) Foreign investments or collaborators, if any	Their was no Foreign investments of foreign collaborations.	

### II. INFORMATION ABOUT THE APPOINTEE

(1) Background details	<p>Mr Mahendra Kumar Jain has been the Whole Time Director of the Company since last 3 Years. He is instrumental in the growth of our Company over the years.</p> <p>He is having more than 35 years experience in FMCG Sector.</p>
(2) Past remuneration	<p>Monthly Salary:Rs.1,10,000 with a yearly increment of Rs.10,000 per month only whether paid as Salary, allowance(s) etc.</p> <p>Perquisites:</p> <p>a) 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.</p> <p>b) Medical Reimbursement: Expenses incurred for self and his family.</p> <p>c) 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.</p> <p>d) Club Fees: Fees of clubs subject to a maximum of two clubs.</p>



## NOTICE OF ANNUAL GENERAL MEETING

	<p>e) Medical Insurance: Medical Insurance for self and his family.</p> <p>Provided that the following perquisites will not be included in the aforesaid remuneration:</p> <ul style="list-style-type: none"><li>a. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;</li><li>b. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and</li><li>c. Encashment of leave at the end of tenure.</li></ul> <p><b>Additional Benefits</b></p> <ul style="list-style-type: none"><li>a) Car: Provision for use of Car for Company's business purposes and partly for personal or private purposes.</li><li>b) 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.</li><li>c) Entertainment Expenses: Re-imbursment 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.</li></ul> <p>In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.</p>
(3) Recognition or awards	Mr Mahendra Kumar Jain is a man of rich experience in Soap and detergent industry.
(4) Job profile and his suitability	Mr Mahendra Kumar Jain, being the Whole Time Director of the Company is entrusted with substantial powers in relation to normal business matters. He is having rich experience of over 35 years in FMCG sector.
(5) Remuneration proposed	<p>Monthly Salary:Rs.1,20,000 with a yearly increment of Rs.10,000 per month only whether paid as Salary, allowance(s) etc.</p> <p>Perquisites:</p> <ul style="list-style-type: none"><li>a) 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.</li></ul>



## NOTICE OF ANNUAL GENERAL MEETING

	<p>b) Medical Reimbursement: Expenses incurred for self and his family.</p> <p>c) 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.</p> <p>d) Club Fees: Fees of clubs subject to a maximum of two clubs.</p> <p>e) Medical Insurance: Medical Insurance for self and his family.</p> <p>Provided that the following perquisites will not be included in the aforesaid remuneration:</p> <p>a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income-tax Act, 1961;</p> <p>b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service; and</p> <p>c) Encashment of leave at the end of tenure.</p> <p><b>Additional Benefits</b></p> <p>a) Car: Provision for use of Car for Company's business purposes and partly for personal or private purposes.</p> <p>b) 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.</p> <p>c) Entertainment Expenses: Re-imbursment 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.</p> <p>In the event of loss, absence or inadequacy of profits, the aforesaid remuneration shall be the minimum remuneration.</p>
<p>(6) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</p>	<p>The exact figures are not readily available. However, the proposed remuneration is reasonably justified in comparison with the general market trends and remuneration package of top-level managerial persons having comparative qualifications and experience.</p>



# PEE CEE COSMA SOPE LIMITED

## NOTICE OF ANNUAL GENERAL MEETING

(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	The appointee is the main promoter of the Company. Save as the managerial remuneration he does not have any other material pecuniary relationship with the Company.
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### III. OTHER INFORMATION

(1) Reasons for loss or inadequate profits	The Company is in profit. However fixed remuneration is proposed to be paid as minimum remuneration in the event of loss/absence/inadequacy of profits due to unavoidable circumstances.
(2) Steps taken or proposed to be taken for improvement	The Company is taking cost cutting measures and exploring new avenues of business to improve profitability
(3) Expected increase in productivity and profits in measurable terms	The company is expected to have improved sales and profitability figures in the next financial years.

Aforesaid re-appointment of and payment of remuneration to Mr Mahendra Kumar Jain as Whole Time Director of the Company designated as Vice-Chairman of the Company is subject to the approval of the Members of the Company. Your approval is solicited to the resolution at item nos. 9 of the notice.

None of the Directors and Key Managerial Personnel (including relatives of directors or key managerial personnel) of the Company except Mr Pramod Kumar Jain, Mr Ashok Kumar Jain and Mr Mahendra Kumar Jain are concerned or interested, financially or otherwise, in this resolution.

**Regd. Office:**

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

**Date: 14th August, 2014**

**Place: Agra**

By order of the board  
For **Pee Cee Cosma Sope Ltd**

**Ashok Kumar Jain**  
Executive Chairman  
DIN:00113133



# PEE CEE COSMA SOPE LIMITED

## DIRECTORS' REPORT

### Dear Members

Your Directors have pleasure in presenting the 27th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2014.

### Financial Highlights

(Amount in lacs )

Particulars	Financial Year ended	
	31 <sup>st</sup> March, 2014	31 <sup>st</sup> March, 2013
Total Income	7574.95	8212.93
Total Expenditure	7288.88	7843.06
Profit before tax	286.07	369.87
Provision Expenses :		
i. Current Tax	97.00	127.00
ii. Tax related to earlier years	1.04	(0.75)
iii. Deferred Tax Liability	0.39	(0.27)
Profit after tax	187.65	243.97
Transfer to Reserve	-	-
Paid-up Share Capital	537.95	987.75
Reserves and Surplus (excluding revaluation reserve)	1108.35	996.22
Earning per share	7.10	9.22

### Year in Retrospect

During the year under review, total income of the Company was Rs. 7574.95 lac as against Rs. 8212.93 lac in the previous year. The Company was able to earn a profit after tax of Rs. 187.65 lac for the year as against a profit of Rs. 243.90 lac. Your Directors are putting in their best efforts to improve the performance of the Company.

The detailed Management Discussion & Analysis Report is attached hereto with the Director's Report and should be read as part of this Directors Report.

### Material changes etc.

Save as mentioned elsewhere in this Report, no 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, 2014 and the date of this Report.

### Dividend

Your Directors have recommended a dividend of Rs. 1.20 per equity share (12%) for the financial year

ended March 31, 2014, amounting to Rs.31.75 lac and dividend of Rs.12 per preference shares for the financial year ended March 31, 2014 amounting to Rs.32.80 lac. The aforesaid amount of dividend is exclusive of Dividend Tax amounting to Rs. 10.97 lac. The dividend on equity shares will be paid to members whose names appear in the Register of Members as on 22nd September 2014; in respect of shares held in dematerialised form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) Limited, as beneficial owners as on that date. The dividend on preference shares will be paid to the members, whose names appear in the Register of Preference Shares as on 31st March, 2014.

### Corporate Governance

The Company has complied with the provisions of Clause 49 of the Listing Agreement relating to the Corporate Governance. The Report on Corporate Governance as stipulated under Clause 49 of the



Listing Agreement forms part of the Annual Report. A Certificate from Company Secretary in Practice on compliance of Clause 49 of the Listing Agreement.

### 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

- a. **Conservation of Energy:** The Company is continuously making sincere efforts towards conservation of energy. 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 is given in Annexure A, forming part of this report.
- b. **Technology Absorption:** The Company is taking care of latest developments and advancements in technology and all steps are being taken to adopt the same. The company is using indigenous technology which is well established in the country and foreign technology/ know how was purchased. The company has not incurred any R & D expenditure during the year.
- c. **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.
- d. **Foreign Exchange Earnings and Outgo:**

There was no Foreign Exchange Earning 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) Amendment rules, 2011, and hence no particulars are required to be disclosed in this Report.

### Directors

Pursuant to Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, one-third of such of the Directors as are liable to retire by rotation, shall retire every year and, if eligible, offer themselves for re-appointment at every Annual General Meeting. Consequently, Mr Ashok Kumar Jain, Director will retire by rotation at the ensuing Annual General Meeting, and being eligible, offer himself for re-appointment in accordance with the provisions of the Companies Act, 2013.

After the last Annual General Meeting, Mr Anil Gupta resigned from the Board due to his pre-occupation. The Board takes this opportunity to place its gratitude for services rendered by him.

Further as per Section 149(5) of the Companies Act, 2013 the Company is required to appoint Independent Directors under Section 149(4) within a period of one year from 1.4.2014 i.e. the date of commencement of the said Section and Rules made thereunder. Since the Company had already appointed Shri Nemi Chandra Jain and Shri Amar Singh Rajput as Non-Executive Independent Directors subject to retirement by rotation in the past, in terms of Companies Act, 1956 and the Listing Agreement. The Board of Directors in their meeting held on August 14, 2014 after consideration has recommended to reappoint all the aforesaid Directors as Non-Executive Independent Directors within the meaning of Section 149 and 152 [including Section 149(10)] of the new Companies Act, 2013 read with Schedule IV attached thereto and Rules made there under, not subject to retirement by rotation, for a term of 5 (five) consecutive years.

The term of appointment of Mr Mahendra Kumar Jain as Whole Time Director expired on 31st March, 2014. The Board of Directors in their meeting held on 11th February, 2014 re-appointed him for a fresh tenure of 3 years w.e.f. 1st April, 2014.

Your Directors recommend their appointment /re-appointment at the ensuing Annual General Meeting. Brief resume of the Directors proposed to be reappointed, nature of their expertise in specific



## DIRECTORS' REPORT

functional areas and names of companies in which they hold directorships and memberships/ chairmanships of Board/ Committees, are provided in the Report on Corporate Governance forming part of the Annual Report.

### 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.

### 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, 2014 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 on the BSE Ltd and U.P. Stock Exchange Ltd. The listing fee for the financial year 2014-15 has already been paid to the BSE Ltd and U.P. Stock Exchange Ltd.

### Acknowledgement

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.

By order of the board  
For Pee Cee Cosma Sope Ltd

**Ashok Kumar Jain**  
Executive Chairman  
DIN:00113133

**Date:14th August, 2014**

**Place:Agra**



# PEE CEE COSMA SOPE LIMITED

## DIRECTORS' REPORT

### Annexure – A to the Directors' Report

#### PARTICULARS AS PER FORM A:

##### A. POWER AND FUEL CONSUMPTION

	2013-2014	2012-2013
1. ELECTRICITY		
(a) PURCHASED:		
Units (in lacs)	5.27	5.33
Total amount (in lacs)	42.07	40.65
Rate/Units (in Rs.)	7.98	7.62
(b) OWN GENERATION:		
(i) Through Diesel Generator		
Units (in lacs)	0.27	0.32
(ii) Total amount (in lacs)	7.20	7.07
Rate/Units (in Rs.)	26.67	22.07
(iii) Through Steam Turbine/ Generator	N.A.	N.A.
2. COAL		
Quantity (tonnes)	N.A.	N.A.
Total Cost	N.A.	N.A.
Average rate	N.A.	N.A.
3. FURNACE OIL		
Quantity (Kilo Ltrs)	218.27	225.47
Total Cost (in lacs)	106.21	100.40
Average/Ltrs (in Rs.)	48.66	44.53
4. OTHERS/INTERNAL GENERATION		
NATURAL GAS		
Quantity (SCM in Lacs)	2.01	2.11
Total Cost (in lacs)	32.74	26.09
Rate/Unit (in Rs)	16.29	12.38

##### B. CONSUMPTION PER UNIT OF PRODUCTION

NO OF UNITS PER METRIC

TONNE OF PRODUCTION

Laundry Soap & Detergent

(i) Electricity	30.87	27.61
(ii) LDO/FO	26.07	22.68
(iii) Diesel	1.56	1.66
(iv) Natural Gas	42.64	40.57

#### 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

By order of the board  
For Pee Cee Cosma Sope Ltd

Ashok Kumar Jain

Date: 14th August, 2014

Executive Chairman

Place: Agra

DIN: 00113133





## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Cautionary Statement

This Management Discussion and Analysis statements of Annual Report has been included in adherence to the spirit enunciated in the code of corporate Governance approved by the Securities and Exchange Board of India, Statement in the Management Discussion and Analysis describing the Company's objectives, projections estimates expectation may be "Forward-Looking Statement" within the meaning of applicable securities laws and regulation. These statements are subject to certain risks and uncertainties. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/supply and price conditions in the Government policies, economic development, political factors and such other factors beyond the control of the Company.

### Industry Structure, Developments & Outlook

Population growth, particularly among households with children, drives demand in the consumer sector, and economic growth drives demand in the commercial sector. The profitability of individual companies depends on efficient operations and effective sales and marketing. Large companies have scale advantages in purchasing, manufacturing, distribution, and marketing. Small companies can compete effectively by offering specialized products, providing superior customer service, or serving a local market. Both the consumer and the commercial segments of the soap and detergent manufacturing industry are highly competitive, and large companies spend millions to maintain market share.

Large product categories of biscuits, soap, washing powder and refined oil dragged the entire consumer goods market down to single-digit growth last year. If not for these four heavyweight segments, which together account for about 30% of the fast moving consumer goods market, the FMCG market would have grown in double digits. Growth in the Rs 2.2 lakh-crore FMCG market almost halved to 9.4% in 2013, according to data from market tracker Nielsen. Biscuits, soap, washing powder and refined oil — which along with snacks make up the top five FMCG segments — grew between 4% and 10% last year, down from 15%-23% in 2012.

### Opportunities & Threats

The opportunities for Soap and Detergent industries are due to rise in income of urban and rural population the demand for detergent is growing steadily. Cost

effectiveness and timely delivery schedule is boosting the export of production made by soap and detergent companies. Now-a-days due to availability of Big Bazzars, Reliance fresh etc. the end users of production can direct approach through this retail chain. People become conscious about their health and hygiene which increase the requirements of this industry. On the other hand the soap and detergent face threats from due to difficult in keeping consumers loyal to Company's brand. Consumers are price sensitive and shift to other brand in view of promotional offers. Higher advertisement and promotional expenses required for better brand building.

### Risks & Concern

The Company is exposed to major risk and concern like higher raw material cost, internal cost, transportation cost and advertisement cost. Increasing competition firm multinational and domestic companies.

### Human resource / Industrial relations

Management is keen on following the best practices for attracting, retaining and enhancing human resources of the Company. The company's Industrial relations continued to be harmonious during the year under review. The Company continue to invest in people through various initiatives which enable the work force to meet out the production requirements and challenges related thereto and to infuse positive enthusiasm towards the organization.

### Internal Control Systems and Adequacy

The Internal Control Systems and procedure are adequate and commensurate with the size of the Company. The company has implemented suitable controls on ongoing basis to assure that all resources are utilized optimally, financial transactions are reported with the accuracy and all applicable laws and regulations are strictly complied with.

### Product wise Performance

Presently the Company has been dealing in only one segment, i.e., Soap and Detergents. The details of the Soap and Detergents business segment is as follows:

Product	Sales			
	Current Year (2013-14)		Previous Year (2012-13)	
	Quantity (MT)	Value (Rs in Lacs)	Quantity (MT)	Value (Rs in Lacs)
Soap & Detergents	21935.47	8516.56	24049.44	9261.15



## REPORT ON CORPORATE GOVERNANCE

Corporate Governance refers to the set of systems, principles and processes by which a company is governed. They provide the guidelines as to how the company can be directed or controlled so as to fulfill its goal and objectives in a manner that adds to the value of the company and benefit to all stakeholders in the long term. Stakeholders in this case would include everyone ranging from the Board of Directors, management, shareholders to customers, suppliers, financiers, employees and society at large. Strong and improved Corporate Governance practices are indispensable in today's competitive world and complex economy.

PEECEE looks at Corporate Governance requirements as an integral part of business strategy which contributes to business growth in ethical perspective. Besides complying with the prescribed corporate practices as per Clause 49 of the Listing Agreement, the Company has voluntarily adopted various practices of governance in terms of highest ethical and responsible standard of business, globally bench marked. This chapter, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports PEECEE compliance with Clause 49 of Listing Agreement highlighting the additional initiatives taken in line with international best practices.

### 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Our Company's philosophy on Corporate Governance envisages attainment of highest levels of accountability, transparency, responsibility and fairness in all aspects of its operations. Our business culture and practices are founded upon a common set of values that govern our relationships with customers, employees, shareholders, suppliers and the communities in which we operate. The Company believes that all its actions must serve the underlying goal of enhancing overall shareholder value on a sustained basis.

The Company is conscious of its responsibility as a good corporate citizen. The Company values transparency, professionalism and accountability.

### 2. BOARD OF DIRECTORS

The Company maintains an optimum combination of Executive, Non-Executive and Independent Directors. The Board consists of total Six (6) directors on 31st March 2014. Mr Ashok Kumar Jain is the Executive Chairman, Mr Pramod Kumar Jain is the Managing Director and Mr Mahendra Kumar Jain is the Whole Time Director of the Company.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees (Committees being, Audit Committee and Investors' Grievance Committee) across all the companies in which he is a Director. :

Following is the list of Directors and other details as on 31st March, 2014:

Name of the Director & Designation	Category	No. of positions held in other Public Companies <sup>1</sup>		
		Board	Committee	
			Membership	Chairmanship
Ashok Kumar Jain, Executive Chairman	Executive Promoter	Nil	Nil	Nil
Pramod Kumar Jain, Managing Director	Executive Promoter	Nil	Nil	Nil
Mahendra Kumar Jain, Whole Time Director	Executive Promoter	Nil	Nil	Nil
Amar Singh Rajput, Director	Non-Executive Independent	Nil	Nil	Nil
Nemi Chandra Jain, Director	Non-Executive Independent	Nil	Nil	Nil
Anil Gupta, Director <sup>2</sup>	Non-Executive Independent	3	Nil	Nil

<sup>1</sup>Excludes directorships in Associations, Private, Foreign and Section 25 companies.

<sup>2</sup>Ceased to be Director on 14.08.2014.



## REPORT ON CORPORATE GOVERNANCE

### Directors' Attendance Record

During the period 01.04.2013 to 31.03.2014, 5 (five) meetings of the Board of Directors were held on 02.04.2013, 29.05.2013, 14.08.2013, 09.11.2013 and 11.02.2014. The Board was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Board Meetings held. The intervening period between the Board Meetings was well within the maximum time gap of four months as prescribed in Clause 49 of the Listing Agreement. Details of attendance of Directors in the Board meeting during this period are as under:

Name of the Director	No. of Board Meeting	Attendance at the Board Meeting	Whether attended Last AGM
Mr. Ashok Kumar Jain	5	5	Yes
Mr. Pramod Kumar Jain	5	5	Yes
Mr. Mahendra Kumar Jain	5	5	Yes
Mr. Amar Singh Rajput	5	5	Yes
Mr. Nemi Chandra Jain	5	5	Yes
Mr. Anil Gupta <sup>1</sup>	5	1	Yes

<sup>1</sup>Ceased to be Director on 14.08.2014.

### 3. DISCLOSURE REGARDING APPOINTMENT & RE-APPOINTMENT OF DIRECTORS IN THE ENSUING AGM

Brief particulars of Directors who are appointed/re-appointed in this AGM are as follows:

Particulars	Nemi Chandra Jain	Amar Singh Rajput
DIN	00172406	00172301
Father's Name	Late Shri Chhadammi Lal Jain	Late Shri Sheoraj Singh Rajput
Date of Birth	25th April, 1940	1st January, 1940
Address	3, Church Road, Civil Lines Agra-282002, Uttar Pradesh	43, New Subhash Nagar, Lawyers Colony, Agra, 282002, Uttar Pradesh,
Designation	Director	Director
Education	BSc. Engineer	BSc. Engineer
Experience	More than 30 years of Experience in Architectural field	More than 28 years of Experience in Architectural field
Companies in which holds Directorship*	1. Dhruv Infraheights Pvt. Ltd. 2. Devyash Farm Fresh Foods Pvt. Ltd.	Nil
Companies in which holds membership of committees*	Nil	Nil
Shareholding in the Company (No. & %)	Nil	Nil

\*excludes Directorships in Associations, Foreign and Section 25 companies.



## REPORT ON CORPORATE GOVERNANCE

Particulars	Mahendra Kumar Jain	Ashok Kumar Jain
DIN	00172406	00172301
Father's Name	Late Shri Padam Chand Jain	Late Shri Padam Chand Jain
Date of Birth	10th October, 1943	4th July, 1949
Address	119, Jaipur House Agra-282002, Uttar Pradesh	120, Jaipur House Colony, Agra, 282002, Uttar Pradesh
Designation	Whole Time Director	Whole Time Director
Education	Intermediate	B.A.
Experience	More than 35 years experience in FMCG Sector	More than 25 years experience in FMCG Sector
Companies in which holds Directorship*	<ol style="list-style-type: none"> <li>1. Ram Shyam Investment and Trading Co. Pvt. Ltd.</li> <li>2. Pee Cee Raj Developers Pvt. Ltd.</li> <li>3. M2 Reality Pvt. Ltd.</li> <li>4. Pee Cee Realty Builders Pvt. Ltd.</li> </ol>	<ol style="list-style-type: none"> <li>1. Jai Gopal Investment and Trading Co. Pvt. Ltd.</li> <li>2. Agra Land Developers Pvt. Ltd.</li> <li>3. Pee Cee Raj Developers Pvt. Ltd.</li> <li>4. Asa Ram Developers Pvt. Ltd.</li> <li>5. Maya Realtech Pvt. Ltd.</li> <li>6. Pee Cee Realty Builders Pvt. Ltd.</li> <li>7. Maya Infracon Pvt. Ltd.</li> <li>8. Padam Housing and Developers Pvt. Ltd.</li> <li>9. Lucerne Constructions Pvt. Ltd.</li> </ol>
Companies in which holds membership of committees*	Nil	Nil
Shareholding in the Company (No. & %)	83584 (3.16%)	121794 (4.60%)

\*excludes Directorships in Associations, Foreign and Section 25 companies.

#### 4. COMMITTEES OF BOARD OF DIRECTORS

PEE CEE COSMA has Three Board level Committees:

- a) Audit Committee
- b) Nomination and Remuneration Committee
- c) Stakeholders Relationship Committee

The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference for members of various Committees. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below.

##### I. AUDIT COMMITTEE

###### Composition

As on 31st March, 2014, the Audit Committee of the Company comprises the following directors:

1. Mr Nemi Chandra Jain - Chairman (Independent Director)
2. Mr Amar Singh Rajput - Member (Independent Director)
3. Mr Pramod Kumar Jain - Member (Executive and Promoter Director)

The Company Secretary of the Company is the Secretary of the Committee.



## REPORT ON CORPORATE GOVERNANCE

### Meetings & Attendance

During the financial year 2013-14 the Audit Committee held 4 (four) meetings on 29.05.2013, 14.08.2013, 09.11.2013 and 11.02.2014. The intervening period between the Audit Committee Meetings was well within the maximum time gap of four months as prescribed in Clause 49 of the Listing Agreement. Details of attendance of members in the Audit Committee meeting during this period are as under:

Name of the Director	Category	No of Audit Committee Meeting	Attendance at the Audit Committee Meeting
Mr. Nemi Chandra Jain	Independent Director	4	4
Mr. Amar Singh Rajput	Independent Director	4	4
Mr. Pramod Kumar Jain	Executive and Promoter Director	4	4

### Role and Power of Audit Committee

All members of the Audit Committee have accounting and financial management expertise. The Chairman of the Committee attended the Annual General Meeting (AGM) held on September 26, 2013 to answer shareholders' queries. The Audit Committee shall have the authority to investigate into any matter that may be prescribed and the matters listed below and for this purpose the Audit Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary:

- To review the Company's financial reporting process and ensure that the financial statements give a true and fair view of the affairs of the Company.
- To review the Company's audit procedures and techniques.
- To review with the management, external and internal procedures and the adequacy of internal control systems.
- To review the quarterly and annual financial statements and submit the same to the Board.
- Any other matter that may be delegated by the Board from time to time.

## II. NOMINATION AND REMUNERATION COMMITTEE

### Composition

As on 31st March, 2014, the Nomination and Remuneration Committee consists of three Directors, all of them being non-executive and independent directors.

- Mr. Nemi Chandra Jain - Chairman (Independent Director)
- Mr. Amar Singh Rajput - Member (Independent Director)
- Mr. Anil Gupta - Member (Independent Director)

The Company Secretary of the Company is the Secretary of the Committee.

### Meetings & Attendance

During the period 01.04.2013 to 31.03.2014, 1 (One) meeting of the Nomination and Remuneration Committee was held on 11.02.2014. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meeting held.

Name of the Director	Category	No of Nomination and Remuneration Committee Meeting	Attendance at the Remuneration Committee Meeting
Mr. Nemi Chandra Jain	Chairman (Independent Director)	1	1
Mr. Amar Singh Rajput	Member (Independent Director)	1	1
Mr Anil Gupta <sup>1</sup>	Member (Independent Director)	1	1

<sup>1</sup>Ceased to be Director on 14.08.2014.



## REPORT ON CORPORATE GOVERNANCE

The Remuneration Committee shall have the power to determine the Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and for this purpose, the Remuneration Committee shall have full access to information contained in the records of the Company and external professional advice, if necessary.

### Remuneration Policy of the Company

The Executive Chairman, Managing Director and the Whole Time Director of the Company are entitled for payment of Remuneration as decided by the Board and approved by the members as per the provisions of the Companies Act, 1956. No remuneration was paid to any Non-Executive Directors during the financial year 2013-14 except sitting fee for attending Board meetings.

Name of Director	Salaries & Perquisites (In Rs.)	Commission, Bonus Ex-gratia (In Rs.)	Sitting Fee (In Rs.)	Total Amount (In Rs.)	No. of Equity Shares held (& %)
Pramod Kumar Jain	14,92,009	Nil	Nil	14,92,009	138821 (5.25%)
Ashok Kumar Jain	15,60,264	Nil	Nil	15,60,264	121794 (4.60%)
Mahendra Kumar Jain	15,52,689	Nil	Nil	15,52,689	83584 (3.16%)
Amar Singh Rajput	Nil	Nil	Nil	31,000	Nil
Nemi Chandra Jain	Nil	Nil	Nil	37,000	Nil
Anil Gupta <sup>1</sup>	Nil	Nil	Nil	7,000	400 (0.01%)

<sup>1</sup>Ceased to be Director on 14.08.2014.

### III. STAKEHOLDERS RELATIONSHIP COMMITTEE

#### Composition

As on 31st March, 2014, the Stakeholders Relationship Committee consists of three Directors, the Chairman being non-executive:

1. Mr. Nemi Chandra Jain - Chairman (Independent Director)
2. Mr. Ashok Kumar Jain – Member (Executive and Promoter Director)
3. Mr. Mahendra Kumar Jain- Member (Executive and Promoter Director)

The Company Secretary of the Company is the Secretary of the Committee.

#### Attendance

During the period 01.04.2013 to 31.03.2014, 12 (Twelve) meetings of the Stakeholders Relationship Committee were held on 10.04.2013, 20.04.2013, 30.04.2013, 10.05.2013, 20.05.2013, 10.06.2013, 31.08.2013, 19.10.2013, 31.10.2013, 20.12.2013, 10.01.2014 and 10.02.2014. The Committee was supplied with all relevant information and supporting papers, which were required, to transact the business specified in the agenda of Meeting held.

Name of the Director	Category	No of Stakeholders Relationship Committee Meeting	Attendance at the Stakeholders Relationship Committee Meeting
Mr. Nemi Chandra Jain	Chairman (Independent Director)	12	12
Mr. Ashok Kumar Jain	Member (Executive and Promoter Director)	12	12
Mr. Mahendra Kumar Jain	Member (Executive and Promoter Director)	12	12



## REPORT ON CORPORATE GOVERNANCE

The Committee was constituted to look into redressing the shareholders and investors' complaints and to expedite the process of redressal of complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

### Investor Grievance Redressal

During the year 2013-14, the Company had received one complaint from the shareholders which is disposed off during the year.

## 5. GENERAL BODY MEETINGS

### A. Particulars of past three Annual General Meetings of the Company:

Date	Year	Venue	Time	No.(s) of Special Resolution passed
26.09.2013	2012-13	Hotel Ashish Palace, Fatehabad Road, Agra	3.00 P.M	Nil
27.09.2012	2011-12	Hotel Ashish Palace, Fatehabad Road, Agra	3.00 P.M	Nil
30.09.2011	2010-11	Hotel Ashish Palace, Fatehabad Road, Agra	3.00 P.M	Yes

Special Resolution passed during the last three Annual General Meetings.

Date	Year	Business passed
30.09.2011	2010-11	<ul style="list-style-type: none"> <li>● Amendment in the Authorized Share Capital clause of the</li> <li>● Memorandum of Association</li> <li>● Alteration in the Articles of Association</li> <li>● Appointment of Mr Mahendra Kumar Jain as Whole Time Director</li> </ul>

All resolutions moved at the last three Annual General Meeting were passed by a show of hands by the requisite majority of members attending the meeting.

No resolution was put through Postal Ballot in the last year and there is no resolution, which is required to be passed by Postal Ballot.

## 6. SUBSIDIARY COMPANIES

The Company does not have any subsidiary company.

## 7. DISCLOSURES

### (a) Related Party Transactions

There are no materially significant related party transactions with its Promoters, the Directors or the Management, their Subsidiaries or Relatives etc., which may have potential conflict with the interest of the company at large. The other related party transactions are given in Point no. 32 of Notes on Accounts annexed to and forming the part of Balance Sheet and Profit and Loss Account of the Company.

### (b) Non-compliance by the Company, Penalties, Structures

There were no instances of non-compliance by the Company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.

### (c) Non mandatory requirements

The Company proposes to adopt the non-mandatory requirements given in Annexure-ID of Clause 49 of the listing agreement in due course of time.

## 8. CODE OF CONDUCT

The Board has formulated a code of conduct for the Board members and senior management of the Company. The same has also been posted on the website of the Company. All Board members and senior management personnel have affirmed their compliance with the code.



## REPORT ON CORPORATE GOVERNANCE

### Declaration on compliance with code of conduct by the Chairman and the MD:

The Board has formulated a code of conduct for the Board members and senior management of the Company, which has been posted on the website of the Company - [www.doctorsoap.com](http://www.doctorsoap.com)

It is hereby affirmed that all the Directors and senior management personnel have complied with the code of conduct framed by the Company and a confirmation to that effect has been obtained from the directors and senior management.

Sd/-  
**Ashok Kumar Jain**  
Executive Chairman

Sd/-  
**Pramod Kumar Jain**  
Managing Director

### 9. MEANS OF COMMUNICATION

- At present quarterly/ half-yearly reports are not being sent to each household of shareholders.
- The Quarterly / half-yearly / Annual Accounts results: The Company's quarterly results are published in 'Financial Express' (English) Delhi and Mumbai Edition and 'DLA' (Hindi) Agra Edition and Jansatta, Delhi Edition and are displayed on its website ([www.doctorsoap.com](http://www.doctorsoap.com))
- Website: The Company's website ([www.doctorsoap.com](http://www.doctorsoap.com)) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. d) Annual Report: The Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management's Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website ([www.doctorsoap.com](http://www.doctorsoap.com)).
- SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralised web-based complaints redress system. The salient features of this system are: Centralised database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

### 10. GENERAL SHAREHOLDERS INFORMATION

#### i) Annual General Meeting

<b>Date &amp; Time</b>	Friday, 26th September, 2014, 3.00 P.M.
<b>Venue</b>	Hotel Ashish Palace, Fatehabad, Agra-282 001, Uttar Pradesh
<b>Date of Book Closure</b>	Monday, 22nd September, 2014 to Friday, 26th September, 2014
<b>Dividend Payment Date</b>	On or before 3rd October, 2014

#### ii) Financial Calendar

<b>Events</b>	<b>Tentative time frame</b>
Financial Reporting for the first quarter ended 30th June, 2014	On or before 14th August, 2014
Financial Reporting for the second quarter ending 30th September, 2014	On or before 14th November, 2014
Financial Reporting for the third quarter ending 31st December, 2014	On or before 14th February, 2015
Financial Reporting for the fourth quarter ending 31st March, 2015	On or before 30th May, 2015 (Audited)





## REPORT ON CORPORATE GOVERNANCE

### iii) Listing on Stock Exchanges

The equity shares of the Company are listed on the following Stock Exchanges:

#### **BSE Ltd (BSE)**

Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001

Tel No.: 022-22721234, 22721233, Fax No.: 022-22722082 / 22723132

E-Mail: corp.relations@bseindia.com

Website: www.bseindia.com

#### **U.P. Stock Exchange Limited (UPSE)**

Padam Towers, 14/113, Civil Lines, Kanpur- 208 001.

Tel No.: 0512-2338074 / 2338115, Fax No.: 0512-2338175 / 2338220

E-Mail: upse@vsnl.in, upstockexchange@gmail.com Website: www.upse-india.com

The company has paid the listing fees payable to BSE & UPSE for 2013-14.

### iv) Stock Code : BSE: 523329

### v) Market Price Data: High/ low of market price of the Company's equity shares traded on BSE during the last financial year were as follows:

Month	High	Low	Volume	Month	High	Low	Volume
April 13	45	33.05	512	October 13	37.8	34	1696
May 13	40.7	40.7	100	November 13	Nil	Nil	Nil
June 13	41	39	2050	December 13	38.85	32.05	2009
July 13	Nil	Nil	Nil	January 14	38.85	32.25	1841
August 13	41	36.15	1858	February 14	36.75	31.3	1797
September 13	38	32.75	2134	March 14	32.75	28.9	2511

Source: www.bseindia.com

There was no quotation available of the Company's scrip on the UPSE.

### vi) Registrar and Transfer Agents

Skyline Financial Services Private Limited is the Registrar and Share Transfer Agent for the shares of the Company in both physical as well as electronic modes. Securities lodged for transfer at the Registrar's address or at the Company's Registered Office, are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Senior Executives of the Company are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

Members are requested to correspond with the Company's Registrar and Transfer Agents M/s Skyline Financial Services Private Limited quoting their folio no. at the following address:

#### **M/s Skyline Financial Services Private Limited,**

D-153/A, 1st Floor,

Okhla Industrial Area Phase -1,

New Delhi-110 020, Tel- 011-26292682-83

E-Mail: info@skylinerta.com,

praveen@skylinerta.com



## REPORT ON CORPORATE GOVERNANCE

### vii) Reconciliation of Share Capital and Certificate under Clause 47(c) of Listing Agreement

- A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).
- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half yearly basis, have been issued by a Company Secretary in Practice for due compliance of share transfer formalities by the Company.

### viii) Shareholding Pattern

Shareholding Pattern of the Company as on 31st March, 2014 is given below:-

Category	No. of Shares	%
<b>Promoters</b>		
a) Individuals / Hindu Undivided Family	1804224	68.18%
b) Bodies Corporate	172515	6.52%
<b>Total (A)</b>	<b>1976739</b>	<b>74.70%</b>
<b>Public Shareholding (Non Institution)</b>		
a) Banks/Financial Institution	100	0.00%
b) Bodies Corporate	29607	1.12%
c) Individuals	620171	23.44%
d) Hindu Undivided Family	17344	0.66%
e) NRI/OCB's	1919	0.07%
f) Clearing Member/ House	370	0.01
<b>Total (B)</b>	<b>669511</b>	<b>25.30%</b>
<b>Grand Total (A+B)</b>	<b>2646250</b>	<b>100%</b>

### ix) Distribution of Shareholding

Distribution of Shareholding of the Company as on 31st March, 2014 is as following:

Range of Shares	Shareholders' Numbers	% to Total Number	Shares in No.				%age
			Physical	NSDL	CDSL	Total	
Up to 5,000	2493	92.47	191688	82997	41241	315926	11.94
5,001 -10,000	103	3.82	34337	36997	16468	87802	3.32
10,001 -20,000	45	1.67	15825	39862	12226	67913	2.56
20,001 -30,000	16	0.59	10125	22614	7631	40370	1.53
30,001 -40,000	2	0.07	Nil	7860	Nil	7860	0.30
40,001 -50,000	1	0.04	Nil	4059	Nil	4059	0.15
50,001-1,00,000	7	0.26	Nil	31704	14394	46098	1.74
1,00,001 & Above	29	1.08	Nil	1407170	669052	2076222	78.46
<b>TOTAL</b>	<b>2696</b>	<b>100</b>	<b>251975</b>	<b>1633263</b>	<b>761012</b>	<b>2646250</b>	<b>100</b>

### x) Dematerialization of Shares

The shares of the Company are in dematerialized segment and are available for trading in depository system of both National Securities Depository Limited and Central Depository Services (India) Limited. As on 31st March 2014 about 90.48% (previous year 90.43%) of the Company's equity paid-up capital had been dematerialized. Trading in equity shares of the Company at the Stock Exchange is permitted compulsorily in demat mode.



# PEE CEE COSMA SOPE LIMITED

## REPORT ON CORPORATE GOVERNANCE

- xi) There are no outstanding GDRs/ADRs/Warrants or any Convertible other Instruments as on the date.
- xii) **Address for Correspondence:** The shareholders may send their communication grievances/ queries to the Registrar and Share Transfer Agents at their Address mentioned above or to the Company at its Corporate Office:

Pee Cee Cosma Sope Ltd  
G-10/8, Padam Deep, Sanjay Place, Agra-282002, Uttar Pradesh  
Tel.No. 0562-2527332, Fax. No. 0562-2527329  
e-mail: pccosmalisting@doctorsoap.com

### CEO/CFO Certification

We, Pramod Kumar Jain, Managing Director and Brij Mohan Verma, Chief Financial Officer, responsible for the finance function certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March, 2014 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations. (b) To the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and they have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Date : 14.08.2014  
Place: Agra

Sd/  
Pramod Kumar Jain  
Managing Director

Sd/  
Brij Mohan Verma  
Chief Financial Officer



# PEE CEE COSMA SOPE LIMITED

## REPORT ON CORPORATE GOVERNANCE

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members of  
M/s Pee Cee Cosma Soap Ltd

We have examined the compliance of conditions of Corporate Governance by Pee Cee Cosma Soap Ltd, for the year ended on 31st March, 2014, as stipulated in Clause 49 of the Listing Agreement of the said company with Stock Exchange.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Date: 14th August, 2014**  
**Place: Delhi**

**For R&D  
Company Secretaries**

**Debabrata Deb Nath**  
**Partner**  
**ACS: 23935; CP: 8612**



# PEE CEE COSMA SOPE LIMITED

## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
Pee Cee Cosma Sope Ltd.

### Report on the Financial Statements

We have audited the accompanying financial statements of Pee Cee Cosma Sope Ltd.

("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial

statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- b) in the case of the Profit and Loss Account, of the Profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
  - e) on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
  - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**FOR DOOGAR & ASSOCIATES**  
**Chartered Accountants**  
**(Firm Reg No-000561N)**

Place: Agra  
Dated: 30.05.2014

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



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the accounts of Pee Cee Cosma Sope Limited for the year ended 31st March, 2014)

1. (a) The Company has maintained proper records to show 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) According to information and explanation given to us, the Company has not granted any loan secured or unsecured to any party 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  
(e) According to information and explanation given to us the Company has not taken any secured or unsecured loans, from parties covered in the register maintained under section 301 of the companies Act, 1956 accordingly provisions of sub clause (f) to (g) of clause 3 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 systems 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 entered in to the register required to be maintained in pursuance of section 301 of the Act and exceeding the value of Rs 5 Lacs in respect of any party during the year, have generally been made, other than the transaction for which comparable prices are not available 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 THE INDEPENDENT AUDITORS' REPORT

8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules 2011, prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have however not made a detailed examination of the records with a view to determining whether they are accurate or complete.

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 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 which have not been deposited on account of any dispute, except the following, along with the forum where dispute is pending:

Name of Statute	Nature of the dues	Amount (Rs)	Forum where dispute is pending
M.P Land Revenue Act, 1959	Land Conversion Charges	14,03,603	Court of Collector, Bhind (M.P.)
Income Tax Act	Income Tax (A.Y. 2009-10)	20,84,290	Hon'ble High Court, Allahabad
Income Tax Act	Income Tax (A.Y. 2010-2011)	17,79,350	CIT(Appeal) II, Agra
Income Tax Act	Income Tax (A.Y. 2010-2011)	26,77,310	CIT(Appeal) II, Agra
Income Tax Act	Income Tax (A.Y. 2011-2012)	3,93,070	CIT(Appeal) II, Agra
Income Tax Act	Income Tax (A.Y. 2011-2012)	28,160	CIT(Appeal) II, Agra
Central Excise	Excise Duty (2007-08 to 2010-2011)	15,38,544	Addl Commissioner Central Excise, Kanpur.
Central Excise	Excise Duty (Jan 2002 to Feb 2006)	18,88,86,000	CESAT, New Delhi (Refer note no 29)
U.P. Trade Tax	Sales Tax (1995-96)	2,25,000	Hon'ble High Court, Allahabad
Central Sales Tax	Sales Tax (1995-96)	1,60,710	Hon'ble High Court, Allahabad
Rajasthan Trade Tax	Sales Tax (2000-01)	68,452	Rajasthan Kar Board, Ajmer
Rajasthan Trade Tax	Sales Tax (2005-06)	19,659	Commissioner, (Appeal), Bharatpur
Rajasthan Trade Tax	Entry Tax (2006-07)	55,027	Commissioner, (Appeal), Bharatpur
Rajasthan Trade Tax	Entry Tax (2007-08)	15,019	Commissioner, (Appeal), Bharatpur
Rajasthan VAT Act	Entry Tax (2008-09)	1,02,257	Commissioner, (Appeal), Bharatpur
Rajasthan VAT Act	Entry Tax (2009-10)	97,366	Commissioner, (Appeal), Bharatpur
Rajasthan VAT Act	Entry Tax (2010-11)	89,865	Hon'ble High Court, Jaipur
Rajasthan VAT Act	Entry Tax (2011-12)	59,157	Hon'ble High Court, Jaipur
U.P. Vat Act	Sales Tax (2009-10)	111,394	Dy. Commissioner, Agra
U.P. Vat Act	Entry Tax (2008-09)	20,363	Dy. Commissioner, Agra
ESI Act	ESI (2004-05)	1,05,241	Civil Court, Agra



## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

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 covered by our Audit 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. During the year company has raised Corporate Term Loan from Bank. According to information and explanations given to us and the records of the Company examined by us, the term loan taken by the Company has been applied for the purpose for which they were raised.
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. According to the information and explanations given to us 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)**

**Place: Agra**  
**Dated: 30.05.2014**

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





# PEE CEE COSMA SOPE LIMITED

## BALANCE SHEET AS AT 31ST MARCH 2014

(Amount in Rupees unless otherwise stated)

PARTICULARS	Note	(Amount in Rupees unless otherwise stated)	
		As at March 31, 2014	As at March 31, 2013
<b>A. EQUITY AND LIABILITIES :</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share Capital	2	5,37,94,900	9,87,75,000
b. Reserves and Surplus	3	11,08,35,168	9,96,22,519
<b>2. NON CURRENT LIABILITIES</b>			
a. Long Term Borrowings	4	2,10,00,000	0
b. Other Long Term Liabilities	5	35,80,000	35,80,000
c. Long Term Provisions	6	9,36,844	7,22,250
<b>3. CURRENT LIABILITIES</b>			
a. Short Term Borrowings	7	4,31,13,475	6,06,66,056
b. Trade Payables	8	1,43,88,604	1,15,81,215
c. Other Current Liabilities	9	1,65,04,446	1,41,92,032
d. Short term Provisions	10	1,16,48,918	2,13,74,360
<b>TOTAL</b>		<b>27,58,02,355</b>	<b>31,05,13,432</b>
<b>B ASSETS</b>			
<b>1. NON CURRENT ASSETS</b>			
a. Fixed Assets	11		
(i) Tangible Assets		8,16,48,299	8,72,30,385
(ii) Capital Work in Progress		0	95,244
		<b>8,16,48,299</b>	<b>8,73,25,629</b>
b. Deferred Tax Asset	12	12,91,075	13,28,999
c. Long Term Loans & Advances	13	5,19,26,678	7,46,95,978
d. Other Non Current Assets	14	5,91,555	32,668
<b>2. CURRENT ASSETS</b>			
a. Current Investments	15	2,54,10,000	0
b. Inventories	16	10,29,55,478	10,28,32,201
c. Trade receivables	17	39,31,860	1,73,66,585
d. Cash and Bank Balances	18	31,51,142	2,21,80,342
e. Short term Loans & Advances	19	48,78,099	47,09,733
f. Other Current Assets	20	18,169	41,297
<b>TOTAL</b>		<b>27,58,02,355</b>	<b>31,05,13,432</b>

### Notes to Balance Sheet and Statement of Profit & Loss 1-37

In terms of our report attached

For and on Behalf of the Board

For **DOOGAR & ASSOCIATES**,  
Chartered Accountants  
(Firm Reg. No. 000561N)

**CA. UDIT BANSAL**  
(Partner)

**M. NO. - 401642**

Place : Agra

Dated: 30th May, 2014

**(A. K. Jain)**

**(P. K. Jain)**

**(M. K. Jain)**

**(N.C. Jain)**

**(A.A.Abdi)**

Executive Chairman

Managing Director

Director

Director

Company secretary



# PEE CEE COSMA SOPE LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2014

(Amount in Rupees unless otherwise stated)

PARTICULARS	Note	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>I. REVENUE</b>			
1. Revenue from Operations	21	85,16,56,988	92,61,14,661
Less: Excise Duty		9,49,22,546	10,51,43,391
		75,67,34,442	82,09,71,270
2. Other Income	22	7,60,333	3,21,548
<b>Total Revenue</b>		<b>75,74,94,775</b>	<b>82,12,92,818</b>
<b>II. EXPENSES</b>			
1. Cost of Raw Material Consumed	23	57,23,36,072	64,50,08,962
2. Changes in Inventories of Finished stock & Process stock	24	23,47,494	-1,40,22,960
3. Employee Benefit Expenses	25	5,80,44,992	5,41,39,198
4. Finance Cost	26	46,49,723	56,47,592
5. Depreciation & Amortisation Expenses		69,98,406	80,24,651
6. Other Expenses	27	8,45,11,381	8,55,08,104
<b>Total Expenses</b>		<b>72,88,88,068</b>	<b>78,43,05,547</b>
<b>III. PROFIT BEFORE TAX</b>		<b>2,86,06,707</b>	<b>3,69,87,271</b>
<b>IV. Tax Expense</b>			
i. Current Tax		97,00,000	1,27,00,000
ii. Tax related to earlier years		1,03,653	-75,396
iii. Deferred Tax		37,924	-27,372
<b>V. PROFIT AFTER TAX</b>		<b>1,87,65,130</b>	<b>2,43,90,039</b>
<b>VI. EARNINGS PER EQUITY SHARE (Nominal value of share Rs. 10/- each)</b>			
Basic Earnings Per Share (in Rs)	28	7.10	9.22
Diluted Earnings Per Share (in Rs)		7.10	9.22

### Notes to Balance Sheet and Statement of Profit & Loss 1-37

In terms of our report attached  
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: 30th May, 2014

**(A. K. Jain)**

**(P. K. Jain)**

**(M. K. Jain)**

**(N.C. Jain)**

**(A.A.Abdi)**

Executive Chairman

Managing Director

Director

Director

Company secretary



# PEE CEE COSMA SOPE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(Amount in Rupees unless otherwise stated)

PARTICULARS	Year Ended 31st March, 2014	Year Ended 31st March, 2013
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net Profit before tax and extra ordinary items	2,86,06,707	3,69,87,271
<b>Adjusted for</b>		
Depreciation	69,98,406	80,24,651
Profit on Sale of Fixed Assets (Net)	0	(78,400)
Interest received	(6,29,927)	(80,276)
Tax related to previous years	(1,03,653)	75,396
Interest paid	39,53,747	53,90,007
Fixed Assets Written Off		33,692
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>3,88,25,280</b>	<b>5,03,52,341</b>
<b>ADJUSTMENTS FOR WORKING CAPITAL CHANGES:</b>		
Inventories	(1,23,278)	(2,12,25,909)
Trade & Other Receivables	1,34,34,726	(17,76,893)
Other Current and Non-Current Assets	(33,16,866)	2,99,917
Trade Payables	28,07,389	(20,69,599)
Other Current and Non-Current Liabilities & Provisions	25,63,921	1,30,61,177
<b>CASH GENERATED FROM OPERATING ACTIVITIES:</b>	<b>5,41,91,172</b>	<b>3,86,41,034</b>
Direct Taxes Paid	(97,37,924)	(1,26,72,628)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>4,44,53,248</b>	<b>2,59,68,406</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sale of Fixed Assets	95,323	2,50,000
Purchase of Fixed Assets	(14,16,399)	(20,51,424)
Interest received	6,29,927	80,276
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(6,91,149)</b>	<b>(17,21,148)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Redemption of Preference Shares	(4,49,80,100)	
Interest & Finance Charges paid	(39,53,747)	(53,90,007)
Dividend Paid	(1,18,53,000)	0
Dividend Tax Paid	(20,14,417)	
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(6,28,01,264)</b>	<b>(53,90,007)</b>
<b>NET INCREASE/(DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(1,90,39,165)</b>	<b>1,88,57,251</b>
<b>CASH AND CASH EQUIVALENTS ( OPENING BALANCE )</b>	<b>2,13,78,617</b>	<b>25,21,366</b>
<b>CASH AND CASH EQUIVALENTS ( CLOSING BALANCE )</b>	<b>23,39,452</b>	<b>2,13,78,617</b>

Note 1. The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard on 'Cash Flow Statements'

Note 2. Previous year figures have been re-grouped and re-arranged wherever so required.

In terms of our report attached

For and on Behalf of the Board

For **DOOGAR & ASSOCIATES,**

Chartered Accountants  
(Firm Reg. No. 000561N)

**CA. UDIT BANSAL**  
(Partner)

**M. NO. - 401642**

Place : Agra

Dated: 30th May, 2014

**(A. K. Jain)**

**(P. K. Jain)**

**(M. K. Jain)**

**(N.C. Jain)**

**(A.A.Abdi)**

Executive Chairman

Managing Director

Director

Director

Company secretary



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 1. SIGNIFICANT ACCOUNTING POLICIES:

#### i. Basis of Accounting

The financial statements are prepared to comply in all material aspects with Indian Accounting Standards as notified by the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of power conferred under section 642(1)(a) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

#### ii. Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognized in the periods in which the results are known / materialise.

#### iii. 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 AND EXPENSES:

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. Expenses on which Service Tax is charged are account for net of Service Tax.

##### c. RETIREMENT BENEFITS

- i) Short-term employee benefits are recognized as an expense at the undiscounted amount in the Statement of Profit & Loss of the year in which the employee has rendered services.
- ii) Post employment benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable towards contributions. The present value is determined using market yields of government bonds, at the balance sheet date, as the discounting rate.
- iii) Other long term employee benefits are recognized as an expense in the Statement of Profit & Loss for the year in which the employee has rendered services. Estimated liability on account of long term benefits is discounted to the present value using the market yield on government bonds as on the date of balance sheet.
- iv) Actuarial gains and losses in respect of post employment and other long term benefits are charged to the Statement of Profit & Loss.

##### 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. Lease hold Land is amortized over its Lease period.

##### 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.

##### f. IMPAIRMENT OF ASSETS:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

##### g. INVENTORIES:

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



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

materials is ascertained on First in First out basis

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

### h. ACCOUNTING FOR TAXES ON INCOME

The accounting treatment followed for taxes on income is to provide for current and deferred tax. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from the difference between book and taxable profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as on Balance Sheet date. The Deferred Tax is recognised and carried forward only to the extent that there is a reasonable certainty that the assets will be realised in future.

### i. INVESTMENTS

Long-term investments are carried at cost less provision, if any, for diminution in value other than temporary. Current investments are carried individually, at lower of cost and fair value.

### 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. EARNINGS PER SHARE

Earning per shares (EPS) are computed on the basis of net profit after tax. The number of shares used in computing basic EPS is weighted average number of shares outstanding during the year.

The diluted EPS is calculated on the same basis as basic EPS, after adjusting for the effect of potential diluted equity shares.

### l. 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.

### m. CASH & CASH EQUIVALENTS

For the purpose of Cash Flow Statement cash and cash equivalents includes cash in hand, demand deposit with the bank, other short term highly liquid investments within original maturities of 3 months or less.

(Amount in Rupees unless otherwise stated)

2. Share Capital	As At 31 March 2014		As At 31 March 2013	
	Number	Amount	Number	Amount
<b>Authorised</b>				
Equity Shares of Rs 10/- each	27,50,000	2,75,00,000.00	27,50,000	2,75,00,000.00
12% Non Cumulative Compulsorily Redeemable Preference Shares of Rs 100/- each	7,25,000	7,25,00,000.00	7,25,000	7,25,00,000.00
<b>Issued, Subscribed &amp; Fully Paid up</b>				
Equity Shares of Rs 10/- each	26,46,250	2,64,62,500.00	26,46,250	2,64,62,500.00
12% Non Cumulative Compulsorily Redeemable Preference Shares of Rs 100/- each	2,73,324	2,73,32,400.00	7,23,125	7,23,12,500.00
<b>Total Issued, Subscribed &amp; Fully Paid up</b>	<b>29,19,574</b>	<b>5,37,94,900.00</b>	<b>33,69,375</b>	<b>9,87,75,000.00</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 2.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

Particulars	As At March 31, 2014		As At March 31, 2013	
	Number	Amount	Number	Amount
Equity Shares				
Shares outstanding at the beginning of the year	26,46,250	2,64,62,500.00	26,46,250	2,64,62,500.00
Shares issued during the year	-	-		0
Shares bought back during the year	-	-	0	0
Shares outstanding at the end of the year	26,46,250	2,64,62,500.00	26,46,250	2,64,62,500.00

Particulars	As At March 31, 2014		As At March 31, 2013	
	Number	Amount	Number	Amount
12% Non Cumulative Compulsorily Redeemable Preference Shares				
Shares outstanding at the beginning of the year	7,23,125	7,23,12,500.00	0	0
Shares issued during the year	-	-	7,23,125	7,23,12,500.00
Shares bought back during the year	4,49,801	4,49,80,100.00	0	0
Shares outstanding at the end of the year	2,73,324	2,73,32,400.00	7,23,125	7,23,12,500.00

### 2.2 Terms/ Rights Attached to Shares

**Equity :** The Company has only one class of Equity Shares having a par value of Rs. 10 per share. Each holder of Equity Shares is entitled to one vote per share and ranks pari passu. The Dividend proposed by the Board of Directors is subject to approval of the shareholders at the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of Equity Shares held by the Shareholders.

**Preference :** The Company has only one class of Preference Shares having a par value of Rs. 100 per share. Each holder of Preference Shares is not entitled to vote at any General Meeting of the members of the Company in relation to any of the matters solely by virtue of Preference Shares. The Preference shares shall be eligible for Dividend at the rate Prescribed by the Board of the Company at the time of issuance. The Preference Shares shall be redeemed as per the terms of the issue.

2.3 1466250 Equity Shares out of issued subscribed and paid up share capital were allotted last year in pursuant to the Scheme of Arrangement as approved by the Hon'ble Allahabad High Court on 5th July 2011 without payment being received in cash.

2.4 723125 12% Non Cumulative Compulsorily Redeemable Preference Shares, redeemable at par within a period of 10 years from the date of issue, with a call option available to the company for early redemption, have been issued without payment being received in cash to the share holders of Amalgamating Company in pursuance of Scheme of Arrangement as approved by Hon'ble Allahabad High Court on 5th July 2011

2.5 During the year Company has redeemed 253093 & 196708 totalling 449801 12% Non Cumulative Compulsorily Redeemable Preference Shares of Rs. 100 each. The same is approved by Board of Directors in their meeting held at 29.05.2013 & 11.02.2014 respectively. In respect to above Capital Redemption Reserve of Rs. 44980100/- has been created by debiting Rs. 4498010/- from Preference Share Redemption Reserve and Rs. 40482090/- from surplus in the Statement of Profit and Loss.

### 2.6 Details of Equity Shareholders holding more than 5% shares in Equity Capital of the Company.#

Name of Shareholder	As At March 31, 2014		As At March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mahendra Kumar Jain (HUF)	1,49,900	5.66	1,49,900	5.66
Mr. Pramod Kumar Jain	1,38,821	5.25	1,38,821	5.25
Mr. Ankit Jain	2,49,914	9.44	2,38,914	9.03

### 2.7 Details of Preference Shareholders holding more than 5% shares in Preference Capital of the Company.#

Name of Shareholder	As At March 31, 2014		As At March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr. Mahendra Kumar Jain (HUF)	-	-	65,000	8.99
Mr. Mahendra Kumar Jain	33,449	12.24	-	-
P C Sons (HUF)	17,500	6.40	-	-
Mr. Pramod Kumar Jain	58,500	21.40	58,500	8.09
Mr. Ashok Kumar Jain	36,000	13.17	49,292	6.82
Smt. Asha Lata Jain	47,125	17.24	47,125	6.52
Smt. Maya Jain	48,750	17.84	48,750	6.74
Smt. Lajja Jain	-	-	40,625	5.62
Mr. Pramod Kumar Jain (HUF)	-	-	47,125	6.52
Mr. Ankit Jain	-	-	1,06,707	14.76

#The aforesaid disclosure is based upon percentages computed separately for class of shares outstanding as at the balance sheet date. As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal & beneficial ownership of shares.



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

3. Reserves & Surplus	As at March 31, 2014	As at March 31, 2013
<b>a. Capital Reserve</b>		
As Per Last Balance Sheet	23,03,275	23,03,275
	<b>23,03,275</b>	<b>23,03,275</b>
<b>b. General Reserve</b>		
As Per Last Balance Sheet	2,15,53,441	20,5,53,441
Add: Transfer From Surplus in the Statement of Profit & Loss	10,00,000	10,00,000
<b>Closing Balance</b>	<b>2,25,53,441</b>	<b>2,15,53,441</b>
<b>c. Preference Shares Redemption Reserve</b>		
As Per Last Balance Sheet	72,31,250	0
Add: Transfer From Surplus in the Statement of Profit & Loss	27,33,240	72,31,250
Less: Transfer to Capital Redemption Reserve	44,98,010	0
<b>Closing Balance</b>	<b>54,66,480</b>	<b>72,31,250</b>
<b>d. Surplus in the Statement of Profit &amp; Loss</b>		
As Per Last Balance Sheet	0	0
Add: Transfer From Preference Shares Redemption Reserve	44,98,010	0
Add: Transfer From Surplus in the Statement of Profit & Loss	4,04,82,090	0
<b>Closing Balance</b>	<b>4,49,80,100</b>	<b>0</b>
<b>e. Surplus in the Statement of Profit &amp; Loss</b>		
As Per Last Balance Sheet	6,85,34,553	6,62,43,181
Add/(Less): Profit /(Loss) for the Year	1,87,65,130	2,43,90,039
Less: Appropriations:		
Transfer to General Reserve	10,00,000	10,00,000
Transfer to Preference Shares Redemption Reserve	27,33,240	72,31,250
Transfer to Capital Redemption Reserve	4,04,82,090	0
Proposed Dividend on Equity Shares	31,75,500	3175500
[Rs.1.20 per share(Previous Year Rs. 1.20)]		
Proposed Dividend on Preference Shares	32,79,888	86,77,500
[Rs.12.00 per share(Previous Year Rs. 12.00)]		
Tax on Dividend	10,97,093	20,14,417
<b>Closing Balance</b>	<b>3,55,31,872</b>	<b>6,85,34,553</b>
<b>Total</b>	<b>11,08,35,168</b>	<b>9,96,22,519</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

4. Long Term Borrowings	As At March 31, 2014		As At March 31, 2013	
	Non Current	Current Maturities	Non Current	Current Maturities
<b>Secured</b>				
Term Loan From Bank	2,10,00,000	40,00,000	0	0
Less: Amount disclosed under the head 'Other Current Liabilities' (Refer Note no.9)		40,00,000	0	0
Vehicle Loan From Bank	-	-	0	1,48,344
Less: Amount disclosed under the head 'Other Current Liabilities' (Refer Note no.9)		-	0	1,48,344
<b>Total</b>	<b>2,10,00,000</b>	<b>-</b>	<b>0</b>	<b>0</b>

Maturity Profile of Long Term Borrowings	MATURITY PROFILE			
Rate of Interest (14.60%)	Up to 1 Year	1-2 year	2-3 year	3-4 year
Term Loan from Bank	40,00,000	80,00,000	80,00,000	50,00,000
<b>Total</b>				<b>2,50,00,000</b>

(Amount in Rupees unless otherwise stated)

5. Other Long Term Liabilities	As At March 31, 2014	As At March 31, 2013
Security Deposit Received	35,80,000	35,80,000
<b>Total</b>	<b>35,80,000</b>	<b>35,80,000</b>
<b>6. Long Term Provisions</b>		
<b>Provision for Employee Benefit</b>		
- Leave Encashment	9,36,844	7,22,250
<b>Total</b>	<b>9,36,844</b>	<b>7,22,250</b>
<b>7. Short Term Borrowings</b>		
<b>Secured</b>		
<b>(a) Working Capital Loan</b>		
From Bank	4,31,13,475	6,06,66,056
<b>Total</b>	<b>4,31,13,475</b>	<b>6,06,66,056</b>

**Nature of Security of Term Loan & Working Capital Loans :** Term Loan & 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. Further extension of charge on current assets of the Company to cover the Corporate Term Loan. It is further collaterally secured by way of equitable mortgage of Factory land & building situated at plot no.51-52 Malanpur Industrial Area, Distt. Bhind.(M.P.) measuring 31017.58 sft, Factory Land and Building at Dholpur, Rajasthan, measuring 52155.63 sqmt, Factory Land & Building of P.C. Soap & Chemicals (through its partners) and hypothecation of unencumbered plant & machinery of Malanpur & Dholpur unit and extension of charge on fixed assets of the Company. Further secured by personal guarantee of Sri M.K.Jain, Sri A.K.Jain, Sri P.K.Jain and TPG of P.C.S soap & Chemicals (through its partners).





# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

8. Trade Payables	As At March 31, 2014	As At March 31, 2013
Due to Micro Small and Medium Enterprises	25,10,551	19,95,983
Due to Other Supplies & Services	1,18,78,053	95,85,232
<b>Total</b>	<b>1,43,88,604</b>	<b>1,15,81,215</b>
<b>8.1 Disclosure pertaining to Micro, Small and medium enterprises:</b>		
<b>S. No. Particulars</b>		
1. Principal Amount due outstanding	25,10,551	19,95,983
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 as on 31.03.2014	NIL	NIL
7. Amount of further interest remaining due and payable in succeeding year.	NIL	NIL

Dues to Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by Auditors.

9. Other Current Liabilities	As At March 31, 2014	As At March 31, 2013
Current maturities of long-term debt (Refer Note no.4)	40,00,000	1,48,344
Interest accrued and due on borrowings	3,20,124	0
Advance from Customers	50,96,037	71,03,550
Investor Education & Protection Fund*		
- Unclaimed dividends	5,61,690	401725
Due to Directors	2,38,441	2,20,880
Other payables		
(i) Employee Related Liabilities	46,12,132	41,73,499
(ii) Statutory Liabilities	16,76,022	21,44,034
<b>Total</b>	<b>1,65,04,446</b>	<b>1,41,92,032</b>

\*Appropriate amounts shall be transferred to Investor Education & Protection Fund if and when due

10. Short Term Provisions	As At March 31, 2014	As At March 31, 2013
<b>Provision for Employee Benefit</b>		
- Leave Encashment	1,23,825	2,61,753
<b>Others</b>		
Provision for Income Tax (Net of Advance Tax)	0	26,88,479
Provision for Excise Duty on Finished Goods	39,72,612	45,56,711
Proposed Dividend on Equity Shares	31,75,500	31,75,500
Proposed Dividend on Preference Shares	32,79,888	86,77,500
Tax on Proposed Dividend	1097093	20,14,417
<b>Total</b>	<b>11648918</b>	<b>21374360</b>



# PEE CEE COSMA SOPE LIMITED

## FIXED ASSETS

(Amount in Rupees unless otherwise stated)

11. FIXED ASSETS		GROSS BLOCK				DEPERECIATION				NET BLOCK	
		As At 01/04/2013	Addition During the Period	Deduction/ Adjustments	As At 31/03/2014	Up To 01/04/2013	For the Period	Deduction/ Adjustments	Up To 31/03/2014	As At 31/03/2014	As At 31/03/2013
<b>Tangible Assets</b>											
1.	Leasehold Land	7,43,926	-	-	7,43,926	19,428	9,713	-	29,141	7,14,785	7,24,498
2.	Freehold Land	3,18,76,200	-	-	3,18,76,200	3,33,61,292	23,45,434	-	-	3,18,76,200	3,18,76,200
3.	Building	6,00,51,583	-	-	6,00,51,583	4,63,73,594	31,58,879	-	3,57,06,726	2,43,44,857	2,66,90,291
4.	Plant & Machinery	6,82,66,267	11,94,145	-	6,94,60,411	95,34,720	3,34,372	-	4,95,32,473	1,99,27,938	2,18,92,672
5.	Furniture & Fixtures and Office Equipments	1,14,76,929	1,48,998	-	1,16,25,927	37,99,274	1,50,369	-	98,99,092	17,56,835	19,42,209
6.	Computer	41,62,485	17,000	-	41,79,485	37,99,274	1,50,369	-	39,49,643	2,29,842	3,63,211
7.	Vehicles	1,38,63,303	56,256	22,999	1,38,96,560	1,01,21,999	9,99,639	22,920	1,10,98,718	27,97,842	37,41,304
<b>Total</b>		<b>19,04,40,692</b>	<b>14,16,399</b>	<b>22,999</b>	<b>19,18,34,092</b>	<b>10,32,10,307</b>	<b>69,98,406</b>	<b>22,920</b>	<b>11,01,85,793</b>	<b>8,16,48,299</b>	<b>8,72,30,385</b>
Previous Year Figures		19,01,15,950	19,56,180	16,31,438	19,04,40,692	9,66,11,802	80,24,651	14,26,146	10,32,10,307	8,72,30,385	9,95,04,148
Capital Work in Progress										-	95,244

(Amount in Rupees unless otherwise stated)

12. Deferred Tax Asset (Net)		Deferred tax Asset/ (Liability) As At March 31, 2013	Current year (charge)/ Credit	Deferred tax Asset/ (Liability) As At March 31, 2014
a.	Difference in depreciation for accounting and income tax purpose	5,80,725	80,206	6,60,931
b.	Provision for Leave Encashment	3,19,260	24,874	3,44,134
c.	Expenses related to Amalgamation	4,29,014	-1,43,004	2,86,010
<b>Total</b>		<b>13,28,999</b>	<b>-37,924</b>	<b>12,91,075</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

13. Long Term Loans & Advances	As At March 31, 2014	As At March 31, 2013
Capital Advance for Immovable Property	4,60,00,000	7,04,10,000
Security Deposit Paid	9,96,344	9,56,252
Prepaid Expenses	1,78,286	1,12,874
Direct Tax Refundable(Net of Provisions)	47,52,048	32,16,852
<b>Total</b>	<b>5,19,26,678</b>	<b>7,46,95,978</b>
<b>14. Other Non Current Assets</b>		
Deposit more than twelve months	5,30,375	0
Deposit/NSC held as security money with more than twelve months*	32,006	26,178
Interest Accrued on Deposits/NSC more than twelve months	29,174	6,490
<b>Total</b>	<b>5,91,555</b>	<b>32,668</b>
* Pledged with Sales Tax Department		
<b>15. Current Investments</b>		
Other Investments (Valued at Cost)		
Developed Plots measuring 8101.65 sq. yard at village Machwa Tehsil and District Jaipur (Rajasthan) in the Project of M/s Ansal Properties & Infrastructure Ltd., New Delhi	2,54,10,000	0
<b>Total</b>	<b>2,54,10,000</b>	<b>0</b>
<b>16. Inventories</b>		
Raw Materials	5,36,60,735	5,10,22,779
Stock in process	46,06,740	49,70,453
Finished Goods	4,25,28,346	4,45,12,127
Stores & Spares and other materials	21,59,657	23,26,842
<b>Total</b>	<b>10,29,55,478</b>	<b>10,28,32,201</b>
<b>17. Trade Receivables</b>		
(Unsecured considered good unless otherwise stated)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	495	359
Other Trade Receivables	39,31,365	1,73,66,226
<b>Total</b>	<b>39,31,860</b>	<b>1,73,66,585</b>
<b>18. Cash And Bank Balances</b>		
Cash & Cash Equivalents		
Balances with Banks:		
- In Current Account	17,14,335	6,52,422
- In Deposit account with original maturity of less than three months	0	2,00,00,000
Cash on Hand	6,23,812	7,24,979
Stamp on hand	1,305	1,216
<b>Total</b>	<b>23,39,452</b>	<b>2,13,78,617</b>
<b>Other Bank Balances</b>		
Unclaimed/Unpaid Dividend Account	5,61,690	4,01,725
Deposit with original maturity of more than three months but less than twelve months	2,50,000	4,00,000
<b>Total</b>	<b>31,51,142</b>	<b>2,21,80,342</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

19. Short Term Loans & Advances	As At March 31, 2014	As At March 31, 2013
(Unsecured, considered good unless otherwise stated) Advance against goods, services & others	9,95,523	10,93,069
<b>Total</b>	<b>9,95,523</b>	<b>10,93,069</b>
Balance with Government/statutory authorities	34,04,013	31,28,590
Prepaid Expenses	4,78,563	4,88,074
<b>Total</b>	<b>48,78,099</b>	<b>47,09,733</b>
<b>20. Other current assets</b>		
Interest accrued and due on Bank FDR's maturing with in twelve months	18,169	41,297
<b>Total</b>	<b>18,169</b>	<b>41,297</b>
	<b>Year Ended March 31, 2014</b>	<b>Year Ended March 31, 2013</b>
<b>21. Revenue From Operations</b>		
Domestic Sale	85,16,56,988	92,61,14,661
<b>Total</b>	<b>85,16,56,988</b>	<b>92,61,14,661</b>
<b>21.1 Additional Information of details of product sold</b>		
Laundry Soap	55,85,72,010	63,59,59,556
Detergent Powder	25,70,38,757	24,74,92,699
Detergent Cake	3,60,46,221	4,26,62,406
<b>Total</b>	<b>85,16,56,988</b>	<b>92,61,14,661</b>
<b>22. Other Income</b>		
Interest Income		
- on bank FDR's	634	45,390
- Others	6,29,293	34,886
Profit on Sale of Fixed Asset	0	78,400
Liabilities no longer required written back	4,323	50,849
Misc. Receipts	1,26,083	1,12,023
<b>Total</b>	<b>7,60,333</b>	<b>3,21,548</b>
<b>23. Cost of Raw Material Consumed</b>		
a. Opening Stock	5,10,22,779	4,38,12,478
b. Add : Purchases	57,49,74,028	65,22,19,263
c. Less : Closing Stock	5,36,60,735	5,10,22,779
<b>Total</b>	<b>57,23,36,072</b>	<b>64,50,08,962</b>
<b>23.1 Additional Information of Raw Material Consumed:</b>		
- The Consumption figures shown above are after adjusting excess & shortage ascertained on physical count, unserviceable items etc.		
- Raw Material Consumed includes consumption of packing materials		
1. Oil & Fats	24,52,26,366	29,95,12,393
2. Colour & Chemicals	23,30,12,974	24,42,08,472
3. Fillers & Additives	5,16,42,185	5,65,85,872
4. Packing Materials	4,24,54,547	4,47,02,225
<b>Total</b>	<b>57,23,36,072</b>	<b>64,50,08,962</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

24. Change in inventories in Finished Goods and Process Stock	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>CLOSING STOCK</b>		
a. Process Goods	46,06,740	49,70,453
b. Finished Goods	4,25,28,346	4,45,12,127
	<b>4,71,35,086</b>	<b>4,94,82,580</b>
<b>LESS : OPENING STOCK</b>		
a. Process Goods	49,70,453	66,95,320
b. Finished Goods	4,45,12,127	2,87,64,300
	4,94,82,580	3,54,59,620
<b>Total</b>	<b>(23,47,494)</b>	<b>1,40,22,960</b>
<b>24.1 Additional Information:</b>		
Detail of Finished Goods and Processed Goods		
<b>Class of Products</b>		
Finished Goods		
1. Laundry Soap	3,07,54,530	2,95,68,929
2. Detergent Powder	87,50,435	1,09,03,168
3. Detergent Cake	30,23,381	40,40,030
	<b>4,25,28,346</b>	<b>4,45,12,127</b>
<b>Process Goods</b>		
1. Laundry Soap	44,42,516	49,20,509
2. Detergent Cake	1,64,224	49,944
	<b>46,06,740</b>	<b>49,70,453</b>
<b>25. Employee Benefit Expenses</b>		
a. Salaries, Wages, Allowances and Bonus	4,85,06,288	4,48,33,406
b. Company's Contribution to Provident and Other funds.	38,91,127	42,43,508
c. Directors Remuneration	46,04,962	41,43,432
d. Staff Welfare Expenses	10,42,615	9,18,852
<b>Total</b>	<b>5,80,44,992</b>	<b>5,41,39,198</b>
<b>26. Finance Cost</b>		
a. Interest on secured loans	37,09,287	51,28,130
b. Interest paid to Others	2,44,460	2,61,877
c. Bank Charges and Commission	6,95,976	2,57,585
<b>Total</b>	<b>46,49,723</b>	<b>56,47,592</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

27. Other Expenses	Year Ended March 31, 2014	Year Ended March 31, 2013
<b>I. Manufacturing Expenses</b>		
a. Stores & Spares consumed	17,54,643	21,34,865
b. Power & Fuel	1,85,46,998	1,77,98,372
c. Lab Maintenance	1,18,041	91,629
d. Machinery Repairs	21,07,873	22,48,040
e. Factory Building Repairs	5,65,963	10,44,583
f. Excise duty on finished goods	39,72,612	45,56,711
<b>Total</b>	<b>2,70,66,130</b>	<b>2,78,74,200</b>
<b>II. Establishment Expenses</b>		
a. Rent	16,79,831	15,83,580
b. Rates and Taxes	1,82,589	1,95,392
c. Insurance Charges	10,24,567	10,94,880
d. Directors Sitting Fees	75,000	71,000
e. Auditors Remuneration	3,25,000	3,25,000
f. Travelling & Conveyance	32,07,045	28,91,099
g. Legal & Professional Charges	14,29,753	12,26,219
h. Printing & Stationery Expenses	3,25,676	3,61,016
i. Postage and Telephones	7,53,021	7,66,104
j. Electricity Expenses	7,62,242	6,04,346
k. Other Repairs	11,16,587	10,41,935
l. Vehicle Running & Maintenance Expenses	28,53,781	28,82,487
m. Security Service Charges	23,29,536	23,07,110
n. Charity & Donations	1,72,050	92,600
o. Miscellaneous Expenses	13,17,998	10,95,959
<b>Total</b>	<b>1,75,54,676</b>	<b>1,65,38,727</b>
<b>III. Selling Expenses:</b>		
a. Advertisement & Publicity Expenses	74,64,226	52,69,167
b. Sales Promotion Expenses	33,10,345	65,05,778
c. Freight Charges & Forwarding Charges	2,54,28,042	2,49,32,781
d. Sales Commission & Brokerage	36,60,470	43,19,297
e. Entry Tax / Vat	27,492	68,154
<b>Total</b>	<b>3,98,90,575</b>	<b>4,10,95,177</b>
<b>Total (I+II+III)</b>	<b>8,45,11,381</b>	<b>8,55,08,104</b>



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

(Amount in Rupees unless otherwise stated)

28. Earning Per Shares	As At March 31, 2014	As At March 31, 2013
Profit/(Loss) after tax	1,87,65,130	2,43,90,039
Equity Shares outstanding at the year end	26,46,250	26,46,250
Weighted average number of Ordinary Shares used as denominator for calculating basic and diluted earnings per share	26,46,250	26,46,250
Nominal Value Per Share (Rs)	10	10
Basic Earnings Per Share	7.10	9.22
Diluted Earnings Per Share	7.10	9.22
29. Auditors Remuneration	Year Ended March 31, 2014	Year Ended March 31, 2013
a. Audit Fees	3,00,000	3,00,000
b. Tax Audit Fees	25,000	25,000
<b>Total</b>	<b>3,25,000</b>	<b>3,25,000</b>
30. Contingent Liability		
<b>(a) Claims against the company not acknowledge as debt</b>		
1. Excise (including Service Tax)*	19,06,19,663	19,06,19,663
2. Trade Tax & VAT	11,61,639	15,57,047
3. State Levies**	14,03,603	14,03,603
4. Income Tax	69,62,180	93,04,761
5. ESI	1,05,241	0
<b>(b) Guarantees</b>		
1. FDR held as security in Sales Tax	31,006	4,25,178
2. NSC Held as Security in Sales Tax	1,000	1,000

\*It includes amount of Rs. 18,88,86000/- which the Appellate Tribunal Central Excise & Service Tax, New Delhi treating it as prima-facie strong case in favour of the company and has stayed payment of demand and penalties as such and the management does not consider necessary to make provision for the said liability.

\*\*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.).



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 31. Employee Benefits

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:

(Amount in Rupees unless otherwise stated)

Description	Amount (Rs.) As At March 31, 2014	Amount (Rs.) As At March 31, 2013
Present value of obligation at the beginning of the year	69,60,885	55,41,818
Current service cost	6,15,883	6,68,146
Interest cost	6,26,480	4,42,131
Benefit paid	(6,57,414)	(2,72,206)
Actuarial (gain) / loss on obligation	(12,03,832)	5,80,996
Present value of obligation as at the end of year	<b>63,42,002</b>	<b>69,60,885</b>
ii) Net assets / liability recognized in Balance Sheet as at 31st March, 2014		
Present value of obligation as at 31st March, 2014	63,42,002	69,60,885
Fair value of plan assets as at 31st March, 2014	96,07,899	92,76,280
(Assets)/Liabilities recognized in the Balance Sheet	(32,65,897)	(23,15,395)
iii) Amount recognized in Profit & Loss account is as under:		
Current service cost	6,15,883	6,68,146
Interest cost	6,26,480	4,42,131
Expected return on planned assets	(7,94,297)	(7,06,819)
Net actuarial (gain)/loss recognized during the year	(12,03,832)	6,16,280
Expenses to be recognized in the statement of P/L	<b>(7,55,766)</b>	<b>10,19,738</b>
iv) Changes in fair value of plan assets		
Fair value of plan assets at the beginning of the period	92,76,280	83,94,200
Expected return on plan assets	7,94,297	7,06,819
Contribution	1,94,736	4,82,750
Benefit Paid	(6,57,414)	(2,72,206)
Actuarial Gain/Loss	-	(35,283)
Fair value of plan assets at the end of the period	<b>96,07,899</b>	<b>92,76,280</b>
For determination of gratuity liability of the Company the following actuarial assumption were used.		
Discount rate	8.00%	8.00%
Future salary increase	5.00%	5.00%
Expected rate of return on planned assets	8.00%	8.00%
Method used	Projected unit credit actuarial method	Projected unit credit actuarial method

The fair value of plan assets as at 31.03.2014 is more than the present value of obligation as at 31.03.2014, therefore no adjustment have been made in the Balance Sheet. Further the amount of premium of Rs. 3,12,867 paid to LIC is debited to Statement of Profit and Loss.





# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### B. Leave Encashment

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

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

(Amount in Rupees unless otherwise stated)

Description	Amount (Rs.) As At March 31, 2014	Amount (Rs.) As At March 31, 2013
Present value of obligation at the beginning of the year	7,04,840	5,66,648
Interest cost	63,436	45,208
Current service cost	1,06,901	1,46,560
Actuarial (gain)/loss on obligation	(2,56,484)	(53,576)
Present value of obligation at the end of the year	6,18,693	7,04,840
ii) Amount recognized in Profit & Loss account is as under:-		
Current service cost	1,06,901	1,46,560
Interest cost	63,436	45,208
Net actuarial (gain)/loss recognized during the year	(2,56,484)	(53,576)
Recognized in Profit & Loss account	(86,147)	1,38,192
iii) Amount recognized in the Balance Sheet as at 31st March, 2014		
Present value of obligation as at 31st March, 2014	6,18,693	7,04,840
Current Liability	23,082	99,399
Non Current Liability	5,95,611	6,05,441
<b>Total</b>	<b>6,18,693</b>	<b>7,04,840</b>
For determination of liability in respect of leave encashment, the Company has used the following actuarial assumption.		
Discount rate	9.00%	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.



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

### 32 Related Party Disclosure:

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

#### 1. Entities over which Key Managerial Personnel or their relatives exercises significant influence

M/S Pee Cee Reality Builders Private Limited	
M/S Suraj Bhan Agencies Limited	
P.C.Sons HUF	Director is Karta
Mahendra Kumar Jain HUF	Director is Karta
Mayank Jain HUF	Director's Son is Karta
Ashok Kumar Jain HUF	Director is Karta
Pramod Kumar Jain HUF	Director is Karta

#### 2. Key Management Personnel

#### Designation

Mr. Ashok Kumar Jain	Chairman (Executive)
Mr. Pramod Kumar Jain	Managing Director
Mr. Mahendra Kumar Jain	Whole Time Director

#### 3. Relatives of Key Management Personnel

Asha Lata Jain	Wife Of Director
Maya Jain	Wife Of Director
Lajja Jain	Wife Of Director
Ankit Jain	Son of Director
Ankur Jain	Son of Director
Anuj Jain	Son of Director
Divya Jain	Daughter in Law of Director
Stuti Jain	Daughter in Law of Director
Shikha Jain	Daughter in Law of Director
Master Pranit	Grand Son Of Director
Mayank Jain	Son of Director





# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

	Mahendra Kumar Jain		(NIL) 1,08,200 (NIL)	
	Lajja Jain			40,62,500 (NIL)
	P.C Sons HUF	15,00,000 (NIL)		
	Mahendra Kumar Jain HUF	60,00,000 (NIL)		
	Mayank Jain HUF	3,25,000 (NIL)		
	Ashok Kumar Jain HUF	24,37,500 (NIL)		
	Pramod Kumar Jain HUF	47,12,500 (NIL)		
	Divya Jain			26,00,000 (NIL)
	Stuti Jain			15,43,700 (NIL)
	Shikha Jain			15,03,100 (NIL)
	Master Pranit			26,81,300 (NIL)
	Ankit Jain			1,06,70,700 (NIL)
	Ankur Jain			12,70,300 (NIL)
	Anuj Jain			12,70,300 (NIL)
	Mayank Jain			26,00,000 (NIL)
<b>6.</b>	<b>Advance For Immovable Property</b> M/S Pee Cee Reality Private Limited	10,00,000 (NIL)	NIL (NIL)	NIL (NIL)
<b>7.</b>	<b>Sales Incentive</b> Suraj Bhan Agencies Limited	10,90,332 (NIL)	NIL (NIL)	NIL (NIL)
<b>8.</b>	<b>Interstet paid on Security Deposit</b> Suraj Bhan Agencies Limited	1,89,000 (1,89,000)	NIL (NIL)	NIL (NIL)
<b>9.</b>	<b>Outstanding balance Trade Receivable</b> Suraj Bhan Agencies Limited	7,36,005 (1,35,13,215)	NIL (NIL)	NIL (NIL)
<b>10.</b>	<b>Advance For Land Purchase</b> M/S Pee Cee Reality Private Limited	4,60,00,000 (4,50,00,000)	NIL (NIL)	NIL (NIL)
<b>11.</b>	<b>Remuneration Payable Accounts</b> Ashok Kumar Jain  Mahendra Kumar Jain  Pramod Kumar Jain		66,141 (64,880) 79,000 (68,000) 79,000 (88,000)	
<b>12.</b>	<b>Security Deposit</b> Suraj Bhan Agencies Limited	21,00,000 (21,00,000)		

Figures in bracket represents previous year figures



# PEE CEE COSMA SOPE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2014

33. The Company has only one business segment of Manufacturing and accordingly the disclosure requirements as prescribed in the Accounting Standard-17 on segment reporting are not applicable to the company.
34. Inventories, loans & advances, trade receivables and other current/non current assets are in the opinion of the management do not have a value on realization in the ordinary course of the business, less than the amount at which they are stated in the Balance Sheet. The classification of assets and liabilities between current and non current have been made based on management perception as to its recoverability / settlement and other criteria as set out in the revised schedule VI to the Companies Act 1956.
35. Balance in trade receivables, trade payables, current / non current advances given / received are subject to reconciliation and confirmation from respective Parties. The balance of said trade receivables, trade payables, current / non current advances given / received are taken as shown by the books of accounts. The ultimate outcome of such reconciliation and confirmation cannot presently be determined.
36. Previous year figures have been re-grouped and re-arranged wherever so required.
37. All notes number 1-36 forms an integral part of the financial statements.

As per our Report of even date attached

For **DOOGAR & ASSOCIATES,**  
Chartered Accountants

**CA. UDIT BANSAL**  
(Partner)

Place : Agra  
Dated: 30th May, 2014

**For and on behalf of the Board**

<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
<b>(A.A.Abdi)</b>	Company secretary



# PEE CEE COSMA SOPE LIMITED

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

## PROXY FORM

Form No. MGT-11  
Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN :	L24241UP1986PLC008344
Name of the company :	Pee Cee Cosma Sope Ltd
Registered office :	G-10/8, Padam-Deep, Sanjay-Place, Agra-282002, Uttar Pradesh
Name of the member (s) :	
Registered address :	
E-mail Id :	
Folio No/ Client Id :	
DP ID :	

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : ..... or failing him
- Name : .....  
Address : .....  
E-mail Id : .....  
Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the **27th Annual general meeting** of the company, to be held on the **Friday, 26th September, 2014 at 3.00 P.M.** at **Hotel Ashish Palace, Fatehabad, Agra, 282 001, Uttar Pradesh** and at any adjournment thereof in respect of such resolutions as are indicated below:

### Resolution No.

- Adoption of Annual Audited Accounts for the financial year ended 31st March, 2014.
- Declaration of dividend of 12% on Preference Shares and Equity Shares for the financial year 2013-14.
- To appoint a Director in place of Shri Ashok Kumar Jain who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint Statutory Auditors of the Company.
- To appoint Shri Nemi Chandra Jain as Independent Director of the Company.
- To appoint Shri Amar Singh Rajput as Independent Director of the Company.
- To give power to board u/s 180(1)(a) of the Companies Act, 2013.
- To give power to board u/s 180(1)(c) of the Companies Act, 2013.
- Re-appointment of Shri Mahendra Kumar Jain as Whole Time Director for 3 years.

Signed this ..... day of ..... 20....  
Signature of Shareholder.....  
Signature of Proxy holder(s).....



**Note :** This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 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 Seventh Annual General Meeting of the Company held on **Friday the 26th day of September, 2014 at 3.00 P.M.** at **HOTEL ASHISH PALACE, Fatehabad Road, Agra.**

Signature of Shareholder/Proxy

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