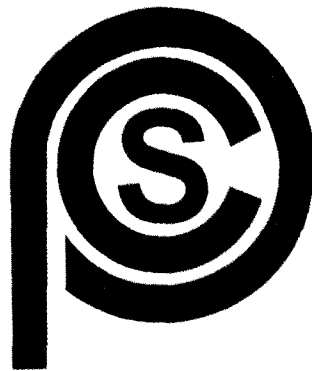


25th

Annual Report

2011-2012



Pee Cee Cosma Sope Limited



PEE CEE COSMA SOPE LIMITED

Company Information

Board of Directors

Executive Chairman

Ashok Kumar Jain

Managing Director

Pramod Kumar Jain

Directors

Mahendra Kumar Jain

Nemi Chandra Jain

Amar Singh Rajput

Anil Gupta

Company Secretary

Athar Ali Abdi

3/496 A, Rui Ki Mandi,

Shahganj, Agra

Auditors

M/s. Doogar & Associates

Chartered Accountants

13, Community Centre, East of Kailash,

New Delhi-110065

Bankers

State Bank of India, Agra

Registrar & Share Transfer Agent

Skyline Financial Services Pvt. Ltd.

D-153A, 1st Floor, Okhla Indl. Area,

Phase-I, New Delhi-110020

Registered Office

"Padam Deep"

G-10/8, Sanjay Place,

AGRA-282 002 (U.P.)

Works

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.)

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**Annual General Meeting on Thursday, 27th September 2012
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 25th Annual General Meeting of the Members of the Company will be held on Thursday, 27th September, 2012 at 3.00 P.M. at Hotel Ashish Palace, Fatehabad Road, Agra to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2012 and Profit and Loss Account for the year ended on that date together with the Reports of the Auditors' and Directors' thereon.
2. To appoint a Director in place of Mr Mahendra Kumar Jain, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to authorise the Board to fix their remuneration.

Special Business:

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

Resolved that pursuant to the provisions of section 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956, Shri Pramod Kumar Jain be and is hereby re-appointed as the Managing Director of the Company for fresh tenure of five years commencing on the 16th day of May, 2012 on the following remuneration:

1. Salary at the rate of Rs. 1,00,000 per month. Annual increment in salary, not exceeding Rs. 10,000/- per month as may be sanctioned by the Board will be effective from 1st January each year.
2. In addition to salary the Managing Director shall also be entitled to the following perquisites and allowances:
 - (i) **Gas, Electricity, Water and Furnishings:** The expenditure incurred by the company on Gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.

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

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

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

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

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

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

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

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

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

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

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

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



NOTICE OF ANNUAL GENERAL MEETING

Shri Pramod 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 Pramod Kumar Jain as a Whole Time Director in accordance with Schedule XIII of the Companies Act, 1956 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 the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Managing Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

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

5. 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 198, 269, 309, 310 read with Schedule XIII of the Companies Act, 1956 and other applicable provisions, if any of the Companies Act, 1956, Shri Ashok Kumar Jain be and is hereby re-appointed as the Whole Time Director of the Company designated as Executive Chairman for fresh tenure of five years commencing on the 1st

day of November, 2012 on the following remuneration:

1. Salary at the rate of Rs. 1,00,000 per month. Annual increment in salary, not exceeding Rs. 10,000/- per month as may be sanctioned by the Board will be effective from 1st January each year.
2. In addition to salary the Whole Time Director shall also be entitled to the following perquisites and allowances:
 - (i) **Gas, Electricity, Water and Furnishings:** The expenditure incurred by the company on Gas, electricity, water and furnishings shall be valued as per the Income Tax Rules, 1962.
 - (ii) **Medical Reimbursement:** Expenses incurred for self and his family.
 - (iii) **Leave Travel Concession:** Leave as per rules of the company. Leave Travel Concession for self and family once in a year incurred in accordance with the rules of the company.
 - (iv) **Club Fees:** Fees of clubs subject to a maximum of two clubs.
 - (v) **Medical Insurance:** Medical Insurance for self and his family.
3. For the purpose of calculating the above ceiling perquisites will be evaluated as per Income Tax Rules, 1962, wherever applicable. In the absence of any such rules, perquisites shall be evaluated at actual cost.
4. In addition to the aforesaid the Whole Time Director shall also be eligible for the following perquisites, which shall not be included in the computation of the ceiling limit for minimum remuneration as above.
 - (i) **Contribution to Provident Fund and Superannuation Fund:** Company's contribution towards Provident Fund and Superannuation Fund or Annuity Fund to the extent these either singly or together is not taxable under the Income Tax Act, 1961.



PEE CEE COSMA SOPE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

(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 Ashok 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 Ashok Kumar Jain as a Whole Time Director in accordance with Schedule XIII of the Companies Act, 1956 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 the office of Mr Ashok Kumar Jain as a Whole Time Director of the Company shall not be liable to retire by rotation to the extent permitted under section 255 and 256 and other applicable provisions of the Companies Act, 1956.

Resolved further that the Board of Directors of the Company (including any committee/sub-committee of the Board) be and is hereby authorised to assign and delegate, from time to time, such work, duties, power and authorities to the Whole Time Director as it may deem fit and proper.

Resolved further that the Board of Directors and the Remuneration Committee of the Company be and are hereby severally authorised to fix such remuneration and to work out various components of the remuneration package as it may deem fit and proper within the overall limits of the remuneration as approved above.

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

NOTES:

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

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

C. Book Closure: The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 26th September, 2012 and Thursday, 27th September 2012.

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

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

F. Transfer of unclaimed dividend to Investors' Fund: In terms of the provisions of Section 205C of the Companies Act, 1956 read with Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, any dividend, which remains unpaid/unclaimed for a period of 7 years from the date of declaration, is required to be transferred to Investor Education and Protection



PEE CEE COSMA SOPE LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Fund ('the Fund'). A shareholder can therefore claim the amount of unpaid/unclaimed dividend up till 7 years from the date of declaration of dividend.

Financial Year Ended	Rate of Dividend %	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEP Fund
31.03.2005	25	22.09.2005	28.10.2012	27.11.2012
31.03.2009	25	09.09.2009	14.10.2016	13.11.2016
31.03.2010	25	30.12.2010	04.02.2018	06.03.2018

- G.** The unpaid/unclaimed dividend pertaining to the financial year 2004-05 that still remains unclaimed is required to be transferred to the Investors Education and Protection Fund on or before 22nd October, 2012. Therefore, the shareholders who have not encashed their Dividend warrants are requested to kindly contact the Company for revalidation/issue of fresh dividend warrants on or before the last date of claiming dividend i.e. 21st September, 2012.
- H.** Members are requested to notify any change in their address/ mandate/ bank details immediately to the Company at its Registered Office.
- I. Inspection of Documents:** Documents referred to in the Notice etc., are open for inspection at the registered office of the Company at all working days except Saturdays between 11 A.M. and 2 P.M. up to the date of Annual General Meeting.
- J. Explanatory Statement:** Explanatory Statement as required under section 173(2) of the Companies Act, 1956, in respect of Special Business under item no. 4 and 5 are enclosed herewith.

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

Item No.4

Mr Pramod 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 Managing Director of the Company expired on 15th May, 2012 and keeping in view his contributions and the interests of the Company, he was again re-appointed as the Managing Director of the Company for a further period of five years w.e.f 16th May, 2012 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. The office of Mr Pramod Kumar

Jain as a Managing Director of the Company shall not be liable to retire by rotation to the extent permitted under section 255 and 256 and other applicable provisions of the Companies Act, 1956.

Aforesaid re-appointment of and payment of remuneration to Mr Pramod Kumar Jain as Managing Director of the Company is subject to the approval of the Members of the Company. Your approval is solicited to the resolution at item nos. 4 of the notice.

None of the Directors except Mr Pramod Kumar Jain, Mr Ashok Kumar Jain and Mr Mahendra Kumar Jain are concerned at item no. 4 of the notice.

Item No.5

Mr Ashok Kumar Jain is a Whole Time Director in the Company and has been actively involved in the business activities of the Company. His term as the Whole Time Director designated as Executive Chairman of the Company will expire on 31st October, 2012 and keeping in view his contributions and the interests of the Company, your Board proposes to re-appoint him as Whole Time Director on the same designation for a further period of five years w.e.f. 1st November, 2012. The office of Mr Ashok Kumar Jain as a Whole Time Director of the Company shall not be liable to retire by rotation to the extent permitted under section 255 and 256 and other applicable provisions of the Companies Act, 1956.

Aforesaid re-appointment of and payment of remuneration to Mr Ashok Kumar Jain as a Whole Time Director of the Company is subject to the approval of the Members of the Company. Your approval is solicited to the resolution at item no. 5 of the notice.

None of the Directors except Mr Pramod Kumar Jain, Mr Ashok Kumar Jain and Mr Mahendra Kumar Jain is interested and concerned at item nos. 5 of the notice.

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

(A.K. JAIN)
Executive Chairman

PLACE : AGRA
DATED : 28TH AUGUST, 2012



PEE CEE COSMA SOPE LIMITED

DIRECTORS' REPORT

Dear Members

Your Directors are pleased to present 25th Annual Report of your Company together with the Audited Annual Accounts for the financial year ended 31st March, 2012.

Financial Highlights

(Amount in Rs. Lacs)

Particulars	Financial Year ended	
	31 st March, 2012	31 st March, 2011
Total Income	7878.73	2676.13
Total Expenditure	7801.82	2687.01
Profit before tax	76.91	(10.88)
Less : Provision for tax		
Income Tax	34.70	Nil
Tax related to earlier years	(0.89)	0.94
Deferred Tax	(13.66)	(1.25)
Profit after tax	56.76	(10.57)
Transfer to General Reserve	Nil	Nil
Paid-up Share Capital	264.63	120.00
Reserves and Surplus (excluding revaluation reserve)	891.62	985.09
Dividend Per Share (in Rs)	Nil	Nil

Year in Retrospect

During the year under review, total income of the Company was Rs. 7878.73 lac as against Rs. 2676.13 lac in the previous year. The Company has earned a profit of Rs. 56.76 lac against a loss of Rs. 10.57 lac in the previous year. The increase in income was due to the Amalgamation of Pee Cee Soap and Chemicals Pvt Ltd (with "Doctor" Brand, Soap Business and other residual business) with Pee Cee Cosma Sope Ltd. Your Directors are putting in their best efforts to improve the performance of the Company.

Material Changes after the date of Balance Sheet:

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, 2012 and the date of this Report.

Dividend

The Board of Directors of your Company has decided to retain and plough back the profits into the business of the Company, thus no dividend is being recommended for this year.

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.



DIRECTORS' REPORT

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

Conservation of Energy & Technology Absorption: Information as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, is given in **Annexure A**, forming part of this report.

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

Particulars of Employees

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

Directors

After the last Annual General Meeting, Mr Pramod Kumar Jain was re-appointed as Managing Director of the Company w.e.f. 16th May, 2012. The Board recommends the resolution for approval of the members.

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Mr Mahendra Kumar Jain is liable to retire by rotation and being eligible offer himself for re-appointment. Directors recommend his re-appointment.

Committees of the Board

Remuneration Committee

The Remuneration Committee comprises of the following members:

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

Share Transfer Committee

The Share Transfer Committee comprises of the following members:

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

Auditors

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

Auditors' Report

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

Compliance Certificate

In terms of the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001 and Notification issued by Ministry of Corporate Affairs, the company is not required to take Compliance Certificate u/s 383A of the Companies Act, 1956 as the company has a Whole Time Company Secretary.

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;



PEE CEE COSMA SOPE LIMITED

DIRECTORS' REPORT

- 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, 2012 and of the profit of the Company for the year ended on that date;
- c. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting *fraud and other irregularities*; and
- d. the Directors have prepared the Annual Accounts on a going concern basis.

Stock Exchange Listing

The Equity Shares of the Company are listed at the Bombay Stock Exchange Limited, Mumbai and The Uttar Pradesh Stock Exchange Ltd, Kanpur. The Company has already paid listing fees for the financial year 2012-13 to these Stock Exchanges.

Corporate Governance

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

Acknowledgment

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

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

(A.K. JAIN)

Executive Chairman

PLACE : AGRA

DATED : 28TH AUGUST, 2012



PEE CEE COSMA SOPE LIMITED

ANNEXURE TO DIRECTORS' REPORT

Annexure - A

PARTICULARS AS PER FORM A:

A. POWER AND FUEL CONSUMPTION

	2011-2012	2010-2011
1. ELECTRICITY		
(a) PURCHASED:		
Units (in lacs)	5.53	2.90
Total amount (in lacs)	36.91	19.07
Rate/Units (in Rs.)	6.67	6.58
(b) OWN GENERATION:		
(I) Through Diesel Generator		
Units (in lacs)	0.27	0.02
(ii) Total amount (in lacs)	6.91	0.90
Rate/Units (in Rs.)	25.80	47.94
(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.)	251.66	118.23
Total Cost (in lacs)	100.46	35.61
Average/Ltrs (in Rs.)	39.92	30.12
4. OTHERS/INTERNAL GENERATION NATURAL GAS		
Quantity (SCM in Lacs)	2.40	N.A.
Total Cost	23.24	N.A.
Rate/Unit (in Rs)	9.70	N.A.

B. CONSUMPTION PER UNIT OF PRODUCTION

NO OF UNITS PER METRIC
TONNE OF PRODUCTION

Laundry Soap & Detergent		
(I) Electricity	26.72	27.72
(ii) LDO/FO	21.29	20.65
(iii) Diesel	1.01	0.18
(iv) Natural Gas	40.48	0.00

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.
© 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.
© In case of imported technology, (imported during the last five years reckoned from the beginning of the financial year) following information may be furnished :		
I) Technology imported	N.A.	N.A.
ii) Year of import	N.A.	N.A.
iii) Has technology been fully absorbed	N.A.	N.A.
iv) If not fully absorbed, areas where this has not taken place, reason thereof and future plan of action	N.A.	N.A.
C. FOREIGN EXCHANGE EARNINGS AND OUT GO:		
(a) Activities relating to exports, Initiative taken to increase exports, development of new export markets for products and services and export plans	Nil	Nil
(b) Total foreign exchange used	Nil	Nil
(c) Total foreign exchange earned	Nil	Nil

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

(A.K. JAIN)
Executive Chairman

PLACE : AGRA
DATED : 28TH AUGUST, 2012



PEE CEE COSMA SOPE LIMITED

AUDITORS' REPORT

To,
The Members,
Pee Cee Cosma Sope Ltd.

1. We have audited the attached Balance Sheet of **Pee Cee Cosma Sope Ltd.**, as at 31st March, 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

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

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

© 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, Statement of Profit and Loss and Cash Flow Statement dealt with by this report, comply with the Accounting Standards referred to in sub-section [3C] of Section 211 of the Companies Act, 1956;

(e) on the basis of written representations received from the Directors, as on 31st March 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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

(a) in the case of Balance Sheet, of the State of Affairs of the Company as at 31st March 2012;

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

© in the case of Cash Flow Statement, of the cash flows of the company for the year ended on that date.

FOR DOOGAR & ASSOCIATES

Chartered Accountants
Firm Reg No. 000561N

(CA. UDIT BANSAL)

Partner

M.No. 401642

Place : Agra

Dated : 28th August, 2012



PEE CEE COSMA SOPE LIMITED

ANNEXURE TO AUDITORS' REPORT

(Referred to in Paragraph 3 of our Report of even date on the accounts of Pee Cee Cosma Sope Limited for the year ended 31st March, 2012)

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its fixed assets which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such physical verification.
- © 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.
- © 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) © (d) of the order are not applicable to the Company.
- (b) The Company had taken unsecured loans, from 5 parties covered in the register maintained under section 301 of the companies Act, 1956 amounting to Rs 1,05,00,000. The maximum amount involved during the year was Rs 1,11,25,654, and the year end balance of such loan taken was Rs NIL.
- © In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of such loans are, prima facie, not prejudicial to the interest of the Company.
- (d) In our opinion and according to the information and explanation given to us, the Company is repaying the principal amount as per stipulations, whenever made and is also regular in payment of interest. There is no overdue amount of principal and interest.
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.



PEE CEE COSMA SOPE LIMITED

ANNEXURE TO AUDITORS' REPORT

6. The Company has not accepted any deposits from the public during the year within the meaning of Section 58A and 58AA or any other relevant provisions of the Companies Act 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

7. In our opinion, the Company has an internal audit system commensurate with the size & nature of its business.

8. 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 became 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 followings:

Name of the Statute	Nature of the dues/Year to which it relates	Amount (Rs.)	Forum where dispute is Pending
M.P Land Revenue Act, 1959	Land Conversion Charge	14,03,603	Court of Collector Bhind (M.P.)
Income Tax Act	Income Tax (A.Y.2007-08)	59,591	Income Tax, Appellate Tribunal, Agra
Income Tax Act	Income Tax (A.Y.2009-10)	10,22,380	CIT (Appeal)-II, Agra
Income Tax Act	Income Tax (A.Y.2007-08)	16,81,840	Income Tax, Appellate Tribunal, Agra
Income Tax Act	Income Tax (A.Y.2009-10)	20,84,290	CIT (Appeal)-II, Agra
Central Excise	Excise Duty (2007-08 to 2010-11)	15,38,544	Addl Comm. Central Excise Kanpur
Central Excise	Excise Duty (Jan 2002 to Feb 2006)	18,88,86,000	CESAT, New Delhi (Refer note no.30)
Sales Tax	U.P. Trade Tax (1995-96)	2,25,000	High Court, Allahabad
Sales Tax	Central Sales Tax (1995-96)	1,60,710	High Court, Allahabad
Sales Tax	Rajasthan Trade Tax (2000-01)	68,452	Rajasthan Kar Board, Ajmer
Sales Tax	Rajasthan Trade Tax (2005-06)	19,659	Deputy Comm. (Appeal), Bharatpur
Sales Tax	Rajasthan Trade Tax (2006-07)	55,027	Deputy Comm. (Appeal), Bharatpur
Sales Tax	Rajasthan Trade Tax (2007-08)	15,019	Deputy Comm. (Appeal), Bharatpur
Sales Tax	Rajasthan Trade Tax (2008-09)	1,02,257	Deputy Comm. (Appeal), Bharatpur
Sales Tax	Rajasthan Trade Tax (2009-10)	8,069	Deputy Comm. Dausa



ANNEXURE TO 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. To the best of our information and explanation given to us, no term loans have been raised by the company during the year.
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.

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

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

Place : Agra
Dated : 28th August, 2012



PEE CEE COSMA SOPE LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

PARTICULARS	NOTE	As at March 31, 2012	As at March 31, 2011
A. EQUITY AND LIABILITIES :			
1. SHAREHOLDER'S FUNDS			
a) Share Capital	2	2,64,62,500	1,20,00,000
b) Reserve and Surplus	3	8,90,99,897	9,85,09,417
2. SHARE APPLICATION MONEY PENDING ALLOTMENT			
	4	7,23,12,500	---
3. NON CURRENT LIABILITIES			
a Long Term Borrowings	5	1,48,344	---
b. Other Long Term Liabilities	6	35,95,000	2,70,000
c. Long Term Provisions	7	7,01,889	2,91,892
4. CURRENT LIABILITIES			
a. Short Term Borrowings	8	5,24,08,233	2,90,76,818
b. Trade Payables	9	1,36,50,814	35,48,472
c. Other Current Liabilities	10	1,32,78,419	27,59,316
d. Short Term Provisions	11	34,74,219	7,34,373
	TOTAL	27,51,31,815	14,71,90,293
B. ASSETS			
1. NON CURRENT ASSETS			
a. Fixed Assets	12		
(I) Tangible Assets		93504148	34387942
b. Deferred Tax Asset	13	13,01,627	1,88,436
c. Long Term Loans & Advances	14	7,48,11,761	7,27,94,513
d. Other Non Current Assets	15	8,40,118	27,174
2. CURRENT ASSETS			
a. Inventories	16	8,16,06,292	2,96,94,487
b. Trade receivables	17	1,55,89,692	76,20,303
c. Cash & Bank Balances	18	32,35,929	12,26,331
d. Short term Loans & Advances	19	41,89,970	12,51,102
e. Other Current Assets	20	52,278	---
	TOTAL	27,51,31,815	14,71,90,293

Notes to Balance Sheet and Statement of Profit & Loss 1-38

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 : 28th August, 2012

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

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)			
PARTICULARS	NOTE	Year Ended March 31, 2012	Year Ended March 31, 2011
I REVENUE :			
1. Revenue from Operations	21	86,97,36,291	29,58,65,346
Less: Excise Duty		<u>8,24,72,816</u>	<u>2,85,91,941</u>
		78,72,63,475	26,72,73,405
2. Other Income	22	6,09,657	3,39,999
TOTAL REVENUE		<u>78,78,73,132</u>	<u>26,76,13,404</u>
II EXPENSES			
1. Cost of Raw Material Consumed	23	64,05,96,154	21,58,86,272
2. Changes in Inventories of Finished stock & Process Stock	24	(63,79,719)	13,31,858
3. Employee Benefit Expenses	25	5,12,75,212	1,51,95,962
4. Finance Cost	26	67,92,575	21,87,806
5. Depreciation & Amortisation Expenses		94,17,554	47,97,599
6. Other Expenses	27	7,84,80,359	2,93,01,537
TOTAL EXPENSES		<u>78,01,82,135</u>	<u>26,87,01,034</u>
III PROFIT BEFORE TAX		76,90,997	(10,87,630)
IV TAX EXPENSES			
i. Current Tax		34,70,000	—
ii. Tax related to earlier year		(89,261)	93,863
iii. Deferred Tax		(13,65,964)	(1,24,713)
V PROFIT AFTER TAX		56,76,222	(10,56,780)
VI EARNINGS PER EQUITY SHARE (Nominal value of share Rs. 10/- each)			
Basic Earnings Per Share (in Rs)	28	2.15	(0.88)
Diluted Earnings Per Share (in Rs)		2.15	(0.88)
Notes to Balance Sheet and Statement of Profit & Loss 1-38			

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 : 28th August, 2012

A.K.Jain Executive Chairman
P.K. Jain Managing Director
M.K. Jain Director
N.C. Jain Director
A.A. Abdi Company Secretary



PEE CEE COSMA SOPE LIMITED

CASH FLOW STATEMENT FOR THE YEAR 2011-12

(Amount in Rupees unless otherwise stated)

SOURCES OF FUND	Year Ended 31st March, 2012	Year Ended 31st March, 2011
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before tax and extra ordinary items	76,90,997	(10,87,630)
Adjusted for		
Depreciation	9,417,554	47,97,599
Profit on Sale of Fixed Assets (Net)	(2,66,842)	(2,38,655)
Interest received	(1,22,458)	(19,812)
Tax related tp previous years	89,261	(93,863)
Interest paid	64,03,640	21,27,827
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	2,32,12,152	54,85,466
ADJUSTMENTS FOR WORKING CAPITAL CHANGES:		
Inventories	(5,19,11,805)	4 58,317
Trade & Other Receivables	(79,69,384)	(1,72,257)
Other Current and Non-Current Assets	(69,04,520)	(7,71,746.)
Trade Payables	1,01,02,342	(31,09,702)
Other Current and Non-Current Liabilities & Provisions	4,04,73,700	65,79,431
CASH GENERATED FROM OPERATING ACTIVITIES:	70,02,485	84,69,509
Direct Taxes Paid	(21,04,036)	1,18,722
NET CASH FROM OPERATING ACTIVITIES	48,98,449	85,88,231
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Sale of Fixed Assets	7,10,000	1,90,000
Purchase of Fixed Assets	(6,91,82,392)	(45,28 124)
Interest received	1,22,458	19,812
NET CASH USED IN INVESTING ACTIVITIES	(68,349,934)	(4,318,312)
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Net reserves acquired on Amalgamation	(1,48,80,268)	—
Issue of Equity Share on account of Amalgamation	1,44,62,500	—
Preference Shares Pending Allotment	7,23,12,500	—
Interest & Finance Charges paid	(64,03,640)	(21,27,827)
Dividend Paid	—	(34,98,300)
NET CASH USED IN FINANCING ACTIVITIES	6,54,91,092	(56,26,127)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	20,39,607	(13,56,208)
CASH AND CASH EQUIVALENTS (OPENING BALANCE)	4,81,759	18,37,967
CASH AND CASH EQUIVALENTS (CLOSING BALANCE)	25,21,366	4,81,759

Note 1. The above Cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard 3 on 'Cash Flow Statements'.

Note 2. Previous year figures comprises figures of the company only, whereas current year figures comprises figures of amalgamating company also, hence current year figures are not comparable with those of previous year. Previous year figures have been re-grouped and re-arranged wherever so required.

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 : 28th August, 2012

A.K.Jain Executive Chairman
P.K. Jain Managing Director
M.K. Jain Director
N.C. Jain Director
A.A. Abdi Company Secretary



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. Presentation and disclosure of financial statements

During the year ended 31 March 2012, the revised Schedule VI notified under the Companies Act 1956, has become applicable to the company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

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.



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

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.

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

(iii) Cost of materials given in g (i) is ascertained on First in First out basis.

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.



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

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 & CASHEQUIVALENTS

For the purpose of Cash Flow Statement cash and cash equivalents include cash in hand, demand deposits with 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 2012		As At 31 March 2011	
	Number	Amount	Number	Amount
Authorised				
Equity Shares of Rs 10/- each	27,50,000	2,75,00,000	60,00,000	6,00,00,000
Preference Shares of Rs 100/- each	7,25,000	7,25,00,000	—	—
Issued, Subscribed & Fully Paid up				
Equity Shares of Rs 10/- each	26,46,250	2,64,62,500	12,00,000	1,20,00,000
Total Issued, Subscribed & Fully Paid up	26,46,250	2,64,62,500	1,200,000	1,20,00,000



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

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

Particulars	As At 31 March 2012		As At 31 March 2011	
	Number	Amount	Number	Amount
Equity Shares				
Shares outstanding at the beginning of the year	12,00,000	1,20,00,000	12,00,000	1,20,00,000
Shares issued during the year*	14,46,250	1,44,62,500	---	---
Shares bought back during the year	---	---	---	---
Shares outstanding at the end of the year	26,46,250	2,64,62,500	12,00,000	1,20,00,000

*1446250 number of Equity Shares of Rs 10 each have been issued to the shareholders of Amalgamating Company on 04.08.2011 for consideration other than cash in pursuant to the Scheme of Arrangement as approved by Hon'ble Allahabad High Court.

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 be 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. During the year no Preference Share Capital has been issued by the Company, however Preference Share Capital amounting to Rs 723.13 Lacs are pending for allotment as on 31.03.2012.

2.3 In terms of Scheme of Arrangement approved by the Hon'ble High Court of Allahabad, the Authorised Share Capital has been increased by 400000 Preference Shares of Rs. 100 each. Further as per the Scheme of Arrangement, duly approved, 723125 Preference Shares of Rs 100 each was to be issued to the Shareholders of Amalgamating Company. To facilitate the issue of Preference Shares the Authorised Share Capital of the Company has further been divided into 2750000 equity shares of Rs 10 each and 725000 Preference shares of Rs 100 each. The said modification has been approved by the members at the Annual General Meeting held on 30th September 2011.

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

Name of Shareholder	As At 31 March 2012		As At 31 March 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Mr Mahendra Kumar Jain (HUF)	149,900	5.66	NIL	NIL
Mr Pramod Kumar Jain	138,821	5.25	NIL	NIL
Mr Ankit Jain	238,914	9.03	NIL	NIL
M/s Pee Cee Soap & Chemicals Pvt Ltd	NIL	NIL	172,515	14.38

#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 STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

3. Reserves & Surplus	As At 31 March 2012	As At 31 March, 2011
a. Capital Reserve		
As Per Last Balance Sheet	5,00,000	5,00,000
Add: Acquired on Amalgamation*	18,03,275	—
	23,03,275	5,00,000
b. General Reserve		
As Per Last Balance Sheet	3,74,42,458	3,74,42,458
Add: Acquired on Amalgamation*	20,82,72,042	—
Less: Adjusted during the year on account of Amalgamation*	22,49,55,585	—
Less: Adjusted on account of amortisation on leasehold land**	2,05,474	—
Closing Balance	2,05,53,441	3,74,42,458
c. Surplus in the Statement of Profit & Loss		
As Per Last Balance Sheet	6,05,66,959	6,16,23,739
Add/(Less): Profit/(Loss) for the Year	56,76,222	(10,56,780)
Closing Balance	6,62,43,181	6,05,66,959
TOTAL	8,90,99,897	9,85,09,417

* Refer Note no 33

** Refer Note no 12

4. Disclosure Pertaining to Share Application Money Pending Allotment##	As At 31 March 2012
(i) Terms & Conditions	12% Non Cumulative Compulsorily Redeemable Preference Shares redeemable at par with in a period of ten years from the date of issue of Redeemable Preference Shares with a call option available to the Company for early redemption.
(ii) Number Of Shares Proposed to be issued	723125
(iii) Amount Of Premium	Nil
(iv) Period before which shares are to be allotted	Immediately after ensuing AGM
(v) Whether the Company has sufficient authorised share capital to cover the share capital amount of shares out of share application money	Yes
(vi) Interest accrued on amount due for refund	Nil
(vii) The period for which the share application money has been pending beyond the period for allotment as mentioned in the share application form along with the reason for such share application money being pending.	N.A.

##The above shares are to be issued to the share holders of Amalgamating Company in pursuance of scheme of Arrangement as approved by Hon'ble Allahabad High Court.



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

5. Long Term Borrowings	As At 31 March 2012		As At 31 March 2011	
	Non Current	Current Maturities	Non Current	Current Maturities
Secured				
Vehicle Loan From HDFC	1,48,344	5,62,955	—	—
Less: Amount disclosed under the head 'Other Current Liabilities' (Refer Note no.10)		5,62,955		
Total	1,48,344	—	—	—

Maturity Profile of Long Term Borrowings	MATURITY PROFILE		
	Below 1 Year	1-2 Years	Total
Rate of Interest (8.5%)			
Vehicle Loan From HDFC	5,62,955	1,48,344	7,11,299

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

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
6. Other Long Term Liabilities		
Security Deposit Received	35,95,000	2,70,000
TOTAL	35,95,000	2,70,000
7. Long Term Provisions		
Provision for Employee Benefit - Leave Encashment	7,01,889	2,91,892
TOTAL	7,01,889	2,91,892
8. Short Term Borrowings		
Secured		
(a) Working Capital Loan From Bank	5,24,08,233	2,90,76,818
TOTAL	5,24,08,233	2,90,76,818

Nature of Security of Working Capital Loans :

Working capital loan from State Bank of India, are secured by way of hypothecation of stocks of raw material, stores, spares, stock in process, Finished Goods, including Book Debts etc, lying in Unit's works, godowns, offices, and elsewhere in units possession including the goods in transit. The above limit is further collaterally secured by way of equitable mortgage of Factory land & building situated at plot no.51-52 Malanpur Industrial Area, Distt. Bhand. (M.P.) measuring 30303.60 sft, and Factory Land and Building at Dholpur, Rajasthan, measuring 53123.60 sqmt, and hypothecation of unencumbered plant & machinery of the unit. Further secured by personal guarantee of Sri M.K.Jain, Sri A.K.Jain, Sri P.K.Jain.



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
9. Trade Payables		
Due to Micro Small and Medium Enterprises	39,11,260	3,82,488
Due to Other Supplies & Services	97,39,554	31,65,984
TOTAL	1,36,50,814	35,48,472
9.1 Disclosure pertaining to Micro, Small and medium enterprises (as per information available with the Company)		
1. Principal Amount due outstanding	39,11,260	3,82,488
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 31.03.12	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.		
10. Other Current Liabilities		
Current maturities of long-term debt (Refer Note no.5)	5,62,955	-
Advance from Customers	44,28,589	3,56,098
Investor Education & Protection Fund*		
-Unclaimed dividends	5,39,385	7,44,323
Due to Directors	1,85,729	1,62,398
Other payables		
(i) Employee Related Liabilities	41,13,917	10,20,860
(ii) Statutory Liabilities	34,47,844	4,75,637
TOTAL	1,32,78,419	27,59,316
* Appropriate amounts shall be transferred to Investor Education & Protection Fund if and when due.		
11. Short Term Provisions		
Provision for Employee Benefit		
-Leave Encashment	1,91,309	-
Others		
Provision for Income Tax (Net of Advance Tax)	4,12,439	-
Provision for Excise Duty on Finished Goods	28,70,471	7,34,378
TOTAL	3,474,219	734,378



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12. FIXED ASSETS

(Amount in Rupees unless otherwise stated)

S. No.	Particulars	GROSS BLOCK				DEPRECIATION					NET BLOCK		
		As At 01/04/2011	Acquired on Amalgamation 01/04/2011	Addition During the year	Deduction/ Adjustments	As At 31/03/2012	Up To 31/03/2011	Acquired on Amalgamation 01/04/2011	For the year	Deduction/ Adjustments	Up To 31/03/2012	As At 31/03/2012	As At 31/03/2011
	Tangible Assets												
1	Leasehold Land*	949399	-	-	205,474	743925	-	-	9714	-	9714	734211	949399
2	Freehold Land	-	31876200	-	-	31876200	-	-	-	-	-	31876200	-
3	Building	22746910	37136358	166315	-	60051583	13858463	14061269	2854446	-	30774178	29277405	8888447
4	Plant & Machinery	41476241	24911042	1249127	-	67636410	20321643	18782838	4177853	-	43282334	24354076	21154598
5	Furniture & Fixtures and Office Equipments	3305885	11597267	406471	-	15309623	2868890	9334480	573382	-	12776752	2532871	436995.00
6	Vehicles	6585140	11330028	-	3416959	14498209	3626637	7313829	1802159	2973801	9768824	4729385	2958503
	Total	75063575	116850895	1823913	3622433	190115950	40675633	49492416	9417554	2973801	96611802	93504148	34387942
	Previous Year Figures	68,673,369	-	7303267	913060	75063575	36657305	-	4797599	779271	40675633	34387942	32016064

*Amortisation charges of Leasehold Land for the period up to 31.03.2011 amounting to Rs. 205474.00 have been adjusted from Reserve & Surplus by reducing Gross Block of equivalent amount.

13. DEFERRED TAX ASSET (NET)

S. No.	Particulars	Deferred tax Asset/ (Liability) As At 31 March 2011	Deferred tax Asset/ (Liability) acquired on amalgamation	Current year (charge)/ Credit	Deferred tax Asset/ (Liability) As At 31 March 2012
a.	Difference in depreciation for accounting and income tax purpose	98,241	(3,20,371)	7,24,010	5,01,880
b.	Provision for Leave Encashment	90,195	67,598	69,935	2,27,728
c.	Expenses related to Amalgamation	-	-	5,72,019	5,72,019
	TOTAL	1,88,436	(2,52,773)	13,65,964	1,301,627



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
14. Long Term Loans & Advances		
Capital Advance	7,04,10,000	7,04,10,000
Security Deposit Paid	9,32,735	4,18,604
Prepaid Expenses	1,03,237	46,899
Direct Tax Refundable (Net of Provisions)	33,65,789	19,19,010
TOTAL	7,48,11,761	7,27,94,513
15. Other Non Current Assets		
Deposit more than twelve months	8,00,000	—
Deposit/NSC Held as security money with more than twelve months*	1,000	25,178
Interest Accrued on Deposits/NSC more than twelve months	39,118	1,996
TOTAL	8,40,118	27,174
* Pledged with Sales Tax Department		
16. Inventories		
Raw Materials (including goods in transit Rs. 62,666 (previous year Nil))	4,38,12,478	1,61,39,468
Stock in process	66,95,320	20,96,376
Finished Goods	2,87,64,300	1,00,28,769
Stores & Spares and other materials	23,34,194	14,29,874
TOTAL	8,16,06,292	2,96,94,487
17. Trade Receivables		
(Unsecured considered good unless otherwise stated)		
Trade receivables outstanding for a period exceeding six months from the date they are due for payment	4,365	—
Other Trade Receivables	1,55,85,327	76,20,308
TOTAL	15,589,692	76,20,308
18. Cash And Bank Balances		
Cash & Cash Equivalents		
Balances with Banks:		
-In Current Account	13,16,007	2,45,952
-In Deposit account with original maturity of less than three months	20,000	—
Cash on Hand	11,84,009	2,24,805
Cheques on Hand	—	10,000
Stamp on hand	1,350	1,002
	25,21,366	4,81,759
Other Bank Balances		
Unclaimed/Unpaid Dividend Account	5,39,385	7,44,572
Deposit held as margin money	25,178	—
Deposit with original maturity of more than three months but less than twelve months	1,50,000	—
TOTAL	32,35,929	12,26,331



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
19. Short-term loans and advances (Unsecured, considered good unless otherwise stated) Advance against goods, services & others	14,78,280	5,91,919
	14,78,280	5,91,919
Balance with Government/statutory authorities	22,22,739	4,58,780
Prepaid Expenses	4,88,951	2,00,403
TOTAL	41,89,970	12,51,102
20. Other current assets Interest accrued and due on Bank FDR's maturing with in twelve months	52,278	—
TOTAL	52,278	—
	Year Ended 31 March 2012	Year Ended 31 March 2011
21. Revenue From Operations Domestic Sale	86,93,16,313	29,58,65,346
Other Operating Income	4,19,978	—
TOTAL	86,97,36,291	29,58,65,346
21.1 Additional Information of details of product sold: Class of Products Laundry Soap	62,38,63,840	17,33,70,339
Detergent Powder	20,67,05,119	8,53,46,749
Detergent Cake	3,87,47,355	3,71,48,258
TOTAL	86,93,16,314	29,58,65,346
22. Other Income Interest Income		
-on bank FDR's	82,991	692
-Others	39,467	19,120
Profit on Sale of Fixed Asset	2,83,391	2,38,655
Liabilities no longer required written back	11,509	—
Misc. Receipts	1,92,299	81,532
TOTAL	6,09,657	3,39,999
23. Cost of Raw Material Consumed a. Opening Stock	3,76,46,509	1,58,59,060
b. Add : Purchases	64,67,62,123	21,61,66,680
c. Less : Closing Stock	4,38,12,478	1,61,39,468
TOTAL	64,05,96,154	21,58,86,272
23.1 Additional information of Raw Material Consumed -The Consumption figures shown above are after adjusting excess and shortage ascertained on physical count, unserviceable items etc. -Raw material consumed includes consumption of packing materials		
1. Oil & Fats	31,72,09,034	9,02,34,071
2. Colour & Chemicals	22,11,20,992	8,99,14,484
3. Fillers & Additives	5,85,09,759	1,86,87,277
4. Packing Materials	4,37,56,368	1,70,50,440
TOTAL	64,05,96,153	21,58,86,272



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	Year Ended 31 March 2012	Year Ended 31 March 2011
24. Change in inventories in Finished Goods and Process Stock		
CLOSING STOCK		
a. Process Goods	66,95,320	20,96,376
b. Finished Goods	2,87,64,300	1,00,28,769
	3,54,59,620	1,21,25,145
LESS : OPENING STOCK		
a. Process Goods	61,41,934	13,39,050
b. Finished Goods	2,29,37,967	1,21,17,953
	2,90,79,901	1,34,57,003
TOTAL	63,79,719	(13,31,858)
24.1 Additional Information:		
Detail of Finished Goods and Processed Goods		
Class of Products		
Finished Goods		
1. Laundry Soap	2,12,79,057	50,28,764
2. Detergent Powder	50,29,572	33,98,729
3. Detergent Cake	24,55,671	16,01,276
	2,87,64,300	1,00,28,769
Process Goods		
1. Laundry Soap	66,76,784	1,16,096
2. Detergent Powder	—	56,887
3. Detergent Cake	18,537	19,23,393
	66,95,321	20,96,376
25. Employee Benefit Expenses		
a. Salaries, Wages, Allowances and Bonus	4,12,76,385	11,545,637
b. Company's Contribution to Provident and Other funds.	51,12,971	1,385,191
c. Directors Remuneration	40,67,726	2,016,284
d. Staff Welfare Expenses	8,18,130	248,850
TOTAL	5,12,75,212	1,51,95,962
26. Finance Cost		
a. Interest on		
- Vehicle loan	84,543	—
- Working Capital Loan	57,35,818	20,93,600
b. Interest paid to Others	5,83,279	34,227
c. Bank Charges and Commission	3,88,935	59,979
TOTAL	67,92,575	21,87,806



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	Year Ended 31 March 2012	Year Ended 31 March 2011
27. Other Expenses		
I. Manufacturing Expenses		
a. Stores & Spares consumed	24,58,306	9,76,698
b. Power & Fuel	1,70,53,478	56,03,671
c. Lab Maintenance	84,497	70,848
d. Machinery Repairs	18,53,578	3,38,290
e. Factory Building Repairs	5,70,148	23,747
f. Excise duty on finished goods	28,70,471	7,34,378
TOTAL	2,48,90,478	77,47,632
II. Establishment Expenses		
a. Rent	18,78,823	5,71,160
b. Rates and Taxes	1,70,650	76,195
c. Insurance Charges	10,78,643	3,62,894
d. Directors Sitting Fees	61,500	1,10,000
e. Fees A/c	1,50,744	1,67,821
f. Auditors Remuneration	3,41,545	1,81,995
g. Internal Audit Fees	1,20,000	40,000
h. Travelling & Conveyance	28,73,447	7,98,593
i. Legal & Professional Charges	8,72,861	8,88,160
j. Printing & Stationery Expenses	3,51,758	1,36,994
k. Postage and Telephones	8,29,992	4,37,572
l. Electricity Expenses	6,15,371	46,755
m. Other Repairs	9,19,450	1,38,607
n. Vehicle Running & Maintenance Expenses	26,59,835	15,00,629
o. Security Service Charges	19,48,032	5,60,894
p. Charity & Donations	45,922	13,102
q. Miscellaneous Expenses	31,79,168	3,74,908
r. Loss on Sale of Fixed Assets	16,549	—
TOTAL	1,81,14,290	64,06,279
III. Selling Expenses:		
a. Advertisement & Publicity Expenses	43,29,323	5,60,114
b. Sales Promotion Expenses	22,02,385	5,73,693
c. Freight Charges & Forwarding Charges	2,43,83,301	81,67,999
d. License Fees	—	8,78,545
e. Sales Commission	4,525,698	49,58,459
f. Entry Tax / Sales Tax	34,884	8,816
TOTAL	3,54,75,591	1,51,47,626
TOTAL (I+II+III)	7,84,80,359	2,93,01,537



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
28. Earning Per Shares		
Profit/(Loss) after tax	56,76,222	(10,56,780)
Equity Shares outstanding at the year end	26,46,250	12,00,000
Weighted average number of Ordinary Shares used as denominator for calculating basic and diluted earnings per share	26,46,250	12,00,000
Nominal Value Per Share (Rs)	10.00	10.00
Basic Earnings Per Share	2.15	(0.88)
Diluted Earnings Per Share	2.15	(0.88)
29. Auditors Remuneration		
a. Audit Fees	3,25,000	1,50,000
b. Service Tax thereon*	40,170	15,450
c. Certifications Fee	15,000	15,000
d. Service Tax thereon	1,545	1,545
	3,81,715	1,81,995
Less: Cenvat credit of Service Tax availed	40,170	—
TOTAL	3,41,545	1,81,995
30. Contingent Liability		
(a) Claims against the company not acknowledge as debt		
1. Excise (including Service Tax)*	19,06,19,663	2,28,311
2. Sales Tax & VAT	9,58,140	—
3. State Levies**	14,03,603	14,03,603
4. Income Tax	52,73,101	59,591
(b) Guarantees		
1. FDR held as security in Sales Tax	25,178	25,178
2. NSC Held as Security in Sales Tax	1,000	—

*It includes amount of Rs. 18,88,86,000/- which the Appellate Tribunal Central Excise & Service Tax, New Delhi treating it as prima-facie strong case in favour of the company 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 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 STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
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:		
Present value of obligation at the beginning of the year	15,24,069	21,67,409
Current service cost	5,31,855	1,13,693
Interest cost	1,33,356	1,78,321
Benefit paid	(7,37,950)	(8,26,534)
Actuarial (gain) / loss on obligation	40,90,488	(1,08,820)
Present value of obligation as at the end of year	55,41,818	15,24,069
ii) Net assets / liability recognized in Balance Sheet as at 31st March, 2012:		
Present value of obligation as at 31st March, 2012	55,41,818	15,24,069
Fair value of plan assets as at 31st March, 2012	83,94,200	23,49,171
(Assets)/Liabilities recognized in the Balance Sheet	(28,52,382)	(8,25,102)
iii) Amount recognized in Statement of Profit & Loss is as under:		
Current service cost	5,31,855	1,13,693
Interest cost	1,33,356	1,78,321
Expected return on planned assets	(6,19,682)	(2,19,933)
Net actuarial (gain)/loss recognized during the year	40,90,488	(1,08,820)
Expenses to be recognized in the statement of P/L	41,36,017	(36,739)
iv) Changes in fair value of plan assets:		
Fair value of plan assets at the beginning of the period	69,80,881	26,22,964
Expected return on plan assets	6,19,682	2,19,933
Contribution	15,31,587	3,32,808
Benefit Paid	(7,37,950)	(8,26,534)
Actuarial Gain/Loss	NIL	NIL
Fair value of plan assets at the end of the period	83,94,200	23,49,171
For determination of gratuity liability of the Company the following actuarial assumption were used.		
Discount rate	8.75%	8.25%
Future salary increase	5.00%	5.00%
Expected rate of return on planned assets	9.15%	9.15%
Method used	Projected unit credit actuarial method	Projected unit credit actuarial method

The fair value of plan assets as at 31.03.2012 is more than the present value of obligation as at 31.03.2012, therefore no adjustment have been made in the Balance Sheet. Further the amount of premium of Rs.16,00,000 paid to LIC is debited to Statement of Profit and Loss.



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

	As At 31 March 2012	As At 31 March 2011
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:		
Present value of obligation at the beginning of the year	2,12,128	94,852
Interest cost	18,561	7,804
Current service cost	95,847	28,797
Actuarial (gain)/loss on obligation	2,40,112	88,664
Benefit Paid	-	(7,989)
Present value of obligation at the end of the year	5,66,648	2,12,128
ii) Amount recognized in Statement of Profit & Loss is as under:-		
Current service cost	95,847	28,797
Interest cost	18,561	7,804
Net actuarial (gain)/loss recognized during the year	2,40,112	88,664
Recognized in Statement of Profit & Loss	3,54,520	1,25,265
iii) Amount recognized in the Balance Sheet as at 31st March, 2012		
Present value of obligation as at 31st March, 2012	5,66,648	2,12,128
Current Liability	42,699	-
Non Current Liability	5,23,949	2,12,128
TOTAL	5,66,648	2,12,128
For determination of liability in respect of leave encashment, the Company has used the following actuarial assumption.		
Discount rate	8.75%	8.25%
Future salary increase	5.00%	5.00%
Actuarial method used	Projected unit credit actuarial method	Projected 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 STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

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 Private Limited
M/S Ram Shyam Investment & Trading Co Private limited
M/S Pee Cee Soap & Chemicals Private Limited*

*(merged with the Company from 01.04.2011 in pursuance of Scheme of Amalgamation as approved by Hon'ble Allahabad High Court on 05.07.2011

2. Key Management Personnel Designation

Mr. A.K.Jain	Executive Chairman
Mr. P.K.Jain	Managing Director
Mr. M.K.Jain	Whole Time Director
Mr. Mayank Jain*	Director

* retire from Directorship w.e.f 24.08.2011.

3. Relatives of Key Management Personnel

Sanchita Jain	Daughter of Director
Hero Devi	Mother of Director
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
P.C.Sons HUF	Director is Karta
M.K.Jain HUF	Director is Karta
Mayank Jain HUF	Director is Karta
A.K.Jain HUF	Director is Karta
P.K.Jain HUF	Director is Karta



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

(Amount in Rupees unless otherwise stated)

Transaction	Entities over which Key Managerial Personnel or their relatives exercises significant influence	Key Management Personnel	Relatives of Key Management Personnel
Related Party Transactions:			
License Fees Paid	NIL (8,78,545)		
Commission Paid	NIL (45,62,702)		
Consignment Sales	(NIL) (22,81,34,996)		
Sales of Goods	22,95,90,524 (NIL)		
Remuneration paid		40,67,726 (20,16,284)	4,64,916 (NIL)
Board Meeting Fees		15,500 (51,000)	
Rent Paid	6,61,800 (2,64,720)		
Interest Paid	88,986 (NIL)	43,726 (NIL)	2,03,863 (NIL)
Loan Taken	25,00,000 (NIL)	15,00,000 (NIL)	65,00,000 (NIL)
Loan Repaid	25,00,000	15,00,000 (NIL)	65,00,000 (NIL)
Issue of Equity Shares in pursuant to Scheme of Amalgamation		33,66,490 (NIL)	1,10,22,880 (NIL)
	Entities over which Key Managerial Personnel or their relatives exercises significant influence	Key Management Personnel	Relatives of Key Management Personnel
Balances as at 31.03.2012			
Trade Payables Account	NIL (8,72,132)	-	-
Trade Receivable Account	1,03,62,573 (42,63,215)	-	-
Security	21,00,000 (NIL)	-	-
Remuneration Payable Accounts	-	1,85,728 (1,33,798)	-
Advance For Land Purchase	4,50,00,000 (4,50,00,000)	-	-



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

Of the above items, transactions in excess of 10% of the total related party transactions and balance at year end is in excess of 10% of total balance in respective year are as under:-

(Amount in Rupees unless otherwise stated)

Name of the Related Party	Entities over which Key Managerial Personnel or their relatives exercises significant influence	Key Management Personnel	Relatives of Key Management Personnel
Trading Sale			
Suraj Bhan Agencies Private Limited	22,95,90,524	—	—
	(NIL)	—	—
Pee Cee Soap & Chemicals Private Limited	NIL		
	(22,81,34,996)		
Outstanding balance as at 31.03.2012			
Suraj Bhan Agencies Private Limited	1,03,62,573	—	—
		—	—
Pee Cee Soap & Chemicals Private Limited	NIL		
	(42,63,215)		
M/s Pee Cee Reality Builders Private Limited	4,50,00,000	—	—
	(4,50,00,000)	—	—

Note : Amount in brackets shown the previous year figures.

33. ACCOUNTING FOR AMALGAMATION

In terms of Scheme of Arrangement (the Scheme), the Real Estate Business of Pee Cee Soap and Chemicals Pvt. Ltd. have been demerged in to resultant companies no. 1 to 4 namely Shree Riddhi Siddhi Realtech Private Limited, Maya Infracon Private Limited, M2 Reality Private Limited, Pee Cee Reality Builders Private Limited, and Amalgamation of Pee Cee Soap & Chemicals Private Limited (with "Doctor" Brand, Soap Business and other Residual Business) with Pee Cee Cosma Sope Limited

The Scheme of Arrangement filed by the Company has been approved by the Hon'ble High Court of Allahabad in terms of its order passed on 5th July 2011, and has sanctioned Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 between the Company "Pee Cee Cosma Sope Ltd" (the Amalgamated Company) and "Pee Cee Soap & Chemicals Private Limited". (the Amalgamating Company) and their respective shareholders and creditors with effect from 01-04-2011 (Appointed date).

Consequent to the above order, the results of the merged undertaking have been accounted for under "Pooling of Interest method" (as detailed in the Accounting Standard 14 – Accounting for Amalgamations) in the financial statements of the Company, accordingly, all assets and liabilities of Amalgamating Company have been recorded in the books of accounts and transferred to and vested in Amalgamated Company at the values appearing in the books of accounts of Amalgamating Company on appointed date.

In terms of Scheme of Arrangement 1446250 no. of equity shares of Rs. 10/- each and 723125 no. of 12% Non Cumulative Compulsorily Redeemable Preference Shares of Rs. 100/- each shall be allotted to the shareholders of Pee Cee soap & Chemicals Pvt. Ltd. The said Equity shares were allotted on 04/08/2012 and pending allotment of 12% Non Cumulative Compulsorily Redeemable Preference Shares as on 31.03.2012. have been shown in "Share Application Money Pending Allotment" in the financial statements (Refer Note 4).



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

In compliance with Accounting Standard 14, the details of value of net identifiable assets acquired (after eliminating value of intercompany balances in amalgamated company) and shares to be issued to the shareholders of amalgamating company are as under:

Particulars of assets and liabilities acquired	As at appointed date 1st April 2011
Assets taken over	
Fixed Assets (Net Block)	67,368,603
Inventories	39,358,446
Sundry Debtors	46,08,758
Cash & Bank Balances	28,76,074
Loans & Advances	5,09,30,042
TOTAL (A)	16,51,41,923
Less: Liabilities taken over:	
Secured Loans	27,432,893
Unsecured Loans	40,00,000
Deferred Tax Liability	2,52,773
Current Liabilities & Provisions	7,12,96,203
TOTAL (B)	10,29,81,869
Excess of assets taken over liabilities (A-B)=C	6,21,60,054
Adjustment on account of Reserves & Surplus of amalgamating company (D)	21,00,75,317
Net Liabilities (D-C)	14,79,15,263
Less: Adjustments for Net transactions of the Amalgamating Company for the Period 01.04.2011 to 31.07.2011	97,34,678
Add: Amount of shares given to shareholders of Amalgamating Company	8,67,75,000
Excess of liabilities over assets including shares to be allotted to the shareholders of amalgamating company adjusted against reserve & Surplus in accordance with the terms specified in Scheme of Amalgamation.	22,49,55,585

Nature of business of Amalgamating Company	Amalgamating Company is engaged in the business of Manufacturing of Laundry Soap and Detergent Powder.
Appointed Date of Amalgamation	1st April, 2011
Effective Date of Amalgamation	1st August 2011
Description and number of shares issued as consideration (including shares allotted after the effective date)	(I) 1446250 Equity Shares of Rs 10/- each (ii) 723125 12% Non Cumulative Compulsorily Redeemable Preference Shares of Rs. 100/- each, which are pending for allotment.
Percentage of Equity Shares exchanged to effect the amalgamation	One Equity share in Amalgamated Company for every Four Equity Shares held in Amalgamating Company, and One 12% Non Cumulative Redeemable Preference Share in Amalgamated Company for every Eight Equity Shares held in Amalgamating Company.



PEE CEE COSMA SOPE LIMITED

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

In pursuant to Scheme of Arrangement as approved by the Hon'ble High Court, the shares of Amalgamated Company held as investment in Amalgamating Company, has been transferred to Demerged Company namely Shree Riddhi Siddhi Realtech Private Limited, Maya Infracon Private Limited, M2 Reality Private Limited.

34. SEGMENT REPORTING

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.

35. 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.

36. 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 can not presently be determined, therefore no provision for any liability that may result of such reconciliation and confirmation has been made in the financial statement.

37. Previous year figures comprises figures of the company only, whereas current year figures comprises figures of amalgamating company also, hence current year figures are not comparable with those of previous year. Previous year figures have been re-grouped and re-arranged wherever so required.

38. All notes number 1-37 forms an integral part of the financial statements.

As per our Report of even date attached

For and on behalf of the Board

For **Doogar & Associates**

Chartered Accountants

(CA. UDIT BANSAL)

Partner

Place : Agra

Dated : 28th August, 2012

A.K.Jain

Executive Chairman

P.K. Jain

Managing Director

M.K. Jain

Director

N.C. Jain

Director

A.A. Abdi

Company Secretary



PEE CEE COSMA SOPE LIMITED

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

PROXY FORM

Folio/Client I.D. No.

No. of Shares held

I/We

Of

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

..... or failing him of

as my/our proxy in my/our absence to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday the 27th day of September 2012 at 3.00 P.M. And at any adjournment thereof.

Signed this day of 2012.

For Office Use

Proxy No.

Date of Receiving

No. Of Shares

**AFFIX
Re. 1.00
REVENUE
STAMP**

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



PEE CEE COSMA SOPE LIMITED

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

ATTENDANCE SLIP

Folio/Client I.D. No.

Full Name of the Shareholder

No. of Shares held

Full Name of Proxy

I hereby record my presence at the Twenty Fifth Annual General Meeting of the Company held on Thursday the 27th September 2012 at 3.00 P.M. at HOTELASHISH PALACE, Fatehabad Road, Agra.

Signature of Shareholder/Proxy

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

डॉक्टर सोप



बरसों से की गई हमारी मेहनत, जीतोड़ रिसर्च और लगन का नतीजा है आपका डॉक्टर रेंज के प्रति अटूट विश्वास।

डॉक्टर रेंज जो रखे आपको साफ एवं स्वच्छ ताकि आप रह सकें स्वस्थ, हरदम।

50 सालों से भी अधिक से, एक विश्वसनीय नाम, जो देता आ रहा है, विश्वसनीय काम।



Pee Cee Cosma Sope Limited

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