SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

For the Fiscal Year Ended November 30, 2002	Commission File Number 2-85538-B

CCA INDUSTRIES, INC.
(Exact Name of Registrant as specified in Charter)

DELAWARE	04-2795439
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 Murray Hill Parkway, East Rutherford, New Jersey 07073
(Address of principal executive offices, including zip code)

(201) 330-1400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: NONE

Securities registered pursuant to Section 12(g) of the Act:
Common Stock, par value $.01 per share
(Title of Class)

Class A Common Stock, par value $.01 per share
(Title of Class)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months

(or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirement for the past 90 days. Yes X . No .
Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X].

The aggregate market value of the voting stock held by non-affiliates of the Registrant (i.e., by persons other than officers and directors of the Registrant), at the average sales price ($1.99), on December 31, 2002, was as follows:

Class of Voting Stock	Market Value
5,224,238 shares; Common Stock, $.01 par value	$10,396,234

On December 31, 2002 there was an aggregate of 7,141,098 shares of Common Stock and Class A Common Stock of the Registrant outstanding.

CROSS REFERENCE SHEET

Form 10-K Item No.	Headings in this Form 10-K for Year Ended November 30, 2002
1. Business	Business
2. Properties	Property
3. Legal Proceedings	Legal Proceedings
4. Submission of Matters to a Vote of Security Holders	Submission of Matters to a Vote of Security Holders
5. Market for Registrant's Common Equity and Related Stockholder Matters	Market for the Company's Common Stock and Related Shareholder Matters
6. Selected Financial Data	Selected Financial Data
7. Management's Discussion and Analysis of Financial Condition and Results of Operation	Management's Discussion and Analysis of Financial Condition and Results of Operations
7A. Quantitative and Qualitative Disclosures about Market Risk	Quantitative and Qualitative Disclosures about Market Risk
8. Financial Statements and Supplementary Data	Financial Statements and Supplementary Data
9. Changes In and Dis- agreements With Accountants On Accounting and Financial Disclosure	Changes In and Dis- agreements With Accountants On Accounting and Financial Disclosure
10. Risk Factors	Risk Factors
11. Directors and Executive Officers of the Registrant	Directors and Executive Officers

Form 10-K	Headings in this Form 10-K for Year Ended

Item No.	November 30, 2002
12. Executive Compensation	Executive Compensation
13. Security Ownership of Certain Beneficial Owners and Management	Security Ownership of Certain Beneficial Owners and Management
14. Certain Relationships and Related Transactions	Certain Relationships and Related Transactions
15. Exhibits, Financial Statement Schedules, and Reports on Form 8-K	Exhibits, Financial Statement Schedules, and Reports on Form 8-K

TABLE OF CONTENTS

PART I

Item 1. BUSINESS

(a) General

CCA INDUSTRIES, INC. (hereinafter, "CCA" or the "Company") was incorporated in Delaware in 1983.

The Company operates in one industry segment, in what may be generally described as the health-and-beauty aids business, selling numerous products, in several health-and-beauty aids and cosmeceutical categories. All Company products are manufactured by contract manufacturers, pursuant to the Company's specifications and formulations.

The Company owns registered trademarks, or exclusive licenses to use registered trademarks, that identify its products by brand-name. Under most of the brand names, the Company markets several different but categorically-related products. The principal brand and trademark names include "Plus+White" (oral health-care products), "Sudden Change" (skin-care products), "Nutra Nail" and "Power Gel" and "Nutra Nail 60" (nail treatments), "Bikini Zone" pre and after-shave products, "Mega 14" Balanced Fiber and "Mega T" Green Tea (dietary products), "Hair Off" (depilatories), "IPR" (foot-care products), "Solar Sense" and "Kid Sense" (sun-care products), "Mood Magic" (lipsticks), "Cloud Dance" and "Cherry Vanilla" (perfumes), "Scar Zone," a scar diminishing cream.

All Company products are marketed and sold to major drug and food chains, mass merchandisers, and wholesale beauty-aids distributors throughout the United States and Canada. In addition, certain of the Company's products are sold internationally.

The Company recognizes sales at the time its products are shipped to customers. However, while sales are not formally subject to any contract contingency, the acceptance of returns is an industry-wide practice. The Company thus estimates `unit returns' based upon a review of the market's recent-historical acceptance of subject products as well as current market-expectations, and equates its reserves for estimated returns in the sum of the gross profits, in the five preceding months, realized upon an equivalent number of subject-product sales. (See Item 15, Financial Statements, Note 2). Of course, there can be no precise going-forward assurance in respect of return rates and gross margins, and in the event of a significant increase in the rate of returns, the circumstance could have a materially adverse affect upon the Company's operations.

In or about November 2000, the Company contacted its accounts and instructed them to return its "Permathene" and "Mega 16" products, which contain phenylpropanolamine ("PPA"), as a result of a general FDA health-warning concerning PPA (a key ingredient in numerous cold-remedies and appetite suppressants, which had been `on the market' for some 50 years). The Company's

revenues from sales of those now discontinued products, in fiscal 2000, were approximately $2,500,000 (approximately 6.5% of sales).

The Company replaced PPA - product revenue through promotion and sale of "Mega 14" Balanced Fiber, an all natural-fiber diet product, "Mega T" Green Tea, and Mega G Grapefruit. These three products accounted for $1,280,615 in net sales (2.8%) in the current fiscal year.

In October 2000, the Company paid $450,000 to purchase, from Shiara Holdings, Inc., the following trademarks: "Cherry Vanilla", "Cloud Dance", "Sunset Cafe", "Vision", "Mandarin Vanilla" and "Amber Musk." (Those trademarks had been licensed by the Company since 1998; and, until their purchase, the Company had been committed to paying 5% royalties, a minimum of $150,000 per annum minimum royalties, for mark-associated product sales.) Sales of these products were $2,004,372 (4% of sales) in the current fiscal year.

The Company's total net-sales in fiscal 2002 were approximately $45,241,000 generating approximately $29,899,000 in gross profits. International sales accounted for approximately 3 % of sales. The Company experienced a net profit of approximately $3,074,000 for the current fiscal year. Its net worth is approximately $18,835,000. (See the Financial Statements and Notes.)

Including the principal members of management (see Directors and Executive Officers), the Company, at November 30, 2002, had 152 sales, administrative, creative, accounting, receiving, and warehouse personnel in its employ.

(b) Manufacturing and Shipping

The Company creates formulations, chooses colors and mixtures, and arranges with independent contractors for the manufacture of its products pursuant to Company specifications. Manufacturing and component-supply arrangements are maintained with several manufacturers and suppliers. Almost all orders and other product shipments are delivered from the Company's own warehouse facilities, which results in more effective inventory control, more efficient shipping procedures, and the realization of related economies.

(c)i Marketing

The Company markets its products to major drug, food and mass-merchandise retail chains, and leading wholesalers, through an in-house sales force of employees and independent sales representatives throughout the United States.

The Company sells its products to approximately 450 accounts, most of which have numerous outlets. Approximately 40,000 stores carry at least one Company product.

During the fiscal year ended November 30, 2002, the Company's largest customers were Wal-Mart (approximately 31% of net sales), Walgreen (approximately 13%), Rite Aid, CVS, Albertson and Eckerd (approximately 7%, 7%, 5%, and 3%, respectively). The loss of any of these principal customers, or substantial reduction of sales revenues realized from their business, could materially and negatively affect the Company's earnings.

Most of the Company's products are not particularly susceptible to seasonal-sales fluctuation. However, sales of depilatory, sun-care and diet-aids products customarily peak in the Spring and Summer months, while fragrance-product sales customarily peak in the Fall and Winter months.

(c)ii Advertising

The Company has an in-house advertising department. The advertising staff designs point-of-purchase displays, including 'blister cards', sales brochures and packaging layouts. The production of displays, brochures, layouts and the like is accomplished through contract suppliers.

The Company primarily utilizes local and national television advertisements to promote its leading brands. On occasion, print and radio advertisements are engaged. In addition, and more-or-less continuously, store-centered product promotions are co-operatively undertaken with customers.

Each of the Company's brand-name products is intended to attract a particular demographic segment of the consumer market, and advertising campaigns are directed to the respective market-segments.

The Company's in-house staff is responsible for the 'traffic' of its advertising. Placement is accomplished directly and through media-service companies.

(d) "Wholly-Owned" Products

The majority of the Company's sales revenues are from sales of the Company's "wholly-owned" product lines (i.e., products sold under trademark names owned by the Company, and not subject to any other party's interest or license), which included principally "Plus+White", "Sudden Change", "Bikini Zone", "Mood Magic", "Mega T", and "Cloud Dance" and "Cherry Vanilla," and "Scar Zone."

(e) All Products

Health and beauty, cosmetic and fragrance and over the counter products accounted for approximately 74%, 22% and 4%, respectively, of the Company's net-sales revenues during fiscal 2002.

(e) License-Agreements Products

i. Alleghany Pharmacal

In 1986, the Company entered into a license agreement with Alleghany Pharmacal Corporation (the "Alleghany Pharmacal License"). Under the terms of the Alleghany Pharmacal License, the Company was granted, and yet retains, the exclusive right to manufacture and market certain products, and to use their associated trademarks, including "Nutra Nail," "Nutra Nail 60," "Pro Perm," "Hair Off," "Permathene" and "IPR".

The Alleghany Pharmacal License requires the Company (a) to pay royalties of 6% per annum on net sales of "Pro-Perm" hair-care products, the PPA-based and now discontinued dietary-product "Permathene", "IPR" foot-care products, "Nutra-Nail" nail-enamel products, and "Hair-Off" depilatories; and (b) to pay 1% royalties on net sales of a "Hair-Off" mitten that is a depilatory-product accessory, and "Nutra Nail 60", a fast-acting nail enamel, and "Nutra Nail Power Gel."

The Company is required to pay not less than $360,000 per annum in order to maintain exclusive rights under the Alleghany Pharmacal License. (Royalties have always exceeded the minimum; but, if they did not, the Company would be entitled to maintain exclusive license rights by electing to pay the 'difference.' At the same time, the Company would not be required to pay any fee in excess of royalties payable in respect of realized sales if sales did not yield 'minimum royalties' and the Company chose in such circumstance to concede the license rights.)

The Alleghany Pharmacal License agreement provides that if, and when, in the aggregate, $9,000,000 in royalties has been paid thereunder, the royalty-rate for those products now 'charged' at 6% will be reduced to 1%. Through November 30, 2002, the Company had paid or accrued Alleghany-Pharmacal License royalties in the sum of $8,732,641.

The products subject of the Alleghany-Pharmacal License accounted for approximately $13,696,000 or 30 % of total net sales in the fiscal year ended November 30, 2002. "Nutra Nail" and the "Hair-Off" depilatory were the leaders among all of the Company's license-agreement products, producing approximately 19% and 9%, respectively, of net sales.

ii. Solar Sense, Inc.

CCA commenced the marketing of its sun-care products line following a May 1998 License Agreement with Solar Sense, Inc. (the "Solar Sense License"), pursuant to which it acquired the exclusive right to use the trademark names "Solar Sense" and "Kids Sense" and the exclusive right to market mark-associated products. The Solar Sense License requires the Company to pay a 5% royalty on net sales of said licensed products until $1 million total royalties are paid and 1%, thereafter; and minimum

per-annum royalties of $30,000. CCA realized approximately $1,494,000 in net sales of sun-care products in 2002, and paid or accrued Solar Sense the royalty of $74,698.

iii. The Nail Consultants Ltd.

In October of 1999, the Company entered into a License Agreement with The Nail Consultants, Ltd. for the use of an activator invented in connection with a method for applying a protective covering to fingernails. The Company's License Agreement with The Nail Consultants, Ltd. is for the use of the method and its composition in a new product kit packaged and marketed by CCA under its own name, "Nutra Nail Power Gel". The Company is required to pay a royalty of 5% of net sales of all products sold under the license, by the Company. Net sales were approximately $1,407,000 in 2002, and the Company paid or accrued the Nail Consultants a royalty of $70,362.

iv. Alpha Hydroxy

The Company settled a patent infringement claim for the use of Alpha Hydroxy in its Sudden Change exfoliation products for $323,927. The Company paid half in September 2001 and paid the balance in February 2002. The total expense was recorded in the fiscal year ended November 30, 2001. The Company entered into a license agreement for the future use of Alpha Hydroxy in its beauty aid products. The Company is paying a royalty of 5% of net sales of all products subject to the license. The license fees in 2002 were not material.

v. Other Licenses

The Company is not party to any other license agreement that is currently material to its operations.

(f) Trademarks

The Company's own trademarks and licensed-use trademarks serve to identify its products and proprietary interests and the Company considers these marks to be valuable assets. However, there can be no assurance, as a practical matter, that trademark registration results in marketplace advantages, or that the presumptive rights acquired by registration will necessarily and precisely protect the presumed exclusivity and asset value of the marks.

(g) Competition

The market for cosmetics and perfumes, and health-and-beauty aids products in general, including patent medicines, is characterized by vigorous competition among producers, many of which have substantially greater financial, technological and marketing resources than the Company. Major competitors such as Revlon, L'Oreal, Colgate, Del Laboratories, Unilever, and Procter & Gamble have Fortune 500 status, and the broadest-based public recognition of their products. Moreover, a substantial number of other health-and-beauty aids manufacturers and distributors may

also have greater resources than the Company.

(h) Government Regulation

All of the products that the Company markets are subject or potentially subject to particular regulation by government agencies, such as the U.S. Food and Drug Administration, the Federal Trade Commission, and various state and/or local regulatory bodies. In the event that any future regulation were to require new approval for any in-the-market products, or should require approval for any planned product, the Company would attempt to obtain the necessary approval and/or license, assuming reasonable and sufficient market expectations for the subject product. However, there can be no assurance, in the absence of particular circumstances, that Company efforts in respect of any future regulatory requirements would result in approvals and issuance of licenses. Moreover, if such license-requirement circumstances should arise, delays inherent in any application-and-approval process, as well as any refusal to approve, could have a material adverse affect upon existing operations (i.e., concerning in-the-market products) or planned operations.

Item 2. PROPERTY

The principal executive offices of the Company are located at 200 Murray Hill Parkway, East Rutherford, New Jersey. Under a new net lease, the Company occupies approximately 75,550 square feet of space. Approximately 58,000 square feet in such premises is used for warehousing and 17,500 square feet for offices. The annual rental is $327,684, with an annual CPI increase of 3% but not to exceed 15% cumulative 5 year increase. The lease expires on May 31, 2012 with a renewal option for an additional five years..

The lease requires the Company to pay for additional expenses, Common Area Maintenance ("CAM"), which includes real estate taxes, common area expense, utility expense, repair and maintenance expense and insurance expense. For the year ended November 30, 2002, CAM was $97,763.

Item 3. LEGAL PROCEEDINGS

The only material legal proceedings outstanding as of November 30, 2002 were related to the Company's diet suppressant products containing phenylpropanolamine ("PPA"). There are approximately 10 suits presently pending. Reference is made to Forms 8K filed on May 22, 2002 and November 20, 2002 for the background and the insurance issues relative thereto.

There are approximately 5000 suits that have been brought against the numerous pharmaceutical companies that have been engaged in distributing and/or manufacturing PPA products. Almost all have been referred to the United States District Courts in the Western District of Washington (MDL 1407). Outside counsel for the Company believes that the PPA cases against the Company are defensible. However, there can be no assurance that the current PPA litigation will not have a material adverse effect upon the Company's operations.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On July 11, 2002, the Company held its annual meeting of shareholders. The actions taken, and the voting results thereupon, were as follows:

(1) David Edell, Ira W. Berman, Jack Polak, and Stanley Kreitman were elected as directors by the holders of Class A Common Stock. (No proxy was solicited therefor, whereas Messrs. Berman, Polak and David Edell own more than 98% of the Class A Common Stock, and they proposed themselves and Mr. Kreitman.)

(2) As proposed by Management, Drew Edell, Dunnan Edell and Rami Abada were elected as directors by the holders of the Common Stock.

(3) The Board's appointment of Sheft Kahn & Company LLP as the Company's independent certified public accountants for the 2002 fiscal year was approved.

The Company has not submitted any matter to a vote of security holders since the 2002 Annual Meeting.

PART II

Item 5. MARKET FOR THE COMPANY'S COMMON STOCK AND RELATED SHAREHOLDER MATTERS

In June 2000, the Company filed a Schedule TO (and an Amendment No.1 thereto) with the Securities And Exchange Commission ("S.E.C."); and, contemporaneously thereafter, presented the tender offer subject of the Schedule to its shareholders. Pursuant thereto, the Company offered to purchase up to 2,500,000 shares of its own Common Stock (but not Class A Common Stock), in exchange for a $2 subordinated debenture, maturing August 1, 2005, with 6% interest, payable semi-annually.

In response, 278,328 shares were tendered and accepted for payment. The tender offer closed, as provided in the Schedule TO and the Offer documents presented to all Common Stock shareholders, on July 31, 2000. (A second and final amendment to the Schedule TO, reporting the results of the tender offer, was filed with the S.E.C. on August 1, 2000.)

The Company's Common Stock was traded on the NASDAQ National Market. Because, for some time (a) the Common Stock had traded at less than $1.00 per share, and (b) the total market value of shares available for public trading had been below $5,000,000, NASDAQ notified the Company that its stock was de-listed. The stock is currently trading on the National Market Bulletin Board. The range of high and low sales prices of the Common Stock during each quarter of its 2002, 2001 and 2000 fiscal years was as follows:

Quarter Ended	2002	2001	2000
February 29	$1.73 - $1.25	$ .93 - $.37	$1.75 - $1.12
May 31	$1.74 - $1.38	$1.09 - $.62	$1.50 - $ .87
August 31	$2.00 - $1.55	$1.90 - $.85	$1.28 - $1.00
November 30	$1.99 - $1.55	$1.56 - $.82	$1.06 - $0.59

The high and low prices for the Company's Common Stock, on February 18, 2003, were $3.50 and $3.16 per share.

The Company's only `sales' of unregistered securities were represented by its issuance, in consequence of the above described tender offer and Schedule TO, of the $2, 5-year promissory notes, 6% interest, subject of the offer's $2 subordinated debenture. (Those securities are unregistered pursuant to an exemption from registration requirements. In any event, and in addition to the form denominated by the S.E.C. as "Schedule TO", with the Schedule TO information, the following documents subject of the tender offer were filed with the S.E.C., prior to commencement of the offering: A Trust Indenture, a form of the eventually-issued Promissory Notes, and the Offering Document that was thereafter transmitted to Common Stock shareholders.)

As at November 30, 2002, there were approximately 220 holders of shares of the Company's equity stock. (There are a substantial number of shares held of record in various street and

depository trust accounts, which represent approximately 1,000 additional shareholders.)

The dividend policy is at the discretion of the Board of Directors and will depend on numerous factors, including earnings, financial requirements and general business conditions. On January 8, 2003, the Board of Directors approved the payment of the company's first cash dividend in the amount of $0.12 per share, payable to the holders of the Company's common stock, $0.06 payable on May 1, 2003 and December 1, 2003 to the shareholders of record on April 1, 2003 and November 1, 2003, respectively.

Item 6. SELECTED FINANCIAL DATA

<TABLE>
<CAPTION>

Year Ended November 30,

<S>	2002 <C>	2001 <C>	2000 <C>	1999 <C>	1998 <C>
Statement of Income					
Sales	$45,241,493	$41,364,648	$36,990,170	$37,898,563	$41,083,974
Other income	439,547	338,883	186,284	285,469	318,296
	45,680,974	41,703,531	37,176,454	38,184,032	41,402,270
Costs and Expenses (excluding special charge)	40,645,418	38,522,778	36,658,875	37,370,017	38,570,096
Income Before Special Charge and Provision for Income Taxes	5,035,556	3,180,753	517,579	814,015	2,832,174
Special Charge	-	-	(1,500,000)	-	-
Net Income (Loss) from Continuing Operations	3,074,353	2,014,369	(654,510)	512,504	1,667,973
(Loss) Income from Discontinued Operations	-	-	-	(803,603)	-
Net Income (Loss)	3,074,353	2,014,369	(654,510)	(291,099)	1,667,973
Earnings (Loss) Per Share:					
Basic	$ .43	$ .29	($ .09)	($ .04)	$ .23
Diluted	$ .41	$. 27	($ .09)	($ .04)	$ .21
Weighted Average Number of Shares Outstanding	7,099,759	6,893,232	7,153,013	7,174,203	7,243,956
Weighted Average Number of Shares and Common Stock Equivalents Outstanding	7,579,983	7,526,157	7,153,013	7,174,203	8,075,169

Balance Sheet Data: As At November 30,

	2002	2001	2000	1999	1998
Working Capital	11,264,206	$10,236,977	$12,361,305	$12,291,890	$12,067,263
Total Assets	24,805,064	20,598,917	20,312,056	21,494,987	24,010,136
Total Liabilities	5,969,641	4,674,278	6,345,508	6,328,905	8,410,687
Total Stockholders' Equity	18,835,423	15,924,639	13,966,548	15,166,082	15,599,449

(1)In January 2003, the Company declared a $.12 dividend payable to all holders of the Company's common stock, $.06 payable to shareholders of record on April 1, 2003 and November 1, 2003, respectively.

</TABLE>

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Except for historical information contained herein, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" contains forward-looking statements. These statements involve known and unknown risks and uncertainties that may cause actual results or outcomes to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Statements which explicitly describe such issues, investors are urged to consider any statement labeled with the terms "believes," "expects," "intends'" or "anticipates" to be uncertain and forward looking.

On March 3, 1986, the Company entered into a License Agreement with Alleghany Pharmacal Corporation under the terms of which the Company was granted the exclusive right to use the licensed products & trademarks for the manufacture and distribution of the products subject to the License Agreement. Under the terms of the Alleghany Pharmacal License (see "Business-License Agreements"), the royalty-rate for those Alleghany Pharmacal License products now 'charged' at 6% will be reduced to 1% after the sum of $9,000,000 in royalties has been paid thereunder. (Certain products, subject of the license, are, even now, 'charged' at only 1%. See "Business-License Agreements".)

As at November 30, 2002, the Company had paid or accrued $8,732,641 in royalty payments. The Company expects to reach $9,000,000 in March or April of 2003.

Comparison of Results for Fiscal Years 2002 and 2001

The Company's revenues increased from $41,703,531 in fiscal 2001 to $45,680,974 in the current fiscal year. Gross profit margins were 66% this year as compared to 64% last year. Net income was $3,074,353 as compared to $2,014,369 in fiscal 2001. In accordance with GAAP, the Company reclassified certain advertising expenditures as a reduction of sales rather than report them as advertising expenses. The reclassification is the adoption by the Company of the EITF 90-16 GAAP standard. The reclassification reflects a reduction in sales for the year ended November 30, 2002 by $1,169,755 and $1,154,879 respectively. The reclassification reduces the gross profit margin but does not affect the net income.

For the current fiscal year, advertising, cooperative and promotional allowance expenditures were $9,239,249 as compared to $8,776,470. Advertising expenditures were 20.4% of sales vs. 21.2% last year. SG&A expenses increased 11.4% to $15,389,528 (this includes $492,045 in legal fees as settlement from two outstanding lawsuits during the year) from $13,812,890 in 2001. The increase was due mainly to SG&A expenses, which vary in relation to additional sales volume (i.e. payroll, freight-out, royalties, etc.). Sales returns and allowances decreased to 10.4% of gross sales from 11.5% last year. Research and development expenses increased to $741,974 this year from $687,731 last year.

On January 22, 2002, K-Mart filed for bankruptcy under Chapter XI. Sales to K-Mart for the year ended November 30, 2001 were approximately $2,352,000. As at November 30, 2002, after adjustments for charge-backs, there was $256,236 due and outstanding for pre-petition receivables for which the Company has set up a reserve of $230,612 (90%). The Company's sales to K-Mart, as a debtor-in-possession, during 2002, were $989,5581. As at February 18, 2003, there was $147,647 due as administrative receivables from K-Mart as debtor -in-possession, all of which are current.

Currently there is no indication as to what percentage of the payables owed by K-Mart will be paid to suppliers for the indebtedness, prior to the filing of the Chapter XI petition, or is there the absolute assurance that all administrative priorities (receivables owed) to suppliers under sales to K-Mart as a debtor-in-possession, will be paid in full.

Comparison of Results for Fiscal Years 2001 and 2000

The Company's revenues increased from $37,176,454 in fiscal 2000 to $41,703,531 in the current fiscal year. Gross profit margins were 64% this year as compared to 61.3% last year. Net income was $2,014,369 as compared to a loss of $654,510. Operations on an ongoing basis were similar to last year. Last year the Company incurred a loss of $1,500,000 as a result of the FDA's position with regard to the use of phenylpropanolamine as an appetite suppressant. The Company's Mega 16 diet products contained this ingredient. (See "Comparison of 2000 and 1999".)

For the current fiscal year, advertising, cooperative and promotional allowance expenditures were $8,776,470 as compared to $8,837,665. Advertising expenditures were 21.2% of sales vs. 23.9% last year. SG&A expenses increased 10% to $13,812,890 from $12,557,064 in 2000, but actually decreased slightly as a percentage of current sales. The increase was due mainly to SG&A expenses which vary in relation to additional sales volume (i.e. payroll, freight-out, royalties, etc.). Research and development expenses were increased from $555,462 last year to $687,731 this year. This was due to the additional costs of formulating its "Mega T" brand product as well as a larger budget for their research department. Bad debt expense increased from $249,279 to $299,254 due to the large reserve set up for the K-Mart receivable; but offset by the reduction in its typical reserve due to the overall decrease in the amount of total receivables. Interest expense decreased from $159,477 to $69,012 due to the reduction in the Company's borrowing.

On January 22, 2002, one of our customers, K-Mart, filed for bankruptcy under Chapter 11. Sales to K-Mart for the year ended November 30, 2001 were approximately $2.5 million. Accounts receivable from K-Mart at November 30, 2001 were approximately $502,000. A reserve of approximately $300,000 was set up against the receivable, anticipating a possible Chapter 11 filing by K-Mart. From December 1, 2001 through January 22, 2002, we collected $173,000 of the $502,000 balance and invoiced $95,000. As at January 30, 2002, there was $424,000 outstanding against which we maintained a reserve of approximately $300,000 (70%). Currently, we have no indication what percentage of the payables owed by K-Mart will be paid to its suppliers.

Liquidity and Capital Resources

As at November 30, 2002, the Company had working capital of $11,264,206 as compared to $10,236,977 at November 30, 2001. The increase would have been higher had the Company not allocated an additional $1,800,000 of their investments into longer term fixed income instruments. All of the investments can be liquidated at any time. The ratio of total current assets to current liabilities is 3.1 to 1 as compared to a ratio of 3.5 to 1 for the prior year. Stockholders' equity increased to $18,835,423 from $15,924,639 primarily due to the net income from operations.

The Company's cash position and short-term triple A investments at year-end was $5,065,191, up from $2,911,283 as at November 30, 2001.

Inventories were $3,743,131 vs. $4,783,530 and accounts receivable ($6,265,955 vs. $4,464,991) increased $1,800,964 due to increased sales. Current liabilities are $5,462,799 vs. $4,163,622 in the prior year, which increased by $1,299,177. At year-end, the Company had long and short-term triple A investments and cash of $11,788,709 as compared to $7,891,041. As of November 30, 2002, the Company was not utilizing any of the funds available under its $7,000,000 credit line. The Company has issued a security agreement, which would be used in connection with any bank financing.

Inventory, Seasonality, Inflation and General Economic Factors

The Company attempts to keep its inventory for every product at levels that will enable shipment against orders within a three-week period. However, certain components must be inventoried well in advance of actual orders because of time-to-acquire circumstances. For the most part, purchases are based upon projected quarterly requirements, which are projected based upon sales indications received by the sales and marketing departments, and general business factors. All of the Company's contract-manufacture products and components are purchased from non-affiliated entities. Warehousing is provided at Company facilities, and all products are shipped from the Company's warehouse facilities.

None of the Company's products are particularly seasonal, but sales of its sun-care, depilatory and diet-aid products usually peak during the Spring and Summer seasons, and perfume sales usually peak in Fall and Winter. The Company does not have a product that can be identified as a `Christmas item.'

Because its products are sold to retail stores (throughout the United States and, in small part, abroad), sales are particularly affected by general economic conditions. Accordingly, any adverse change in the economic climate can have an adverse impact on the Company's sales and financial condition. The Company does not believe that inflation or other general economic circumstance that would negatively affect operations can be predicted at present, but if such circumstances should occur, they could have material and negative impact on the Company's net sales and revenues; and, more particularly, unless the Company

were able to pass along related cost increases to its customers. There was no significant impact on operations as a result of inflation during the current fiscal year.

Contractual Obligations

The following table sets forth the contractual obligations in total for each year of the next five years as at November 30, 2002. Such obligations include the current lease for the Company's premises, written employment contracts and License Agreements.

	2003	2004	2005	2006	2007
Lease on Premises (1)	427,684	427,684	427,684	427,684	427,684
Royalty Expense (2)	309,359	42,000	31,000	30,000	30,000
Employment Contracts (3)	1,430,000	1,430,000	1,430,000	1,430,000	1,430,000
Total Contractual Obligations	2,167,043	1,899,684	1,888,684	1,887,684	1,887,684

(1) The Lease is a net, net lease requiring a yearly rental of $327,684 plus Common Area Maintenance "CAM". See Section Part I, Item 2. The rental provided above is the base rental and estimated CAM. CAM for 2002 was $97,763. The figures above do not include adjustments for the CPI. The lease has an annual CPI adjustment of 3% not to exceed 15% cumulative for five years.

(2) See Section Part I, Item 1(e). The Company is not required to pay any royalty in excess of realized sales if the Company chooses not to continue under the license. The figures set forth above refer to the minimum royalties the Company must pay to maintain its license to market the licensed product.

(3) The Company has executed Employment Contracts with its President, David Edell and its Chairman of the Board, Ira W. Berman. The contracts for both are exactly the same. The contracts expire on December 31, 2010. The contracts provide for a base salary which commenced in 1994 in the amount of $300,000, with a year-to-year CPI or 6%, plus 2.5% of the Company's pre-tax income less depreciation and amortization (EBTDA) (The "2.5% measure in the bonus provision of the Edell/Berman contracts was

amended so as to calculate it against earnings before income taxes, less depreciation, amortization and expenditures for media and cooperative advertising in excess of $8,000,000. On May 24, 2001, the contract was amended increasing the base salary to $400,000. The figures above include the total salaries for fiscal 2002 and only the base salaries for the five years (plus 20% of the base salary), without adjustment for CPI, and without estimating bonuses, as the bonus is contingent upon future earnings. David Edell's sons, Dunnan Edell and Drew Edell have 5-year employment contracts in the amounts of $270,000 and $200,000 respectively, which expire on November 30,2007 (See Item 11, Summary Comprehensive Table). Dunnan Edell is a director and the Vice President of Sales and Marketing. Drew Edell is a director and the Vice President of Research and Product Development and Product Manager of certain products.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company's financial statements (See Item 15) record the Company's investments under the "mark to market" method (i.e., at date-of-statement market value). The investments are, categorically listed, in "Government Obligations" and "Corporate Obligations" (which, primarily, are intended to be held to maturity) and "Equity". $952,000 of the Company's $10,203,000 portfolio of investments (approximate, as at Nov. 30, 2002) is invested in the "Equity" category, and approximately $759,000 in that category are Preferred Stock holdings. Whereas the Company does not take positions or engage in transactions in risk-sensitive market instruments in any substantial degree, nor as defined by SEC rules and instructions, thus the company does not believe that its investment-market risk is material.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The Financial Statements are listed under Item 15 in this Form 10-K. The following financial data is a summary of the quarterly results of operations (unaudited) during and for the years ended November 30, 2002 and 2001:

	Three Months Ended			
Fiscal 2002	Feb. 28	May 31	Aug. 31	Nov. 30
Net Sales	10,158,386	13,213,844	11,391,258	10,478,005
Total Revenue	10,247,194	13,312,347	11,511,314	10,610,119
Cost of Products Sold	3,764,904	4,399,740	3,559,990	3,617,683
Net Income	300,063	1,217,986	722,822	833,482
Earnings Per Share:				
Basic	.04	.17	.10	.12
Diluted	.04	.16	.10	.11

	Three Months Ended			
Fiscal 2001	Feb. 28	May 31	Aug. 31	Nov. 30
Net Sales	$10,096,529	$12,787,878	$10,024,875	$8,455,366
Total Revenue	10,178,085	12,864,483	10,114,197	8,546,766
Cost of Products Sold	4,244,147	4,372,263	3,368,589	2,892,422
Net Income	336,846	1,137,779	304,125	$235,619
Earnings Per Share:				
Basic	.05	.17	.04	.03
Diluted	.05	.16	.04	.03

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company did not change its accountants within the twenty-four months prior to the date of the most recent financial statements (nor since), and had no reported disagreement with its accountants on any matter of accounting principles or practices.

Item 10. RISK FACTORS

Cautionary Statements Regarding Forward-Looking Statements

This annual report contains forward-looking statements based upon current expectations of management that involve risks and uncertainty. Actual risks could differ materially from those anticipated. Additional risks and uncertainties not presently known may possibly impair business operations. If any of these risks actually occur, the business, financial conditions and operating results could be materially adversely affected. The cautionary statements made in this Annual Report on Form 10K should be read as being applicable to all forward-looking statements whenever they appear in this Annual Report.

Concentration of Risk

The Company relies on mass merchandisers and major drug chains for the sales of its products. The loss of any one of those accounts could have a substantive negative impact upon its financial operations. {See Business - General, Item 1(c)i Marketing.}

The Company does not manufacture any of its products. All of the products are manufactured for the Company by independent contract manufacturers. There can be no assurance that the failure of a supplier to deliver the products ordered by the Company when requested will not cause burdensome delays in the Company's shipments to accounts. The Company does constantly seek alternative suppliers should a major supplier fail to deliver as contracted. A failure of the Company to ship as ordered by its accounts could cause penalties and/or cancellations.

There is No Assurance That Business Will Continue to Operate Profitably.

In the current year, net sales were $45,241,493. Almost all of the products were able to maintain the projected gross profit margins. Net income is $3,074,353. There were no FDA policies that affected the Company's brands. In 2000, the FDA suggested the discontinuance of the Company's products containing PPA. As a result, revenues that year were reduced by $1,245,000 due to returns. In addition, the Company also wrote down $255,000 in inventory causing the Company to incur a loss of $654,510 for the year.

The Pending Litigations in Connection with the Sale of the Company's Products Containing PPA May Entail Significant Uncertainty and Expense.

As described in "Legal Proceedings" and referenced 8Ks filed on May 23, 2002 and November 20, 2002, this matter was fully discussed. As previously advised, it is independent counsel opinion that the Company has a defensible position.

Competition in the Cosmetic, Health and Beauty Aid Industry is Highly Competitive.

Reference is made to "Business ` Sub-section' of Competition."

CLASS A Shareholders Retain Control of Board of Directors.

See "Voting" in the Proxy Statement dated May 24, 2002. Class A Shareholders, David Edell, President and Ira W. Berman, Chairman of the Board of Directors, have the right to elect 4 members to the Board of Directors. Common stockholders have the right to elect 3 members to the Board of Directors.

Future Success Depends on Management's Ability.

The Company is not financially as strong to compete with the major companies against whom it competes. The ability to successfully introduce new products and increase the growth and profitability of its brand products relies upon the skills and creativity of the Edell family, David Edell, President, Dunnan Edell, Vice-President of Sales and Marketing, and Drew Edell, Vice-President of Research and Development of new products and the maintenance of the quality of the current products being marketed. Ira W. Berman, Esq. is the director of legal and financial planning. The loss of any of these executives could materially adversely affect the business and prospects of the future of the Company.

PART III

Item 11. DIRECTORS AND EXECUTIVE OFFICERS

The Executive Officers and Directors of the Company are as follows:

NAME	POSITION	YEAR OF FIRST COMPANY SERVICE
David Edell	President and Chief Executive Officer, Director	1983
Ira W. Berman	Chairman of the Board of Directors, Secretary, Executive Vice President	1983
Dunnan Edell	Executive Vice Pres.- Sales, Director	1984
Drew Edell	Vice President- Manufacturing and New Product Development Director	1983
John Bingman	Treasurer	1986
Stanley Kreitman	Director	1996
Jack Polak	Director	1983
Rami G. Abada	Director	1997

David Edell, age 70, is a director, and the Company's President and Chief Executive Officer. Prior to his association with the Company he was a marketing and financial consultant; and, by 1983, he had extensive experience in the health and beauty aids field as an executive director and/or officer of Hazel Bishop, Lanolin Plus and Vitamin Corporation of America. In 1954, David Edell received a Bachelor of Arts degree from Syracuse University.

Ira W. Berman, age 71, is the Company's Executive Vice President and Corporate Secretary. He is also Chairman of the Board of Directors. Mr. Berman is an attorney who has been engaged in the practice of law since 1955. He received a Bachelor of Arts Degree (1953) and Bachelor of Law Degree (1955) from Cornell University, and is a member of the American Bar Association.

Dunnan Edell is the 47 year-old son of David Edell. He is a graduate of George Washington University. He has been a director since 1994, and currently holds the position of Senior Vice President-Sales. He joined the Company in 1984 and was appointed Divisional Vice-President in 1986. He was employed by Alleghany Pharmacal Corporation from 1982 to 1984, and by Hazel Bishop from 1977 to 1981.

Drew Edell, the 45 year-old son of David Edell, is a graduate of Pratt Institute, where he received a Bachelor's degree in Industrial Design. He has been a director since 2000. He joined the Company in 1983, and in 1985, he was appointed Vice President-Product Development and Production.

John Bingman, age 51, received a Bachelor of Science degree from Farleigh Dickenson University in 1973. He is a certified public accountant who practiced with the New Jersey accounting firm of Zarrow, Zarrow & Klein from 1976 to 1986.

Jack Polak, age 90, has been a private investment consultant and a banker since April 1982. He is a certified Dutch Tax Consultant and a member of The Netherlands. He was knighted on his 80th birthday by Queen Beatrix of the Netherlands for his untiring efforts on behalf of the Anne Frank Center USA for which he is still actively working as the "Chairman-Emeritus."

Stanley Kreitman, age 71, has been Vice Chairman of the Board of Manhattan Associates, an equity - investment firm, since 1994. He is also a director of Medallion Financial Corp., an SBIC. Mr. Kreitman is Chairman of the Board of Trustees of the New York Institute of Technology since 1989, and of Crime-Stoppers Nassau County (NY), since 1994. Since February 1999 and June 1999, respectively, he has been a member of the Board of Directors of K.S.W. Corp. and P.M.C.C. Mortgage Corp. He is also a director and/or executive committee member of the following organizations: The New York City Board of Corrections, Bank Hapdalim USA (Signature Bank), The New York College of Osteopathic Medicine, and the Police Athletic League. From 1975 until 1993, he was President of United States Banknote Corporation, a securities printer.

Rami G. Abada, age 43, is the President, Chief Financial Officer and Chief Operating Officer of the publicly-owned Jennifer Convertibles, Inc. Mr. Abada, who is Ira Berman's son-in-law, earned a B.B.A. in 1981 upon his graduation from Bernard Baruch College of The City University of New York. . However, because Mr. Abada is the son-in-law of the Chairman of the Board of Directors, as a result of the new regulations, he is not deemed "independent" and in order to comply with the regulations, he will voluntarily resign as a director on April 1, 2003. At that time an independent financial professional, Robert A. Lage, will join the Audit Committee and he will be appointed as an interim director until the annual meeting of shareholders in July 2003.

Item 12. EXECUTIVE COMPENSATION

i. Summary Compensation Table

The following table summarizes compensation earned in the 2002, 2001 and 2000 fiscal years by all of the executive officers whose fiscal 2002 compensation exceeded $100,000, including the Chief Executive Officer (the "Named Officers").

Name and Principal Position	Year	Annual Compensation Salary	Bonus	All Other Annual Compen-sation(1)	Long-Term Compensation Number of Shares Covered by Stock Options Granted(2)	Other Long-Term Compen-sation
David Edell, President and Chief Executive Officer	2002	$584,155	$332,060	$38,176	-	0
	2001	514,399	247,806	35,985	-	0
	2000	425,372	132,221	12,552	-	0
Ira. W. Berman, Secretary and Executive Vice President	2002	$584,155	$332,060	$23,372	-	0
	2001	514,399	247,806	24,117	-	0
	2000	425,372	132,221	11,775	-	0
Dunnan Edell, Executive Vice President - - Sales	2002	$253,172	$ 45,000	$ 1,626	-	0
	2001	232,595	4,231	2,914	-	0
	2000	218,076	4,194	2,723	-	0
Drew Edell Vice President Manufacturing	2002	$203,845	$ 25,000	$ 1,178	-	0
	2001	187,596	3,365	816	-	0
	2000	175,000	3,365	577	-	0
John Bingman Treasurer	2002	$ 99,843	$ 20,000	$ 948	-	0
	2001	101,354	1,862	821	-	0
	2000	98,662	-	855	-	0

- ------------------------

(1) Includes the personal-use value of Company-leased automobiles, the value of Company-provided life insurance, and health insurance that is made available to all employees.
(2) Information in respect of stock option plans appears below in the sub-topic, Employment Contracts/Executive Compensation Program.

ii. Fiscal 2002 Option Grants and Option Exercises, Year-End Option Valuation, Option Repricing

No new options were issued to any of the Named Officers in fiscal 2002.

The next table identifies 2002 fiscal-year option exercises by Named Officers, and reports a valuation of their options.

Fiscal 2002 Aggregated Option Exercises

and November 30, 2002 Option Values

	Number of Shares Acquired On Exercise	Value Realized	Number of Shares Covered by Un-exercised Options at November 30, 2002	Value of Unexercised In-the-Money Options at November 30, 2002
David Edell	100,000	$ 150,000	157,500	$193,725
Ira W. Berman	100,000	$ 150,000	202,000	$248,460
Dunnan Edell	-	-	75,000	$ 92,250
Drew Edell	-	-	75,000	$ 92,250

- ---------------------

(1) Represents the difference between market price and the respective exercise prices of options at November 30, 2002.

Repriced Options

The following table identifies the stock options held by the Named Officers and all other officers and directors, the exercise prices of which have been reduced during the past 10 years.

	Original Number of Shares	Grant Date	Original Price	Date Repriced	New Price
David Edell (1)	100,000	Aug. 1, 1997	$2.50	May 24, 2001	.50
Ira W. Berman (1)	100,000	Aug. 1, 1997	2.50	May 24, 2001	.50
Dunnan Edell (1)	50,000	Aug. 1, 1997	2.50	May 24, 2001	.50
Stanley Kreitman (1)	25,000	Aug. 1, 1997	2.50	May 24, 2001	.50
Jack Polak (1)	25,000	Aug. 1, 1997	2.50	May 24, 2001	.50
Rami Abada (1)	25,000	Aug. 1, 1997	2.50	May 24, 2001	.50
Dunnan Edell (1)(2)	25,000	Jun. 10, 1995	4.50	May 24, 2001	.50
Drew Edell (1)(2)	25,000	Jun. 10, 1995	4.50	May 24, 2001	.50

- -------------------

(1) On November 3, 1998, the full Board of Directors authorized the repricing in consequence of a declining market valuation, inconsistent with the Company's realizable value. The market price of the Common Stock at the date of repricing was $1.00; and, at that date, the original option terms (10 years from August 1, 1997) had approximately 8 years and 10 months to run. When the options were originally issued, on August 1, 1997, the market price of the Company's Common Stock was $2.50. On May 24, 2001, the company repriced the options again when the market price was $.50.

(2) On June 10, 2000, the full Board of Directors authorized the repricing in consequence of a declining market valuation, inconsistent with the Company's realizable value. The market price of common stock at the date of repricing was $1.10; and at that date the original terms (5 years from June 10, 1995) were extended for an additional 5 years. When the options were originally issued on June 10, 1995, the market price of the Company's common stock was $3. On May 24, 2001, the Company repriced the options again when the market price was $.50, and changed the expiration date to August 1, 2007.

iii. Compensation of Directors

Each outside director was paid $3,000 per meeting for attendance of board meetings in fiscal 2002 (without additional compensation for committee meetings). No new options were granted to any director in 2002.

The full Board of Directors met three times in fiscal 2002.

iv. Executive Compensation Principles

Audit and Compensation Committee

The Company's Executive Compensation Program is based on guiding principles designed to align executive compensation with Company values and objectives, business strategy, management initiatives, and financial performance. In applying these principles the Audit and Compensation Committee of the Board of Directors, comprised of Ira W. Berman, Stanley Kreitman, Jack Polak and Rami Abada, which met three times in fiscal 2002, has established a program to:

. Reward executives for long-term strategic management and the enhancement of shareholder value.

. Integrate compensation programs with both the Company's annual and long-term strategic planning.

. Support a performance-oriented environment that rewards performance not only with respect to Company goals but also Company performance as compared to industry performance levels.

Stanley Kreitman, former president of a national bank, qualifies as a "financial expert" as defined by the SEC in Instruction 1 to proposed Item 309 of Regulation S-K, which is set forth in the SEC Release No. 34 - 46701 dated October 22, 2002. Mr. Kreitman is an "independent" as that term is used in Section 10A(m)(3) of the Exchange Act.

Jack Polak was knighted by the Dutch government in 1993. He is a certified Dutch tax consultant and a member of the association of certified tax accountants. The Board has deemed that he is both "independent" and qualifies as a "financial advisor."

Rami Abada, President of Jennifer Convertibles, although the son-in-law of one of the directors, had been deemed "independent" by the Board of Directors prior to the new regulations. However, because Mr. Abada is the son-in-law of the Chairman of the Board of Directors, he will voluntarily resign as a director on April 1, 2003. At that time an independent financial professional, Robert A. Lage, will join the Audit Committee and he will be appointed as an interim director until the annual meeting of shareholders in July 2003.

Robert A. Lage, age 66, a retired CPA., was a partner at PricewaterhouseCoopers Management Consulting Service prior to his retirement in 1997. He has been engaged in the practice of public accounting and management consulting since 1959. He received a BBA from Bernard Baruch College of the City University of New York in 1958.

v. Employment Contracts/Compensation Program

The total compensation program consists of both cash and equity based compensation. The Audit and Compensation Committee (the "Committee") determines the level of salary and bonuses, if any, for key executive officers of the Company. The Committee determines the salary or salary range based upon competitive norms. Actual salary changes are based upon performance, and bonuses were awarded by the Committee in consideration of the Company's performance during the 2002 fiscal year.

The Company has executed Employment Contracts with its President, David Edell and its Chairman of the Board, Ira W. Berman. The contracts for both are exactly the same. The contracts expire on December 31, 2010. The contracts provide for a base salary which commenced in 1994 in the amount of $300,000, with a year-to-year CPI or 6% plus 2.5% of the Company's pre-tax income less depreciation and amortization (EBTDA), plus 20% of the base salary for the fiscal year. (The "2.5% measure" in the bonus provision of the Edell/Berman contracts was amended so as to calculate it against earnings before income taxes, less depreciation, amortization and expenditures for media and cooperative advertising in excess of $8,000,000. On May 24, 2001, the contract was amended increasing the base salary to $400,000. David Edell's sons, Dunnan Edell and Drew Edell have 5-year employment contracts in the amounts of $270,000 and $200,000 respectively, which expire on November 30, 2007 (See Item 11, Summary Comprehensive Table). Dunnan Edell is a director and the Vice President of Sales and Marketing. Drew Edell is a director and the Vice President of Research and Product Development and Product Manager of certain products.

vi. Stock Option Plans

Long-term incentives are provided through the issuance of stock options.

(The 1984 Stock Option Plan covered 1,500,000 shares of its Common Stock, and the 1986 Stock Option Plan covered 1,500,000 shares of its Common Stock.)

The Company's 1994 Stock Option Plan covers 1,000,000 shares of its Common Stock.

The 1994 Option Plan provides (as had the 1984 and 1986 plans) for the granting of two (2) types of options: "Incentive Stock Options" and "Nonqualified Stock Options". The Incentive Stock Options (but not the Nonqualified Stock Options) are intended to qualify as "Incentive Stock Options" as defined in Section 422(a) of The Internal Revenue Code. The Plans are not qualified under Section 401(a) of the Code, nor subject to the provisions of the Employee Retirement Income Security Act of 1974.

Options may be granted under the Options Plans to employees (including officers and directors who are also employees) and consultants of the Company, provided, however, that Incentive Stock Options may not be granted to any non-employee director or consultant.

Option plans are administered and interpreted by the Board of Directors. (Where issuance to a Board member is under consideration, that member must abstain.) The Board has the power, subject to plan provisions, to determine the persons to whom and the dates on which options will be granted, the number of shares subject to each option, the time or times during the term of each when options may be exercised, and other terms. The Board has the power to delegate administration to a Committee of not less than two (2) Board members, each of whom must be disinterested within the meaning of Rule 16b-3 under the Securities Exchange Act, and ineligible to participate in the option plan or in any other stock purchase, option or appreciation right under plan of the Company or any affiliate. Members of the Board receive no compensation for their services in connection with the administration of option plans.

Option Plans permit the exercise of options for cash, other property acceptable to the Board or pursuant to a deferred payment arrangement. The 1994 Plan specifically authorizes that payment may be made for stock issuable upon exercise by tender of Common Stock of the Company; and the Executive Committee is authorized to make loans to option exercisers to finance optionee tax-consequences in respect of option exercise, but such loans must be personally guaranteed and secured by the issued stock.

The maximum term of each option is ten (10) years. No option granted is transferable by the optionee other than upon death.

Under the plans, options will terminate three (3) months after the optionee ceases to be employed by the Company or a parent or subsidiary of the Company unless (i) the termination of employment is due to such person's permanent and total disability, in which case the option may, but need not, provide that it may be exercised at any time within one (1) year of such termination (to the extent the option was vested at the time of such termination); or (ii) the optionee dies while employed by the Company or a parent or subsidiary of the Company or within three (3) months after termination of such employment, in which case the option may, but need not provide that it may be exercised (to the extent the option was vested at the time of the optionee's death) within eighteen (18) months of the optionee's death by the person or persons to whom the rights under such option pass by will or by the laws of descent or distribution; or (iii) the option by its terms specifically provides otherwise.

The exercise price of all nonqualified stock options must be at least equal to 85% of the fair market value of the underlying stock on the date of grant. The exercise price of all Incentive Stock Options must be at least equal to the fair market value of the underlying stock on the date of grant. The aggregate fair market value of stock of the Company (determined at the date of the option grant) for which any employee may be granted Incentive Stock Options in any calendar year may not exceed $100,000, plus certain carryover allowances. The exercise price of an Incentive Stock Option granted to any participant who owns stock possessing more than ten (10%) of the voting rights of the Company's outstanding capital stock must be at least 110% of the fair market value on the date of grant and the maximum term may not exceed five (5) years.

Consequences to the Company: There are no federal income tax consequences to the Company by reason of the grant or exercise of an Incentive Stock Option.

As at November 30, 2002, 584,500 stock options, yet exercisable, to purchase 584,500 shares of the Company's Common Stock, were outstanding.

vii. Performance Graph

Set forth below is a line graph comparing cumulative total shareholder return on the Company's Common Stock, with the cumulative total return of companies in the NASDAQ Stock Market (U.S.) and the cumulative total return of Dow Jones's Cosmetics/Personal Care Index.

26

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*
AMONG CCA INDUSTRIES, INC, THE DOW JONES US COSMETICS INDEX
AND THE DOW JONES US TOTAL MARKET INDEX

GRAPH

Cumulative Total Return*

	12/97	12/98	12/99	12/00	12/01	12/02
CCA Industries, Inc.	100	57	51	26	59	91
DJ US Cosmetics Index	100	104	92	88	80	77
DJ US Total Market Index	100	125	153	139	122	95

- ---------------------

* $100 invested on December 31, 1997 in stock and indices, including reinvestment of dividends.

27

Item 13. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's Common Stock and/or Class A Common Stock as of November 30, 2002 by (i) all those known by the Company to be owners of more than five percent of the outstanding shares of Common Stock or Class A Common Stock; (ii) each officer and director; and (iii) all officers and directors as a group. Unless otherwise indicated, each of the shareholders has sole voting and investment power with respect to the shares owned (subject to community property laws, where applicable), and is beneficial owner of them.

Number of	"Option	Ownership, As A Percentage of All Shares Out- Standing/Assuming

Name and Address	Shares Owned (1): Common Stock	Class A (2)	Shares" (1)	Option Share Exercise (1)
David Edell c/o CCA Industries, Inc. 200 Murray Hill Parkway East Rutherford, NJ 07073	444,685	484,615	157,500	13.0/14.9%
Ira W. Berman c/o CCA Industries, Inc.	393,745	473,615	202,000	12.1/14.6%
Jack Polak 90 Park Avenue New York, NY 10016	27,700	-	25,000	.4/.7%
Rami G. Abada c/o CCA Industries, Inc.	-	-	25,000	.0/.3%
Stanley Kreitman c/o CCA Industries, Inc.	-	-	25,000	.0/.3%
Dunnan Edell c/o CCA Industries, Inc.	41,250	-	75,000	.6/1.6%
Drew Edell c/o CCA Industries, Inc.	51,250	-	75,000	.7/1.7%

John Bingman c/o CCA Industries, Inc.	-	-	-	-
Officers and Directors as a group (8 persons)	958,630	958,230	584,500	26.8%/34.2

____

(1) The number of "Option Shares" represents the number of shares that could be purchased by and upon exercise of unexercised options exercisable within 60 days; and the percentage ownership figure denominated "Assuming Option Share Exercise" assumes, per person, that unexercised options have been exercised and, thus, that subject shares have been purchased and are actually owned. In turn, the "assumed" percentage ownership figure is measured, for each owner, as if each had exercised such options, and purchased subject `option shares,' and thus increased total shares actually outstanding, but that no other option owner had `exercised and purchased.'

(2) David Edell, Ira Berman and Jack Polak own over 98% of the outstanding shares of Class A Common Stock. Messrs. David Edell, Dunnan Edell, Drew Edell and Ira Berman are officers and directors. Mr. Bingman is an officer. Messrs. Abada, Kreitman and Polak are directors.

Item 14. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The law firm of Post, Polak, Goodsell, MacNeil & Strauchler represented the Company in two lawsuits in the current year, both of which have been satisfied during litigation. Frederick B. Polak, a partner in the firm, is the son of a director of the Company, Jack Polak. The law firm received fees of $142,045 during the year. There is no litigation currently outstanding with the firm.

PART IV

Item 15. EXHIBITS, FINANCIAL STATEMENTS,
SCHEDULES AND REPORTS ON FORM 8-K

Financial Statements:

Table of Contents, Independent Auditors' Report, Consolidated Balance Sheets as of November 30, 2002 and 2001 Consolidated Statements of Income (Loss) for the years ended November 30, 2002, 2001 and 2000. Consolidated Statements of Comprehensive Income (Loss), Consolidated Statements of Shareholders' Equity for the years ended November 30, 2002, 2001 and 2000, Consolidated Statements of Cash Flows for the years ended November 30, 2002, 2001 and 2000, Notes to Consolidated Financial Statements.

Financial Statement Schedules:

Schedule II: Valuation Accounts; Years Ended Nov. 30, 2002, 2001 and 2000.

Exhibits:

(3) The Company's Articles of Incorporation and Amendments thereof, and its By-Laws, are incorporated by reference to their filing with the Form 10-K A filed April 5, 1995. (Exhibit pages 000001-23).

(4) The Indenture (and the Promissory note exhibited therewith) defining the rights of former shareholders who tendered Common Stock to the Company for its $2 per share, 5 year, 6% debenture, is filed by reference to the filing of such documents with the Schedule TO filed with the S.E.C., on June 5, 2001.

(10) (a) The Following Material Contracts are incorporated by reference to their filing with the Form 10-KA filed April 5, 1995: Amended and Restated Employment Agreements of 1994, with David Edell and Ira Berman; License Agreement made February 12, 1986 with Alleghany Pharmacal Corporation.

(b) The February 1999 Amendments to the Amended and Restated Employment Agreements of David Edell and Ira Berman (1994) are incorporated by reference to the 1998 10-K. (Exhibit pages 00001-00002)

(c) The Forms 8K, filed on May 22, 2002 and November 20, 2002, are incorporated by reference to this 2002 10K.

(d) The following contracts are annexed hereto.
   (i) Amended and restored Employment Contract of David Edell - October 2002.
   (ii) Amended and restored Employment Contract of Ira W. Berman - October 2002.
   (iii)Employment Agreement with Dunnan Edell - October 2002.
   (iv) Employment Agreement with Drew Edell - October 2002.

(11) Statement re Per Share Earnings (included in Item 15, Financial Statements)

Two Forms 8-K were filed during the 2002 fiscal year.

Shareholders may obtain a copy of any exhibit not filed herewith by writing to CCA Industries, Inc., 200 Murray Hill Parkway, East Rutherford, New Jersey 07073. Moreover, exhibits may be inspected and copied at prescribed rates at the Commission's public reference facilities at Judiciary Plaza, 450 Fifth Street, NW, Washington, D.C. 20549; Jacob K. Javits Federal Building, 26 Federal Plaza, New York, New York 10278; and Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661-2511. Copies of such materials may also be obtained by mail at prescribed rates from the Public Reference Branch of the Commission at 450 Fifth Street, N.W., Washington, D.C. 20549, and one is available at the Commission's Internet website (http://www.sec.gov).

SIGNATURES

Pursuant to the requirements of Section 13 or 15(A) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

CCA INDUSTRIES, INC.

By: s/ David Edell
DAVID EDELL, President

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
s/ David Edell DAVID EDELL	President, Director, Chief Executive Officer, and Chief Financial Officer	February 28, 2003
s/ Ira W. Berman IRA W. BERMAN	Chairman of the Board of Directors, Executive Vice President, Secretary	February 28, 2003
s/ Dunnan Edell DUNNAN EDELL	Vice President, Director	February 28, 2003
s/ Drew Edell	Vice President,	February 28, 2002

DREW EDELL	Director	
s/ Stanley Kreitman STANLEY KREITMAN	Director	February 28, 2003
s/ Rami Abada RAMI ABADA	Director	February 28, 2003
s/ Jack Polak JACK POLAK	Director	February 28, 2003
s/John Bingman JOHN BINGMAN	Treasurer	February 28, 2003

CCA INDUSTRIES, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2002 AND 2001

C O N T E N T S

INDEPENDENT AUDITORS' REPORT

Board of Directors
CCA Industries, Inc.
East Rutherford, New Jersey

We have audited the consolidated balance sheets of CCA Industries, Inc. and Subsidiaries as of November 30, 2002 and 2001, and the related consolidated statements of income (loss), comprehensive income (loss), shareholders' equity and cash flows for each of the three years in the period ended November 30, 2002. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain a 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 statements and related schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of CCA Industries, Inc. and Subsidiaries as of November 30, 2002 and 2001, and the consolidated results of their operations and their cash flows for each of the three years in the period ended November 30, 2002, in conformity with accounting principles generally accepted in the United States of America.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules listed in the index to Item 14 are presented for purposes of complying with the Securities and Exchange Commission's rules and are not a required part of the basic consolidated financial statements. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic consolidated financial statements taken as a whole.

SHEFT KAHN & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

February 3, 2003
Jericho, New York

CCA INDUSTRIES, INC. AND SUBSIDIARIES
<TABLE>
CONSOLIDATED BALANCE SHEETS
<CAPTION>

A S S E T S

(Note 7)

	November 30, 2002	2001
<S>	<C>	<C>
Current Assets		
Cash and cash equivalents (Note 14)	$ 1,585,647	$ 2,555,938
Short-term investments and marketable securities (Notes 2 and 6)	3,479,544	355,345
Accounts receivable, net of allowances of $1,222,408 and $1,295,086, respectively	6,265,955	4,464,991
Inventories (Notes 2 and 3)	3,743,131	4,783,530
Prepaid expenses and sundry receivables	363,457	401,403
Prepaid income taxes and refunds due	1,703	221,989
Deferred income taxes (Note 8)	1,287,568	1,617,403
Total Current Assets	16,727,005	14,400,599
Property and Equipment, net of accumulated depreciation and amortization (Notes 2 and 4)	720,739	482,261
Intangible Assets, net of accumulated amortization (Notes 2 and 5)	577,414	618,933
Other Assets		
Marketable securities (Notes 2 and 6)	6,723,518	4,979,758
Due from officers	-	20,598
Deferred income taxes (Note 8)	-	40,105
Other	56,388	56,663
Total Other Assets	6,779,906	5,097,124
Total Assets	$24,805,064	$20,598,917

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED BALANCE SHEETS

<CAPTION>

LIABILITIES AND SHAREHOLDERS' EQUITY

	November 30, 2002	2001
<S>	<C>	<C>
Current Liabilities		
Accounts payable and accrued liabilities (Note 10)	$ 5,284,109	$ 4,154,256
Income tax payable	178,690	9,366
Total Current Liabilities	5,462,799	4,163,622
Subordinated Debentures (Note 7)	501,656	510,656
Deferred Income Taxes (Note 8)	5,186	-
Commitments and Contingencies (Note 12)		
Shareholders' Equity		
Preferred stock, $1.00 par; authorized 20,000,000 shares; none issued	-	-

Common stock, $.01 par; authorized 15,000,000 shares; issued and outstanding 6,440,523 and 6,242,823 shares, respectively	64,405	62,428
Class A common stock, $.01 par; authorized 5,000,000 shares; issued and outstanding 973,230 and 1,020,930 shares, respectively	9,732	10,209
Additional paid-in capital	3,832,796	3,834,296
Retained earnings	15,389,415	12,315,062
Unrealized (losses) on marketable securities	(107,990)	(50,151)
	19,188,358	16,171,844
Less: Treasury Stock (271,155 and 218,196 shares at November 30, 2002 and 2001, respectively)	352,935	247,205
Total Shareholders' Equity	18,835,423	15,924,639
Total Liabilities and Shareholders' Equity	$24,805,064	$20,598,917

</TABLE>
See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES
<TABLE>
CONSOLIDATED STATEMENTS OF INCOME (LOSS)
<CAPTION>

	Years Ended November 30,		
	2002	2001	2000
<S>	<C>	<C>	<C>
Revenues			
Sales of health and beauty aid products, net	$45,241,493	$41,364,648	$36,990,170
Other income	439,481	338,883	186,284
	45,680,974	41,703,531	37,176,454
Costs and Expenses			
Cost of sales	15,342,317	14,877,421	14,299,928
Selling, general and administrative expenses	15,389,528	13,812,890	12,557,064
Advertising, cooperative and promotions	9,239,249	8,776,470	8,837,665
Research and development	741,974	687,731	555,462
Provision for doubtful accounts	(105,724)	299,254	249,279
Interest expense	38,074	69,012	159,477
	40,645,418	38,522,778	36,658,875
Income before Special Charge and Provision for Income Taxes	5,035,556	3,180,753	517,579
Special Charge (Note 15)	-	-	(1,500,000)
Income (Loss) before Provision (Benefit) for Income Taxes	5,035,556	3,180,753	(982,421)
Provision (Benefit) for Income Tax	1,961,203	1,166,384	(327,911)
Net Income (Loss)	$ 3,074,353	$ 2,014,369	($ 654,510)
Weighted Average Shares Outstanding			
Basic	7,099,759	6,893,232	7,153,013
Diluted	7,579,983	7,526,157	7,153,013
Earnings (Loss) Per Common Share			

(Note 2):			
Basic	$.43	$.29	($.09)
Diluted	$.41	$.27	($.09)

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

<CAPTION>

	Years Ended November 30,		
	2002	2001	2000
<S>	<C>	<C>	<C>
Net Income (Loss)	$3,074,353	$2,014,369	($ 654,510)
Other Comprehensive Income (Loss)			
Unrealized holding gain (loss) on investments	(57,839)	14,696	86,008
Provision (Benefit) for Income Taxes	(22,527)	5,555	13,742
Other Comprehensive Income (Loss) - Net	(35,312)	9,141	72,266
Comprehensive Income (Loss)	$3,039,041	$2,023,510	($ 582,244)
Earnings (Loss) Per Share:			
Basic	$.43	$.29	($.08)
Diluted	$.40	$.27	($.08)

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

<CAPTION>

FOR THE YEARS ENDED NOVEMBER 30, 2002, 2001 AND 2000

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Unrealized Gain (Loss) on Marketable Securities	Treasury Stock
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance - November 30, 1999	7,342,081	$73,420	$4,453,478	$10,955,203	($150,855)	($ 165,166)

Issuance of debentures for acquisition of 278,328 shares of common stock	-	-	-	-	-	(619,965)
Purchase of 11,500 shares of treasury stock	-	-	-	-	-	(11,066)
Net income for the year	-	-	-	(654,510)	-	-
Unrealized gain on marketable securities	-	-	-	-	86,008	-
Retirement of treasury stock	(278,328)	(2,783)	(617,182)	-	-	(619,965)
Balance - November 30, 2000	7,063,753	70,637	3,836,296	10,300,693	(64,847)	(176,232)
Issuance of common stock	200,000	2,000	(2,000)	-	-	-
Net income for the year	-	-	-	2,014,369	-	-
Unrealized gain on marketable securities	-	-	-	-	14,696	-
Purchase of 110,700 shares of treasury stock	-	-	-	-	-	(70,973)
Balance - November 30, 2001	7,263,753	72,637	3,834,296	12,315,062	(50,151)	(247,205)
Issuance of common stock	150,000	1,500	(1,500)	-	-	-
Net income for the year	-	-	-	3,074,353	-	-
Unrealized (loss) on marketable securities	-	-	-	-	(57,839)	-
Purchase of 52,959 shares of treasury stock	-	-	-	-	-	(105,730)
Balance - November 30, 2002	7,413,753	$74,137	$3,832,796	$15,389,415	($107,990)	($352,935)

</TABLE>

See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

CONSOLIDATED STATEMENTS OF CASH FLOWS

<CAPTION>

FOR THE YEARS ENDED NOVEMBER 30,

	2002	2001	2000
<S>	<C>	<C>	<C>
Cash Flows from Operating Activities:			
Net income (loss)	$3,074,353	$2,014,369	($ 654,510)
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	357,627	374,953	372,881
(Gain) loss on sale of securities	(119)	5,559	119,877
Decrease (increase) in deferred income taxes	375,126	(93,469)	(343,495)
Loss on disposal of property and equipment	27,629	-	-
(Increase) decrease in accounts receivable	(1,800,964)	1,864,764	1,041,777
Decrease in inventory	1,040,399	951,897	499,843
Decrease (increase) in prepaid expenses and sundry receivables	37,946	(76,423)	497,836
Decrease (increase) in prepaid income taxes and refunds due	220,286	555,702	(62,856)
Decrease (increase) in miscellaneous			

assets	275	(1,137)	(537)
Increase (decrease) in accounts payable			
and accrued liabilities	1,129,853	(134,596)	(640,053)
Increase in income taxes payable	169,324	9,366	-
Net Cash Provided by Operating Activities	4,631,735	5,470,985	830,763
Cash Flows from Investing Activities:			
Acquisition of property and equipment	(575,923)	(134,247)	(283,863)
Acquisition of intangible assets	(6,292)	(24,700)	(496,734)
Purchase of available for sale securities	(6,767,658)	(7,036,015)	(2,682,631)
Proceeds from sale of available for sales securities	1,839,729	5,068,493	2,567,555
Proceeds of money due from officers	20,598	887	36,433
Net Cash (Used in) Investing Activities	(5,489,546)	(2,125,582)	(859,240)
Cash Flows from Financing Activities:			
Proceeds from borrowings	-	-	3,900,000
Payment on debt	-	(1,500,000)	(3,800,000)
Repurchase of outstanding debentures	(6,750)	(23,000)	-
Purchase of treasury stock	(105,730)	(70,973)	(74,375)
Net Cash (Used in) Provided by Financing Activities	(112,480)	(1,593,973)	25,625
Net (Decrease) Increase In Cash	(970,291)	1,751,430	(2,852)
Cash at Beginning of Year	2,555,938	804,508	807,360
Cash at End of Year	$1,585,647	$2,555,938	$ 804,508
Supplemental Disclosures of Cash Flow Information:			
Cash paid during the year for:			
Interest	$ 38,239	$ 69,958	$161,895
Income taxes	1,310,593	801,950	97,629

</TABLE>
See Notes to Consolidated Financial Statements.

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

CCA Industries, Inc. ("CCA") was incorporated in the State of Delaware on March 25, 1983.

CCA manufactures and distributes health and beauty aid products.

CCA has several wholly-owned subsidiaries (CCA Cosmetics, Inc., CCA Labs, Inc., Berdell, Inc., Nutra Care Corporation, and CCA Online Industries, Inc.), all of which are currently inactive.

In March of 1998 CCA acquired 80% of the newly organized Fragrance Corporation of America, Ltd. (FCA) which manufactured and distributed perfume products. In 1999, CCA adopted a formal plan to discontinue the operations of the subsidiary. As of November 30, 2001, the CCA had completed its plan of dissolution.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation:

The consolidated financial statements include the accounts of CCA and its majority-owned subsidiaries (collectively the "Company").

All significant inter-company accounts and transactions have been eliminated.

Use of Estimates:

The consolidated financial statements include the use of estimates, which management believes are reasonable. The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Short-Term Investments and Marketable Securities:

Short-term investments and marketable securities consist of corporate and government bonds and equity securities. The Company has classified its investments as Available-for-Sale securities. Accordingly, such investments are reported at fair market value, with the resultant unrealized gains and losses reported as a separate component of shareholders' equity.

Statements of Cash Flows Disclosure:

For purposes of the statement of cash flows, the Company considers all highly liquid instruments purchased with an original maturity of less than three months to be cash equivalents.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Statements of Cash Flows Disclosure (Continued):

During fiscal 2000, the Company repurchased 278,328 shares of common stock in exchange for the issuance of subordinated debentures totaling $556,656. The total cost of the acquisition (including associated costs incurred of $63,309) was charged to capital upon its retirement.

During fiscal 2001, two officers/shareholders exercised in the aggregate 400,000 options in exchange for 200,000 shares of previously issued common stock. The common shares were put into treasury and were subsequently cancelled.

During fiscal 2002, two officers/shareholders exercised in the aggregate 200,000 options in exchange for 50,000 shares of previously issued common stock.

Inventories:

Inventories are stated at the lower of cost (first-in, first-out) or market.

Product returns are recorded in inventory when they are received at the lower of their original cost or market, as appropriate. Obsolete inventory is written off and its value is removed from inventory at the time its obsolescence is determined.

Property and Equipment and Depreciation and Amortization

Property and equipment are stated at cost. The Company charges to expense repairs and maintenance items, while major improvements and betterments are capitalized. When the Company sells or otherwise disposes of property and equipment items, the cost and related accumulated depreciation are removed from the respective accounts and any gain or loss is included in earnings.

Depreciation and amortization are provided on the straight-line method over the following estimated useful lives or lease terms of the assets:

Machinery and equipment	5-7 Years
Furniture and fixtures	3-10 Years
Tools, dies and masters	3 Years
Transportation equipment	5 Years
Leasehold improvements	4-10 Years or life of lease, whichever is shorter

Intangible Assets:

Intangible assets are stated at cost. Patents and trademarks are amortized on the straight-line method over a period of 17 years.

Financial Instruments:

The carrying value of assets and liabilities considered financial instruments approximate their respective fair value.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

Income tax expense includes federal and state taxes currently payable and deferred taxes arising from temporary differences between income for financial reporting and income tax purposes.

Tax Credits:

Tax credits, when present, are accounted for using the flow-through method as a reduction of income taxes in the years utilized.

Earnings Per Common Share:

The Company adopted Statement of Financial Accounting Standards ("SFAS") No. 128, "Earnings Per Share" in 1998. Basic earnings per share is calculated using the average number of shares of common stock outstanding during the year. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method" and convertible debentures using the "if-converted" method. Common stock equivalents consist of stock options.

Revenue Recognition:

The Company recognizes sales upon shipment of merchandise. Net sales comprise gross revenues less expected returns, trade discounts, customer allowances and various sales incentives. Although no legal right of return exists between the customer and the Company, it is an industry-wide practice to accept returns from customers. The Company, therefore, records a reserve for returns equal to its gross profit on its historical percentage of returns on its last five months sales.

Reclassifications

In 1999, the Company formalized a plan to discontinue the operations of FCA, terminated all FCA employees, closed its Chicago facility, abandoned the majority of its inventory and discontinued almost all of the marketing of its product line. However, in 2000, after noting that there was still demand for the "Cherry Vanilla" and "Cloud Dance" perfumes, the Company decided to retain those product lines and purchased the trademarks owned by Shiara Holdings, Inc. Therefore, in accordance with EITF 90-16, certain prior year amounts have been reclassified to conform to the 2000 presentation.

In accordance with EITF 00-14, the Company has accounted for certain sales incentives offered to customers by charging them directly to sales as opposed to "advertising and promotional" expense. Prior years' amounts have been reclassified to conform to the 2002 and 2001 presentation. Had EITF 00-14 not been adopted, sales for the years ended November 2002, 2001 and 2000 would have been $46,850,507, $42,527,229 and $38,451,980, respectively.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising Costs:

The Company's policy for fiscal financial reporting is to charge advertising cost to operations as incurred.

Shipping Costs:

The Company's policy for fiscal financial reporting is to charge shipping cost to operations as incurred. For the years ended November 30, 2002, 2001 and 2000, included in selling, general and administrative expenses is shipping costs amounting to $2,120,645, $2,296,585 and $2,047,656, respectively.

NOTE 3 - INVENTORIES

At November 30, 2002 and 2001, inventories consist of the following:

	2002	2001
Raw materials	$3,251,338	$3,610,432
Finished goods	1,468,581	2,225,814
	$4,719,919	$5,836,246

At November 30, 2002 and 2001, the Company had a reserve for obsolete inventory of $976,788 and $1,052,716 respectively. In 2001, the Company had $519,986 of old FCA inventory which it had completely written off but had not yet disposed of. In 2002, the Company disposed of the FCA inventory.

NOTE 4 - PROPERTY AND EQUIPMENT

At November 30, 2002 and 2001, property and equipment consisted of the following:

	2002	2001
Machinery and equipment	$ 97,003	$ 168,421
Office furniture and equipment	552,615	741,414
Transportation equipment	10,918	10,918
Tools, dies, and masters	213,188	550,825
Leasehold improvements	222,646	162,283
	1,096,370	1,633,861
Less: Accumulated depreciation		

and amortization	375,631	1,151,600
Property and Equipment - Net	$ 720,739	$ 482,261

Depreciation and amortization expense for the years ended November 30, 2002, 2001 and 2000 amounted to $309,816, $327,777 and $347,801, respectively.

During the years ended November 30, 2002 and 2001, the Company wrote off and disposed of all of their obsolete property and equipment.

NOTE 5 -INTANGIBLE ASSETS

Intangible assets consist of the following at November 30, 2002 and 2001:

	2002	2001
Patents and trademarks	$756,548	$750,256
Less: Accumulated amortization	179,134	131,323
Intangible Assets - Net	$577,414	$618,933

Amortization expense for the years ended November 30, 2002, 2001 and 2000 amounted to $47,811, $47,176 and $25,080, respectively.

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES

Short-term investments and marketable securities, which consist of stock and various corporate and government obligations, are stated at market value. The Company has classified its investments as Available-for-Sale securities and considers as current assets those investments which will mature or are likely to be sold in the next fiscal year. The remaining investments are considered non-current assets. The cost and market values of the investments at November 30, 2002 and November 30, 2001 were as follows:

	November 30, 2002		November 30, 2001	
Current:	COST	MARKET	COST	MARKET
Corporate obligations	$ 2,066,040	$2,071,603	$ -	$ -
Government obligations (including mortgage backed securities)	1,330,345	1,314,604	247,330	248,330
Mutual funds	169,589	93,337	159,805	107,015
Total	3,565,974	3,479,544	407,135	355,345
Non-Current:				
Corporate obligations	1,025,806	1,016,715	2,416,846	2,434,080
Government obligations	4,867,627	4,848,293	2,311,273	2,294,058
Preferred stock	751,645	758,510	150,000	151,620
Other equity investments	100,000	100,000	100,000	100,000
Total	6,745,078	6,723,518	4,978,119	4,979,758
Total	$10,311,052	$10,203,062	$5,385,254	$5,335,103

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

The market value at November 30, 2002 was $10,203,062 as compared to $5,335,103 at November 30, 2001. The gross unrealized gains and losses were $58,411 and ($166,401) for November 30, 2002 and $35,542 and ($85,693) for November 30, 2001. The cost and market values of the investments at November 30, 2002 were as follows:

COL. A			COL. B	COL. C	COL.D	COL.E
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Number of Units-Principal Amount of Bonds and Notes	Cost of Each Issue	Market Value of Each Issue at Balance Sheet Date	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security Issue Carried in Balance Sheet
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CORPORATE OBLIGATIONS:						
GMAC Smartnotes	10/15/03	4.600%	250,000	$ 250,000	$ 250,730	$ 250,730
GMAC Smartnotes	10/15/03	4.750	325,000	325,000	326,333	326,333
GMAC Smartnotes	1/15/03	5.550	250,000	250,000	250,763	250,763
GMAC Smartnotes	2/15/03	5.750	140,000	140,000	140,711	140,711
GMAC Smartnotes	6/15/03	4.750	300,000	300,000	300,894	300,894
GMAC Smartnotes	7/15/03	4.650	200,000	200,000	200,540	200,540
GMAC Smartnotes	8/15/03	4.250	499,000	499,000	499,075	499,075
GMAC Smartnotes	5/15/04	4.250	250,000	250,000	246,598	246,598
GMAC Smartnotes	5/15/05	5.000	175,000	175,000	171,922	171,922
Household Finance Corp. Internotes	5/15/04	4.250	250,000	250,000	248,615	248,615
International Business Machines	9/22/03	5.370	100,000	102,040	102,557	102,557
Colgate-Palmolive	12/1/03	5.270	100,000	100,860	102,912	102,912
Ford Motor Credit	3/20/04	6.125	245,000	249,946	246,668	246,668
				3,091,846	3,088,318	3,088,318

</TABLE>

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

COL. A			COL. B	COL. C	COL.D	COL.E
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Number of Units-Principal Amount of Bonds and Notes	Cost of Each Issue	Market Value of Each Issue at Balance Sheet Date	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security Issue Carried in Balance Sheet
<S>	<C>	<C>	<C>	<C>	<C>	<C>
GOVERNMENT OBLIGATIONS:						
FHLMC 1628-N	12/15/2023	6.500%	255	$ -	$ 255	$ 255
FHLB	9/15/2003	5.125	255,000	266,200	262,214	262,214
FHLMC	6/27/06	3.500	200,000	200,000	202,126	202,126
FHLMC	11/15/2017	4.250	200,000	200,000	196,770	196,770
US Treasury Note	11/15/2003	4.250	200,000	199,891	203,136	203,136
US Treasury Note	11/15/2003	4.250	250,000	250,169	258,537	258,537
FNMA	11/6/2009	4.250	250,000	250,000	246,978	246,978
FNMA	11/6/2009	4.250	500,000	500,000	493,955	493,955
FHLMC	2/27/12	4.000	225,000	225,000	229,289	229,289
FNMA	9/15/04	3.500	250,000	249,805	255,860	255,860
FHLMC	10/15/09	3.000	250,000	250,000	243,908	243,908
FNMA Global	10/15/06	4.375	200,000	199,559	207,938	207,938
FNMA	2/24/05	4.100	200,000	200,000	201,188	201,188
FNMA	4/28/06	3.080	250,000	250,000	250,000	250,000
FNMA	11/15/05	4.250	200,000	200,000	201,986	201,986
FNMA	5/16/06	4.000	200,000	200,000	202,062	202,062
FNMA	8/15/12	4.000	250,000	250,000	248,125	248,125
Federal Home Loan Bank	8/8/2006	3.375	250,000	250,000	250,783	250,783

Tennessee Valley Authority Power Bonds	5/1/2029	6.500	26,000	688,530	676,000	676,000
Tobacco Settlement Fin Corp. N	6/1/2015	5.000	200,000	198,500	190,966	190,966
NJ EDA Trans Sublease RV Lightrail 199A FSA	5/1/2004	5.000	300,000	317,444	314,169	314,169
Port Authority NY & NJ Cons 88th SR BE	10/1/2004	4.500	225,000	238,789	235,935	235,935
CLOSED END MUNICIPAL BONDS/MUTUAL FUNDS:						
Muniyield New Jersey Insd Frd Inc.			5,500	81,350	78,650	78,650
Muniholdings New Jersey Insd FD Inc.			5,900	79,896	79,001	79,001
Nuveen New Jersey Invt Quality Municipal Fund			5,200	79,507	78,416	78,416
Nuveen New Jersey Prem Inc Municipal Fund			5,200	78,639	78,104	78,104
Van Kamp Amer Cap Inv Gr NJ			4,800	80,502	79,920	79,920
Blackrock New Jersey Municipal Inc.			5,000	73,820	67,500	67,500
Eaton Vance New Jersey Municipal Inc.			4,600	70,481	66,240	66,240
Nuveen New Jersey Dividend Advantage			4,700	69,890	62,886	62,886
				6,197,972	6,162,897	6,162,897

</TABLE>

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (CONTINUED)

COL. A			COL. B	COL. C	COL.D	COL.E
Name of Issuer and Title of Each Issue	Maturity Date	Interest Rate	Number of Units-Principal Amount of Bonds and Notes	Cost of Each Issue	Market Value of Each Issue at Balance Sheet Date	Amount at Which Each Portfolio Of Equity Security Issues and Each Other Security Issue Carried in Balance Sheet
<S>	<C>	<C>	<C>	<C>	<C>	<C>
EQUITY:						
Preferred Stock:						
Public Income NTS General Electric Cap Corp.	11/15/32	6.10%	11,800	$ 301,645	$ 296,450	$ 296,450
Merrill Lynch Trust	9/30/08	7.28	6,000	150,000	154,560	154,560
Corporate Backed Trust Certificates For AIG Sun America	5/17/07	6.70	6,000	150,000	154,500	154,500
Corporate Backed Trust Certificates For Bristol Myers Squibb	5/23/07	6.80	6,000	150,000	153,000	153,000
				751,645	758,510	758,510
Other Equity Investments:						
Aberdeen Asia Pacific Income Fund				100,000	100,000	100,000
Dreyfus Premier Limited Term High Income CL B			14,862.540	169,589	93,337	93,337
				269,589	193,337	193,337
				$10,311,052	$10,203,062	$10,203,062

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 - SHORT-TERM INVESTMENTS AND MARKETABLE SECURITIES (Continued)

During the years ended November 30, 2002, 2001 and 2000, available-for-sale securities were liquidated and proceeds amounting to $1,839,729, $5,068,493 and $2,567,555 were received, with resultant realized (losses) totaling ($2,131), ($28,559) and ($119,877) respectively. Cost of available-for-sale securities includes unamortized premium or discount.

NOTE 7 - NOTES PAYABLE AND SUBORDINATED DEBENTURES

The Company has an available line of credit of $7,000,000. Interest is calculated on the outstanding balance at prime minus 1% or Libor plus 150 basis points. The line of credit is collateralized by all the Company's assets. The Company was not utilizing their available credit line at November 30, 2002 and 2001.

On August 1, 2000, the Company repurchased (pursuant to a tender offer) 278,328 shares of its outstanding common stock by issuing subordinated debentures equal to $2 per share, which accrue interest at 6% and are due to mature on August 1, 2005. The interest is payable semi-annually.

During the year 2001, the Company repurchased $46,000 of debentures for $23,000 resulting in a gain of $23,000.

During the year 2002, the Company repurchased $9,000 of debentures for $6,750 resulting in a gain of $2,250.

NOTE 8 - INCOME TAXES

CCA and its subsidiaries file a consolidated federal income tax return. No returns have been examined by the Internal Revenue Service.

At November 30, 2002 and 2001, respectively, the Company has temporary differences arising from the following:

November 30, 2002

Type	Amount	Deferred Tax	Classified As Short-Term	Classified As Long-Term
		Asset (Liability)		
Depreciation	($ 13,024)	($ 5,186)	$ -	($5,186)
Reserve for bad debts	695,824	277,100	277,100	-
Reserve for returns	526,584	209,703	209,703	-
Reserve for obsolete inventory	976,788	388,989	388,989	-
Section 263A costs	290,000	115,487	115,487	-
Charitable contributions	744,010	296,289	296,289	-
Net deferred income tax		$1,282,382	$1,287,568	($5,186)

NOTE 8 - INCOME TAXES (Continued)

November 30, 2001

Type	Amount	Deferred Tax	Classified As Short-Term	Classified As Long-Term
		Asset (Liability)		
Depreciation	$ 98,139	$ 40,105	$ -	$40,105
Reserve for bad debts	481,399	196,729	196,729	-
Reserve for returns	813,686	332,521	332,521	-
Reserve for obsolete inventory	1,052,716	430,203	430,203	-

Section 263A costs	370,741	151,507	151,507	-
Deferred tax benefit from discontinued operations	519,986	212,497	212,497	-
Charitable contributions	719,293	293,946	293,946	-
Net deferred income tax	$1,657,508	$1,617,403	$40,105	

Income tax expense (benefit) is made up of the following components:

	November 30, 2002		
	Federal	State & Local	Total
Current tax expense	$1,116,198	$507,307	$1,623,505
Tax credits	(37,428)	-	(37,428)
Deferred tax expense	341,365	33,761	375,126
	$1,420,135	$541,068	$1,961,203

CCA INDUSTRIES, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 - INCOME TAXES (Continued)

	November 30, 2001		
	Federal	State & Local	Total
Current tax benefit	$976,295	$170,755	$1,147,050
Tax credits	(35,000)	-	(35,000)
Deferred tax benefit	(77,369)	131,703	54,334
	$863,926	$302,458	$1,166,384

	November 30, 2000		
	Federal	State & Local	Total
Current tax expense	($229,509)	($35,097)	($264,606)
Deferred tax expense	(54,416)	(8,889)	(63,305)
	($283,925)	($43,986)	($327,911)

Prepaid income taxes and refund due are made up of the following components:

	Federal	State & Local	Total
November 30, 2002	$ -	$ 1,703	$ 1,703
November 30, 2001	$ 88,210	$133,779	$221,989

Income taxes payable are made up of the following components:

	Federal	State & Local	Total
November 30, 2002	$ 35,873	$142,817	$178,690
November 30, 2001	$ 4,803	$ 4,563	$ 9,366

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 8 - INCOME TAXES (Continued)

A reconciliation of income tax expense (benefit) computed at the statutory rate to income tax expense at the effective rate for each of the three years ended November 30, 2002 is as follows:

	2002 Amount	2002 Percent Of Pretax Income	2001 Amount	2001 Percent of Pretax Income	2000 Amount	2000 Percent of Pretax Income
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Income tax expense (benefit) at statutory rate	$1,712,089	34.00%	$1,081,456	34.00%	($334,023)	(34.00%)
Increases (decreases) in taxes resulting from:						
State income taxes, net of federal income tax benefit	541,068	10.74	199,622	6.27	(58,355)	(5.94)
Non-deductible expenses and other adjustments	(254,526)	(5.05)	(79,694)	(2.50)	64,467	6.56
Utilization of tax credits	(37,428)	(0.74)	(35,000)	(1.10)	-	-
Income tax expense (benefit) at effective rate	$1,961,203	38.95%	$1,166,384	36.67%	($327,911)	(33.38%)

</TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 9 - STOCK OPTIONS

On November 15, 1984, the Company authorized the granting of incentive stock options as well as non-qualified options. The plan was amended in 1986 and again in 1994. The following summarizes the stock options outstanding under these plans as of November 30, 2002:

Date Granted	Number Of Shares	Per Share Option Price	Expiration
January 1990 (1)(5)	159,500	.50	2007
June 1995 (2)(5)	50,000	.50(3)(5)	2007
August 1997 (5)	375,000	.50(4)(5)	2007
	584,500		

(1) These options were originally scheduled to expire January 2000 but were extended for an additional five years.

(2) These options were originally scheduled to expire June 2000 but were extended for an additional five years.

(3) These stock options were repriced from $4.50 to $1.50 in June of 2000 when they were extended.

(4) These stock options were repriced from $2.50 on November 3, 1998.

(5) On May 24, 2001, the Board of Directors repriced all the outstanding options to $.50 and changed their expiration date to August 1, 2007.

The following summarizes the activity of shares under option for the two years ended November 30, 2001:

	Number Of Shares	Per Share Option Price	Value
Balance - November 30, 2000	1,184,500	$.50 - $1.50	$1,109,875
Granted	-	-	-
Repriced	-	(.05) - (1.00)	(517,125)
Exercised	400,000	(.50)	(200,000)
Expired	-	-	-
Cancelled	-	-	-
Balance - November 30, 2001	784,500	$.50	$ 392,250
Granted	-	-	-
Repriced	-	-	-
Exercised	200,000	(.50)	(100,000)
Expired	-	-	-
Cancelled	-	-	-
Balance - November 30, 2002	584,500	$.50	$ 292,250

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 9 - STOCK OPTIONS (Continued)

Pro Forma Disclosure

The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation", issued in October 1995. Accordingly, compensation cost has been recorded based on the intrinsic value of the option only. The Company recognized no compensation cost in 1999 and 1998, respectively, for stock-based employee compensation awards. The pro forma compensation cost for stock-based employee compensation awards was $1 million, $.5 million and $.8 million in 2002, 2001 and 2000, respectively. If the Company had elected to recognize compensation cost based on the fair value of the options granted at grant date as prescribed by SFAS No. 123, net income and earnings per share would have been changed to the pro forma amounts indicated in the table below:

	2002		2001		2000	
	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Net income	$3,074,353	$2,063,168	$2,014,369	$1,470,083	($654,510)	($1,447,726)
Diluted earnings per share	$.41	$.27	$.27	$.20	($.09)	($.20)

The above pro forma amounts, for purposes of SFAS No. 123, reflect the portion of the estimated fair value of awards earned in 2002, 2001 and 2000. For purposes of pro forma disclosures, the estimated fair value of the options is amortized over the options' vesting period (for stock options). The effects on pro forma disclosures of applying SFAS 123 are not likely to be representative of the effects on pro forma disclosures of future years.

</TABLE>

NOTE 9 - STOCK OPTIONS

The Company used the Black-Scholes model to value stock options for pro forma presentation. The assumptions used to estimate the value of the options included in the pro forma amounts and the weighted average estimated fair value of options granted are as follows:

	Stock Option Plan Shares		
	2002	2001	2000
Average expected life (years)	5.10	5.67	3.76
Expected volatility	210.19%	204.59%	193.18%
Risk-free interest rate	2.88%	4.25%	6.3%
Weighted average fair value at grant - Exercise price equal to market price	$1.73	$.69	$.66

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, the Black-Scholes model requires the input of highly subjective assumptions, including the expected stock price volatility and option life. Because the Company's stock options granted to employees have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, existing models do not necessarily provide a reliable measure of the fair value of its stock options granted to employees. For purposes of this model, no dividends have been assumed.

NOTE 10 - ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE

The following items which exceeded 5% of total current liabilities are included in accounts payable and accrued liabilities as of:

	November 30,	
	2002	2001
	(In Thousands)	
Media advertising	$ *	$ 424
Coop advertising	804	392
Accrued returns	878	301
Vacation accrual	320	254

Accrued bonuses	467	510
	$2,469	$1,881

All other liabilities were for trade payables or individually did not exceed 5% of total current liabilities.

* under 5%

NOTE 11 - OTHER INCOME

Other income was comprised of the following:

	November 30, 2002	2001	2000
Interest income	$383,569	$265,240	$222,459
Dividend income	11,780	16,057	42,461
Realized gain on sale of debentures	2,250	25,342	6,262
Realized (loss) on sale of securities	(2,131)	(30,901)	(126,139)
Royalty income	41,820	57,385	37,500
Miscellaneous	2,193	5,760	3,741
	$439,481	$338,883	$186,284

NOTE 12 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leased approximately 62,500 square feet of office and warehouse space at an annual rental of $267,684 and an additional 51,000 square feet of warehouse space in Paterson, NJ on a month to month basis. Under a new net lease starting June 1, 2002, the Company currently occupies approximately 75,550 square feet of space. Approximately 58,000 square feet in such premises is used for warehousing and 17,500 square feet for offices. The annual rental is $327,684, with an annual CPI increase of 3%, but not to exceed 15% cumulative five year increase. The lease requires the Company to pay for additional expenses "Expense Rent" (Common Area Maintenance "CAM"), which includes real estate taxes, common area expense, utility expense, repair and maintenance expense and insurance expense. The lease expires on May 31, 2012 with a renewal option for an additional five years.

Rent expense for the years ended November 30, 2002, 2001 and 2000 was $433,983, $531,062 and $498,227, respectively.

In addition, the Company has entered into various property and equipment operating leases with expiration dates ranging through November 2006.

Future commitments under noncancellable operating lease agreements having a remaining term in excess of one year for each of the next five (5) years and in the aggregate are as follows:

Year Ending November 30,	
2003	$ 389,254
2004	362,253
2005	338,201
2006	328,346
2007	327,684

Royalty Agreements

On March 3, 1986, the Company entered into a License Agreement (the "Agreement") with Alleghany Pharmacal Corporation ("Allegheny"). Under the terms of which the Company was granted the exclusive right to use the licensed products and trademarks for the manufacture and distribution of the products subject to the license. Under the terms of the Agreement, on July 5, 1986, the Company paid to Alleghany a non-refundable advance payment of $1,015,000. The license runs for an indeterminate period. An additional $525,000 non-refundable advance payment was paid to Alleghany on July 5, 1987.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

From the period March 3, 1986 to June 3, 1986, the Company was required to pay a 7% royalty on all net sales. Thereafter, it is required to pay a 6% royalty on net sales but no less than $360,000 per annum to maintain its license. After the sum of $9,000,000 in royalties has been paid to Alleghany, the royalty is reduced to 1% of net sales. The Company has expanded the lines licensed from Alleghany and pays only 1% royalty on various new products created by the Company. As of November 30, 2002, $8,732,641 of royalties have been paid or accrued and only $267,359 still remains until the $9,000,000 level is reached.

In March 1998, the Company entered into a License Agreement with Shiara Holdings, Inc., pursuant to which the Company acquired exclusive license to use the trademark names used by Fragrance Corporation of America, Ltd. (FCA). The Shiara-Holdings, Inc. license requires the Company to pay royalties of 5% per annum on net sales of all products sold under the "Cherry Vanilla", "Mandarin Vanilla", and "Cloud Dance" trademarks until royalties totaling $2,000,000 are paid, and royalties of one-half of 1% thereafter. (No royalties are payable in respect of sales of products under these Shiara license trademarks: "Vision", "Sunset Cafe", and "Amber Musk".) A minimum of $100,000 was required to be paid for the period from commencement (April 1998) through June 1999, and a minimum of $150,000 for each subsequent twelve-month period, in order to retain the exclusive license-rights.

On October 26, 2000, the Company purchased the Trademarks of Shiara Holding, Inc. for $450,000. Effectively, any future royalties which would have been payable under the FCA License agreements above were cancelled. See Note 5.

In May of 1998, the Company entered into a License Agreement with Solar Sense, Inc. for the marketing of sun care products under trademark names. The Company's License Agreement with Solar Sense, Inc. is for the exclusive use of the trademark names "Solar Sense" and "Kids Sense", in connection with the commercial exploitation of sun care products. The Company is required to pay a 5% royalty on net sales of the licensed products until $1 million total royalties are paid and 1% thereafter; and minimum per-annum royalties of $30,000. The Company realized $1,493,955 in net sales of sun-care products in 2002, and paid or accrued Solar Sense the royalty of $74,698.

In October of 1999, the Company entered into a License Agreement with The Nail Consultants, Ltd. for the use of an activator invented in connection with a method for applying a protective covering to fingernails. The Company's License Agreement with The Nail Consultants, Ltd. is for the exclusive use of the method and its composition in a new product kit packaged and marketed by CCA under its own name, "Nutra Nail Power Gel". The Company will pay a royalty of 5% of net sales of all licensed product sold by the Company. Net sales were $1,407,247 in 2002, and paid or accrued The Nail Consultants, Ltd. the royalty of $70,362.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

The Company settled a patent infringement claim for the use of Alpha Hydroxy in its Sudden Change exfoliation products for $323,927. The Company paid half in September 2001 and paid the balance in February 2002. The total expense was recorded in the fiscal year ended November 30, 2001. The Company entered into a license agreement for the future use of Alpha Hydroxy in its beauty aid products. The Company will pay a 5% royalty of net sales of all such licensed product sold by the Company. The license fees in 2002 were not material.

The Company has entered into various other License Agreements, none of which materially affect the Company's sales, financial results, financial condition, or should materially affect its future results of operations.

Employment Contracts

During fiscal 1994, the Board of Directors approved contracts for two officers/shareholders. Pursuant thereto, each was provided a base salary of $300,000 in fiscal 1994, with yearly increases of the higher of CPI or 6%, and each is paid 2.5% of the Company's pre-tax income, less depreciation and amortization, plus 20% of the adjusted base salary, as a bonus. During 1998 the contracts were amended, commencing in fiscal 1999, to limit the amount of advertising expense charged against pre-tax income for purposes of the 2.5% calculation to $8,000,000. In May 2001 an amendment increased the base salary to $400,000. The contract expires on December 31, 2010.

The two sons of the President of the Company have five year contracts in the amounts of $270,000 and $200,000 which expire on November 30, 2007.

Collective Bargaining Agreement

On December 1, 1998, the Company signed a collective bargaining agreement with Local 734, L.I.U. of N.A., AFL-CIO. Other than standard wage, holiday, vacation and sick day provisions, the agreement calls for CCA to provide certain medical and dental benefits and to contribute to the Local 734 Educational Fund $.01 per hour for each hour the employees are paid. The agreement expired on November 30, 2001. A new collective bargaining agreement with similar provisions is in effect for December 1, 2001 through November 30, 2004. This agreement pertains to 29% of the CCA labor force.

Litigation

The Company has been named as a defendant in 10 lawsuits alleging that the plaintiffs were injured as a result of their purchasing and ingesting our diet suppressant containing phenylpropanolamine (PPA), which the Company utilized as its active ingredient in its products prior to November 2000. The lawsuits brought against the Company are for unspecified amount of compensatory and exemplary damages.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (Continued)

Litigation (Continued)

The Company is insured for three of the 10 cases. CCA has not renewed the product liability policy covering possible additional lawsuits that might commence against the Company in connection with PPA. Outside counsel has advised CCA that as a general matter the PPA cases are defensible, and the Company plans to vigorously defend its positions. However, there can be no assurances the current PPA litigations will not have a material adverse effect on the Company's operations.

Dividends

CCA announced its first dividend of $0.12 per share payable to all holders of the Company's common stock, $0.06 payable to shareholders of record on April 1, 2003 and $0.06 payable to shareholders of record on November 1, 2003.

NOTE 13 - PENSION PLANS

The Company has adopted a 401(K) Profit Sharing Plan that covers most of their non-union employees with over one year of service and attained Age 21. Employees may make salary reduction contributions up to twenty-five percent of compensation not to exceed $11,000, and may make additional discretionary contributions.

NOTE 14 - RELATED PARTY TRANSACTION

During fiscal 2002, the Company retained legal services from a firm where a partner is the son of a Director of the Company. Total legal fees amounted to approximately $142,000.

NOTE 14 - CONCENTRATION OF RISK

All of the Company's products are sold to major drug and food chains merchandisers, and wholesale beauty-aids distributors throughout the United States and Canada.

During the years ended November 30, 2002, 2001 and 2000, certain customers each accounted for more than 5% of the Company's net sales, as follows:

Customer	2002	2001	2000
A	31%	28%	26%
B	13	12	13
C	7	7	6
D	7	5	6
E	5	4	6
F	*	7	6
Foreign Sales	2.40%	2.85%	2.50%

The loss of any one of these customers could have a material adverse affect on the Company's earnings and financial position.

During the years November 30, 2002, 2001 and 2000, certain products within the Company's product lines accounted for more than 10% of the Company's net sales as follows:

Product	2002	2001	2000
Health and Beauty	75%	69%	65%
Cosmetic and Fragrance	19	19	14

The Company maintains cash balances at several banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $100,000. In addition, the Company maintains accounts with several brokerage firms. The accounts contain cash and securities. Balances are insured up to $500,000 (with a limit of $100,000 for cash) by the Securities Investor Protection Corporation.

NOTE 15 - SPECIAL CHARGE

During the fourth quarter of 2000, the Company contacted its accounts and instructed them to return its "Permathene" and "Mega 16" products, which contain phenylpropanolimine ("PPA"), as a result of a general FDA health-warning concerning PPA (a key ingredient in numerous cold-remedies and appetite suppressants, which had been "on the market" for some 50 years). The Company's revenues from sales of those now discontinued products, in fiscal 2000, were approximately $2,500,000 (6.5% of sales).

In conjunction with the recall, the Company recorded $1,500,000 in costs ($255,000 for inventory on hand and $1,245,000 for returns, allowances, and other costs related to the recall).

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

<CAPTION>

NOTE 16 - EARNINGS PER SHARE

Basic earnings per share is calculated using the average number of common shares outstanding. Diluted earnings per share is computed on the basis of the average number of common shares outstanding plus the effect of outstanding stock options using the "treasury stock method".

	Year Ended November 30,		
	2002	2001	2000
<S>	<C>	<C>	<C>
Net income (loss) available for common shareholders, basic and diluted	$3,074,353	$2,014,369	($654,510)
Weighted average common stock outstanding- Basic	7,099,759	6,893,232	7,153,013
Net effect of dilutive stock options	480,224	632,925	*
Weighted average common stock and common stock equivalents - Diluted	7,579,983	7,526,157	7,153,013
Basic earnings per share	$.43	$.29	($.09)
Diluted earnings per share	$.41	$.27	($.09)

*Antidilutive

</TABLE>

SCHEDULE II

CCA INDUSTRIES, INC. AND SUBSIDIARIES

<TABLE>

VALUATION ACCOUNTS

<CAPTION>
YEARS ENDED NOVEMBER 30, 2002, 2001 AND 2000

COL. A	COL. B	COL. C	COL. D	COL. E
		Additions		
Description	Balance at Beginning Of Year	Charged To Costs and Expenses	Deductions	Balance At End Of Year
<S>	<C>	<C>	<C>	<C>
Year Ended November 30, 2002:				
Allowance for doubtful accounts	$ 481,399	$ 283,954	$ 69,529	$ 695,824
Reserve for returns and allowances	$ 813,686	$4,094,332	$4,381,434	$ 526,584
Reserve of inventory obsolescence	$1,052,716	$ 397,643	$ 473,571	$ 976,788
Year Ended November 30, 2001:				
Allowance for doubtful accounts	$ 323,257	$ 299,254	$ 141,112	$ 481,399
Reserve for returns and allowances	$1,056,167	$2,833,405	$3,075,886	$ 813,686
Reserve for inventory obsolescence	$1,050,714	$ 548,815	$ 546,813	$1,052,716
Year ended November 30, 2000:				
Allowance for doubtful accounts	$ 327,919	$ 249,279	$ 253,941	$ 323,257
Reserve for returns and allowances	$ 855,657	$4,758,078	$4,557,568	$1,056,167
Reserve for inventory obsolescence	$1,056,709	$ 839,702	$ 845,697	$1,050,714

</TABLE>