

*23<sup>rd</sup>*  
**Annual Report**



# PANJON LIMITED

## Twenty Third Annual Report 2005-2006

### **Board of Director:**

Mr. Nagin Kothari      Chairman & Managing director  
Mr. Jay Kothari        Managing Director

### **Auditors :**

Trilok jain & Co.  
Chartered Accountants  
Indore.

### **Bankers :**

I.D.B.I. Bank  
Alankar Point, A.B. Road,

### **Registered Office**

Dawa Bazar,  
13-14, R.N.T. Marg, INDORE - 452 001  
Gram : PANJON  
Tele: 4046555-56

### **Factory:**

104, Industrial Area, Sector -1  
Pithampur - 454 775  
Dist. Dhar (M.P.)  
Tele: 09302136821

### **Share Transfer Agent:**

SKYLINE Financial Services Ltd.  
123, Vinod Puri Lajpat Nagar,  
Delhi.  
Ph.: 011-29833777

Date :	30/09/2006
Day :	Saturday
Time :	11 A.M.
Place :	Plot No.104, Industrial Area Sector - 1, Pithampur, Dist.- Dhar. (M.P.)

**NOTICE**

**NOTICE** is hereby given that 23rd Annual General Meeting of the Members of **PANJON LIMITED** will be held at Plot no. 104 industrial Area sector- 1 Pithampur Dist. Dhar (M.P.) on the 30th Sep., 2006 at 11.00 A.M. to transact the following businesses:

**I. ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2006 and the Profit & Loss Account of the Company for the nine months ended 31<sup>st</sup> March, 2006 and the report of the Directors' & Auditor's thereon.
2. To appoint a director in place of Shri Bijayt Signh Tahukr, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Shri Prakash Doshi, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint Auditors to hold office from conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

**BY ORDERS OF THE BOARD  
PANJON LIMITED**

Place: INDORE  
Date : 1st August, 2006

**NAGIN KOTHARI  
MANAGING DIRECTOR**

**NOTES:**

1. A Member entitled to attend and vote at the Meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the Meeting.
2. Register of Members and Share Transfer Book of the Company has been closed from 25.09.2006 to 30.09.2006 (both days inclusive)
3. The Company has obtained connectivity from the CDSL & NSDL. Equity Shares of the Company may be held in Electronic form with any Depository Participant (DP) with whom the members/ Investors have their depository account. The ISIN No. for the Equity Shares of the Company is INE-744D01019. In case of any query/difficulty in any matter may contact our electronic Share Transfer Agents M/S Skyline Financial Services Pvt. Ltd., New Delhi.
4. (a) Members are requested to notify immediately any change of address; to their Depository Participants (DPs) in respect of their electronic share accounts, and to the Company to its Share Transfer Agents in respect of their physical share folios, if any.  
(b) In case the mailing address on this Annual Report is without the PINCODE, members are requested to kindly inform their PINCODE immediately.
5. Non-resident Indian Shareholders are requested to inform Share Transfer Agents immediately:
  - a) the change in the residential status on return to India for permanent settlement.
  - b) the particulars of NRE Account with a Bank in India, if not furnished earlier.
6. All documents referred to in the accompanying notice are open for inspection at the Registered office of the Company on all working days, except Saturdays between 11.00 A.M. to 1.00 P.M.

## PANJON LIMITED

7. Members who are holding shares in identical order of names in more than one folio are requested to send to the Company the details of such folios together with the share certificates for consolidating their holdings in one folio. The share certificates will be returned to the members after making requisite changes thereon.
8. Members desiring of obtaining any information concerning Accounts and Operations of the Company are requested to address their questions in writing to the Company at least 7 days before the date of the Meeting so that the information required may be made available at the Meeting.
9. As per the provisions of the Companies Act, 1956, facility for making nominations is now available to INDIVIDUALS holding shares in the Company. The Nomination Form-2B prescribed by the Government can be obtained from the Share Transfer Agent or may be download from the website of the Department of Company affairs.
10. Pursuant to the recommendation of SEBI Committee on Corporate Governance for re-appointment of the retiring directors, a statement containing details of the concerned directors is attached hereto.

### STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT

NAME AND DESIGNATION	AGE/ YEARS	QUALIFICATIONS	EXPERTISE/ EXPERIENCE	DATE OF AP.	OTHER
<b>DIRECTORSHIPS</b>					
Shri Bijay Singh Thakur	62	Matric	—	31-07-2002	No
Shri Prakash Doshi	55	Graduate	—	31-07-2002	No

## DIRECTORS' REPORT

To,  
The Members,  
Panjon Limited

Your Directors present their 23rd Annual Report on the business and operations of the Company along with the Audited Balance Sheet and Profit and Loss Accounts for the year ended 31st March, 2006.

### 1. FINANCIAL RESULTS:

Financial Results of the Company for the year under review along with the figures for previous year are as follows: Amount in Rs.

Particulars	Financial Year ended on 31st March	
	2006	2005
Turnover	17,25,44,355	14,45,68,082
Other Income	16,88,804	57,26,145
Total Income from operations	17,42,33,159	15,02,94,227
Profit before interest, depreciation & tax	66,66,102	61,75,900
Less Interest	10,98,075	11,50,252
Less Depreciation	29,34,380	27,55,195
Profit Before Tax	23,33,647	22,70,453
Provision for Taxation	2,85,939	2,00,000
Deferred Income Tax	9,25,763	13,70,830
Net profit after tax	29,73,471	6,99,623
EPS	0.28	0.06

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### 2. DIVIDEND:

Your directors propose to plough back the profit earned by the Company to strengthen its fund base and proposes to utilise the funds for its working capital needs and do not recommend any dividend for the year under review. (Previous Year: Nil).

### 3. BUSINESS PERFORMANCE:

Your directors report that during the period under review the Company has achieved the total turnover of Rs.1725.44 Lacs as compared to previous year of Rs.1445.68 Lacs. However, net profit before tax has increased to Rs.23,34 Lacs as compared to previous year figures Rs.22.70 Lacs).

### 4. MANAGEMENT DISCUSSION AND ANALYSIS:

The business operations of the Company have been reclassified based on the global nomenclature. The operational performance of the business has been reviewed by the management based on this segmentation.

#### 4.1 Industry structure and developments

The company is trying to developing new range of product and ayurvedic and confectionary, swad soya, agarabatti and cosmetics and FMGC product.

### 5. FINANCE & ACCOUNTS:

#### 5.1 Cash generation:

The company has generated substantial cash flow during the year which gear up companies development of new product range.

#### 5.2 Internal Control Systems and its adequacy:

The Company has reasonably system of internal control comparing authority levels and the powers, supervision, checks, policies and the procedures are routinely tested by the management. Moreover, the company continuously upgrades these systems in the line with the best international accounting practice. The Audit Committee also reviews the adequacy of internal controls systems and the compliance thereof. Further the annual financial statement of the company are reviewed and recommended by the audit committee for the consideration and the approval of the Board of Directors. The Committee also reviewed the internal controls system, significant accounting policy, major accounting entries, etc. during the year.

#### 5.3 Adequate coverage of risk:

The Company's assets are adequately insured against the loss of fire and other risk which considered necessary by the Management from time to time.

#### 5.4 No outstanding Deposits:

Your Company has not accepted any public deposit within the meaning of the provisions of section 58A of the Companies Act, 1956 and there is no outstanding deposit due for re-payment.

#### 5.5 Disclosures:

The Company has made adequate disclosures regarding related party transactions, contingent liabilities, remuneration of directors, and significant accounting policy in the notes to the accounts as an integral part of the Balance Sheet and Profit of Loss Accounts for the year ended 31st March, 2006

### 6. DIRECTORS:

Shri Prakas Doshi, Shri Bijay Singh Thankur, the Directors retires by rotation and being eligible offered themselves for re-appointment. The Board recommends their re- appointment. There is no other change in the directorship during the year under review.

### 7. AUDITORS AND THEIR REPORT:

Comments of the Auditor's in their report and the notes forming part of the Accounts, are self explanatory and need no comments. M/s Trilok Jain & Co., has to vacate their office at the conclusion of the ensuing Annual General Meeting and being eligible offers themselves for re-appointment. The Company has received certificate from the auditors to the effect that their re- appointment if made would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

### 8. SHARE CAPITAL:

The Company's has applied for listing of the 49,82,600 equity shares of Rs.10/- each issued on

## PANJON LIMITED

preferential basis on 1st June, 2002 and 5,00,000 Shares further issued at a premium of Rs. 1/- each on preferential basis on 7<sup>th</sup> Feb., 2005 Necessary approval from the Madhya Pradesh Stock Exchange & Mumbai are waited. The Company's existing Equity Shares before the preferential allotment are listed with the M.P. Stock Exchange (Regional) & the Stock Exchange, Mumbai. During the year under review there was no suspension of trading of Shares by any stock exchange.

Your Company also has connectivity with the Central Depository Services Ltd. (CDSL) and National Depository Services Ltd. (NSDL) to provide facilities to all members and investors to hold the Company's shares in Dematerialised Form.

### 9. DIRECTORS' RESPONSIBILITY STATEMENT:

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:

- In the preparation of accounts, the applicable accounting standards have been followed.
- Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates were made so as to give a true and fair view of the state of affairs of the company as at the end of March 31, 2006 and the profit of the company for the year ended on that date.
- Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.
- The annual accounts of the company have been prepared on a going concern basis.

### 10. PERSONNEL:

The relations between the workers and the managements were remained normal and there was no loss of production on account of the labour problems.

### 11. SEGMENT REPORTING:

In terms of the Listing Agreement the Segmental business report being annexed with the report.

### 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 have been enclosed with the Report.

### 13. CORPORATE GOVERNANCE:

Your Company is committed to good Corporate Governance practices and following to the standards prescribed by SEBI and Stock Exchanges. The Company has implemented all of its major stipulations. Your Company Statutory Auditor's Certificate dated 1st August, 2006 in line with Clause 49 of the Listing Agreement validates our claim. The Auditors' Certificate and report on Corporate Governance is annexed to and forms part of the Directors' Report.

### 14. ACKNOWLEDGEMENTS:

Your Directors acknowledge the vital role played by conscientious and hardworking employees of the company at all levels towards its overall success. Other stakeholders, bankers, business associates and members of the medical profession have continue to lend their valuable support to the company in its efforts to provide high quality products within India and Abroad. The Directors take this opportunity to record their appreciation in this regard.

By order of the Board  
For, PANJON LTD.

Place: INDORE  
Dated: 1<sup>st</sup> August, 2006

NAGIN KOTHARI  
CHAIRMAN & MANAGING DIRECTOR

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### Annexure to the Directors' Report

#### Segmental Business Report:

In terms of AS-17 and the Listing Agreement, the company has identified the necessary segments and relevant details have been given in the Notes on Accounts under the Schedule 'P' Part 'B' annexed with the Balance Sheet.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE:

Information as required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 are as under:

##### A. CONSERVATION OF ENERGY

(a) Energy conservation measures taken:

1. Efficient maintenance of traps, valves, pipe lines etc. to reduce fuel consumption in boiler.
2. Replacement of old type steam traps by bucket traps.
3. Proper control of the bumpers and safety valves.
4. Efficient control of air conditioning on and off times.
5. Use of dry process (Roll Compactor) for Panjon Tablets in place of weight process and drying in fluidised bed drier which has reduced a lot of power consumption.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy. Apart from the above mentioned measures new areas are continuously explored and identified to reduce the consumption of energy.

(c) Impact of measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted in energy saving and consequent decrease in cost of production.

(d) Total energy consumption and energy consumption per unit of production:

##### B. POWER AND FUEL CONSUMPTION:

Current Year

Previous Year

1. Electricity (Purchased) Units	97597	119870
Total Amount (Rs.)	873810/-	881527/-
Rate per Unit (Rs.)	8.95/-	7.35/-
2. Electricity (Generated) units Through Diesel Generators	No	No
Units		
Units per ltr. of Diesel oil	No	No
Cost per Unit (Rs.)	No	No
3. Coal (Specify quality & where used) Coal used in	41 M.T.	39 M.T.

##### C. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

(1) Research & Development:

-Successfully developed a fully in house indigenous Circular oriented printing machine which can print capsules in a circumference of 250 degrees. -Process debottlenecking at all stages of production line.

-Development in the area of trimming collection by efficient vacuum cyclone system.

-Automation in the area of physical test checking for finished product.

-Automation in the area of packing section.

R & D Expenditure: Not quantified separately.

(2) Technology absorption, adaption and innovation.

(a) Efforts in brief made towards technology absorption, adoptions innovation.

-Constant monitoring of process and technology up gradation taking place in advance countries and to offer similar products through in-house R & D as well as through progressive manufacturing activities. The Company is in the process of further improving its quality control methods and testing facilities.

-Regular interaction with equipment designers and manufacturers and major raw material suppliers For improvements to processing and operating parameters.

(b) Benefits derived as a result of above efforts: improved product quality

##### D: FOREIGN EXCHANGE EARNING AND OUTGO:

(a) Activities relating to exports, initiatives taken to increase exports, development of new export

markets for products and services and export plans.

(b) Information in respect of Foreign Exchange Earning and Outgo is Nil:

**E: PARTICULARS OF THE EMPLOYEES:**

Particulars as required under section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975 are not applicable, since none of the employees of the Company is drawing salary of Rs.24,00,000/- p.a. or Rs.2,00,000/- p.m. for the part of the year.

By order of the Board  
For, **PANJON LTD.**

Place : **INDORE**  
Dated : **1<sup>st</sup> August, 2006**

**NAGIN KOTHARI**  
**CHAIRMAN & MANAGING DIRECTOR**

**CORPORATE GOVERNANCE REPORT**

**REPORT OF COMPLIANCE WITH CLAUSE 49  
OF THE LISTING AGREEMENT OF THE STOCK EXCHANGES**

**1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:**

The Company's corporate governance policies recognise the accountability of the Board and the importance of its decisions to all our constituents, including customers, investors, employees and the regulatory authorities and to demonstrate that the shareholders are the cause of and ultimate beneficiaries of the company's economic activities.

The Company believes that better corporate governance can be achieved through increased transparency in its operation and has taken and will continue to take various measures towards the fulfillment of the spirit enshrined in the amended provisions of the listing agreement. The functions of the Board and the Executive Management are well defined and are distinct from one another. The Company has taken a series of steps including the setting up of sub-committees of the Board to oversee the functions of Executive Management. These sub-committees of the Board which mainly consists of Non-Executive Directors, meet regularly to discharge their objectives.

**2. BOARD OF DIRECTORS:**

**2.1 Details of Directors:**

Name of Director	Executive/Non Executive/ Independent	No of out side directorship		No.of out side committee, whether member or chairman
		Public	Private	
Shri Nagin Kothari	Promoter- Executive	1	-	No
Shri Jay Kothari	Promoter- Executive	2	-	No.
Mrs.Sajjan Bai Kothari	Promoters- NED	-	-	No
Shri Amit Mehta	Independent	1	-	No
Shri Prakash Doshi	Independent	-	-	No
Shri Bijay Singh Thakur	Independent	-	-	No

**2.2 Details of Board Meetings held during the year:**

Date of Board Meeting	City	No. of directors present
31-01-2006	Indore	5
29-04-2006	do	5
31-07-2006	do	6
31-10-2006	do	5

**3. AUDIT COMMITTEE:**

(A) Brief description of terms of reference:

- (i) Review with the management the annual/half-yearly/quarterly financial statements.
- (ii) Hold separate discussion with Head-Internal Audit, Statutory Auditors and among members of the Audit Committee to find out whether the company's financial statements are fairly presented



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- in conformity with the Accounting Standards issued by ICAI.
- (iii) Review the company's financial and risk management policies and the adequacy of internal control systems.
  - (iv) Review the adequacy of accounting records maintained in accordance with the provisions of the Companies Act 1956.
  - (v) Review the performance of Statutory Auditors and recommend their appointment & remuneration to the Board, considering their independence & effectiveness.
  - (vi) Perform other activities consistent with the Company's Memorandum and Articles, the Companies Act, 1956 and other Governing Laws.

(B) Composition of Committee and number of meetings held: Shri Amit Mehta, was appointed as the Chairman and Shri Prakash Doshi and Shri Bajay Singh Thakur as the member of the Audit Committee. During the year under review, the Audit Committee of the Board met four times to deliberate on various matters. The Chairman of the Audit Committee has also attended the Annual General Meeting.

#### 4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

##### 4.1 Brief description of terms of reference:

The Company has a 'Shareholders Grievance & Transfer Committee' at the Board level to look into the redressing of shareholders and investors complaints like:

1. Transfer of Shares, transmissions and delay in confirmation in D-mat of shares
2. Non-receipt of Annual Report, etc.

##### 4.2 Composition of Committee and number of meetings held:

Shri Prakash Doshi was appointed as the Chairman and Shri Amit Mehta and Shri Bijay Singh Thakur as the member of the Committee.

S.No.	Particulars	Status
1	Name and designation of Compliance Officer	Shri Jay Kothari, Director
2	Number of shareholders complaints received during the year	41
3	Number of complaints solved during the year	41
4	Number of complaints pending at the end of the year	Nil

The Company has given powers to implement transfer, transmission and D-mat of Shares to the Share Transfer Agent and to resolve the relating problems as professional agency. The Committee meets only on specific nature of complaints not resolved within a period of 14 days from the date of its receipts.

#### 5. REMUNERATION COMMITTEE:

##### 5.1 Brief description of terms of reference:

The terms of reference of the Committee are to review and recommend compensation payable to the executive directors. The Committee also ensures that the compensation policy of the Company provides for performance oriented incentives to management.

##### Composition of Committee and number of meetings held:

Shri Bijay Singh Thakur was appointed as the Chairman and Shri Amit Mehta and Shri Prakash Doshi as the member of the Committee. During the year under review, no meeting of the committee were held as no reference was made to it by the Board.

#### 6. GENERAL MEETINGS;

Location and time, where last three AGMs were held:

Financial Year	2002-03	2003-04	2004-05
Date	30/09/2003	30/09/2004	30/09/2005
Time	0.30 P.M.	11.00 A.M.	11.00 A.M.
Venue	Indore	Indore	Indore

#### 7. DISCLOSURES:

1. here are no material significant related party transactions made by the Company with its

## PANJON LIMITED

promoters, directors or the management, their subsidiaries or relative, that may have potential conflict with the interests of company at large. The register of contracts containing transactions in which directors are interested is placed before the Board regularly for its approval.

2. During the last three years there was no penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets.

### 8. MEANS OF COMMUNICATION:

Quarterly results of the Company are published in leading newspapers such as Chotha Sansar The results are promptly submitted to the Stock Exchanges where the shares of the Company are listed.

The Management Discussion and Analysis is a part of Directors' Report.

### 9. GENERAL INFORMATION TO SHAREHOLDERS

1. Date, Time and Venue of Annual General Meeting: 30th Sept., 2006 at 12.30 P.M. at Niranjanpur, Dewas Naka Road, Indore, (M.P.)

2. Financial Calendar:

: April, 2006 to March, 2007

First Quarter Results

: On 26<sup>th</sup> July, 2006

Second Quarter Results

: On 31<sup>st</sup> Oct., 2006

Third Quarter Results

: On or before 31st January, 2006

Results for the year ended 31st March, 2005

: On or before 30th April, 2007

3. Dates of Book Closure

: From 25.09.2006 to 30.09.2006

4. Board meeting for consideration of Annual Accounts

: 1<sup>st</sup> August, 2006

5. Posting of Annual Report

: 16<sup>th</sup> August, 2006

6. Last date for receipt of Proxy

: 28<sup>th</sup> Sept., 2006

7. No. of Shares holders as on 30<sup>th</sup> June, 2006:

: 12553

8. Listing on Stock Exchanges

: The Stock Exchange, Madhya Pradesh  
The Stock Exchange, Mumbai

9. Stock Code

: The MPSE: -

: The BSE: 526345

10. Demat ISIN No. for CDSL and NSDL

: INE744D01019

11. Stock Market Data:

Stock Exchange, Mumbai: High and low during each month in the last financial year (Source BSE Website)

Month	Highest Rs	Lowest Rs.	No. of Trades	Total volume shares
April, 2005	14.70	11.20	960	3188843
May, 2005	23.85	12.10	7191	2389240
June, 2005	22.80	16.25	4292	1190655
July, 2005	21.00	17.05	1892	511015
August, 2005	24.90	16.75	4355	1271215
Sept., 2005	23.40	14.40	3192	862319
Oct., 2005	17.00	11.70	821	223079
November, 2005	16.30	12.03	843	216052
December, 2005	14.95	12.00	834	195210
January, 2006	13.98	10.82	923	205747
Feb., 2006	12.49	8.65	944	193788
March, 2006	23.01	9.35	7844	2475810

12. Share Transfer System:

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent Skyline Financial Services Pvt. Ltd. process these transfers. Share transfers are registered and returned within a period of 15 days from the date of receipt, if the documents are clear in all respects. In cases where shares are transferred after sending notice to the transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

13. Dematerialisation/Rematerialisation:

Based on a SEBI directive, Company's shares are traded in electronic (demat) form. As on 31st March, 2006, the Company's 35,46,685 shares are held by shareowners in dematerialised form, aggregating 33.84% of the Equity Share Capital.

14. Categories of Shareholders as on 31st March, 2006:

**PANJON LIMITED**

Sr.	Category	No. of Shares held	holding % of share
<b>A</b>	<b>Promoter Holding</b>		
1	<b>Promoters</b>		
	Indian Promoters	2299877	21.94
	Foreign Promoters		
2	Persons Acting in Concert	2829100	26.99
	Sub Total	<b>5128977</b>	<b>48.93</b>
<b>B</b>	<b>Non Promoters Holding</b>		
3.	Intitutional investors		
(a)	Mutual Funds and UTI	77000	0.73
(b)	Bank, financial Institutions, companies (Central/State Govt./Non- Govt. Institutions)	50000	0.48
(c)	FII's		
	Sub Total	<b>127000</b>	<b>1.21</b>
4	Others		
(a)	Private corporate Bodies	2360978	22.53
(b)	Indian Public	2537445	24.21
(c)	NRI/OCBs	326900	3.12
(d)	Any other	0	0
	Sub Total	<b>5225323</b>	<b>49.86</b>
	<b>TOTAL</b>	<b>1,04,81,300</b>	<b>100.00</b>

15. Address for Communication: Shareholders should address their correspondence to the Company's Share Transfer Agent Skyline Financial Services Pvt. Ltd. and may also contact at the registered office of the company.

By order of the Board  
For, PANJON LTD.

Place : INDORE  
Dated : 1<sup>st</sup> August, 2006

**NAGIN KOTHARI**  
**CHAIRMAN & MANAGING DIRECTOR**

## AUDITOR'S REPORT

To,  
Members,  
Panjon Limited,  
Dawa Bazar,  
INDORE-452 002

We have audited the attached Balance sheet of PANJON LIMITED, INDORE as at 31<sup>ST</sup> March 2006, the Profit and Loss Account and Cash Flow Statement of the Company for the year ended on that date, annexed thereto. These Financial Statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

- 1- As required by Companies (Auditors Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we annex hereto statement on the matter specified in the order.
- 2- Further to our comments in the Annexure referred to in paragraph (1) above.
  - (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of the audit.
  - (b) In our opinion, proper books of accounts, as required by law have been kept so far, as appears from our examination of the books.
  - (c) The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the Cash Flow Statement, Profit & Loss A/c and Balance Sheet dealt by this report are in compliance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.
  - (e) On the basis of written representation received from the directors and taken on records by board we mention that no directors of the Company are disqualified from being appointed in according with Clause (g) of sub section (i) of Section 274, as on 31<sup>st</sup> March 2006 on the said date.
  - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with and subject to the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view.
    - (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2006 and
    - (ii) in the case of the Profit & Loss of the Profit of Company for the year ended on that date.
    - (iii) in the case of cash flow statement of the cash flows of the company for the year ended on that date.

PLACE: INDORE  
01.08.2006

For Trilok Jain & Co. Date:  
Chartered Accountants

(T.C. JAIN)  
Partner  
M.NO. 12712

**CERTIFICATE OF STATUTORY AUDITORS  
ON CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

To  
The Board of directors  
Panjon Limited

We have examined the compliance of conditions of Corporate Governance procedures as stipulated in Clause 49 of Listing Agreement entered into by the company with the Stock Exchanges, for the financial year beginning 1<sup>st</sup> April, 2005 and ending on 31<sup>st</sup> March, 2006.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit or an expression of opinion on the financial statements of the Company.

the We have conducted our review on the basis of the relevant records and documents maintained by company and furnished to us for review and the information and explanations given to us by the company. Based on such review, in our opinion, the Corporate Governance Report of the company, referred to above, reflects on a fair basis the status of compliance by the company with the Clause 49 of the Listing Agreement of the Stock Exchanges, relating to Corporate Governance, for the financial year commencing from 1<sup>st</sup> April, 2005 to 31<sup>st</sup> March, 2006 and that no investors grievances is pending for a period exceeding one months against the Company as per the records mentioned by the Share Department/Share Transfer Agent of the Company.

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

**For TRILOK JAIN & CO.  
Chartered Accountants**

**T.C.JAIN  
PARTNER**

**Indore  
1st August, 2006**

## PANJON LIMITED

### ANNEXURE TO THE AUDITORS REPORT REFERRED TO IN PARAGRAPH 1 OF THE AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF PANJON LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2006.

In terms of the information and explanations given to us and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief we state that

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.  
(b) As explained to us, the fixed assets have been physically verified by the management during the year. There is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.  
(c) In our opinion, the company has not disposed of substantial parts of fixed assets during the year and the going concern status of the company is not affected.
- (ii) (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.  
(b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.  
(c) The company is maintaining proper records of inventory. As informed to us the discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) (a) The Company has received Unsecured Loans and Trade Deposits from various customers, which are treated as unsecured loan. The total No. Of parties are One hundred one and amount outstanding as on 31.03.06 is Rs. 4214956 /-. Maximum amount outstanding to such parties during the year was Rs. 4214956/-. The above amount includes distributor deposit 4 nos., super stockiest deposit 3 nos. and stockiest/retailer 94 nos. According to the information and explanation given to us, the rate of interest and other terms and conditions of the loan are prima-facie not prejudicial to the interest of the company. The Company is regular in repayment of deposits and there are no overdue.  
(b) The company has granted unsecured loans, advances to the Companies, Firms and Parties. listed in the Register maintained under section 301. The Total No. of Parties is two and maximum amount outstanding during the year and as on 31.03.2006 is Rs.42,25,363/-. According to the information and explanations given to us these amounts are under dispute since last so many years and hence no interest has been charged therefore the rate of interest and other terms and conditions of the loan are prima-facie, prejudicial to the interest of the Company as per point no. (xii) and (xiii) of notes to the Accounts.  
(c) The debtors are mostly regular in repaying the principal amounts.  
(d) In our opinion the company is taking reasonable steps to recover the loan amount.
- (iv) In our opinion and according to the information and explanations given to us, there are no adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have observed that there is continuing failure to correct major weaknesses in internal controls.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have not been so entered.  
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts of arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and required to be transactions exceeding the value of rupees five lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted deposits hence provisions of section 58A and 58AA of the Companies Act are not applicable to company except business deposits.
- (vii) In our opinion, the company does not have Internal audit system commensurate with the size and nature of its business
- (viii) As informed and explained to us the Central Government has ordered for maintenance of Cost Records under section 209(1) of the Companies Act vide order dated 16.03.06 of the Central Government these have not been appointed due to non-receipt of approval of Central Government but these have not been regularly/properly maintained.
- (ix) (a) The company is generally irregular in depositing with appropriate authorities undisputed

**PANJON LIMITED**

statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax custom duty, excise duty, Cess and other material statutory dues applicable to it and sales tax demand of Rs.14,13,070 /- (under Appeal/Revision) has not been paid till the date of Audit.

- (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of dues of Sales Tax amounting to Rs. 14,13,070 /- as at 31/3/2006, which have not been deposited on account of a dispute, are as follows.

Name of the Statute Sales Tax	Nature of the Dues	Amount under dispute not yet deposited	Forum where dispute is pending
	2000-01 MPCT	258459/-	Revision filed At Deputy Commissioner of CT, Indore
	2001-02 MPCT	87,266/-	Revision filed At Deputy Commissioner of CT, Indore
	2002-2003 MPCT CST	2,53,317/- 8,14,028/-	Appeal filed At Deputy Commissioner of CT, Indore

- (x) The company has no accumulated losses, as at the end of year. The company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has defaulted in repayment of dues to State Bank of Saurashtra please refer to note to accounts schedule P part "B" (vi).  
a) Company had earlier made settlement with MPAKVN Bhopal but not yet been finally settled.
- (xii) We are of the opinion that the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a *nidhi* / mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
- (xv) As informed and explained to us the company has not given guarantees for loans taken by others from banks or financial institutions.
- (xvi) The company had taken Medium Term Working Capital Loan from M.P.F.C, Indore amounting to Rs. 1.00 crores during the year under audit & utilized the same for the purpose it was taken.
- (xvii) According to the information and explanations given to us, and on an overall examination of the balance sheet of the company, we report that the no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- (xix) According to the information and explanations given to us, during the period covered by our audit report, the company had not issued any debenture.
- (xx) The company has not made any Public issue of shares during the year.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

PLACE: INDORE  
Date: 01.08.2006

For Trilok Jain & Co. Date:  
Chartered Accountants

(T.C. JAIN)  
Partner  
M.NO. 12712

**PANJON LIMITED, INDORE**

PANJON LIMITED, INDORE

**BALANCE SHEET AS AT 31ST MARCH, 2006**

PARTICULARS	SCHEDULE	31.03.2006 Amt.in Rs.	31.03.2005 Amt.in Rs.
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	A	104,826,000	104,826,000
RESERVES AND SURPLUS	B	38,620,480	35,647,009
<b>LOAN FUNDS</b>			
SECURED LOANS	C	15,466,570	24,986,760
UNSECURED LOANS	D	4,214,956	7,823,422
DEFERRED TAX LIABILITY		114,613	1,040,377
<b>TOTAL</b>		<b>163,242,619</b>	<b>174,323,568</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	E	109,388,561	108,837,025
LESS: DEPRECIATION		37,789,861	34,868,481
NET BLOCK		71,598,700	73,968,544
INVESTMENTS	F	11,834,400	11,834,400
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
[A] INVENTORIES	G	40,274,512	35,497,335
[B] SUNDRY DEBTORS		45,810,956	54,565,721
[C] CASH & BANK BALANCE		981,039	3,019,332
[D] LOANS & ADVANCES		12,711,561	27,721,197
<b>TOTAL (A)</b>		<b>99,778,068</b>	<b>120,803,585</b>
<b>LESS:- CURRENT LIABILITIES AND PROVISIONS</b>			
[A] LIABILITIES	H	18,711,356	31,509,580
[B] PROVISION		1,257,193	773,381
<b>TOTAL (B)</b>		<b>19,968,549</b>	<b>32,282,961</b>
<b>NET CURRENT ASSETS</b>		<b>79,809,519</b>	<b>88,520,624</b>
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
<b>TOTAL</b>		<b>163,242,619</b>	<b>174,323,568</b>

Significant Accounting Policies & Notes to Account

As per our Report of even date

for TRILOK JAIN & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

(T.C. JAIN)  
PARTNER  
PLACE INDORE  
DATE 01-08-2006

(NAGIN KOTHARI) (JAY KOTHARI)  
MANAGING DIRECTOR EXECUTIVE DIRECTOR



PANJON LIMITED INDORE

PANJON LIMITED, INDORE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH , 2006

PARTICULARS	SCHEDULE	31/03/2006 (Amt .in Rs.)	31/03/2005 (Amt .in Rs.)
<b>INCOME</b>			
SALES		172544355	144568082
INCREASE IN STOCK	J	5291432	1983534
OTHER INCOME	O	1688804	5726145
	<b>TOTAL</b>	<b>179524591</b>	<b>152277761</b>
<b>EXPENDITURE</b>			
OPERATING EXPENDITURE	K	162233881	128870737
ADMIN.AND OTHER EXPENDITURE	L	10564608	16871124
INTEREST	M	1098075	1150252
MANAGERIAL REMUNERATION	N	360000	360000
DEPRECIATION	E	2934380	2755195
	<b>TOTAL</b>	<b>177190944</b>	<b>150007308</b>
PROFIT FOR THE YEAR BEFORE TAX		2333647	2270453
LESS:-PROVISION FOR INCOME TAX CURRENT YEAR		196377	200000
LESS:-PROVISION FOR FRINGE BENEFIT TAX		89562	
ADD:-DEFERRED TAX ASSETS/(LIABILITY)		925763	-1370830
PROFIT AFTER TAX		2973471	699623
NOTES OF ACCOUNTS AND SIGNIFICANT OF ACCOUNTING POLICY	P		
<b>Earning Per Shares</b>			
Earning available to Equity Shareholder		2973471	699623
Weighted no. of Equity Share holders		10481300	10481300
Earning per share Basic/Diluted		0.28	0.07
as nominal value of Equity Shares Rs. 10/- each			
As per our Report of even date			

for TRILOK JAIN & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF BOARD

(T.C. JAIN)  
PARTNER  
PLACE INDORE  
DATE : 01/08/2006

(NAGIN KOTHARI) (JAY KOTHARI)  
MANAGING DIRECTOR EXECUTIVE DIRECTOR

**PANJON LIMITED**

**PANJON LIMITED, INDORE  
SCHEDULE ATTACHED TO AND FORMING PART OF FINAL ACCOUNTS FOR  
THE PERIOD ENDED 31ST MARCH 2006**

<b>PARTICULARS</b>	<b>31.03.2006</b>	<b>31.03.2005</b>
<b>SCHEDULE- "A" : SHARE CAPITAL :</b>		
<b>AUTHORISED :</b>		
11000000 Equity Shares of Rs. 10/- each (Last year 11000000 Equity Shares of Rs.10/- each.	110000000	110000000
<b>ISSUED AND SUBSCRIBED :</b>		
10481300 Equity Shares of Rs. 10 /- Each (Previous Year 10481300 Equity Shares of Rs. 10 /- Each)	104813000	104813000
<b>PAID UP:</b>		
10481300 Equity Shares of Rs. 10/- Each Fully paid-up. out of which 1000000 Equity Shares issued under Swap Agreement (Previous Year 10481300 Equity Shares of Rs. 10 /- Each) (Previous Year 1000000 Equity Shares issued under Swap Agreement)	104813000	104813000
<b>ii FORFEITURE OF SHARES :-</b>		
	13000	13000
<b>TOTAL</b>	<b>104826000</b>	<b>104826000</b>
<b>SCHEDULE- "B" : RESERVES &amp; SURPLUS:</b>		
<b>i) CAPITAL RESERVE :</b>		
<b>i STATE CAPITAL INVESTMENT SUBSIDY:-</b>		
( As per last year)	510000	510000
<b>ii) REVENUE RESERVES :</b>		
<b>A. INVESTMENT ALLOWANCE(UTILISED) RESERVE:-</b>		
( As per last year)	976517	976517
<b>i) SHARE PREMIUM</b>		
As per last balance sheet	33480500	33480500
<b>C) PROFIT AND LOSS ACCOUNT</b>		
Opening balance as per last Balance Sheet	679992	-19631
Profit for the year	2973471	699623
<b>TOTAL</b>	<b>38620480.14</b>	<b>35647009</b>
<b>SCHEDULE- "C" : SECURED LOANS</b>		
<b>TERM LOANS :</b>		
FROM M.P.AUDYOGIK VIKAS NIGAM LTD., BHOPAL (First charge ranking pari passu with M.P.F.C., Indore) (Installments falling over due Rs 1,50,000/-) (Previous year Rs.1,50,000/-)	150000	150000
M.P.F.C. CAPITAL MARKETS LTD., INDORE working capital medium term loan(Instalments falling due within one year Rs. 15,00,000 /-& Already overdue unpaid Rs.Nil Included Interest accrued and not due Current Year Rs. 195636 /- (Rs. 312307/- P.Y Nil)	9625000	312307
FROM M.P.FINANCIAL CORPORATION, INDORE (Term loan from MPFC secured as English mortgage and working capital term loan and term loan from MPAVN secured as equitable mortgage as hypothecation of fixed assets installed or to be installed & further, secured by stocks, book debts etc. subject to prior charge in favour of company's bankers to secure working capital limits) (Installments falling due within one year Nil (Previous year Rs. 909704 /-)	-	909704
INTEREST ACCRUED BUT NOT DUE ON TERM LOANS	195636	77451
<b>WORKING CAPITAL LOAN :</b>		
From STATE BANK OF SAURASHTRA, Indore, C.C.L.	5000000	22700000

# PANJON LIMITED

(Secured by hypothecation of stock of raw material, finished goods, work in process, stores & spares and book debts) (All the above loans are also secured the collateral security of office building at 13, 14 RNT marg Indore owned by M/s Panjon Finance Ltd. as well as personal guarantee of N.C. Kothari, Jay Kothari, Manoj Kothari & Vijay Kothari for office).

## **HIRE PURCHASE FINANCE**

(Secured against hypothecation of vehicles)

Bankers : Maruti Countrywide Auto Finance Services (P) Ltd. (Indore)  
Citi Corp. Maruti Finance (Indore)

495934 837298

**15466570 24986760**

## **SCHEDULE- "D" : UNSECURED LOANS**

TRADE DEPOSIT

3670606 2604606

FROM DIRECTORS

544350 5092758

OTHERS

126058

**TOTAL 4214956 7823422**

## **SCHEDULE-"F": INVESTMENT (AT COST)**

### **A. QUOTED**

3000 Equity Shares of AUTO RIDERS FINANCE LTD of Rs 10/- at a premium of Rs 25/- each	105000	105000
6800 Equity Shares of DECORA TUBES LTD of Rs 10/- at a premium of Rs 5/- each	99000	99000
45000 Equity Shares of BHARAT PARANTRALS LTD of Rs 10/- Each fully paid up	450000	450000
10000 Equity Shares of AJWA FUN WORLD & RESORTS LTD of Rs 10/- Each fully paid up	100000	100000
500 Equity Shares of BIO CHEM SYNERGY LTD of Rs 10/- Each fully paid up	5000	5000
100100 Equity Shares of PANJON FINANCE LTD of Rs 10/- Each fully paid up	1001000	1001000

**TOTAL (A) 1760000 1760000**

### **B. UNQUOTED**

36,700 Equity shares @ Rs 2.00 each (nominal value Rs 10.00 fully paid up in SANITAX CHEMICALS LTD., BARODA	73400	73400
100 Equity Shares of PANJON PHARMA LTD of Rs 10/- each fully paid up	1000	1000
1000000 Equity Shares of Raounaq Laboratories Ltd. of Rs. 10/- Each fully paid up	10000000	10000000

**TOTAL (B) 10074400 10074400**

**TOTAL 11834400 11834400**

## **PANJON LIMITED, INDORE**

### **SCHEDULE- "G" : CURRENT ASSETS, LOANS & ADVANCES**

#### **A. CURRENT ASSETS :**

#### **INVENTORIES:**

(As valued & certified by Directors)

RAW MATERIAL	1598735	2241405
PACKING MATERIAL	5577446	5326681
FINISHED GOODS	32728526	27437094
STOCK OF OTHERS	369805	492155
<b>TOTAL</b>	<b>40274512</b>	<b>35497335</b>

#### **SUNDRY DEBTORS:**

(Unsecured, considered good)

DUE OVER SIX MONTHS	34107225	34052495
OTHERS	11703731	20513226
<b>TOTAL</b>	<b>45810956</b>	<b>54565721</b>

#### **CASH & BANK BALANCES :**

CASH IN HAND	731344	604288
BALANCE WITH SCHEDULED BANKS	249695	2344831
FIXED DEPOSIT	0.00	70213

**PANJON LIMITED**  
**SCHEDULE- "E" : FIXED ASSETS**

NAME OF ASSET	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	AS ON 01.04.2005	ADDITIONS	DELETIONS	AS ON 31.03.2006	UP TO 01.04.2005	FOR THE YEAR	WRITTEN BACK	UP TO 31.03.2006	AS ON 31.03.2006	AS ON 31.03.2005
LAND	227216			227216					227216	227216
BUILDING	16476627	226855		16703482	6323276	557896		6881172	9822310	10153351
PLANT AND MACHINERY	34437925			34437925	23114842	1635801		24750643	9687282	11323083
FURNITURES & FIXTURES	1545962	399468		1945430	1079988	123146		1203134	742296	465974
OFFICE EQUIPMENT	1822678	49108		1871786	1559134	118484		1677618	194168	263544
VEHICLES	5033881		140425	4893456	2759872	466113	13000	3212985	1680471	2274009
PATENT & COPYRIGHT	48962536			48962536					48962536	48962536
ANIMATED ADD FILM	330200	16530		346730	31369	32939		64308	282422	298831
<b>TOTAL</b>	<b>108837025</b>	<b>691961</b>	<b>140425</b>	<b>109388561</b>	<b>34868481</b>	<b>2934380</b>	<b>13000</b>	<b>37789861</b>	<b>71598700</b>	<b>73968544</b>
PREVIOUS YEAR	107630302	1656180	449457	108837025	32130353	2755195	128190	34868481	73968544	75499949

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PANJON LIMITED

## PANJON LIMITED

	<b>TOTAL</b>	<b>981039</b>	<b>3019332</b>
<b>B. LOANS AND ADVANCES :</b>			
ADVANCES RECOVERABLE IN CASH OR IN KIND OR VALUE TO BE RECEIVED		12709526	27687781
ADVANCE INCOME TAX & T.D.S.		2035	33416
	<b>TOTAL</b>	<b>12711561</b>	<b>27721197</b>
<b>TOTAL CURRENT ASSETS</b>		<b>99778068</b>	<b>120803585</b>
<b>SCHEDULE- "H" : CURRENT LIABILITIES &amp; PROVISIONS</b>			
<b>CURRENT LIABILITIES</b>			
<b>SUNDRY CREDITORS</b>			
FOR TRADE		6347372	18429590
FOR EXPENSES		2102179	2924925
OTHER CURRENT LIABILITIES		10261805	10155065
	<b>SUB-TOTAL</b>	<b>18711356</b>	<b>31509580</b>
<b>PROVISION FOR EXPENSES</b>			
OUTSTANDING LIABILITIES		971254	573381
PROVISION FOR INCOME TAX/FBT		285939	200000
<b>TOTAL</b>		<b>1257193</b>	<b>773381</b>
<b>SCHEDULE- "I" : INCREASE IN STOCK</b>			
<b>STOCK AT CLOSE</b>			
FINISHED GOODS		32728526	27437094
		32728526	27437094
<b>LESS : STOCKS AT COMMENCEMENT</b>			
FINISHED GOODS		27437094	25453560
		27437094	25453560
<b>INCREASE(+)/DECREASE(-) IN STOCK</b>		<b>5291432</b>	<b>1983534</b>
<b>PANJON LIMITED, INDORE</b>			
<b>SCHEDULE- "J" : OPERATING EXPENDITURE</b>			
<b>RAW MATERIAL CONSUMED</b>			
PURCHASES		2050042	2837751
ADD : OPENING STOCK		2241405	2147561
LESS: CLOSING STOCK	JT	1598735	2241405
		<b>2692712</b>	<b>2743907</b>
FINISHED GOODS PURCHASED		155394052	120680585
<b>PACKING MATERIAL CONSUMED</b>			
PURCHASES		1678922	2373858
ADD : OPENING STOCK		5326682	5477863
LESS: CLOSING STOCK		5577446	5326682
		<b>1428158</b>	<b>2525039</b>
CARRIAGE INWARD		110004	120786
OTHER OPERATING EXP.		335620	257592
POWER & FUEL		993924	1051349
REPAIR & MAINTENANCE		333165	187977
SALARY & WAGES ETC.		946246	1303502
		<b>2718959</b>	<b>2921206</b>
<b>TOTAL</b>		<b>162233881</b>	<b>128870737</b>
<b>SCHEDULE- "K" : ADMINISTRATIVE AND OTHER EXPENDITURE</b>			
ADVERTISEMENT & PUBLICITY		628914	857617
AUDITOR'S REMUNERATION		50000	50000

**PANJON LIMITED**

BANK CHARGES & COMMISSION	25411	103672
BOOKS & PERIODICALS	5344	1057
CARRIAGE & FREIGHT	267404	486084
COMMISSION & DISCOUNT	45629	169919
INSURANCE	165177	18592
LEGAL AND PROFESSIONAL EXPENSES	786093	355740
MISCELLANEOUS EXPENSES	2408046	576315
TELEPHONE & TRUNCKCALL EXPENSES	203011	87285
POSTAGE AND TELEGRAM	38696	405966
SALARIES, WELFARE, BONUS ETC.	1391925	1933736
SALES PROMOTION EXPENSES	209125	6592489
ADVERTISEMENT FOR VACANCY & OTHERS	789487	27488
MEETING EXPENSES	989905	297557
SALES TAX /MAT TAX	10042	24300
SALES TAX /ENTRY TAX/EXCISE DEMAND	564269	1167090
STATIONERY & PRINTING	236279	373534
SUNDRY BALANCES W/OFF		1689667
TRAVELLING EXPENSES & CONVEYANCE (Including Director's Travelling Expenses Rs.115946 /-)	1485150	1287096
VEHICLE REPAIRS & MAINTAINENCE (FOR COMMERCIAL)	210372	229023
VEHICLE REPAIRS & MAINTAINENCE	54329	136897

**TOTAL** 10564608 16871124

**PANJON LIMITED, INDORE****SCHEDULE- "L" : INTEREST**

INTEREST TO FINANCIAL INSTITUTION (M.P.F.C.)	654183	400776
INTEREST TO OTHERS	443892	749476

**TOTAL** 1098075 1150252

**SCHEDULE- "M" : MANAGERIAL REMUNERATION**

SALARY TO MANAGING DIRECTOR	180000	180000
SALARY TO EXECUTIVE DIRECTOR	180000	180000

**TOTAL** 360000 360000

**SCHEDULE- "N" : OTHER INCOME**

INTEREST RECEIVED	10516	10516
INTEREST ON F.D.R.	9853	-
MISCELLANEOUS RECEIPT	753469	-
RENT		9000
SWAD SHOPPE (LICENSE & OTHER RECEIPTS)	914966	-
REBATE ON SETTLEMENTS WITH BANK		5717145

**TOTAL** 1688804 5726145

**PANJON LIMITED**

**PANJON LIMITED, INDORE**  
**CASH FLOW STATEMENT PURSUANT TO CLAUSE NO. 32**  
**OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2006**

PARTICULARS	CURRENT PERIOD 2005-2006	PREVIOUS YEAR 2004-05
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
a. Net Profit Before Tax & Extraordinary Item	2333647	2270453
Add: Depreciation	2934380	2755195
Misc. Expenses Written off	5268027	5025648
Less: Profit on Sales of Assets :		
Cash Flow before Working Capital Changes	<b>5268027</b>	<b>5025648</b>
Less:-		
Increase/(Decrease) in Inventories	-4777177	-1926196
Increase/(Decrease) in Debtors	8754765	-5340313
Increase/(Decrease) in other Advances	15009636	4947900
Increase/(Decrease) in Payable	-12314412	5225269
	<b>11940839</b>	<b>7932308</b>
Less:- Income Tax/Fringe Benefit Tax Paid	285939	200000
Expenses related to earlier years	0	
<b>Net Cash Flow from Operating Activities</b>	<b>11654900</b>	<b>7732308</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	-691961	-1656180
Sales/Transfer of Fixed Assets	127425	432392
Sales/Transfer of Investment		
<b>Net Cash Flow from Investment Activities</b>	<b>-564536</b>	<b>-1223788</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in Secured Loan	-9520190	-14189589
Increase in Unsecured Loan	-3608466	4788078
Increase in Share Capital		5000000
Increase in Share premium		500000
<b>Net Cash Flow from Financing Activities</b>	<b>-13128655</b>	<b>-3901511</b>
<b>(A+B+C)</b>	<b>-2038293</b>	<b>2607008</b>
Balance as on 01-04-2005	3019332	412324
Balance as on 31-03-2006	981039	3019332
	<b>0</b>	<b>0</b>

BY THE ORDER OF THE BOARD

NAGIN KOTHARI      JAY KOTHARI  
MANAGING DIRECTOR    EXECUTIVE DIRECTOR

**AUDITOR CERTIFICATE**

The Board of Directors  
**PANJON LIMITED**  
Dawa Bazar, 13-14, RNT Marg  
**INDORE**

We have examined the attached Cash Flow Statement of **PANJON LIMITED** for the year ended 31ST MARCH, 2006. The Statement has been prepared by the Company in accordance with the requirement of Listing Agreement with the Over the Counter Exchange of India and is based on and in agreement with the corresponding Profit & Loss A/C and Balance Sheet of the Company covered by our report to the members of the Company.

AS PER REPORT OF EVEN DATE  
For **TRILOK JAIN & CO.**  
**CHARTERED ACCOUNTANTS**

(T.C.JAIN)  
PARTNER

PLACE : **INDORE**  
DATE : **01/08/2006**

**PANJON LIMITED**

**Panjon Limited, Indore  
Schedule 'P' Notes of Accounts**

(Quantity in MTS and amount of Rupees And Previous year figures in brackets)( To the extent available)

**LICENCED AND INSTALLED CAPACITY**

Information is not given as the unit being a small scale industry, does not require any industrial licence

<b>Production</b>	<b>2005-2006</b>		<b>2004-2005</b>	
	<b>Qty In M.T.</b>		<b>Qty In M.T.</b>	
Ayurvedic medicine	67.90		18.82	
Hard boiled candy	Nil		27.37	
Allopathic Medicine	20.00			
	<u>87.90</u>		<u>46.20</u>	

<b>Turnover</b>	<b>2005-2006</b>		<b>2004-2005</b>	
	<b>Qty In M.T.</b>	<b>Amount</b>	<b>Qty In M.T.</b>	<b>Amount</b>
Allopathic medicine	412.25	54044287.00	588.03	77639137.00
Ayurvedic Medicine	193.26	26786291.00	142.06	37808215.00
Hard Boiled Candy			656.00	4488781.00
Liquid Syrup (in Ltrs)	310.05	1946835.00	599.49	3946447.00
Caustic soda	177.99	37034690.00	336.56	7049641.00
Potassium Hydro-oxide	920.07	52391876.00	237.58	13635861.00
Panjon Dental Cream(in Boxes)	13085.00	340376.00		
<b>Total</b>		<u>172544355.00</u>		<u>144568082.00</u>

**Value of Raw materials consumed**

<b>Item</b>	<b>2005-06</b>		<b>2004-05</b>	
	<b>Qty In M.T.</b>	<b>Amount</b>	<b>Qty In M.T.</b>	<b>Amount</b>
Sugar	57.41	947445.00	90.69	1408694.00
liquid Glucose	36.37	463676.00	47.48	702790.00
Asprin	300.00	42480.00	8.50	60146.00
Caffeine	30.00	12776.00	0.09	153496.00
Paracetamol	150.00	30431.00	0.43	78987.00
Citric Acid	2400.85	103276.00	2431.35	146608.00
other basic Material		1092628.00		193186.00
		2692712.00		2743907.00
Packing Materials		1428158.00		2525039.00
		<u>4120870.00</u>		<u>5268946.00</u>

**Opening and Closing Stock of Finished Goods(Quantity)**

<b>Item</b>	<b>Closing Stock</b>		<b>Opening Stock</b>	
	<b>2005-06</b>	<b>2004-05</b>	<b>2005-06</b>	<b>2004-05</b>
Allopathic medicine	2.02	1.89	1.89	5.45
Ayurvedic Medicine	34.25	112.42	112.42	89.03
Hard Boiled Candy		4.25	4.25	6.36
confectionary	37.92			
Liquid Syrup(in Ltrs)	8.70	98.59	98.59	22963.00
Ointment	2.37			
others	LS	LS	LS	LS



# PANJON LIMITED

## PANJON LIMITED, INDORE NOTES ON ACCOUNTS

### SCHEDULE "P" PART "A"

#### **SIGNIFICANT ACCOUNTING POLICIES:**

##### **BASIS OF ACCOUNTING:**

The Company maintains its accounts on accrual basis following the historical cost convention. The financial statement comply with the mandatory accounting standards of Institute of Chartered Accountants of India and are in accordance with Section 211 (3C) of the Companies Act, 1956, to the extent applicable.

The Company follows the mercantile system of accounting and recognizes Income & Expenditure on Accrual Basis. Accounts are prepared on historical cost basis.

##### **2. FIXED ASSETS AND DEPRECIATION:**

i. Fixed assets are stated at their original cost of acquisition inclusive of inward freight duties and expenditure incurred in the acquisition, construction/installation.

ii. Depreciation has been charged on single shift basis at the rates specified in Schedule XIV of Companies Act, 1956. However, no amount has been written off out of Patent & Copyright Account of Rs. 48962536/- in the books of accounts due to low profit. The amount required to the Written off is Rs.97,92,507/- Current period. Had the provision been made profit would have been Lower by Rs.97,92,507/- for the current year.

##### **3. INVESTMENTS:**

Long term Investment are stated at cost related to acquisition. The diminution in the market value of quoted share of Rs. 17.60 Lacs has not been provided for considering the shortfall to be temporarily. Intrinsic Value of Unquoted Shares is not available & therefore these are shown at cost. Market Value of Quoted Shares is Rs 38900/- only at the end of Financial Year.

##### **4. INVENTORIES:**

Raw material and packing material are valued at cost or market price whichever is lower, inclusive of excise duty and other taxes. There is no Work in process stock at the year-end. Finished goods valued at cost or realizable value which ever is less. Cost includes cost of -raw material including excise duty and other taxes and proportionate amount of operating expenditure.

**However, there are obsolete Stocks and shortage in the books, not yet provided for.5.**

##### **RESEARCH & DEVELOPMENT:**

The Company has not incurred any expenditure on research & development activity.

##### **6. RETIREMENT BENEFITS:**

No provision on Leave encasement, Gratuity and super annuation is made in the books of Accounts of the Company.

##### **7. GOVERNMENT GRANTS:**

The company has not received any government grant during the year.

##### **8. FOREIGN CURRENCY TRANSACTION:**

Nil

##### **9. CONTINGENT LIABILITY:**

i. Contingent liabilities are not provided in the books. The contingent liabilities, which are not, provided in the accounts as on Balance Sheet date against Sales tax for the year 2000-01 Rs.2, 58,459/-, 2001-02 Rs.87, 266/- & 2002-03 Rs.10, 67,345/- for which appeal & revision is preferred to the concerning authority.

##### **II. SCHEDULE 'P' -PART-'B':**

##### **NOTES TO THE ACCOUNTS:**

i. In the opinion of the Board of Directors of the Company the current assets, loans and advances

## PANJON LIMITED

have a value of realization in the ordinary course of business at least equal to the amount of which they are stated and the provisions for all known liabilities are adequate subject to the Notes to Accounts.

ii. Provision for Income Tax had been made in pursuance to section 115JB of the Income Tax Act, 1961. in the Balance Sheet made for Financial Year 2005-2006 (i.e. ending on 31-03-2006).

iii. Auditors' Remuneration:

	<u>2005-2006</u>	<u>2004-2005</u>
a) Audit Fees	25,000	25,000
b) Tax Audit Fees	25,000	25,000
c) Out of Pocket Expenses	-	
Total	<b>50,000</b>	<b>50,000</b>

iv. Remuneration to Directors:-

a) Executive Director	180000	1,80,000
b) Managing Director	180000	1,80,000
Total	<b>3,60,000</b>	<b>3,60,000</b>

c) Personal electricity bill of Rs 1,27,560 /- of the Directors have been paid by the company and charged to Profit and Loss A/c {Previous Year Rs 34046/-}.

- v Interest on Term Loan from M.P.F.C. for the period is Rs. 6,54,183 /- {Previous Year Rs 400776/-} As per settlement with bank of Saurashtra dues to bank, standing as on 01/04/2005 were Rs 227 Lacs out of which the Co. paid Rs. 177 Lacs without interest & the balance of Rs. 50 Lacs is outstanding in the books as on 31/03/2006. As far as interest on the above loan is concerned, the Co. has to pay interest on 227 Lacs (Rs 177 Lacs & 50 Lacs). Company is hopeful of getting some relief in interest only for period of delay as per settlement in payment but no provision of interest on the above sum has been made by the Co. in the books of accounts.
- vii. Income Tax assessment has been completed up to Assessment Year 2003-04 and Sales Tax Assessment has been completed up to Accounting Year 2002-2003.
- viii. There is a Sales Tax demand of Rs. 2,58,459/- for the year 2000-01 Rs.87, 266/- for the year 2001-02 Rs.10, 67,345/- No provision has been made for this demand, as the appeal is preferred to the appropriate authority.
- ix. Company had earlier made settlement with MPAKVN Bhopal but due to delay in payment again it is under dispute.
- x. Balance of Sundry Debtors/ Creditors; Loans & advances are subject to confirmation.
- xi. Some of the Debtor's, Advances are not fully recoverable but the same have not yet been Provided /written off in the books of accounts by the company. Similarly, value of obsolete Stocks Or shortages have not been written off/ reduced in the books.
- xii. The Company has to recover a sum of Rs. 28,89,033 /- from M/s. Panama Chemical Works, Indore. No provision of interest receivable has been made. (Previous year Rs. 28,89,877/-). it is not recoverable & no provision has been made in books.
- xiii. The Company has informed us that it has advanced a sum of Rs.13, 36,332 /- to M/s. Panjon Finance Ltd. Indore in which Directors relative are interested. (Previous Year 13,37,176/-). for purchase of office premises it is under dispute.
- xiv. The Company has not provided for obsolete stocks and shortage in books of accounts and in absence of proper details, fair valuation of inventory is not possible.
- xv. The market prices of quoted investments costing Rs. 17,60,000/- (excluding UN quoted I investment of Rs.1, 00,74,400/-) as on 31.03.2006 were very low. But not available for

**PANJON LIMITED**

verification and no provision for loss has been made in the books.

- xvi Related Party Disclosure (As identified by the Management)  
 Related Party Relationship:  
 (a) Where control Exist : M/s. Sanitex Chemicals Ltd., Baroda (Shri Jay Kothari is the Director of the the Company)  
 Where control Exist : M/s. S.N. Enterprises, Indore ( Shri Jay Kothari H.U.F. is Proprietor and Jay Khothari Karta of the business)  
 (b) Key Management Personnel : Shri Nagin Chand Kothari ( Managing Directors)  
 : Shri Jay Kothari (Executive Directors)  
 : Smt. Sajjanbai Kothari (Directors)

(ii) Transaction with Related Parties:

Type of Relationship	Description and nature of Transaction	Volume of Transaction
(1) Key Management Personnel	Remuneration paid	
Shri Nagin Bhai Kothari	Director's Remuneration	Rs. 1,80,000 /-
Shri Jay Bhai Kothari	Director's Remuneration	Rs. 1,80,000 /-
Other perquisites		Rs. 1,27,560 /-

- xvii. Deferred Tax Assets/ (Liability): -  
 In Accordance with the "Accounting Standard -22", the company has recognized the Accumulated Deferred Tax Assets (Liability) (Net)

	As at 31.03.2006	As at 31.03.2005
a) Deferred Tax Liability on account of: (I) Depreciation	Rs 12768398	Rs 13307205
b) Deferred Tax Assets: (i) Unabsorbed Losses & Dep. (II) Employees Benefits	12526209 29852	12156032 19842
(ii) Taxes, Duties, Cess etc,	97724	90954
<b>Total</b>	<b>12653785</b>	<b>12266828</b>
<b>Deferred Tax Assets /(liability)</b>	<b>114613</b>	<b>(1040377)</b>

PANJON LIMITED ,INDORE

**CALCULATION OF DEFERRED TAX ASSETS/LIABILITIES : AS ON 31.03.2006**

	As on 31.03.2006	Tax Effect 33.66%	As on 31.03.2005	Tax Effect 33.660%
<b>DEFERRED TAX LIABILITY ON ACCOUNT OF DEPRECIATION</b>				
W.D.V. AS PER BOOKS OF ACCOUNTS :	71598700		73823287	
Less: W.D.V. AS PER INCOME TAX ACT. :	33665254		34289108	
<b>Total Deferred tax Liability</b>	<b>37933446</b>	<b>12768398</b>	<b>39534179</b>	<b>13307205</b>
<b>DEFERRED TAX ASSETS ON ACCOUNT OF :</b>				
UNABSORBED LOSSES & DEP.	37213930	12526209	36114178	12156032
INDIRECT TAXES	290326	97724	270214	90954
BONUS	88688	29852	58949	19842
<b>Total Deferred Tax Assets</b>	<b>37592944</b>	<b>12653785</b>	<b>36443341</b>	<b>12266829</b>
<b>Net Deferred Tax Liability</b>	<b>340502</b>	<b>114613</b>	<b>3090838</b>	<b>1040376</b>

AMOUNT TO BE WRITTEN BACK TO THE P & L A/C.

**925763**

**PANJON LIMITED**

**XVIII. SEGMENTAL INFORMATION**

In terms of Accounting Standards 17, the Company has identified the following Segments, details are As under: -

**(A) Primary Segments**

<b>Business Segments</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Total</b>
<b>(1) Sales Revenue:</b>	9585070.50	162959284.70	172544355.20
External Sales			
Total Sales	9585070.50	162959284.70	172544355.20
<b>(2) Segment Results Before Intt. &amp; Tax:</b>			
Net Profit			3431722.00
Add: Exceptional Items			
Less: Interest			1098075.00
Net Profit Before Tax			2333647.00
Less: Income Tax			285939.00
Less: Income Tax/Exp.related to earlier years			
Add: Deferred Tax Asset			925763.00
Net Profit After Tax			2973471.00
<b>(3) Segment Assets:</b>			
<b>Unallocable Assets</b>			206606529.00
Total Assets			206606529.00
<b>(4) Segment Liabilities:</b>			
<b>Unallocable Liabilities:</b>			206606529.00
Total Liabilities:			206606529.00

**(B) Secondary Segments**

<b>Geographic Segments</b>	<b>Central</b>	<b>North</b>	<b>East</b>	<b>West</b>	<b>South</b>	<b>Total</b>
Total Revenue	166579541.00	579500.50	1141647.91	4229222.06	14443.16	172544355.00

xxvi. Previous year's figures are regrouped and/or rearranged wherever necessary and are shown in brackets.

	Particulars	As	At	As	At
		31.03.2006	31.03.2005	31.03.2006	31.03.2005
(a)	Net Profit as per Profit & Loss Account				
	i) After Current Tax	2047708	2070453		
	ii) After Current ,deferred Tax & Prior period Exp.	2973471	699623		
(b)	Weighted No.of Equity shares of Rs.10/- each	10481300	10481300		
©	Basics EPS				
	i) After Current Tax (a) (i)/(b)	0.195	0.19		
	ii) After Current and Deferred Tax (a(ii)/b)	0.28	0.0667		
	Diluted EPS				
(d)	Total Number of Equity Shares both existing and notionally converted	10481300	10481300		
(e)	Net Profit after tax as per Profit & Loss Account				
	i) After Current Tax	2047708	2070453		
	ii) After Current deferred Tax & period Exp.	2973471	699623		
(f)	Diluted Earnings Per Share				
	i) After Current and Deferred Tax [(e)(4)/d]	0.28	0.0667		

**PANJON LIMITED**

- XIX. Interest on TDS for late payment has not been provided for in the books of accounts in the Financial Year 2005-2006.
- XX. Since the company is involved in both Trading & Manufacturing Operations therefore the expenses on which Fringe Benefit Tax is applied are distributed on reasonable basis.

Signature of Schedule No. "A" to "P" inclusive.

**AS PER REPORT OF EVEN DATE**  
**For: TRILOK JAIN & CO.**  
**CHARTERED ACCOUNTANT'S**

**FOR & ON BEHALF OF THE BOARD**

**(T.C.JAIN)**  
**PARTNER**  
**PLACE: INDORE**  
**DATE: 01/08/2006**

**NAGIN KOTHARI**  
**MANAGING DIRECTOR**

**JAY KOTHARI**  
**EXECUTIVE DIRECTOR**

# PANJON LIMITED

## PANJON LIMITED STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

### I. Registration Details

 Registration No. 

	0	2	3	2	0
--	---	---	---	---	---

 State Code 

	1	0
--	---	---

 Balance Sheet Date 

	3	1	0	3	0	6
Date		Month		Year		

### II. Capital Raised during the year (Amount in Rs. Thousands)

 Public Issue 

	N	I	L		
--	---	---	---	--	--

 Bonus Issue 

	N	I	L		
--	---	---	---	--	--

 Right Issue 

	N	I	L		
--	---	---	---	--	--

 Private Placement 

	N	I	L		
--	---	---	---	--	--

### III Position of Mobilisation and Deployment of Funds ( Amount in Rs Thousands )

 Total Liabilities 

	1	6	3	2	4	2
--	---	---	---	---	---	---

 Total Assets 

	1	6	3	2	4	2
--	---	---	---	---	---	---

 SOURCE OF FUNDS Paid up Capitals 

	1	0	4	8	2	6
--	---	---	---	---	---	---

 Reserves and Surplus 

	0	3	8	6	2	0
--	---	---	---	---	---	---

 Secured Loan 

	0	1	5	4	6	6
--	---	---	---	---	---	---

 Unsecured Loan 

	0	0	4	2	1	4
--	---	---	---	---	---	---

 Deferred Tax Liability 

	0	0	0	1	1	4
--	---	---	---	---	---	---

 APPLICATION OF FUNDS Net Fixed Assets 

	0	7	1	5	9	8
--	---	---	---	---	---	---

 Investments 

	0	1	1	8	3	4
--	---	---	---	---	---	---

 Net Current Assets 

	0	7	9	8	0	9
--	---	---	---	---	---	---

 Misc. Expenditure 

	0	0	0	0	0	0
--	---	---	---	---	---	---

 Accumulated Losses 

	0	0	0	0	0	0
--	---	---	---	---	---	---

### IV Performance of The Company (Amount in Rs. Thousands)

 Turnover (Total Income) 

	1	7	9	5	2	4
--	---	---	---	---	---	---

 Total Expenditure 

	1	7	7	1	9	0
--	---	---	---	---	---	---

 (+/-) profit before tax 

			2	3	3	3
--	--	--	---	---	---	---

 (+/-) profit after tax 

			2	9	7	3
--	--	--	---	---	---	---

 E.P.S.(Rs.)(on profit After Tax) 

			0		2	8
--	--	--	---	--	---	---

 (On distributable profit) Dividend Rate (%) 

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

### V Generic Names of three Principal Products/Service of Company (As per monetary terms.)

 Item Code No.   
 Product Description 

P	A	N	J	O	N
---	---	---	---	---	---

 Item Code No.   
 Product Description 

S	W	A	D
---	---	---	---

 Item Code No.   
 Product Description 

P	E	R	C	Y
---	---	---	---	---

 AS PER REPORT OF EVEN DATE  
For TRILOK JAIN & CO.  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

 (T.C.JAIN)  
PARTNER

 (NAGIN KOTHARI)  
MANAGING DIRECTOR

 (JAY KOTHARI)  
EXECUTIVE DIRECTOR

**ATTENDANCE SLIP**  
**PANJON LIMITED**

Regd. Off.: Dawa Bazar, 13-14, R.N.T. Marg, Indore

(To be signed and handed over at the entrance of the meeting hall)

I/We hereby record my/our presence at the Twenty Third Annual General Meeting of the members of Panjon Limited to be held at Plot No. 104, Industrial Area, Sector-1, Pithampur Dist. Dhar (M.P.)

NAME(S) OF THE MEMBERS (S)	REGISTERED FOLIO NO.

Name of Proxy (in block letters)

(To be filled in if the Proxy attends instead of Member)

Member's/Proxy's Signature

-----  
**PROXY FORM**  
**PANJON LIMITED**

Regd. Off.: Dawa Bazar, 13-14, R.N.T. Marg, Indore

I/We, \_\_\_\_\_ of \_\_\_\_\_ be-  
ing a member / members of PANJON LIMITED hereby appoint Mr. \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_ or failing him / her  
\_\_\_\_\_ of \_\_\_\_\_ as

my / our proxy in my / our absence and vote for me / us and an my / our behalf at the Twenty Third Annual General Meeting of the Company to held on 30th September 2006 and/or at any adjournment thereof.

AT WITNESS my / our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2006

Signed by the Said.....

Regd. Folio No. ....

Note:

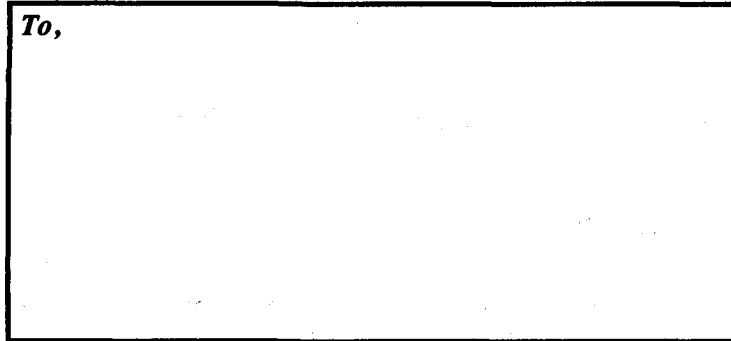
- 1, The proxy need not be a member of the Company.
2. The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.

**Affix**  
**0.15 Paise**  
**Revenue**  
**Stamp**

PANJON LIMITED

BOOK-POST

To,



Printed By: Vinayaka Graphics@98272-67787

If Undelivered please return to :  
**PANJON LIMITED**  
Regd. Off. Dawa Bazar, 13-14, R.N.T. Marg, INDORE

