

*24th*  
Annual Report

2006-2007



**PANJON LIMITED**  
**Twenty Forth Annual Report 2006-2007**

**Board of Director:**

Mr. Nagin Kothari	Chairman & Whole Time Director
Mr. Jay Kothari	Managing Director
Mrs. Sajjan Kothari	Director
Mr. Amit Mehta	Director
Mr. Bijay Singh Thakur	Director
Mr. Prakash Doshi	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.  
246, 1st Floor, Sant Nagar, East Of Kailash  
Delhi.  
Ph.: 011-26292682

Date :	29/09/2007
Day :	Saturday
Time :	11 A.M.
Place :	Niranjanpur, Dewas Naka, A.B. Road, INDORE (M.P.)

# Trilok Jain & Company,

Chartered Accountants  
115, Bansi Trade Center, 581/5, M.G. Road, Indore  
Off. Tele/Fax 533324/533576,

## 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 2007, 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 2007 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 2007 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  
Date: 01.08.2007

For Trilok Jain & Co.  
Chartered Accountants

T.C. Jain  
Partner

**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, 2006 and ending on 31<sup>st</sup> March, 2007.

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 nor an expression of opinion on the financial statements of the Company.

We have conducted our review on the basis of the relevant records and documents maintained by the 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, 2006 to 31<sup>st</sup> March, 2007 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  
1<sup>st</sup> August, 2007**

**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 2007.**

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 Twelve and amount outstanding as on 31.03.07 is Rs. 2885733 /-. Distributor dep. Party Four Super Stockiest dep. Three and other Five parties. According to the informations 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 Two and amount outstanding as on 31.03.2007 is Rs.43,25,365 /-. According to the information and explanations given to us, the rate of interest and other terms and conditions of the loan are prima-facie, prejudicial to the interest of the Company.
  - (c) The debtors are not regular in repaying the principle amounts as stipulated and also irregular in payment of interest.
  - (d) In our opinion the company has not taken reasonable steps to recover the loan amount.
- (iv) In our opinion and according to the information and explanations given to us, there are 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 not observed any 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 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 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 16/03/2006 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 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 including Sales Tax demand of Rs.21,833 /- which 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 as at 31/3/2007, which have not been deposited on account of a dispute, are as follows.

Name of the Statute	Nature of the Dues	Amount under dispute not yet deposited	Forum where dispute is pending
Sales Tax	2002-2003 MPCT	1,66,051 /-	Revision filed at Additional Commissioner of CT, Indore.
	2002-2003 CST	84,054 /-	Revision filed At Additional Commissioner of CT, Indore

- (x) The company has no accumulated loss, as at the end of year the company more than fifty percent of its net worth. The company has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
- (xi) Company had already made settlement with MPAKVN Bhopal and paid Full Principal amount but it has not paid Interest on delay Payment and it is under dispute.
- (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 has applied the funds raised by way of term loans towards the purpose for which they have been raised.
- (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 informations 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: 01/08/2007

For Trilok Jain & Co.  
Chartered Accountants

(T.C. Jain)  
Partner  
M.No. 12712

**NOTICE** is hereby given that 24<sup>th</sup> Annual General Meeting of the Members of **PANJON LIMITED** will be held at Niranjapur, Dewas Naka, A.B. Road, Indore (M.P.) on Saturday the 29<sup>th</sup> September, 2007 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 31<sup>st</sup> March, 2007 and the Profit & Loss Account of the Company for the year ended 31<sup>st</sup> March, 2007 and the report of the Directors' & Auditor's thereon.
2. To appoint a director in place of Shri Amit Mehta, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a director in place of Smt. Sajjan Bai Kothari 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.

**II. SPECIAL BUSINESS BY SPECIAL RESOLUTION:**

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

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 302, 309, 310 read with the provisions of Schedule XIII of the Companies Act, 1956 and other applicable provisions if any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the consent of the members of the Company be and is hereby granted for the re-appointment of Shri Nagin Kothari as the Chairman and Whole-time Director of the Company for a period of five years w.e.f. 7th Nov., 2007 on the following terms and conditions:

(a) Salary: Rs.50,000/- per month, with the annual increment of Rs.5,000/- only.

(b) Perquisites: Subject to the ceiling of Rs.4,50,000/- per annum:

- (i) House Rent Allowance subject to a maximum of 50% of the salary or house accommodation shall be provided by the Company and 10% of salary shall be recovered by way of rent.

Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.

- (ii) Re-imbursment of medical expenses of the Chairman and Whole-time Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.

- (iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.

- (iv) Club Fees: subject to maximum of two clubs-this will not include admission and life membership.

- (v) Personal accident insurance premium not exceeding Rs.4,000/- P.A.

**BENEFITS-CATEGORY A**

1. Contribution to the Provident Fund, Family Benefit Fund Superannuation Fund as per Rules of the Company.
2. Gratuity not exceeding half a month's salary for each completed year of service.
3. Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year of completed services at the end of the tenure.

**CATEGORY B:**

- (i) Car: The Company shall provide a car for the Company's business and, if no car is provided, reimbursement of the conveyance shall be made as per actual claims made by him.
- (ii) Telephone: Free use of telephone(s) at his residence, provided that personal long distance calls on the telephone shall be billed by the Company to the Chairman & Whole-time Director.

**NOTE:** For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Nagin Kothari shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

**RESOLVED FURTHER THAT** Shri Nagin Kothari the Chairman and Whole-time Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and privileges, as may be from time to time, available to other Senior Executives of the Company.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to withhold the increments, decide break up of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

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

**RESOLVED THAT** pursuant to the provisions of section 198, 269, 302, 309, 310 read with the provisions of Schedule XIII of the Companies Act, 1956 and other applicable provisions if any of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) the consent of the members of the Company be and is hereby granted for the appointment of Shri Jay Kothari as the managing Director of the Company for a period of five years w.e.f. 1<sup>st</sup> April, 2007 on the following terms and conditions:

- (a) Salary: Rs.50,000/- per month, with the annual increment of Rs.5,000/- only.
- (b) Perquisites: Subject to the ceiling of Rs.4,50,000/- per annum:
  - (i) House Rent Allowance subject to a maximum of 50% of the salary or house accommodation shall be provided by the Company and 10% of salary shall be recovered by way of rent.



Expenditure incurred by the Company on his electricity, water and furnishing shall be evaluated as per Income Tax Rules, 1962, subject to a ceiling of 10% of salary.

- (ii) Re-imbusement of medical expenses of the Managing Director and his family, the total cost of which to the Company shall not exceed one month's salary in the year or three months salary in a block of three years.
- (iii) Leave travel assistance: Expenses incurred for self and family in accordance with the Rules of the Company.
- (iv) Club Fees: subject to maximum of two clubs-this will not include admission and life membership.
- (v) Personal accident insurance premium not exceeding Rs.4,000/- P.A.

**BENEFITS-CATEGORY A**

- 1. Contribution to the Provident Fund, Family Benefit Fund Superannuation Fund as per Rules of the Company.
- 2. Gratuity not exceeding half a month's salary for each completed year of service.
- 3. Earned Privilege Leave: As per the rules of the Company subject to the condition that the leave accumulated but not availed of will be allowed to be encashed for 15 days salary for every year of completed services at the end of the tenure.

**CATEGORY B:**

- 1. Car: The Company shall provide a car for the Company's business and, if no car is provided, reimbursement of the conveyance shall be made as per actual claims made by him.
- 2. Telephone: Free use of telephone(s) at his residence, provided that personal long distance calls on the telephone shall be billed by the Company to the Managing Director.

**NOTE:** For the purpose of perquisites stated in Category "A" above, "Family" means the spouse, the dependent children and dependent parents of the appointee.

**FURTHER RESOLVED THAT** in the event of there being loss or inadequacy of profit for any financial year, the aforesaid remuneration payable to Shri Jay Kothari shall be the minimum remuneration payable to him in terms of the provisions of Schedule XIII to the Companies Act, 1956.

**RESOLVED FURTHER THAT** Shri Jay Kothari the Managing Director shall also be entitled for the reimbursement of actual entertainment, traveling, boarding and lodging expenses incurred by him in connection with the Company's business and such other benefits/ amenities and privileges, as may be from time to time, available to other Senior Executives of the Company.

**RESOLVED FURTHER THAT** the Board of directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question, or doubt that may arise in relation thereto and the Board shall have absolute powers to withhold the increments, decide break up of the remuneration within the above said maximum permissible limit, in order to give effect to the foregoing resolution, or as may be otherwise considered by it to be in the best interest of the Company.

**BY ORDERS OF THE BOARD  
PANJON LIMITED**

**Place: INDORE**

**Date : 1<sup>st</sup> August, 2007**

**NOTES:**

**NAGIN KOTHARI  
CHAIRMAN**

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 24.09.2007 to 29.09.2007. (both days inclusive)
3. 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.
4. Members desires 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.
5. The Company is having connectivity with 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 ISIN-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.
6. Members who are holding Equity shares in identical order of names in more than one folio are requested to write to the Registrars and Transfer Agents of the Company to enable the Company to consolidate their holdings in one folio.
7. Explanatory Statement pursuant to the provisions of section 173(2) of the Companies Act, 1956 for the special businesses being annexed to the notice of the Meeting.
8. Pursuant to the Clause 49 of the Listing Agreement brief profile of directors proposed for re-appointment of the retiring directors, is attached hereto.

**ANNEXURE TO THE NOTICE  
EXPLANATORY STATEMENT IN PURSUANT TO THE PROVISIONS OF SECTION 173(2) OF  
THE COMPANIES ACT, 1956 IN RESPECT TO THE SPECIAL BUSINESS:**

**ITEM NO.5 & 6:**

Shri Nagin Kothari has been serving the Company since its incorporation. He has been looking into the affairs of the Company as its Chairman and Managing Director for the last twenty four years. He is not only well-conversant with the working and policies of the Company but also has been instrumental in its progress. His knowledge and experience has helped the Company to achieve its present position in the market.

The tenure of the office of the Chairman Cum Managing Director held by him has been lapsed on 6th Nov., 2007 and the Board has further appointed him as the Chairman & whole-time Director for a further period of five years as per recommendation of the Remuneration Committee of the Board. It was considered that his presence in the Board is very essential for the efficient management of the Company. In terms of provisions of section 269 read with the Schedule XIII of the Companies Act, 1956, the Board recommends appointment of Shri Nagin Kothari as the Chairman Cum Whole-time Director and proposes resolution as set out in item No. 5 for approval as Special Resolution.

Shri Jay Kothari has been serving the Company since last more than 15 years . He has been looking into the affairs of the Company as its Whole-time Director and designated as the

Executive Director of the Company. He is not only well-conversant with the working and policies of the Company but also has been instrumental in its progress. His knowledge and experience has helped the Company to achieve its present position in the market.

The tenure of the office of the Whole-time Director held by him has been lapsed on 31<sup>st</sup> March, 2007 and the Board has further appointed him as the Managing Director for a further period of five years as per recommendation of the Remuneration Committee of the Board. It was considered that his presence in the Board is very essential for the efficient management of the Company. In terms of provisions of section 269 read with the Schedule XIII of the Companies Act, 1956, the Board recommends appointment of Shri Jay Kothari as the Managing Director and proposes resolution as set out in item No. 6 for approval as Special Resolution.

Except, Shri Nagin Kothari & Shri Jay Kothari, being appointed, and Mrs. Sajjan Bai Kothari being his relative no other directors are interested or concerned in the resolution.

A copy of the agreement and necessary relevant papers are available at the Registered Office for inspection during the normal business hours till the conclusion of the Annual General Meeting.

**STATEMENT REGARDING THE DIRECTORS PROPOSED FOR APPOINTMENT**

<b>NAME OF APPOINTEE</b>	<b>AGE/YEARS</b>	<b>QUALIFICATIONS</b>	<b>EXPERTISE/EXPERIENCE</b>	<b>DATE OF APPOINTMENT</b>	<b>OTHER DIRECTORSHIPS, IF ANY</b>
Shri Nagin Kothari Chairman & Whole-time Director	71	Metrik	More than 25 years in the Pharmaceuticals and Real Estate	21.12.1983	Richman Marketing Ltd.
Shri Jay Kothari Managing Director	43	B.Sc	More than 15 Years in Pharmaceutical manufacturing and Real Estate	30.11.1998	Senitex Chemicals Ltd. Richman Marketing Ltd.
Smt. Sajjan Bai Kothari Director	65	-	-	31.10.2001	-
Shri Amit Mehta Director	33	B.E.	-	31.07.2002	-

**BY ORDERS OF THE BOARD  
PANJON LIMITED**

**Place: INDORE  
Date : 1<sup>st</sup> August, 2007**

**NAGIN KOTHARI  
CHAIRMAN**

## DIRECTORS' REPORT

To,  
The Members,  
Panjon Limited

Your Directors present their 24<sup>th</sup> 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 31<sup>st</sup> March 2007.

### 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 31 <sup>st</sup> March	
	2007	2006
Turnover	18,04,08,857	17,25,44,355
Other Income	48,68,359	16,88,804
Total Income from operations	<b>18,52,77,216</b>	<b>17,42,33,159</b>
Profit before interest, depreciation & tax	<b>63,61,384</b>	<b>66,66,102</b>
Less Interest	16,13,068	10,98,075
Less Depreciation	29,37,370	29,34,380
Profit Before Tax	<b>18,10,946</b>	<b>23,33,647</b>
Provision for Income Tax and FBT	2,69,080	2,85,939
Deferred Asset - Liabilities Tax	(-)17,59,915	9,25,763
Net profit after tax	<b>(-)2,18,049</b>	<b>29,73,471</b>
EPS	<b>(-) 0.02</b>	<b>0.28</b>

### 2. DIVIDEND:

Your directors do not recommend any dividend and proposes to utilise the funds for its working capital needs. (Previous Year: Nil).

### 3. MANAGEMENT DISCUSSIONS AND ANALYSIS:

The Company is facing stiff competition with the multi national companies and the small companies like Panjon is facing sever competition, resulting the profitability of the Company has been adversely effected. In view of the retail marketing trend, the Company also plans to open out lets on the major part of the Country in the name of SWAD SHOPPE to attract the retail consumers for their daily needs as well as rebuild the Brand image.

### 4. FINANCE & ACCOUNTS:

The Company has repaid the loan liabilities of the State Bank of Saurashtra and is making efforts to repay the loan to other secured lenders.

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

The Company has reasonably system of internal control comparing authority levels and the management routinely tests the powers, supervision, checks, policies and the procedures. 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.

#### 4.2 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.

**4.3 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.

**4.4 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 31<sup>st</sup> March 2007.

**5. DIRECTORS:**

Shri Amit Mehta and Smt. Sajjan Bai Kothari, the Directors retire 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.

The tenure of Shri Nagin Kohari being the Chairman & Managing Director being lapsed on 6<sup>th</sup> Nov., 2007, your directors proposes to re-designate and re-appoint him as the Chairman & Whole-time Director of the Company for a further period of 5 years w.e.f. 7<sup>th</sup> Nov., 2007.

The tenure of Shri Jay Kohari being the Whole-time Director lapsed on 31<sup>st</sup> March, 2007, your directors proposes to re-designate and re-appoint him as the Managing Director of the Company for a further period of 5 years w.e.f. 1<sup>st</sup> April, 2007.

**6. 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 them selves 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.

**7. SHARE CAPITAL:**

The Company's has applied for listing of the 49,82,600 equity shares of Rs.10/- each issued on preferential basis on 1<sup>st</sup> 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 awaited. The Company's existing Equity Shares before the preferential allotment are listed with the M.P. Stock Exchange (Regional) & the Stock Exchange, Mumbai.

The trading of the Equity Shares of the Company has been suspended by the BSE w.e.f. 20<sup>th</sup> Sept., 2006. The Company is making all the efforts to revocation of the suspension in order to regularize the trading in the shares of the Company in the best interest of the investors. The Management has also appeared before the internal suspension vocation committee and it was advised to the Company to regularize the listing of the shares issued on preferential basis.

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 Dematerialized Form.

**8. 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, 2007 and the loss 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.

**9. 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.

**10. SEGMENT REPORTING:**

In terms of the Listing Agreement and the AS 17 the Segmental business report being annexed with the Notes to the Accounts, forming part of the Annual Report.

**11. 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.

**12. 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 1<sup>st</sup> August, 2007 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.

**13. 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, 2007

NAGIN KOTHARI  
CHAIRMAN

**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, volves, pipe lines etc. to reduce fuel consumption in boiler.
2. Replacement of old type steam trapes by bucket traps.
3. Proper control of the bampers and safety volves.
4. Efficient control of air conditioning on and off times.
5. Use of dry process (Roll Compactor) for PanjonTablets in place of weight process and drying in fluidized 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
<b>Previous Year</b>		
1. Electricity (Purchased) Units	69230	97597
Total Amount (Rs.)	903383	873810/-
Rate per Unit(Rs.)	13.05	8.95/-
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	11M.T.	41M.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, adoption 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.

## PANJON LIMITED

-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 take 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, 2007**

**NAGIN KOTHARI  
CHAIRMAN**



## 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 recognize 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	-	-	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
30/04/2006	Indore	5
29/07/2006	do	5
01/08/2006	do	4
31/10/2006	do	6
31/01/2007	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 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 Bijay 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 investor's 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	51
3	Number of complaints solved during the year	51
4	Number of complaints pending at the end of the year	00

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	2003-04	2004-05	2005-06
Date	30/09/2004	30/09/2005	30/09/2006
Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Indore	Indore	Indore

**7. DISCLOSURES:**

1. There are no material significant related party transactions made by the Company with its 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, except that the trading of the shares of the Company has been suspended by the BSE w.e.f. 20<sup>th</sup> Sept., 2006 due to non compliance of certain clauses of the listing agreement in the prescribed time.

## PANJON LIMITED

### 8. MEANS OF COMMUNICATION:

Quarterly results of the Company were submitted to the Stock Exchanges where the shares of the Company are listed.

### 9. GENERAL INFORMATION TO SHAREHOLDERS

1. Date, Time and Venue of Annual General Meeting: 29<sup>th</sup> Sept., 2007 at 11.00 A.M. at Niranjapur, Dewas Naka Road, Indore,(M.P.)

2. Financial Calendar: :April, 2006 to March, 2007  
First Quarter Results :On 31<sup>st</sup> July, 2007  
Second Quarter Results :On 31<sup>st</sup> Oct., 2007  
Third Quarter Results :On or before 31<sup>st</sup> January 2008  
Results for the year ended :On or before 30<sup>th</sup> April 2008

3. Dates of Book Closure: :From 24.09.2007 to 29.09.2007

4. Board meeting for consideration of Annual Accounts : 1<sup>st</sup> August, 2007

5. Posting of Annual Report : 1<sup>st</sup> Sept., 2007

6. Last date for receipt of Proxy : 27<sup>th</sup> Sept., 2007

7. No. of Shares holders as on 31<sup>st</sup> March, 007: : 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, 2006	17.21	13.32	1720	403854
May, 2006	15.85	11.04	1338	304100
June, 2006	12.50	6.75	1316	288809
July, 2006	9.80	6.85	370	72848
August, 2006	11.85	7.06	1181	224514
Sept., 2006	9.95	7.00	1377	320389
Oct., 2006	-	-	-	-
November, 2006	-	-	-	-
December, 2006	-	-	-	-
January, 2007	-	-	-	-
Feb., 2007	-	-	-	-
March, 2007	-	-	-	-

### 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. processes 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

## PANJON LIMITED

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 31<sup>st</sup> March 2007, the Company's ----- shares are held by shareowners in dematerialized form, aggregating-----% of the Equity Share Capital.

### 14. Categories of Shareholders as on 31st March 2007:

Sr.	Category	No. of Shares held	holding % of share
<b>A</b>	<b>Promoter Holding</b>		
1	<b>Promoters</b>		
	Indian Promoters	4359189	41.59
	Foreign Promoters		
2	Persons Acting in Concert	500000	4.77
	Sub Total	<b>4859189</b>	<b>46.36</b>
<b>B</b>	<b>Non Promoters Holding</b>		
3.	Intuitional 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	2807233	26.78
(c)	NRI/OCBs	326900	3.12
(d)	Any other		
	Sub Total	<b>5495111</b>	<b>52.43</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, 2007

NAGIN KOTHARI  
CHAIRMAN

## PANJON LIMITED, INDORE

## BALANCE SHEET AS AT 31ST MARCH, 2007

Amount In Rs.

PARTICULARS	SCHEDULE	31.03.2007	31.03.2006
<b>SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS FUNDS</b>			
SHARE CAPITAL	A	104,826,000	104,826,000
RESERVES AND SURPLUS	B	38,402,431	38,620,480
<b>LOAN FUNDS</b>			
SECURED LOANS	C	8,718,462	15,466,570
UNSECURED LOANS	D	15,660,283	4,214,956
DEFERRED TAX LIABILITY		1,874,529	114,613
	<b>TOTAL</b>	<b>169,481,705</b>	<b>163,242,619</b>
<b>APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
GROSS BLOCK	E	109,495,364	109,388,561
LESS: DEPRECIATION		40,727,230	37,789,861
<b>NET BLOCK</b>		<b>68,768,134</b>	<b>71,598,700</b>
INVESTMENTS	F	11,834,400	11,834,400
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
[A] INVENTORIES	G	39,783,973	40,274,512
[B] SUNDRY DEBTORS		63,960,359	45,810,956
[C] CASH & BANK BALANCE		2,403,154	981,039
[D] LOANS & ADVANCES		7,388,568	12,711,561
	<b>TOTAL (A)</b>	<b>113,536,053</b>	<b>99,778,068</b>
<b>LESS:- CURRENT LIABILITIES AND PROVISIONS</b>			
[A] LIABILITIES	H	23,417,808	18,711,356
[B] PROVISION		1,239,074	1,257,193
	<b>TOTAL (B)</b>	<b>24,656,882</b>	<b>19,968,549</b>
<b>NET CURRENT ASSETS</b>		<b>88,879,171</b>	<b>79,809,519</b>
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			
	<b>TOTAL</b>	<b>169,481,705</b>	<b>163,242,619</b>

Significant Accounting Policies &amp; Notes to Account

P

As per our Report of even date

for TRILOK JAIN & COMPANY  
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

(T.C. JAIN)  
PARTNER  
PLACE : INDORE  
DATE : 01-08-2007(NAGIN KOTHARI) (JAY KOTHARI)  
MANAGING DIRECTOR EXECUTIVE DIRECTOR

PANJON LIMITED, INDORE

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH , 2007

PARTICULARS	SCHEDULE	31/03/2007 (Amt. in Rs.)	31/03/2006 (Amt. in Rs.)
<b>INCOME</b>			
SALES		180408857	172544355
INCREASE IN STOCK	I	-443982	5291432
OTHER INCOME	N	4868359	1688804
	<b>TOTAL</b>	<b>184833233</b>	<b>179524591</b>
<b>EXPENDITURE</b>			
OPERATING EXPENDITURE	J	168935198	162233881
ADMIN.AND OTHER EXPENDITURE	K	8847550	10564608
INTEREST	L	1613068	1098075
MANAGERIAL REMUNERATION	M	689100	360000
DEPRECIATION	E	2937370	2934380
	<b>TOTAL</b>	<b>183022287</b>	<b>177190944</b>
PROFIT FOR THE YEAR BEFORE TAX		1810946	2333647
LESS:-PROVISION FOR INCOME TAX CURRENT YEAR		200000	196377
LESS:-PROVISION FOR FRINGE BENEFIT TAX		69080	89562
ADD:-DEFERRED TAX ASSETS/(LIABILITY)		-1759915	925763
PROFIT AFTER TAX		-218049	2973471
<b>NOTES OF ACCOUNTS AND SIGNIFICANT OF ACCOUNTING POLICY</b>	<b>P</b>		
<b>Earning Per Shares</b>			
Earning available to Equity Shareholder		-218049	2973471
Weighted no. of Equity Share holders		10481300	10481300
Earning per share Basic/Diluted		-0.02	0.28
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 THE BOARD

(T.C. JAIN)  
PARTNER  
PLACE INDORE  
DATE : 01/08/2007

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

**PANJON LIMITED, INDORE**  
**SCHEDULE ATTACHED TO AND FORMING PART OF FINAL ACCOUNTS FOR**  
**THE PERIOD ENDED 31ST MARCH 2007**

<b>PARTICULARS</b>	<b>31.03.2007</b>	<b>31.03.2006</b>
<b><u>SCHEDULE- "A" : SHARE CAPITAL :</u></b>		
<b><u>AUTHORISED :</u></b>		
11000000 Equity Shares of Rs. 10/- each (Last year 11000000 Equity Shares of Rs.10/- each.	11000000	11000000
<b><u>ISSUED AND SUBSCRIBED :</u></b>		
10481300 Equity Shares of Rs. 10 /- Each (Previous Year 10481300 Equity Shares of Rs. 10 /- Each)	10481300	10481300
<b><u>PAID UP:</u></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)	10481300	10481300
<b><u>ii FORFEITURE OF SHARES :-</u></b>		
	13000	13000
<b>TOTAL</b>	<b>104826000</b>	<b>104826000</b>
<b><u>SCHEDULE- "B" : RESERVES &amp; SURPLUS:</u></b>		
<b><u>i) CAPITAL RESERVE :</u></b>		
<b><u>i STATE CAPITAL INVESTMENT SUBSIDY:-</u></b>		
( As per last year)	510000	510000
<b><u>ii) REVENUE RESERVES :</u></b>		
<b><u>A. INVESTMENT ALLOWANCE(UTILISED) RESERVE:-</u></b>		
( As per last year)	976517	976517
<b><u>i) SHARE PREMIUM</u></b>		
As per last balance sheet	33480500	33480500
<b><u>C) PROFIT AND LOSS ACCOUNT</u></b>		
Opening balance as per last Balance Sheet	3653463	679992
Profit for the year	-218049	2973471
<b>TOTAL</b>	<b>38402431</b>	<b>38620480</b>

**PANJON LIMITED**

<b>PARTICULARS</b>	<b>31.03.2007</b>	<b>31.03.2006</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/- current Year Nil))	-	150000
M.P.F.C. CAPITAL MARKETS LTD., INDORE working capital medium term loan(Instalments falling due within one year Rs. 18,65,105 /-& Already overdue unpaid Rs.Nil Included Interest accrued and not due Current Year Rs. 1160018 /- (Rs. 195636 /-P.Y Nil)	8359895	9625000
INTEREST ACCRUED BUT NOT DUE ON TERM LOANS	171340	195636
<b>WORKING CAPITAL LOAN :</b>		
From STATE BANK OF SAURASHTRA, Indore, C.C.L. (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).	NIL	5000000
<b>HIRE PURCHASE FINANCE</b>		
(Secured against hypothecation of vehicles) From: finance companies	187227	495934
	<b>8718462</b>	<b>15466570</b>
<b>SCHEDULE- "D" : UNSECURED LOANS</b>		
TRADE DEPOSIT	2038470	2654606
FROM DIRECTORS	12621813	544350
OTHERS	1000000	1016000
<b>TOTAL</b>	<b>15660283</b>	<b>4214956</b>
<b>SCHEDULE-"F": INVESTMENT (AT COST)</b>		
<b>A. QUOTED</b>		
3000 Equity Shares of AUTO RIDERS FINANCE LTD of Rs 10/- at a premium of Rs 25/- each	105000	105000
6600 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
<b>TOTAL (A)</b>	<b>1760000</b>	<b>1760000</b>
<b>B. UNQUOTED</b>		
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
<b>TOTAL (B)</b>	<b>10074400</b>	<b>10074400</b>
<b>TOTAL</b>	<b>11834400</b>	<b>11834400</b>



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

NAME OF ASSET	GROSS BLOCK			DEPRECIATION					NET BLOCK	
	AS ON 01.04.2006	ADDITIONS	DELETIONS	AS ON 31.03.2007	UP TO 01.04.2006	FOR THE YEAR	WRITTEN BACK	UP TO 31.03.2007	AS ON 31.03.2007	AS ON 31.03.2006
LAND	227216			227216					227216	227216
BUILDING	16703482	31292		16734774	6881172	558941		7440113	9294661	9822310
PLANT AND MACHINERY	34437925	81073		34518998	24750643	1639652		26390295	8128703	9687282
FURNITURES & FIXTURES	1945430	4500		1949930	1203134	123431		1326565	623365	742296
OFFICE EQUIPMENT	1871786			1871786	1677618	118484		1796102	75684	194168
VEHICLES	4893456		24113	4869343	3212985	462588		3675573	1193770	1680471
PATENT & COPYRIGHT	48962536			48962536					48962536	48962536
ANIMATED ADD FILM	346730	14051		360781	64308	34274		98582	262199	282422
<b>TOTAL</b>	<b>109388561</b>	<b>130916</b>	<b>24113</b>	<b>109495364</b>	<b>37789860</b>	<b>2937370</b>		<b>40727230</b>	<b>68768134</b>	<b>71598701</b>
PREVIOUS YEAR	108837025	691961	140425	109388561	34868481	2934380	13000	37789861	71598700	73968544

PANJON LIMITED

PARTICULARS	31.03.2007	31.03.2006
<b>SCHEDULE- "G" : CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>A. CURRENT ASSETS :</b>		
<b><u>INVENTORIES:</u></b>		
(As valued & certified by Directors)		
RAW MATERIAL	1889536	1598735
PACKING MATERIAL	5290088	5577446
FINISHED GOODS	32284544	32728526
STOCK OF OTHERS	319805	369805
<b>TOTAL</b>	<b>39783973</b>	<b>40274512</b>
<b><u>SUNDRY DEBTORS:</u></b>		
(Unsecured, considered good)		
DUE OVER SIX MONTHS	51242022	34107225
OTHERS	12718337	11703731
<b>TOTAL</b>	<b>63960359</b>	<b>45810956</b>
<b><u>CASH &amp; BANK BALANCES :</u></b>		
CASH IN HAND	638567	731344
BALANCE WITH SCHEDULED BANKS	1764588	249695
<b>TOTAL</b>	<b>2403154</b>	<b>981039</b>
<b>B. LOANS AND ADVANCES :</b>		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR VALUE TO BE RECEIVED	7386120	12709526
ADVANCE INCOME TAX & T.D.S.	2448	2035
<b>TOTAL</b>	<b>7388568</b>	<b>12711561</b>
<b>TOTAL CURRENT ASSETS</b>	<b>113536053</b>	<b>99778068</b>
<b>SCHEDULE- "H" : CURRENT LIABILITIES &amp; PROVISIONS</b>		
CURRENT LIABILITIES		
<b><u>SUNDRY CREDITORS</u></b>		
FOR TRADE	22155940	16609177
FOR EXPENSES	1261869	2102179
<b>TOTAL</b>	<b>23417808</b>	<b>18711356</b>
<b><u>PROVISION FOR EXPENSES</u></b>		
OUTSTANDING LIABILITIES	969994	971254
PROVISION FOR INCOME TAX/FBT	269080	285939
<b>TOTAL</b>	<b>1239074</b>	<b>1257193</b>
<b>SCHEDULE- "I" : INCREASE IN STOCK</b>		
<b><u>STOCK AT CLOSE</u></b>		
FINISHED GOODS	32284544	32728526
<b>TOTAL</b>	<b>32284544</b>	<b>32728526</b>
<b><u>LESS : STOCKS AT COMMENCEMENT</u></b>		
FINISHED GOODS	32728526	27437094
<b>TOTAL</b>	<b>32728526</b>	<b>27437094</b>
<b>INCREASE(+)/DECREASE(-) IN STOCK</b>	<b>-443982</b>	<b>5291432</b>

**PANJON LIMITED**

<b>PARTICULARS</b>	<b>31.03.2007</b>	<b>31.03.2006</b>
<b>SCHEDULE- "J" : OPERATING EXPENDITURE</b>		
<b><u>RAW MATERIAL CONSUMED</u></b>		
PURCHASES	3957819	2050042
ADD : OPENING STOCK	1598735	2241405
LESS: CLOSING STOCK	1889536	1598735
	<b><u>3667018</u></b>	<b><u>2692712</u></b>
<b>FINISHED GOODS CONSUMED</b>	159545547	155394052
<b><u>PACKING MATERIAL CONSUMED</u></b>		
PURCHASES	3152218	1678922
ADD : OPENING STOCK	5577446	5326682
LESS: CLOSING STOCK	5290088	5577446
	<b><u>3439576</u></b>	<b><u>1428158</u></b>
CARRIAGE INWARD	147689	110004
OTHER OPERATING EXP.	227949	335620
POWER & FUEL	903383	993924
REPAIR & MAINTENANCE	149782	333165
SALARY & WAGES ETC.	854255	946246
	<b><u>2283057</u></b>	<b><u>2718959</u></b>
<b>TOTAL</b>	<b><u>168935198</u></b>	<b><u>162233881</u></b>
<b>SCHEDULE- "K" : ADMINISTRATIVE AND OTHER EXPENDITURE</b>		
ADVERTISEMENT & PUBLICITY	299825	628914
AUDITOR'S REMUNERATION	50000	50000
BANK CHARGES & COMMISSION	37894	25411
BOOKS & PERIODICALS		5344
CARRIAGE & FREIGHT	396388	267404
DISCOUNT & COMMISSION	4000	45629
INSURANCE	231416	165177
LEGAL AND PROFESSIONAL EXPENSES	356221	786093
MISCELLANEOUS EXPENSES	2966154	3397951
TELEPHONE & TRUNCKCALL EXPENSES	143312	203011
POSTAGE AND TELEGRAM	30901	38696
SALARIES, WELFARE, BONUS ETC.	784270	1391925
SALES PROMOTION EXPENSES	439328	209125
ADVERTISEMENT FOR VACANCY & OTHERS	270415	789487
SALES TAX /VAT TAX	188615	10042
SALES TAX /ENTRY TAX/EXCISE DEMAND	8335	564269
STATIONERY & PRINTING	455527	236279
TRAVELLING EXPENSES & CONVEYANCE (Including Director's Travelling Expenses Rs.115946 /-)	1854298	1485150
VEHICLE REPAIRS & MAINTAINENCE (FOR COMMERCIAL)	221301	210372
VEHICLE REPAIRS & MAINTAINENCE	109351	54329
<b>TOTAL</b>	<b><u>8847550</u></b>	<b><u>10564608</u></b>

**PANJON LIMITED**

<b>PARTICULARS</b>	<b>31.03.2007</b>	<b>31.03.2006</b>
<b>SCHEDULE- "L" : INTEREST</b>		
INTEREST TO FINANCIAL INSTITUTION (M.P.F.C.)	1135722	654183
INTEREST TO OTHERS	477346	443892
<b>TOTAL</b>	<b>1613068</b>	<b>1098075</b>
<b>SCHEDULE- "M" : MANAGERIAL REMUNERATION</b>		
RENT	89100	0
SALARY TO MANAGING DIRECTOR	300000	180000
SALARY TO EXECUTIVE DIRECTOR	300000	180000
<b>TOTAL</b>	<b>689100</b>	<b>360000</b>
<b>SCHEDULE- "N" : OTHER INCOME</b>		
INTEREST RECEIVED	12664	10516
INTEREST ON F.D.R.	0	9853
MISCELLANEOUS RECEIPT	129970	753469
SUNDRY BALANCES W/OFF (NET)	4538725	0
LICENSE & OTHER RECEIPTS	187000	914966
<b>TOTAL</b>	<b>4868359</b>	<b>1688804</b>

**PANJON LIMITED**

PANJON LIMITED, INDORE  
CASH FLOW STATEMENT PURSUANT TO CLAUSE NO. 32  
OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2007

PARTICULARS	CURRENT 2006-2007	PREVIOUS YEAR 2005-2006
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax & Extraordinary Item	1810946	2333647
Add: Depreciation	2937370	2934380
Misc. Expenses Written off	0	0
	4748316	5268027
Less: Profit on Sales of Assets :	0	0
Cash Flow before Working Capital Changes	4748316	5268027
<b>Less:-</b>		
Increase/(Decrease) in Inventories	-490539	4777177
Increase/(Decrease) in Debtors	18149403	-8754765
Increase/(Decrease) in other Advances	-5322993	-15009636
Increase/(Decrease) in Payable	-4688333	12314412
	-2899221	11940839
Less:- Income Tax Provision	269080	285939
Expenses related to earlier years	0	0
<b>Net Cash Flow from Operating Activities</b>	-3168301	11654900
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchases of Fixed Assets	-130916	-691961
Sales/Transfer of Fixed Assets	24113	127425
Sales/Transfer of Investment	0	0
<b>Net Cash Flow from Investment Activities</b>	-106803	-564536
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in Secured Loan	-6748108	-9520190
Increase in Unsecured Loan	11445327	-3608466
Increase in Share Capital	0	0
Increase in Share Premium	0	0
<b>Net Cash Flow from Financing Activities</b>	4697219	-13128656
<b>(A+B+C)</b>	1422115	-2038293
Balance as on 01-04-2006	981039	3019332
Balance as on 31-03-2007	2403154	981039
	0	0

BY THE ORDER OF THE BOARD

NAGIN KOTHARI  
MANAGING DIRECTOR

JAY KOTHARI  
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, 2007. 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 Account 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 :

**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

Production Item	2006-2007	2005-2006
	Qty. IN M.T.	Qty. IN M.T.
Ayurvedic medicine	138.54	67.90
Hard boiled candy	Nil	Nil
Alloppethic Medicine	Nil	20.00
	<u>138.54</u>	<u>87.90</u>

Turnover Item	2006-2007		2005-2006	
	Qty. IN M.T.	Amount	Qty. IN M.T.	Amount
Alloppethic medicine	474.42	54849193.69	412.25	54044287.00
Ayurvedic Medicine	412.60	34999935.00	193.26	26786291.00
Liquid Syrup (in Ltrs)	35.87	392997.00	310.05	1946835.00
Caustic soda	1835.10	38216865.00	1779.90	37034690.00
Potassium Hydro-oxide	798.50	45272575.00	920.07	52391876.00
Panjon Dental Cream(in Boxes)	289860.00	6677291.00	13085.00	340376.00
<b>Total</b>		<u>180408856.69</u>		<u>172544355.00</u>

Value of Raw materials consumed Item	2006-2007		2005-2006	
	Qty. IN M.T.	Amount	Qty. IN M.T.	Amount
Sugar	84.60	1500554.00	57.41	947445.00
liquid Glucose	42.04	984689.00	36.37	463676.00
Asprin	0.00	NIL	300.00	42480.00
Caffeine	0.00	NIL	30.00	12776.00
Paracetamol	0.00	NIL	150.00	30431.00
Citric Acid	2.44	160630.00	2.40	103276.00
other basic Material		1855690.00		1092628.00
		4501563.00		2692712.00
Packing Materials		2519063.00		1428158.00
<b>Total</b>		<u>7020626.00</u>		<u>4120870.00</u>

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

Item	Closing Stock		Opening Stock	
	2006-07	2005-06	2006-07	2005-06
Alloppethic medicine	1.82	2.02	2.02	1.89
Ayurvedic Medicine	86.93	34.25	34.25	112.42
Hard Boiled Candy	0.00	0.00	0.00	4.25
confectionary	35.34	37.92	37.92	0.00
Liquid Syrup(in Ltrs)	18.09	8.70	8.70	98.59
Ointment	2.33	2.37	2.37	0.00
others	LS	LS	LS	LS

**PANJON LIMITED, INDORE**  
**NOTES ON ACCCOUNTS**

**I. SCHEDULE "P" – PART "A"**

**SIGNIFICANT ACCOUNTING POLICIES:**

**1. 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 be 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-plus expenses 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 the 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 of about Rs. 65.29 lacs 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 encashment, 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:**

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 Liability for the F.Y. 2000-01 Rs. 21,833 /- for MPCT, F.Y. 2002-03 Rs.166051/- for MPCT and F.Y. 2002-03 Rs. 84054/- for CST - for which appeal & revision is preferred to the concerning authority. Income Tax Demand for the A.Y. 1994-1995 of Rs. 1,42,130 /- , A.Y. 2006-2007 of Rs. 7,13,574 /- & Excise Demand of Rs 3,16,587 /- not provided for .

**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 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 2006-2007 (i.e. ending on 31-03-2007).

iii. Auditors' Remuneration:

	2006-2007	2005-2006
a) Audit Fees	25,000	25,000
b) Tax Audit Fees	25,000	25,000
c) Out of Pocket Expenses	-	
<b>Total</b>	<b>50,0000</b>	<b>50,000</b>

iv. Remuneration to Directors: -

a) Executive Director	3,00,000	1,80,000
b) Managing Director	3,00,000	1,80,000
<b>Total</b>	<b>6,00,000</b>	<b>3,60,000</b>

c) Personal electricity bill of Rs 14,996 /- of the Directors have been paid by the company and charged to Profit and Loss A/c {Previous Year Rs 1,27,560 /-}.

d) Rent of Rs. 89,100 /- of the Directors have been paid by the company and charged to Profit and Loss A/c {Previous Year Nil}.

- v Interest on Term Loan from M.P.F.C. for the period is Rs. 9,64,382/- {Previous Year Rs 6,54,183 /-}.
- vi. Income Tax assessment has been completed up to Assessment Year 2005-06 and Sales Tax Assessment has been completed up to Accounting Year 2002-2003.
- vii. There is a Sales Tax demand of Rs. 2,71,938 /- .No provision has been made for this demand, as the appeal is preferred to the appropriate authority.
- viii. Company had already made settlement with MPAKVN Bhopal and Paid Full Principle amount but it has not paid Interest on delay Payment and it is under dispute.
- ix. Balance of Sundry Debtors/ Creditors; Loans & advances are subject to confirmation.
- x. Most 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.
- xi. Long outstanding of Debtors (33) & Creditors (139) W/off during the year of which amounting of Rs. 249033/- and Rs. 4787780/- respectively. Although no confirmation could be obtained in respect of such Debtors / Creditors.
- xii. 3 Cheques amounting of Rs. 10160706/- deposited and 9 Cheques amounting of Rs. 7072573/- issued from the concern up to 31<sup>st</sup> march which are not cleared during the audit.
- xiii. 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. However, there are obsolete Stocks of about Rs. 65.29 lacks.
- xiv. The market prices of quoted investments costing Rs. 17,60,000/- (excluding Unquoted investment of Rs.1,00,74,400/-) as on 31.03.2007 were very low but not available for verification and no provision for loss has been made in the books.
- xv. Related Party Disclosure (As identified by the Management)

(i) 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 is the Karta of the firm)
- (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
(i) Key Management Personnel	Remuneration paid	
(a) Shri Nagin Bhai Kothari	Director's Remuneration	Rs. 3,00,000 /-
(b) Shri Jay Bhai Kothari	Director's Remuneration	Rs. 3,00,000 /-
(ii) Personal electricity bill of Directors		Rs. 14,996 /-
(iii) Rent		Rs. 89,100 /-

xvi. **Deferred Tax Assets/ (Liability): -**

In Accordance with the "Accounting Standard -22", the company has recognized the accumulated Deferred Tax Assets (Liability) (Net)

	<b>As at 31.03.2007</b>	<b>As at 31.03.2006</b>
a) Deferred Tax Liability on account of:		
(i) Depreciation	11165238	12768398
(ii) Employees Benefits	17250	Nil
<b>Total</b>	<b>11182488</b>	<b>12768398</b>
b) Deferred Tax Assets:		
(i) Unabsorbed Losses & Dep.	8851064	12526209
(ii) Employees Benefits	11409	29852
(iii) Taxes, Duties, Cess etc,	445486	97724
<b>Total</b>	<b>9307959</b>	<b>12653785</b>
<b>Deferred Tax Assets /(liability)</b>	<b>1874529</b>	<b>114613</b>

xvii. **Basic EPS: -**

		<b>As At 31.03.2007</b>	<b>As At 31.03.2006</b>
(a)	Net Profit as per Profit & Loss Account		
	i) After Current Tax	1541866	2047708
	ii) After Current ,deferred Tax & Prior period Exp.	-218049	2973471
(b)	Weighted No.of Equity shares of Rs.10/- each	10481300	10481300
(c)	Basics EPS		
	i) After Current Tax (a) (i)/(b)	0.147	0.195
	ii) After Current and Deferred Tax (a(ii)/b)	-0.02	0.28
(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	1541866	2047708
	ii) After Current deferred Tax & period Exp.	-218049	2973471
(f)	Diluted Earnings Per Share		
	i) After Current Tax [(e)(3)/d]	0.147	0.195
	ii) After Current and Deferred Tax [(e)(4)/d]	-0.02	0.28

xviii. **SEGMENTAL INFORMATION**

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

(A) **Primary Segments**

**Business Segments**

(1) <b>Sales Revenue:</b>	<b>Manufacturing</b>	<b>Trading</b>	<b>Total</b>
External Sales	25724881.00	154683976.00	180408857.00
Total Sales	25724881.00	154683976.00	180408857.00

**(2). Segment Results Before Intt. & Tax:**

Net Profit	3424014.00
Add: Exceptional Items	0.00
Less: Interest	1613068.00

<b>Net Profit Before Tax</b>	<b>1810946.00</b>
Less: Income Tax & Fringe Benefit Tax	269080.00
Less: Income Tax/Exp. related to earlier years	0.00
Less: Deferred Tax Asset	-1759915.00

<b>Net Profit After Tax</b>	<b>-218049.00</b>
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**(3). Segment Assets:**

Unallocable Assets	206606529
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<b>Total Assets</b>	<b>206606529</b>
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**(4). Segment Liabilities:**

Unallocable Liabilities:	206606529
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<b>Total Liabilities:</b>	<b>206606529</b>
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Note: - No separate details are maintained because same line of business activities.

**(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	74316244.80	8638166.90	1187479.70	96190194.40	76770.30	180408856.00

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

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: 01/08/2007

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 Forth Annual General Meeting of the members of Panjon Limited to be held at Niranjapur, Dewas Naka, A.B. Road, INDORE (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 Forth Annual General Meeting of the Company to held on 29th September 2007 and/or at any adjournment thereof.

AT WITNESS my / our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2007

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**  
**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**

<u>Registration No.</u>	02320	<u>State Code</u>	10
<u>Balance Sheet Date</u>	31/03/07		

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

<u>Public Issue</u>	NIL	<u>Bonus Issue</u>	NIL
<u>Right Issue</u>	NIL	<u>Private Placement</u>	NIL

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

	<u>Total Liabilities</u>	<u>Total Assets</u>
	169481705	169481705
<u>SOURCE OF FUNDS</u>	<u>Paid up Capitals</u>	<u>Reserves and Surplus</u>
	104826000	38402431
	<u>'Secured Loan</u>	<u>Unsecured Loan</u>
	8718462	15660283
	<u>Deferred Tax Liability</u>	
	1874529	
<u>APPLICATION OF FUNDS</u>	<u>Net Fixed Assets</u>	<u>Investments</u>
	68768134	11834400
	<u>'Net Current Assets</u>	<u>Misc. Expenditure</u>
	88879171	0
	<u>Accumulated Losses</u>	
	NIL	

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

<u>Turnover (Total Income)</u>	184833233	<u>Total Expenditure</u>	183022287
<u>'(+/-) profit before tax</u>	1810946	<u>'(+/-) profit after tax</u>	-218049
<u>E.P.S.(Rs.)(on profit After Tax)</u>	NIL	<u>(On distributable profit) Dividend Rate (%)</u>	NIL

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

Item Code No.	
Product Description	PANJON
Item Code No.	
Product Description	SWAD
Item Code No.	
Product Description	PERCY

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

PLACE : INDORE  
DATE : 1ST AUGUST 2007

PANJON LIMITED

BOOK-POST

To,

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

