

# 14th Annual Report

MD	✓			BKC	✓
CS	NH			DPY	✓
RO	✓			DIV	✓
TRA	✓			AC	✓
ACM	✓	✓		CHI	✓
YE	✓	✓	✓		

# PANJON LIMITED



## 1996-97

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## FOURTEENTH ANNUAL REPORT 1996-97

### BOARD OF DIRECTORS :

MR. NAGIN KOTHARI  
MR. MANOJ KOTHARI  
MR. MUKESH PATEL  
MR. S.K. BHOJANE

CHAIRMAN AND MANAGING DIRECTOR  
Jt. MANAGING DIRECTOR  
DIRECTOR  
NOMINEE DIRECTOR

### AUDITORS :

TRILOK JAIN & CO.  
CHARTERED ACCOUNTANTS  
INDORE

### LEGAL ADVISOR :

MR. BALKRISHNA POTDAR

### BANKERS :

STATE BANK OF SAURASHTRA

### REGISTERED OFFICE :

DAWA BAZAR,  
13-14, R.N.T. MARG, INDORE - 452 001.  
GRAM : PANJON  
TELE : 440955-59.  
FAX : 0731 - 440950.

### FOURTEENTH ANNUAL GENERAL MEETING

DATE : 30-12-1997.

DAY : TUESDAY

TIME : 12.30 P.M.

PLACE : NIRANJANPUR,

DEWAS NAKA,

BOMBAY AGRA ROAD, INDORE

### FACTORY :

104, INDUSTRIAL AREA, SECTOR-I,  
PITHAMPUR-454775,  
DIST. DHAR (M.P.)  
TELE. : 22475 (3 LINES)

### SHARE TRANSFER AGENT :

ANKIT CONSULTANCY PVT. LTD  
ALANKAR POINT,  
4-A, RAJGARH KOTHI,  
GITA BHAWAN CHOURAHA,  
A.B. ROAD,  
INDORE - 452 001.  
TELE : 491 298/492 698

AR  
31/12/95



## NOTICE

NOTICE is hereby given that the **FOURTEENTH ANNUAL GENERAL MEETING** of the members of **PANJON LIMITED** will be held at Niranjapur, Dewas Naka, Bombay Agra Road, Indore at 12.30 P.M. on Tuesday, the 30th day of December, 1997 to transact the following business :-

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31.3.1997 and the Profit & Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Manoj Kothari who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next annual general meeting and to fix their remuneration.

**BY ORDER OF THE BOARD OF DIRECTORS  
FOR PANJON LIMITED**

(NAGIN KOTHARI)  
CHAIRMAN

Panjon Limited  
Dawa Bazar,  
13-14, R.N.T. Marg,  
Indore-452 001.

Dated : 27.09.1997

### NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN HIS PLACE AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE MEETING.
2. The Register of Members and Share Transfer Register of the Company will remain closed on Tuesday, the 30th day of December 1997.
3. Members are requested to send their queries, if any, at least ten days in advance so that the desired information can be made available at the meeting.
4. Members are requested to bring their copy of Annual Report with them to the meeting as additional copies of the same will not be made available at the meeting as a measure of economy.
5. Members are requested to notify change of address, if any, with Pin Code quoting their Folio Numbers.
6. Members are requested to encash their dividend warrants for the year 93-94 at the earliest because the unpaid dividend amount will be transferred to Central Government in the month of December 1997.



## DIRECTORS' REPORT

To the Members,

Your directors have pleasure in presenting the Fourteenth Annual Report of the Company together with Audited Accounts for the year ended on 31.03.1997.

### FINANCIAL RESULTS :

	Amount (Rs. in Lacs)	
	1996-97	1995-96
Total Sales	1773.05	1766.41
Profit Before Depreciation & Income Tax	34.62	64.56
Depreciation	33.08	31.84
Provision For Income Tax	0.40	2.00
Net Profit For The Year	1.15	30.73
Balance Brought Forward from last year	259.21	228.48
Balance Carried Forward	260.36	259.21

### DIVIDEND :

In order to conserve the resources for operations of the company, your Directors do not recommend any dividend.

### OPERATIONS :

Due to competitive conditions, the turnover of your company was only marginally higher. However, due to higher input costs, the net profit after taxation was substantially down at Rs. 1.15 lacs as compared to Rs. 30.73 lacs during the previous year. Your company is operating in an industry which faces huge competition including from big and multinational companies and requires huge advertisement and brand building costs. Despite this, your company is trying its best to increase the business share and increase the profitability.

### ADVERTISEMENT & PUBLICITY CAMPAIGN :

Targetting towards the main thrust of creating brand image and making its products more and more popular and widely known & consumed, the company has continued to attach top priority to the advertisement and publicity campaign. Total revenue expenditure on advertisement and publicity and sales

promotion amounted Rs. 59.48 lacs during the year under report.

### DIRECTORS :

Mr. Manoj Kothari retires by rotation at the ensuing Annual General Meeting and, being eligible, offers himself for re-appointment.

### PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO :

Information regarding conservation of Energy, Technology absorption and Foreign Exchange Earnings and outgo required under section 217 (1) (e) of the Companies Act, 1956, are annexed hereto as Annexure - A and forms part of this report.

### PARTICULARS OF EMPLOYEES :

There was no employee covered under Section 217 (2A) of the Companies Act, 1956 read in conjunction with the companies (Particulars of Employees) Rules, 1975.

### AUDITORS :

The auditors, M/s. Trilok Jain & Company, Chartered Accountants, Indore, retire at the ensuing Annual General Meeting and are eligible for reappointment. Members are requested to appoint Auditors and fix their remuneration.

### ACKNOWLEDGEMENT :

The Directors take the opportunity to thank Stockists, Distributors, retail traders and customers for their continued support to Company's products. The Directors also acknowledge the support and co-operation received from MPAVN Ltd., MPFC and State Bank of Saurashtra, as well as from Suppliers and other business associates. The Directors also place on record their deep appreciation of the services rendered by the officers, staff and workers of the company at all levels.

Panjon Limited  
Dawa Bazar,  
13-14, R.N.T. Marg, Indore-1.

Dated : 27.09.1997

FOR AND ON BEHALF  
OF THE BOARD

(NAGIN KOTHARI)  
CHAIRMAN



## ANNEXURE-A TO THE DIRECTORS' REPORT

[Information Under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 1997.]

### A. CONSERVATION OF ENERGY:

#### (a) Energy Conservation Measures Taken :

1. Efficient maintenance of traps, valves, pipelines etc. to reduce fuel consumption in boiler.
2. Replacement of old type steam traps by bucket traps.
3. Proper control of the bampers and safety valves.
4. Efficient control of Air-conditioning on and off timings.
5. Use of non-usable portion of Awla & Khajoor in the Boiler etc.
6. Use of dry process (Roll Compactor) for Panjon Tablets in place of wet process and drying in fluidised bed drier which has reduced 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) and (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:

As per Form-A attached.

### B. TECHNOLOGY ABSORPTION :

#### (e) Efforts made in technology absorption in Form-B below :-

#### FORM - B

#### 1. Specific areas in which R&D carried out by the Company :

Improving product quality, new product development, improving productivity,

improving packings of various products, and reducing product cost.

#### 2. Benefits derived as a result of above R&D :

Research and development efforts have enabled the company to improve quality, develop new products and improve packaging of various products.

#### 3. Future plan of action :

R&D efforts would be continued in the area referred in point-1 above.

#### 4. Expenditure on R&D :

Expenditure on inhouse Research & Development has been included shown under respective heads of expenditure in the Profit & Loss Account.

### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION :

#### 1. Efforts, in brief, made towards technology absorption, adaptation and innovation :

Improvement in packaging to increase the life of product and improved condition at the time of use and development of new products.

#### 2. Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. :

Product improvement and development of new products.

#### 3. Technology imported : None

### C. FOREIGN EXCHANGE EARNINGS & OUTGO:

#### (f) Activities relating to exports; initiative taken to increase exports; development of new export markets for products and services; and export plans :

The Company is making efforts to increase the exports.

#### (g) Total foreign exchange used and earned :

Used : Rs. NIL.

Earned : Rs. NIL.

Panjon Limited  
Dawa Bazar,  
13-14, R.N.T. Marg, Indore-1.

Dated : 27.09.1997

FOR AND ON BEHALF  
OF THE BOARD

(NAGIN KOTHARI)  
CHAIRMAN



## ANNEXURE FORM "A"

(SEE RULE 2)

Form for disclosure of particulars with respect to Conservation of Energy  
(Pertaining to year ended 31.3.97)

## A. POWER AND FUEL CONSUMPTION

	Current Year 1996-97	Previous Year 1995-96
--	-------------------------	--------------------------

## (1) Electricity

## (a) Purchased

Units	236846	280949
Total Amount (Rs.)	988901/-	970509/-
Rate/unit (Rs.)	4.18	3.45

## (b) Own generation

## (i) Through diesel generators

Units	42952.5	73950
Units per litre of diesel oil	2.43	2.50
Cost/units (Rs.)	4.27	3.99

## (ii) Through steam turbine/generator

Units		None
Units per ltr. of fuel oil/gas		
Cost/unit		

## (2) Coal (specify quality &amp; where used)

## Grade "C" Coal used in boiler

Quantity (Tonnes)	142	
Total Cost (Rs.)	428125/-	373630
Average Rate (Rs.)	2090/-	1990

## (3) Furnace Oil

Quantity (K.ltrs.)	None	None
Total Amount		
Average Rate		

## (4) Others/internal generation

(please give details)

## Diesel

Quantity (Ltrs.)	17708	2919
Total cost (Rs.)	183455/-	29190
Rate/Units (Rs.)	10.36	

## B. CONSUMPTION PER UNIT OF PRODUCTION

	Unit	Current Year		Previous Year	
		Elect. (Units)	Coal (Kgs)	Elect. (Units)	Coal (Kgs)
1. Tablet	M.T.	905	NIL	955	NIL
2. Candy	M.T.	330	225	201	260
3. Crystals	M.T.	392	NIL	443	NIL
4. Balm/oointment	M.T.	465	NIL	486	NIL

## NOTES :

1. Diesel was consumed for generating electricity through diesel generator.
2. Increase/decrease in Power consumption is due to variation in atmosphere, changes in product mix etc.

**PANJON LIMITED****14th Annual Report****AUDITOR'S REPORT**

To,  
The Members,  
Panjon Limited,  
Dawa Bazar, INDORE-452 001.

We have audited the attached Balance Sheet of PANJON LIMITED, INDORE as at 31st March, 1997, and also the Profit & Loss Account of the Company for the year ended on that date, annexed thereto.

1. As required by the manufacturing and other Companies (Auditors' Report) Order, 1988 issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a 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 our audit.
  - b) In our opinion, proper books of account, as required by law, have been kept, so far as appears from our examination of these books.
  - c) The Balance Sheet and the Profit & Loss Account dealt with by this report are in agreement with the books of account.
  - d) 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 31st March, 1997.
    - ii) in the case of the Profit & Loss of the PROFIT of the company for the year ended on that date.

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PLACE : INDORE  
DATE : 27.09.1997

For TRILOK JAIN & CO.  
CHARTERED ACCOUNTANTS  
(T.C.JAIN)  
PROPRIETOR

**ANNEXURE TO THE AUDITOR'S REPORT**

(Referred to in Paragraph (1) of our report of even date)

1. The Company has maintained proper records to show full particulars including quantitative details and situation of fixed assets. All the fixed assets have been physically verified by the Management at reasonable intervals during the year and we are informed that no significant discrepancies have been noticed on such verification, as compared to book records.
2. None of the fixed assets have been revalued during the year.
3. Physical verification has been conducted by the management of finished goods, raw materials, store and spares during the year at reasonable intervals.
4. In our opinion the procedure of physical verification followed by the management in respect of goods and stocks are adequate and reasonable.
5. As informed to us, no material discrepancies were noticed on verification of stocks as compared to book records.





6. In our opinion and as evidence by our examination of stock records and as per the information and explanations given to us, valuation of stocks is fair and proper in accordance with normally accepted accounting principles and on the same basis as in the preceding years.
7. The Company has not taken any loans from parties in the register maintained under section 301 of the Companies Act, 1956.
8. The Company has granted unsecured loans to a company under the same management within the meaning of Section 370(1B) of the Companies Act, 1956 and other parties listed in the register maintained under section 301 of the Companies Act, 1956 where the rate of interest and the terms and conditions are in our opinion prima- facie not prejudicial to the interest of the Company viz. by way of Investment in Panjon Finance Limited, Rs.10,01,000.00 (100100 shares of Rs. 10 each), in Panjon Pharma Limited Rs. 1000.00 (100 shares of Rs. 10 each) in Sanitex Chemicals Limited Rs. 73,400.00 (7340 shares of Rs.10 each).
9. In respect of loans and advances in the nature of loans given by the Company where stipulations have been made, the parties are generally repaying the principal amounts as stipulated and have also been regular in the payment to interest where applicable.
10. In our opinion and as per the information and explanations given to us, there are adequate procedure commensurate with the size of the company and the nature of its business for purchase of goods, equipments, plant and machinery and other assets and for sale of goods and services.
11. We are informed that the company has made transactions of purchase and sale aggregating during the period to Rs.50,000/- or more at prices which are reasonable having regard to prevailing market prices for such goods in respect of the parties entered in the register maintained under section 301 of the Companies Act, 1956.
12. As informed to us, the Company has no unserviceable or damaged stores, raw materials and finished goods.
13. The company has not accepted any deposit from public, within the meaning of Section 58A of the Companies Act, 1956.
14. The company does not have any by-product and the Company's operation do not generate any significant realisable scrap.
15. The company has an internal audit system commensurate with its size and nature of business.
16. As explained to us, the maintenance of cost records prescribed under section 209(1)(d) of the Companies Act, 1956 pursuant to rules made by the Central Government are not applicable to the Company for the year under review.
17. According to the information and explanations given to us and according to the records of the Company, Provident Fund and Employees State Insurance dues where applicable have generally been regularly deposited during the period with the appropriate authorities. There are no arrears of Provident Fund and Employees State Insurance dues as at 31st March, 1997.
18. As informed to us and as per the records of the Company, no undisputed amounts in respect of Income Tax, Sales Tax, Wealth Tax, Excise Duty and Customs Duty, were payable as on Balance Sheet date for a period of more than six months from the date they became payable.
19. According to the information and explanations given to us and the records of the Company examined by us, no personal expenses of Directors and Employees have been charged to revenue account other than those payable under contractual obligations or in accordance with generally accepted business practice.
20. The Company is not a sick industrial company with the meaning of Section 3(1)(O) of The Sick Industrial Companies (Special Provisions) Act, 1985.
21. As explained to us, in respect of the trading activities of the Company there are no damaged goods and therefore no provision has been made in the accounts for the loss arising out of such items.

For TRILOK JAIN & CO.,  
CHARTERED ACCOUNTANTS

PLACE : INDORE  
DATE : 27.09.1997

(T.C. JAIN)  
PROPRIETOR



PANJON LIMITED



14th Annual Report

## BALANCE SHEET AS AT 31ST MARCH, 1997

Particulars	Schedule No.	Current Year Rs.	Previous Year Rs.
<b>SOURCES OF FUNDS</b>			
SHARE HOLDERS FUNDS			
SHARE CAPITAL	A	39987000.00	39987000.00
RESERVES & SURPLUS	B	67516155.99	67401699.14
LOAN FUNDS			
SECURED LOANS	C	54840398.30	55644406.75
UNSECURED LOANS	D	13643487.32	16904075.91
TOTAL FUNDS EMPLOYED		<u>175987041.61</u>	<u>179937181.80</u>
<b>APPLICATION OF FUNDS</b>			
FIXED ASSETS	E		
GROSS BLOCK		53480884.04	
		(52704332.31)	
LESS: DEPRECIATION		16092620.53	
		(12867223.12)	
		37388263.51	
		<u>(39837109.19)</u>	
<b>NET BLOCK</b>		37388263.51	39837109.19
INVESTEMENTS	F		
[A] QUOTED		1810000.00	
		(1810000.00)	
[B] UNQUOTED		74400.00	
		(74400.00)	
[C] SHARE APPLICATION		50000.00	
		<u>(50000.00)</u>	
		1934400.00	1934400.00
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>	G		
[A] INVENTORIES		54503672.52	
		(62888679.78)	
[B] SUNDRY DEBTORS		64960444.48	
		(40049764.67)	
[C] CASH & BANK BALANCE		1850928.48	
		(1530127.62)	
[D] OTHER CURRENT ASSETS		287563.00	
		<u>(1006334.15)</u>	