

17th

ANNUAL REPORT

1999 - 2000

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PANJON LIMITED

PANJON LIMITED

Seventeenth Annual Report 1999-2000

Board of Director :

Mr. Nagin Kothari	Chairman & Managing Director
Mr. Jay Kothari	Executive Director
Mr. S.K. Bhojane	Nominee Director (MPFC)

Auditors :

Trilokjain & Co.
Chartered Accountants
Indore

Bankers :

State Bank of Saurashtra,
RNT Marg, Indore

Registered Office :

Dawa Bazar,
13-14, R.N.T. Marg, Indore - 452 001
Gram : PANJON
Tele. : 704955 - 57
Fax : 0731-704230

Factory :

104, Industrial Area, Sector - 1
Pithampur - 454 775
Dist. Dhar (M.P.)
Tele. : 43140

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

Seventeenth Annual General Meeting

Date : 30/09/2000
Day : Saturday
Time : 12.30 P.M.
Place : Niranjapur, Dewas Naka
Bombay Agra Road, Indore

NOTICE

NOTICE is hereby given that 17th Annual General Meeting of the Member of PANJON LIMITED will be held at Niranjanpur, Dewas Naka, Indore (M.P.) on Wednesday the 30th day of September'00 at 12.30 p.m. to transact the following business :

I. ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March , 2000 and the Profit & Loss Account of the Company for the year ended 31st March, 2000 and the report of the Directors & Auditors thereon.
2. To appoint a Director in place of Shri Nagin Kothari, who retires by rotation and being eligible, offers himself for re-appointment.
3. 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

4. To consider if thought fit to pass with or without modifications if any, the following Ordinary Resolution.

INCREASE IN REMUNERATION OF MR. JAY KOTHARI, EXECUTIVE DIRECTOR:

RESOLVED THAT pursuant to the provisions of Section 198, 269, 302, 309, 310 read with Schedule XIII and other applicable provisions of the Companies Act 1956, if any, remuneration of Mr. Jay Kothari, Executive Director of the Company be and is hereby revised with effect from 1st January, 2000 for the remaining part of his tenure as set out hereunder :

(a) Salary : Rs.25,000/- per month, with the Annual increment of Rs.5,000/- only.

(b) Perquisites : Subject to the ceiling of Rs. 3,00,000/- 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) Reimbursement of medical Expenses of the Executive Director and his family, the total cost of which to the Company shall not exceeding one month 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 a 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 Super annuation Fund as per Rules of the Company.
2. Gratuity not exceeding half a month 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 en-cashed for 15 days salary for every year 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 as per actual on the basis of Claims made by him.
- (ii) Telephone : Free use of telephone at his residence provided that personal long distance calls on the telephone shall be billed by the Company to the Executive 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 Executive 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 other privileges, as any from time to time, be available to other Senior Executives of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised 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.

4. To consider if thought fit to pass with or without modifications if any, the following Special Resolution:

ALTERATION IN ARTICLES OF ASSOCIATION. :

RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and all other applicable provisions if any, the articles of the Company be and is hereby amended and altered by inserting the following definition and short titles after the existing Clause No.3 of the Articles of Association:

'Beneficial Owner' means a person of persons whose name is recorded as such with the depository.
'SEBI' means the Securities and Exchange Board of India established under Securities and Exchange board of India, act 1992.

'Depository' means a Company formed and registered under the Companies Act, 1956, and which has been granted a certificate of registration to act as a Depository under SEBI Act, 1992.

'Depositories Act' means the Depositories Act, 1996 or any statutory modification or re-enactment there of:

'Registered Owner' means a Depository whose name is entered as such in the records of the Company:

'Security' means such security as may be specified by the SEBI from time to time.

'Register and Index of Beneficial Owners' means such Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, 1996, shall be deemed to be the Register and index of members and other security holders for the purposes of these Articles.

RESOLVED THAT pursuant to the provisions of Section 31 of the Companies Act, 1956, the existing Article No. 5(i) of the Articles of Association of the Company be substituted by the following new clause :

5(i) Notwithstanding anything contained in these Articles, but subject to provisions of Sections 77A and 77B of the Act, the Company may purchase its own shares or other specified securities (hereunder referred to "Buy-Back") out of-

- a) its Free Reserve; or
- b) the Securities Premium Account; or
- c) the Proceeds of any Shares or other specified securities.

RESOLVED THAT pursuant to Section 31 of the Companies Act, 1956 and all other applicable provisions if any, the articles of the Company be and is hereby amended and altered by inserting the following new Sub Clauses after the Existing Clauses of the Articles of Association.:

After existing Clause No.8

8(a). Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise /re-materialise its securities and to offer securities in the dematerialised form pursuant to the Depositories Act, 1996.

After existing Clause No. 10 :

10(a) Notwithstanding anything contained in the Act or these Articles, where the securities are dealt with in or by a Depository, the Company shall intimate the details of allotment of relevant securities to the depository immediately on allotment of such securities.

After existing Clause No.20 :

20(a) Every person holding Securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be member of the Company. The beneficial owners of securities shall be entitled to all rights and benefits and be subject to all the liabilities in

respect of their securities which are held by the Depository.

After existing Clause No.31 :

31(a) Nothing contained in the Act or these articles regarding the necessary of having distinctive numbers for securities issued by the Company shall apply to Securities held with a Depository.

31(b) All Securities held by depository shall be dematerialised and shall be in fungible form. No certificates shall be issued for the securities held by the Depository. Nothing contained in Sections 153, 153A, 153B, 187B, 187C and 372 of the Companies Act, 1956 shall apply to a Depository in respect of the Securities held by it on behalf of the beneficial owners.

After existing Clause No.32(3)

32(4) B. Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a person who is beneficial owner of the Securities can at any time opt out of a depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act, 1996 as may be amended from time to time and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of the securities.

After existing Clause No.36

36(a) If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record, the name of the allottee as the beneficial owner of the security.

After existing Clause No.59

59(a) Nothing contained in Section 108 of the Companies Act, 1956 or these Articles shall apply to a transfer of securities effected by the transferor and transferee, both of whom are entered as beneficial owners in the records of a depository.

After existing Clause No.60

60(a) Notwithstanding anything to the contrary contained in the Companies Act, 1956 or these articles, a Depository shall be deemed to be the registered owner for the purpose of effecting transfer of ownership of security on behalf of the beneficial owner.

After existing Clause No.67

67(a) Subject to the provisions of Section 109 of the Companies Act, 1956 every share holder or debenture holder of the Company, may at any time, nominate in the prescribed manner a person to whom his/her share in, or debentures of the Company shall vest in the event of his/her death.

67(b) Where the shares in, or debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the shares or debentures of the Company shall vest or as the case may be.

67(c) Where the nominee is minor, it shall be lawful for the holder of the shares or debentures, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares in or debentures of the company, in the event of his/her death, during the minority shall vest in the event of the death of all joint holders.

After Existing Clause No.72

72A(i) A nominee, upon production of such evidence as may be required by the board as per the relevant laws and subject to as hereinafter provided, elect either:

(a) To be registered himself/herself as holder of the share or debenture, as the case may be ; or

(b) To make such transfer of the share or debenture, as the case may be, as the deceased share holder or debenture holder, could have made;

(ii) If the nominee elects to be registered as holder of the share or debenture, himself/herself as the case may be he/she shall deliver or send to the Company, a notice in writing signed by him/her stating that he/she so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;

(iii) A nominee shall be entitled to the same dividends and other advantage to which she/he would be entitled to if he/she were the registered holder of the share or debenture except that he/she shall not,

before being registered as a member in respect of his/her share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company. Provided further that Board may, at any time, give notice requiring any such person to elect either to be registered himself/herself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of such share or debenture, until the requirement of the notice have been complied with.

(iv) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or debentures of the Company where the nomination made in the prescribed manner purports to confer on any of the right to vest the shares in or debentures of the Company, the nominee shall, on the death of the share holder or debenture holder, as the case may be, on the death of the joint holders, become entitled to all the rights in such shares or debentures or as the case may be all the joint holders, in relation to such shares or debentures, to the exclusion of all other person, unless the nomination is varied, canceled in the prescribed manner.

After Existing Clause No. 109

109 (a) The Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the Securities held by it.

After existing Clause No. 204

204(a) Notwithstanding anything contained in the Act or these Articles to the contrary where the Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of Electronic Mode or by delivery of floppies or discs.

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

RESOLVED THAT subject to the provisions of the Depositories Act, 1996, and other applicable provisions of the Companies Act, 1956 the consent of the members of the Company be and is hereby accorded for voluntary Dematerialization of the Equity Shares of the Company and the Board of Directors of the Company be and is hereby authorized to take all such action for voluntary D-Mat of Shares and to do all such acts, deeds and things as they may consider appropriate from time to time in the interest of the Company and its members & investors.

By order of the Board
For **PANJON LIMITED**

Place : Indore
Date: 1st September 2000

NAGIN CHAND KOTHARI
CHAIRMAN & MANAGING DIRECTOR

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and the proxy need not be a Member. Proxy in order to be effective must be received by the Company not less than 48 hours before the meeting.
2. Register of Members and Share Transfer Book of the Company shall remain closed from 16/09/2000 to 26/09/2000 (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 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 has appointed M/s Ankit Consultancy Services Pvt. Ltd. having office at 2nd Floor, Alankar Point, Gita Bhawan Chourah, A.B. Road, INDORE (M.P.) Members are requested to make all correspondence with the share Transfer Agent and notify immediately any change in their address.
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 the consolidate their holdings in one folio.

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. 4

Shri Jay Kothari is the Executive Director is fully dedicated to achieve all round growth in the best interest of the Company's Progress. Your directors have considered to bring his scale of salary in consonance with the scale of salary of other Executive Officers w.e.f. 1st April, 2000 for the remaining period of his tenure, on the terms and conditions as are set out in the agreement entered into by the Company with Shri Jay Kothari. The terms and conditions of the said agreement for increase is in accordance with the limit specified in Schedule XIII of the Company's Act, 1956 or any amendment thereto as may be agreed to between the Board and Executive Director, Shri Jay Kothari. The Board Considered that the terms and conditions the salary & perquisites as given in the notice of the meeting, which is commensurate with his sincere efforts and high responsibilities, status and image of the Company.

The board recommend to pass necessary resolution as set out in item no.4 of the notice.

Except, Shri Jay Kothari, the concerned Director and Shri Nagin Kothari Being relative of Shri Jay Kothari non of the other directors are concerned or interested in this Resolution.

ITEM NO.5 :

Your directors purposes for voluntary dematerialisation of securities i.e. the dealing of securities in electronic form. In order to make the agreement with the concerned authorities for voluntary D-mat your Company is required to amend its articles suitably to incorporate the relevant provisions regarding D-mat of shares. Dematerialisation of shares will facilitate the trading in shares of the Company by making it easy to transfer the shares just by a book entry in electronic form alsso it will make convenient the handling of shares and its records as all the data will be available in electronic form and the company and its shareholder will also be saved from the maintaining the share certificates.

The board of directors of the company also proposes to incorporate the provisions regarding the buy back of shares in the Articles of the Company. Looking into the facility available for buy back of shares in the Act, current trend and for latest updations the articles of the Company should be properly amended. Your directors find it beneficial and in the interest of the Company to give approval to the proposed amendments in the Articles.

The board of directors of the company also proposes to incorporate the provision for Nomination of shares in the articles. In order to facilitate the transmission of shares, to avoid any inconvenience to the shareholders on transmission of shares and further to reduce the chances of undue litigations which may arise from time to time on transmission of shares the Articles of the Company should be amended suitably in accordance with the companies Act, 1956 for Nomination of Shares.

Your directors put the respective resolution as set out in item NO.5 of the notice for approval as a special Resolution.

None of the Directors is interested or concerned in the proposed resolutions except as member of the company tot he extent of their share holdings.

ITEM NO. 6

The consent of the members is required to enter into the agreement with the concerned depositories and the relevant depository participants in order to avail the facility for D-mat of the shares. Members are requested to authorise the Board of directors of the Company to do all the things, deeds, and acts and to take the suitable steps to avail the facility of voluntary D-Mat.

None of the Directors is interested or concerned in the proposed resolutions except as member of the company tot he extent of their share holdings.

By order of the Board
For **PANJON LIMITED**

Place : Indore
Date: 1st September 2000

NAGIN CHAND KOTHARI
CHAIRMAN & MANAGING DIRECTOR

DIRECTOR'S REPORT

To,
The Members,
PANJON LIMITED

Your Directors present their 17th 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 on 31st March 2000.

FINANCIAL RESULTS :

Financial Results of the Company for the year review alongwith the figures for previous year are as follows :

	Year ended 31st March	
	1999-00	1998-99
Turnover	803.25	937.32
Profit Before Depreciation & Income Tax	38.05	(305.45)
Depreciation	27.37	22.89
Provision for Income Tax	1.33	-
Net Profit For the Year	9.35	(328.34)
Income Tax/ expenses related to earlier year	2.51	43.43
Balance Brought Forward		
From Last Year	(110.93)	260.84
Balance Carried Forward	(104.08)	(110.93)

DIVIDEND :

In view of the insufficient profit during the year and accumulated losses in earlier year, your Directors do not recommend any dividend for this year.

BUSINESS PERFORMANCE :

During the year under review of the Company could achieve only total turnover and other Income of Rs.810.46 Lac (previous year Rs. 937.32 Lacs) the market remained sluggish through out the year under review. The Company also had to face competition from the new players entered in the market.

Your Directors are pleased to report that the Company has launched two new products in the market viz. 'TOM IMLI' & 'PURTI TAZGI MASALA'. Your Company is also in process to launch a POWER CAPSULES "ROMANGO". As the Company's product are marketed throughout the Country. Your management is hope full for very good market of its new product, which shall definitely support in turnover and the profitability of the Company shall also increase in the coming years.

DIRECTORS :

Shri Nagin Chand Kothari, the Director retires by rotation and being eligible offered him self for re-appointment. The Board recommends his re-appointment.

Smt. Anju Kothari, the Director has resigned from the Board w.e.f. 29th July 2000 due to her pre-occupations. Your Board place on record their appreciation for the valuable advises provided by her in the capacity of Director of the Company.

AUDITORS REPORT :

The comments of the auditors at their report and the Notes forming part of the Account, is self explanatory and need no comments.

AUDITORS :

M/s. Trilok Jain & Co. Chartered Accountants, auditors of the Company retires from the office of the Auditors at the ensuing Annual General meeting and the Company has received a certificate from the auditors to the effect that their re-appointment if made would be in accordance with the provisions of Section 224(1) of the Companies Act 1956. The Directors recommend the re-appointment of M/s. Trilok Jain & Co., and authorise to the Board to fix their remuneration.

HOLDING & SUBSIDIARY COMPANY

The Company doesnot have any subsidiary and is also not a subsidiary of any other holding company as defined under the Companies Act, 1956.

INSURANCE :

The Assets of your Company are adequately insured against the loss of fire and other risk which considered necessary by the Management.

LISTING OF SHARES :

The Company's equity shares are listed with the M.P. Stock Exchange (Regional) & The Stock Exchange, Mumbai. During the year under review, the Mumbai Stock Exchange has suspended trading of Shares for some time which was regularised in due course.

DEPOSITS :

The Company has not accepted any public deposit with in the meaning of the provisions of Section 58 A of the Companies Act, 1956.

Y2K COMPLIANCE DICLOSURE AS PER LISTING AGREEMENT :

Your Board is pleased to inform that the Company managed the change over to the new millennium in a smooth manner. This was possible due to the unrelenting efforts put in to make the hardware and software operations Y2K Compliant.