

PANJON LIMITED
Regd. Office:13-14, Dawa Bazar, R. N. T. Marg,
Indore (M.P.)

NOTICE

Notice is hereby given to all the members of the Company that the Annual General Meeting of the Company will be held on Friday the 30th September, 2011 at 11 A.M. at the Registered Office of the Company situated at 13-14, Dawa Bazar, R. N. T. Marg, Indore, (M.P.) to transact the following:

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2011 and Profit and Loss Account of the Company for the year ended on 31st March, 2011 and the report of the Directors & Auditors thereon.
2. To appoint Auditors to hold the office till the conclusion of the next Annual General Meeting on such remuneration as may be decided by the Board of Directors in addition to reimbursement of out of pocket expenses.
3. To appoint Director in place of Mr. Prakash Doshi, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Bijay Singh Thakur, who retires by rotation and being eligible offers himself for re-appointment.

By Order of the Board
PANJON LIMITED

JAY KOTHARI
MANAGING DIRECTOR

Place: Indore
Date: 01.08.2011

Notes :

1. Members entitled to vote can be represented by proxy. Proxies to be eligible must be deposited with the company at least 48 hours before the commencement of the meeting proxy need not be member of the company.
2. Members are requested to notify immediately the change, if any in their address with Pin Code giving their Registered folio No., No. of Shares held Etc.
3. Member are requested to bring their copy of the Annual Report at the Meeting
4. For the convenience of the members, attendance slip is annexed to the Proxy Form Members are requested to fill in and put their signatures at the space provided therefore and handover the Attendance slip at the entrance of the place of the meeting . Proxy/ Representative of a member should mark on the attendance slips "proxy" or Representative as the case may be.
5. The Register of Members and share Transfer Books shall remain closed from 29th September 2011 to 30th September 2011 (both days inclusive)

DIRECTORS' REPORT

To,
The Members,
PANJON LIMITED
Indore

Your Board of directors have pleasure in presenting their Annual report on the business and operations of the Company along with the Audited Balance Sheet and Profit & Loss Accounts for the year ended 31st March, 2011.

1. FINANCIAL RESULTS:

Financial Results of the company for the year under review alongwith the comparative figures for previous year are as follows:

	Year ended	
	31st March 2011	31st March 2010
Total sales/Income from operations	108213620.00	107216758.00
Expenditure	107864033.00	106879343.00
Profit before Tax	349587.00	337415.00
Less: Income Tax (Last year)	0.00	18121.00
Provision for Income Tax	65000.00	51000.00
Less:- Provision For Fringe Benefit Tax	0.00	0.00
Profit before Deferred Tax	284587.00	268294.00
Add: Deferred Tax Assets	329375.00	23211.00
Profit (loss) After Deferred Tax	(613962.00)	(291505.00)

2. DIVIDEND:

Your Directors do not recommend any dividend and proposes to utilize the funds for its Capital needs.

3. REVIEW ON OPERATIONS:

During the year under review, your Company is focusing to expand the market and sales of the Company. Your Directors are focusing on promoting the brands of the Company SWAD so that the Goodwill earned by this brand may be used in Increasing the sales of the Company and thereby the profits of the Company. Your directors look forward for better working results in the years to come.

4. ENVIRONMENTS, SAFETY AND ENERGY CONSERVATION:

The company is taking the steps for the environment safety and the energy conservatism. Your company has recorded further reduction in specific energy consumption over the previous year, through productivity improvements, induction of innovative energy-efficient process technologies and recycling/reuse of energy stream where feasible. To conserve ground water, your company has embarked on rainwater harvesting projects at the manufacturing site and greening of barren land around factory. Further a comprehensive health check of all its employees.

5. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has reasonably system of internal control comparing authority levels and the powers, supervision, checks, policies and the procedures. The company has constituted the Audit Committee under the Chairmanship of

Shri Amit Mehta. The said Committee reviews the adequacy of internal controls systems and the Compliance thereof.

Further the annual financial statement of the company are reviewed and approved by the committee and placed before the Board for the consideration. The Committee also reviewed the internal controls system during the year.

6. SHARE CAPITAL & LISTING:

The Company has applied for listing of the 49,82,600 equity shares of Rs. 10/-each issued on preferential basis on 1st June 2002 and 5,00,000 shares further issued at premium of Rs. 1/- each on preferential basis on 7th Feb. 2005. Necessary approval from the Madhya Pradesh Stock Exchange & Mumbai are awaited.

The Company's Existing Equity Shares before preferential allotment are listed with the M. P. Stock Exchange (Regional) & Stock Exchange, (Mumbai).

The Equity Shares of the Company may also be kept in the electronic form as your company has connectivity from the Central Depository Services Ltd. (CDSL) and National Security Depository Services Limited (NSDL)

The trading of the Equity Shares of the Company has been suspended by the BSE w.e.f. 20th September 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.

7. DIRECTORS:

The Board consists of executive and non-executive directors including independent directors who have wide and varied experience in different disciplines of corporate functioning. Shri Prakash Doshi and Shri Bijay Singh Thakur, directors of the Company will retire at the forthcoming Annual General Meeting and being eligible, offers themselves for re-appointment.

During the year Smt. Anjali Shukla was appointed as Regular Director of the Company.

8. AUDITORS' AND THEIR REPORT:

Comments of the Auditors 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 obtained a certificate from them in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

9. DEPOSITS:

Your Company has not accepted within the meaning of the provisions of section 58A of the Companies Act, 1956. There was no overdue/unclaimed deposit as at the date of the Balance Sheet.

10 MANGEMENT DISCUSSION AND ANALYSIS

A separate report on Management Discussion and analysis is annexed to this report

11 DIRECTORS' RESPONSIBILITY STATEMENT:

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

- (I) In the preparation of accounts, the applicable accounting standards have been followed.
- (II) 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, 2011 and the profit of the company for the year ended on that date.

- (III) 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.
- (IV) The annual accounts of the company have been prepared on the going concern basis.

12 CORPORATE GOVERNANCE:

Corporate governance assumes a great deal of importance in the business life of the company. The driving forces of the corporate governance at company are its core values, belief in people, entrepreneurship, customer's orientations and the Pursuit of Excellence. The company's goal is to find creative and productive ways of delighting its stakeholders, i.e., investors, customers and associates, while fulfilling the role of a responsible corporate representative committed to the best practices.

13 PERSONNEL:

The Company continued to have cordial relations with its employees during the year under review.

14 CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION:

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

15.ACKNOWLEDGEMENTS:

Your directors wish to place on record their sincere appreciation and acknowledge with gratitude for the assistance, cooperation and encouragement by valued customers, suppliers, bankers, shareholders and employees of the company and look forward for their continued support.

**By Order of the Board
PANJON LIMITED**

S/d
JAY KOTHARI
MANAGING DIRECTOR

Place: Indore
Date: 01.08.2011

Annexure to the Directors Report

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 Board of Directors) Rules, 1988 are as under:

A. CONSERVATION OF ENERGY

- (a) Energy conservation measures taken:
1. Efficient maintenance of traps, valves, pipe lines etc. to reduce fuel consumption in boiler.
 2. Replacement of old type steam trapes by bucket traps.
 3. Proper control of the bampers and safety valves.
 4. Efficient control of air conditioning on and off times.
 5. Use of dry process (Roll Compactor) for panjon tablets in place of weight process and drying in 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	Previous Year
1. Electricity (Purchased) Units		
2. Total amount (Rs.)	886163	1124508
3. Rate per unit(Rs.)		
2. Electricity (Generated) units through Diesel Generators units	No	No
Units per Ltr. Of Diesel Oil	No	No
Cost per Unit(Rs.)	No	No
3. Coal (Specify quality & where used) Coal used in		

C. TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT:

(1) Research & Development:

- Successfully developed and 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 methods and testing facilities.
 - Regular interaction with equipment designers and manufacturers and major raw material suppliers for improvements to processing and operating parameters.
- (b) Benefits derived as a result of above efforts: improved product quality.

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

There is no inflow or outflow of foreign exchange during the year under review

E. PARTICULARS OF EMPLOYEES:

Particulars of the employees 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 employee of the company is drawing more than Rs. 24,00,000/- P.A. or Rs.2,00,000/- P.M. for the part of the year, during the year under review.

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 philosophy on code of Governance as adopted by the Board is as under:

- (i) Ensure that the quantity, quality and frequency of financial and managerial information, which management shares with the Board, fully places the Board members in control of the company's affairs.
- (ii) Ensure that the Board exercises its fiduciary responsibilities towards shareowners and creditors, thereby ensuring high accountability.
- (iii) Ensure that the extent to which the information is disclosed to present and potential investors is maximised.
- (iv) Ensure that the decision-making is transparent and documentary evidence is traceable through the minutes of the meetings of the Board/Committee thereof.
- (v) Ensure that the Board, Employees and all concerned are fully committed to maximising long-term value to the shareowners and the company.
- (vi) Ensure that the core values of the company are protected.

2. BOARD OF DIRECTORS:

(i) Details of Directors:

The Company is having Seven directors in the Board and having optimum composition of the 4 independent directors in the Board of Directors of the Company. Details of the Directors of the Company as at 31st March, 2011 are as under:

Directors	Executive/ Non Executive / Independent	No. of outside directorship held		No. of outside Committee positions held	
		Public	Private	Member	Chairman
Shri Nagin Kothari	Prmoter/Executive	-	-	-	-
Shri Jay Kothari	Prmoter/Executive	-	-	-	-
Smt. Sajjan Bai Kothari	Prmoter/NED	-	-	-	-
Shri Amit Mehta	NED/IND	-	-	-	-
Shri Prakash Doshi	NED/IND	-	-	-	-
Shri Bijay Singh Thakur	NED/IND	-	-	-	-
Smt. Anjali Shukla	D	-	-	-	-

(ii) Details of Board Meetings held during the year:

During the financial year 2010-11, there was total five meeting of the Board of Directors of the Company. Details regarding the date, venue, strength of the Board and Directors present at the respective meetings are as under:

Date of Board Meetings	Place of meetings	Total Strength of the Board	No.of Directors present
28th April, 2010	Indore, M.P.	7	4
30th July, 2010	---do---	7	3
5 th August, 2010	---do---	7	4
31st Oct., 2010	---do---	7	3
31 st January, 2011	---do---	7	3
31 st March 2011	---do---	7	3

3. AUDIT COMMITTEE:

(A) Brief description of terms of reference:

- (i) Review with the management the annual/half-yearly 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 the 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 and 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:

S.No	Name	Designation	Position in Committee
1.	Mr. Amit Mehta	Director NED/IND	Chairman
2.	Mr. Bijay Singh Thakur	Director NED/IND	Member
3.	Mr. Prakash Doshi	Director NED/IND	Member

The Statutory Auditors and head of the finance department was also invited by the Committee to express their views in the Meeting. The Chairman of the Audit Committee has also attended the Annual General Meeting of the members of the company. During the year under review, four meetings of the Audit Committee were held.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE:

(A) Brief description of terms of reference:

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

- (i) Transfer of Shares, transmissions and delay in confirmation in D-mat of shares.
- (ii) Non-receipt of Annual Report, etc.

(B) Composition of Committee and number of meetings held:

S.No	Name	Designation	Position in Committee
1.	Mr. Prakash Joshi	Director NED/IND	Chairman
2.	Mr. Bijay Singh Thakur	Director NED/IND	Member
3.	Mr. Amit Kumar Mehta	Director NED/IND	Member
4.	Mr. Jay Kothari	Compliance Officer	

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:

(A) 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.

(B) Composition of Committee and number of meetings held:

S.No	Name	Designation	Position in Committee
1.	Mr. Bijay Singh Thakur	Director NED/IND	Chairman
2.	Mr. Prakash Doshi	Director NED/IND	Member
3.	Mr. Amit Kumar Mehta	Director NED/IND	Member

During the year under review, there as no meeting of the remuneration committee, as there was no instances which requiring approval of the Remuneration Committee.

6. GENERAL MEETINGS;

Location and time, where last three AGMs were held:

Financial Year	2007-08	2008-09	2009-10
Date	30.09.2008	30.09.2009	30.09.2010
Time	11.00 A.M.	11.00 A.M.	11.00 A.M.
Venue	Indore (M.P.)	Indore (M.P.)	Indore (M.P.)

7. DISCLOSURES:

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

8. MEANS OF COMMUNICATION:

The results are sent to Stock Exchanges for general information and for putting on their website. The notice of the AGM along with the report is sent to the shareholders well in Advance of the AGM. In addition the Stock Exchange are also notified in advance of any development tat may materially effect the working of the Company. Disclosures with in regard to the shareholding pattern, change in major shareholding etc. are also periodically sent to the Stock Exchanges as required under the SEBI Take –over Regulations.

9. GENERAL INFORMATION TO SHAREHOLDERS

- (i) **Date, Time and Venue of Annual General Meeting:** 30th September, 2011
at 11.00 A.M. at 14-15, Dawa Bazar, R. N. T. Marg, Indore (M.P.)
- (ii) **Financial Calendar:** : April to March

First Quarter Results	On 31st July, 2010
Second Quarter Results	On or before 31st October, 2010
Third Quarter Results	On or before 31st January, 2010
Results for the year ended 31st March, 2010	On or before 30th April, 2011
- (iii) **Dates of Book Closure** : From 29.09.2011 to 30.09.2011
- (iv) **Date of Board Meeting for Consideration of Annual Accounts** : 01.08.2011
- (v) **Listing on Stock Exchanges** : The Stock Exchange, Madhya Pradesh
Mumbai Stock Exchange Ltd., Mumbai
- (vi) **Stock Code** :
The Stock Exchange, Madhya Pradesh : The MPSE.
Mumbai Stock Exchange Ltd., Mumbai : 526345