

30th
ANNUAL REPORT

2012-13



01 Panjon Farm House, Nr. Hinkargiri Jain Trith, Airport-Bijasan Road, Indore (M.P.)
Website: www.panjon.in

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ANNUAL REPORT

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PANJON LIMITED

**Regd. Office: 01, Panjon Farm House, Near Hinkargiri Jain Tirth, Airport Bijasan Road,
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 Monday the 30th September, 2013 at 12 P.M. at the Registered Office of the Company situated at 01, Panjon Farm House, Near Hinkargiri Jain Tirth, Airport- Bijasan Road, INDORE (M.P.) to transact the following:

ORDINARY BUSINESS

1. To receive and adopt the Audited Balance Sheet as at 31st March, 2013 and Profit and Loss Account of the Company for the year ended on 31st March, 2013 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. Amit Kumar Mehta, 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: 01.08.2013

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 the 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 the member should mark on the attendance slips "Proxy" or Representative as the case may be.

The Register of Members and share Transfer Books shall remain closed from 23rd September 2013 to 27th September 2013 (both days inclusive)

PANJON LIMITED

Regd. Office: 01 Panjon Farm House,
Near Hinkargiri Jain Tirth, Bijasan-Airport Road, INDORE 452005

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, 2013.

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 2013	31st March 2012
Total sales/Income from operations	198165067.00	160987522.00
Expenditure	197441050.00	170685660.00
Profit (Loss) before Tax	724017.00	(9698138.00)
Extra Ordinary Items	0.00	10327635.00
Less: Income Tax (Earlier years)	(87368.00)	65608.00
Income Tax Current Year	133948.00	119950.00
Deferred Tax	(55154.00)	1587502.00
Profit (Loss) for the period from continuing operations	622283.00	2031441.00

2. DIVIDEND:

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

3. REVIEW ON OPERATIONS:

Your Director Report that, during the year under review your Company has achieve the total turnover of Rs. 18.78 Crores as Compare to the Previous year 15.86 Crores, Your director is focusing the expansion of the market of the products of the your Company, During the year Company has focused on the advertisement of the Company core product Swad and as a Result of which company was able to Increase the sales.. 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.

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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 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.

During the year Company has taken effective steps for getting the above preferential allotment listed on the Mumbai Stock Exchange.

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.

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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 Amit Mehta 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.

8. AUDITORS' AND THEIR REPORT:

Your Directors Comments on the Auditor Report is as follows-

1. Your Management is taking the Best possible steps for proper maintenance of the records of the Inventories and also ensure to physically verifying the Inventories of the Company. Company is trying to implement such systems for maintenance of the records and try to regularize the same in future.
2. Due to shortage of the working Capital your Company was not regular in depositing the with appropriate authorities undisputed statutory dues including provident fund, However Management has made provision for the same and ensure to deposit the statutory dues with in the time in future.

And other remarks of the Auditor in the 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 DISCUSSIONS 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, 2012 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.

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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

NAGIN KOTHARI	JAY KOTHARI
Whole Time Director	MANAGING DIRECTOR

Place: Indore

Date: 01.08.2013

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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.)	1470420	1249146
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		

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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.