

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

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**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 30<sup>th</sup> 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 29<sup>th</sup> September 2011 to 30<sup>th</sup> 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 1<sup>st</sup> June 2002 and 5,00,000 shares further issued at 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 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. 20<sup>th</sup> 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 traps by bucket traps.
3. Proper control of the bumpers 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 <sup>th</sup> August, 2010	---do---	7	4
31st Oct., 2010	---do---	7	3
31 <sup>st</sup> January, 2011	---do---	7	3
31 <sup>st</sup> 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:** 30<sup>th</sup> 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

(vii) **Demat ISIN No. for CDSL and NSDL** : INE744D01019

(viii) **Share Transfer System:**

(ix)

Shareholders/Investors' Grievance Committee also approves share transfers and meets at frequent intervals. The Company's Share Transfers Agent Skyline Financial Services Pvt. Ltd. Process 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 transferors, in compliance of applicable provisions, the period of transfer is reckoned from the date of expiry of the notice.

**By Order of the Board  
PANJON LIMITED**

**CHAIRMAN**

**Place:** Indore  
**Date:** 01.08.2011

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## ANNEXURE -2 TO DIRECTORS REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Company is involved in manufacturing and trading of Allopathic and Ayurvedic Medicines . There is a reasonable potential of the product both in the domestic as well international market & these markets may offer sizable opportunities as well as a double digit growth in the years to come.

The company has built Market capabilities and Distribution network to meet out the requirement in domestic markets & continually strives to enhance market presence as well as explore new markets & territories for growth.

#### **(i) Industry structure and developments:**

The market Of Allopathic and Ayurvedic Medicines is increasing day by day and Every day there in new discovery of the new drugs and medicines.

#### **(ii) Concerns:**

The fear of a recurrence of recession and it's fallout in the broader economy may affect prospects of growth in the company. Although the chances are bleak, there is a building fear of a possible double dip in world economies and the same can adversely affect company's growth possibilities.

#### **(iii) Outlook:**

The Allopathic and Ayurvedic Medicines business is dependent on investment and also on the research and development in this sector . Company is concentrating over the development of the research and development Department and therefore, the overall outlook of the industry is positive. The Company has always been striving to keep options of alternate avenues of growth alive for countering any negative impact due to either a slow down or a credit crunch which is feared and cannot be ruled out. The Company forever keeps trying upgrade its product(s) variants to be able to cater to the niche international market thus expand its marketing reach both in the country as well as overseas market.

#### **(iv) Internal Control Systems and their adequacy:**

The Company has clearly laid down policies, guidelines and procedures that form a part of the internal control system which provide for automatic checks and balances. The Audit committee reviews the effectiveness and efficiency of these systems to ensure that all the assets are protected against loss and that the financial and operational information is complete and accurate.

Audits are finalized and conducted based on the internal risk assessment. Significant findings are brought to the notice of the Audit committee of the Board and corrective measures recommended for implementation. Our work opportunities and competitive compensation policy helps us in attracting and retaining our personnel.

#### **(v) Human relations:**

The company lays special emphasis to the human resources function in our organization and believes.

The company has an elaborate performance evaluation system in place involving goal setting, and periodic reviews involving confirmation and annual reviews. The review sessions impress upon several aspects of the professionals careers such as career and competency development, financial rewards and recognition. We endeavor to link careers to competencies, individual preferences and organizational needs.

The compensation package has a fixed component and a variable component linked to the corporate and individual performance.

**(vi) Safety:**

Safety management is integrated with the Company's overall environment, health and safety (EHS) management system and zero accident is taken up as the Company's goal. The following measures have been taken by the Company:

- Identification of hazard and risk present in work environment and its rectification.
- Continuous monitoring of unsafe condition and unsafe acts through safety inspection.
- Safety induction training for all employees and specific job safety awareness programs on a continuous basis

**(vii) Environment friendly operations:**

Environmental protection is a prime concern for us and we are aware of our core responsibility to the society in this regard

**(viii) Cautionary Statement:**

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among other things, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in Government regulations, tax laws and other statutes and incidental factors.

## CEO/CFO CERTIFICATION TO THE BOARD

I Certify that I have reviewed the financial statements and the cash flow statement for the year 2010 -11 and that to the best of our knowledge and belief:

- These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- These statements together present a true and fair view of the companies affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year 2010-11 which are fraudulent, illegal or violative of the companies code of conduct;

c. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of and the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated to the Auditors and the Audit Committee -

- Significant changes in internal control over the financial reporting during the year 2010-11;
- Significant changes in accounting policies during the year 2010-11 and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over the financial reporting.

*For Panjon Limited*

*By Order of the Board*

Sd/-

Jay Kothari

**Managing Director**

Place : Mumbai

Date : 01.08.2011

## CODE OF CONDUCT DECLARATION

Pursuant to Clause 49I(D) of the Listing Agreement entered into with the Stock Exchange, I hereby declare that all the board members and senior management personnel of the Company have affirmed compliances with the Code of Conduct for the year ended on 31<sup>st</sup> March, 2011.

*By Order of the Board*

*For Panjon Limited*

Sd/-

Jay Kothari

Managing Director

Place : Mumbai

Date : 01.08.2011

## 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 2011, 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 2011 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 specifically notes no. (i), (vii) & (viii) of Notes to Accounts relating to valuation of inventories, debtors, creditors, current assets and current liabilities*, 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 . 2011 and
    - (ii) in the case of the Profit & Loss of the Loss 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: 01.08.2011

For **Trilok Jain & Co.**  
Chartered Accountants

(T.C. Jain)  
Partner  
M.NO. 012712  
FRN : 00341C

**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 2011.**

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 program 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 not been physically verified during the year by the management and were not made available for verification. In our opinion, the frequency of verification is not reasonable. Quantity, value and location of brought forward / carried forward stock has not been verified by us and it is not verifiable and not properly maintained. Also nature of the goods is expirable and cannot be consumed after lapse of certain time or if not stored properly, company has not taken stock from that perspective and hence exact amount cannot be ascertained.
  - (b) The procedures of physical verification of inventories followed by the management are not reasonable and inadequate in relation to the size of the company and the nature of its business.
  - (c) The company is not maintaining proper records of inventory. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were material and not dealt with in the books of account.
- (iii)
  - (a) The Company has received Unsecured Loans and Trade Deposits from parties listed in the Register maintained under section 301. Which are treated as unsecured loan. The total No. of parties (directors and relative) are Six and amount outstanding as on 31.03.11 is Rs. 120.37 lacs (Previous year Rs. 101.95 lacs ) and maximum outstanding is Rs. 120.43 lacs. According to the information 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 are five and amount outstanding as on 31.03.2011 is Rs. 36.69 lacs (Previous year Rs. 36.69 lacs) and maximum outstanding is Rs.36.69 lacs. 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 principal 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, the internal control is not adequate 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 observed 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 lacs in respect of any party during the year have been made but the reasonability of the prices having regard to prevailing market prices at that time cannot be ascertained.

- (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 and from directors and shareholders.
- (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)(d) of the companies Act vide order dated 16/03/2006 of the Central Government but the cost audit has not been completed till date.
- (ix) (a) The company is generally irregular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, ESIC, sales tax, income-tax TDS, service tax, Cess and other material statutory dues applicable to it.  
 (b) According to the information and explanations given to us and records of the Company examined by us, the particulars of dues as at 31/3/2011, 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	2004-05	81430/-	Revision application with Asst. Comm.
Excise Duty	MPCT	167530/-	Stayed from High Court
Income Tax	2002-03 FY 1993-1994 (A.Y. 1994-95)	142130/-	Rectification filed

- (x) The company does not have 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) In our opinion and according to the information and explanations given to us, the company is not in default of repayment of dues to financial institution/Bank as at 31.03.2011.
- (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 not raised any term loan during the year under review.
- (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 information 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 year.

PLACE:INDORE  
DATE: 01/08/2011

For **Trilok Jain & Co.**  
Chartered Accountants

(T.C. Jain)  
Partner  
M.No. 012712  
FRN 00341C

**PANJON LIMITED, INDORE**  
**BALANCE SHEET AS AT 31ST MARCH, 2011**

PARTICULARS	SCHEDULE	31.03.2011 Amt. in Rs.	31.03.2010 Amt. in Rs.
<b><u>SOURCES OF FUNDS</u></b>			
<b><u>SHAREHOLDERS FUNDS</u></b>			
SHARE CAPITAL	A	104,826,000	104,826,000
RESERVES AND SURPLUS	B	37,778,163	37,164,200
<b><u>LOAN FUNDS</u></b>			
SECURED LOANS	C	3,624,615	4,378,825
UNSECURED LOANS	D	12,839,254	11,823,612
DEFERRED TAX LIABILITY		5,047,255	5,376,630
<b>TOTAL</b>		<b>164,115,287</b>	<b>163,569,267</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>FIXED ASSETS</u></b>			
GROSS BLOCK	E	110896879	110896879
LESS: DEPRECIATION		51607823	49203987
<b>NET BLOCK</b>		<b>59,289,056</b>	<b>61,692,892</b>
INVESTMENTS	F	11,834,400	11,834,400
<b><u>CURRENT ASSETS, LOANS &amp; ADVANCES</u></b>			
[A] INVENTORIES	G	45,496,371	43,115,406
[B] SUNDRY DEBTORS		43,925,668	58,963,271
[C] CASH & BANK BALANCE		1,004,991	862,713
[D] LOANS & ADVANCES		9,938,461	9,938,047
<b>TOTAL (A)</b>		<b>100,365,491</b>	<b>112,879,437</b>
<b><u>LESS:- CURRENT LIABILITIES AND PROVISIONS</u></b>			
[A] LIABILITIES	H	5,422,072	21,027,453
[B] PROVISION		1,951,588	1,810,008
<b>TOTAL (B)</b>		<b>7,373,660</b>	<b>22,837,461</b>
<b>NET CURRENT ASSETS</b>		<b>92,991,831</b>	<b>90,041,976</b>
MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)			-
<b>TOTAL</b>		<b>164,115,287</b>	<b>163,569,267</b>

**Significant Accounting Policies & Notes to Account**

As per our Report of even date

for **TRILOK JAIN & COMPANY**  
**CHARTERED ACCOUNTANTS**

**(T.C. JAIN)**  
PARTNER  
M.NO. 012712  
PLACE : INDORE  
DATE : 01-08-2011

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For and On behalf of board

for **PANJON LIMITED**

**(NAGIN KOTHARI)**  
CHAIRMAN

**(JAY KOTHARI)**  
MANAGING DIRECTOR

**PANJON LIMITED, INDORE**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH , 2011**

PARTICULARS	SCHEDULE	31/03/2011 (Amt .in Rs.)	31/03/2010 (Amt .in Rs.)
<b><u>INCOME</u></b>			
SALES		104905659	102585338
INCREASE IN STOCK	I	1849308	631621
OTHER INCOME	N	1458653	3999800
	<b>TOTAL</b>	<b>108213620</b>	<b>107216758</b>
<b><u>EXPENDITURE</u></b>			
OPERATING EXPENDITURE	J	98420282	96471549
ADMIN.AND OTHER EXPENDITURE	K	5774346	6283338
INTEREST	L	569569	766027
MANAGERIAL REMUNERATION	M	696000	686000
DEPRECIATION	E	2403836	2672430
	<b>TOTAL</b>	<b>107864033</b>	<b>106879343</b>
<b>PROFIT FOR THE YEAR BEFORE TAX</b>		349587	337415
LESS:-INCOME TAX (LAST YEAR)		0	18121
LESS:-PROVISION FOR INCOME TAX CURRENT YEAR		65000	51000
LESS:-PROVISION FOR FRINGE BENEFIT TAX		0	0
<b>PROFIT BEFORE DEFERRED TAX</b>		284587	268294
ADD:-DEFERRED TAX ASSETS/(LIABILITY)		329375	23211
<b>PROFIT AFTER DEFERRED TAX</b>		613962	291505
<b>NOTES OF ACCOUNTS AND SIGNIFICANT OF ACCOUNTING POLICY</b>	o		
<b><u>Earning Per Shares</u></b>			
Earning available to Equity Shareholder		613962	291505
Weighted no. of Equity Share holders		10481300	10481300
Earning per share Basic/Diluted as nominal value of Equity Shares Rs. 10/- each		0.059	0.028

As per our Report of even date

For and On behalf of board

for **TRILOK JAIN & COMPANY**  
**CHARTERED ACCOUNTANTS**

for **PANJON LIMITED**

**(T.C. JAIN)**  
PARTNER  
M.NO. 012712  
PLACE : INDORE  
DATE : 01-08-2011

**(NAGIN  
KOTHARI)**  
**CHAIRMAN**

**(JAY KOTHARI)**  
**MANAGING DIRECTOR**

**PANJON LIMITED, INDORE**  
**SCHEDULE ATTACHED TO AND FORMING PART OF FINAL ACCOUNTS FOR**  
**THE PERIOD ENDED 31ST MARCH 2011**

<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</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.	110000000	110000000
<b><u>ISSUED AND SUBSCRIBED :</u></b>		
10481300 Equity Shares of Rs. 10 /- Each (Previous Year 10481300 Equity Shares of Rs. 10 /- Each)	104813000	104813000
<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)	104813000	104813000
<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>iii) SHARE PREMIUM</u></b>		
As per last balance sheet	33480500	33480500
<b><u>iv) PROFIT AND LOSS ACCOUNT</u></b>		
Opening balance as per last Balance Sheet	2197183	1905678
Profit for the year	613962	291505
	<b>2811146</b>	<b>2197183</b>
<b>TOTAL</b>	<b>37778163</b>	<b>37164200</b>
<b><u>SCHEDULE- "C" : SECURED LOANS</u></b>		
<b><u>TERM LOANS :</u></b>		
M.P.F.C. CAPITAL MARKETS LTD., INDORE	3494961	4234203
INTEREST ACCRUED BUT NOT DUE ON TERM LOANS	76263	91231
<b><u>HIRE PURCHASE FINANCE</u></b>		
(Secured against hypothecation of vehicles) From finance companies	53391	53391
	<b>3624615</b>	<b>4378825</b>

**SCHEDULE- "D" : UNSECURED LOANS**

TRADE DEPOSIT	802205	1628779
FROM DIRECTORS	12037049	10194833
<b>TOTAL</b>	<b>12839254</b>	<b>11823612</b>

**PARTICULARS****SCHEDULE-"F": INVESTMENT (AT COST)****A. QUOTED**

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

**TOTAL**

	<b>1760000</b>	<b>1760000</b>
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**B. UNQUOTED**

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

**TOTAL**

<b>(B)</b>	<b>10074400</b>	<b>10074400</b>
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**TOTAL****SCHEDULE- "G" : CURRENT ASSETS, LOANS & ADVANCES****A. CURRENT ASSETS :****INVENTORIES:**

(As valued &amp; certified by Directors)

RAW MATERIAL	4128933	3838759
PACKING MATERIAL	7001514	6771436
FINISHED GOODS	34187019	32337711
STOCK OF OTHERS	178905	167500

**TOTAL****SUNDRY DEBTORS:**

(Unsecured, considered good)

DUE OVER SIX MONTHS	31139498	41278560
OTHERS	12786170	17684711

**TOTAL****CASH & BANK BALANCES :**

CASH IN HAND	870327	814459
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BALANCE WITH SCHEDULED BANKS		134664	48255
<b>TOTAL</b>		<b>1004991</b>	<b>862713</b>
<b>B. LOANS AND ADVANCES :</b>			
ADVANCES RECOVERABLE IN CASH OR IN KIND OR VALUE TO BE RECEIVED		9937477	9935996
ADVANCE INCOME TAX & T.D.S.		984	2051
	<b>TOTAL</b>	<b>9938461</b>	<b>9938047</b>
	<b>TOTAL CURRENT ASSETS</b>	<b>100365491</b>	<b>112879437</b>
		<b>31.03.2011</b>	<b>31.03.2010</b>
<b>PARTICULARS</b>			
<b>SCHEDULE- "H" : CURRENT LIABILITIES &amp; PROVISIONS</b>			
CURRENT LIABILITIES			
SUNDRY CREDITORS			
FOR TRADE		4027954	19596364
FOR EXPENSES		1394119	1431089
	<b>TOTAL</b>	<b>5422072</b>	<b>21027453</b>
<b>PROVISION FOR EXPENSES</b>			
OUTSTANDING LIABILITIES		1886588	1759008
PROVISION FOR INCOME TAX		65000	51000
	<b>TOTAL</b>	<b>1951588</b>	<b>1810008</b>
	<b>TOTAL CURRENT LIABILITIES</b>	<b>7373660</b>	<b>22837461</b>
<b>SCHEDULE- "I" : INCREASE IN STOCK</b>			
STOCK AT CLOSE			
FINISHED GOODS		34187019	32337711
		<b>34187019</b>	<b>32337711</b>
<b>LESS : STOCKS AT COMMENCEMENT</b>			
FINISHED GOODS		32337711	31706090
		<b>32337711</b>	<b>31706090</b>
<b>INCREASE(+)/DECREASE(-) IN STOCK</b>		<b>1849308</b>	<b>631621</b>
<b>SCHEDULE- "J" : OPERATING EXPENDITURE</b>			
<b>RAW MATERIAL CONSUMED</b>			
PURCHASES		1159338	3735912
ADD : OPENING STOCK		3838759	3015189
LESS: CLOSING STOCK		4128933	3838759
		<b>869164</b>	<b>2912342</b>
<b>FINISHED GOODS PURCHASED</b>		<b>95264022</b>	<b>88902374</b>
<b>PACKING MATERIAL CONSUMED</b>			
PURCHASES		1107780	2725297
ADD : OPENING STOCK		6771436	6347974
LESS: CLOSING STOCK		7001514	6771436

	<b>877703</b>	<b>2301835</b>
<b>CARRIAGE INWARD</b>	<b>39725</b>	<b>177007</b>
<b>OTHER OPERATING EXP.</b>	<b>200154</b>	<b>533569</b>
<b>POWER &amp; FUEL</b>	<b>886163</b>	<b>1124508</b>
<b>REPAIR &amp; MAINTENANCE</b>	<b>50774</b>	<b>139456</b>
<b>SALARY &amp; WAGES ETC.</b>	<b>232577</b>	<b>380458</b>
	<b>1409393</b>	<b>2354998</b>
<b>TOTAL</b>	<b>98420282</b>	<b>96471549</b>
<b>PARTICULARS</b>	<b>31.03.2011</b>	<b>31.03.2010</b>

**SCHEDULE- "K" : ADMINISTRATIVE AND OTHER EXPENDITURE**

ADVERTISEMENT & PUBLICITY	<b>1302682</b>	<b>43192</b>
AUDITOR'S REMUNERATION	<b>50000</b>	<b>50000</b>
BANK CHARGES & COMMISSION	<b>37380</b>	<b>60621</b>
CARRIAGE & FREIGHT	<b>194811</b>	<b>275665</b>
GRATUITY EXP.	<b>0</b>	<b>149698</b>
INSURANCE	<b>40920</b>	<b>47688</b>
LEGAL AND PROFESSIONAL EXPENSES	<b>97210</b>	<b>124840</b>
MISCELLANEOUS EXPENSES	<b>1520281</b>	<b>3347916</b>
POSTAGE AND TELEGRAM	<b>16010</b>	<b>6633</b>
SALARIES, WELFARE, BONUS ETC.	<b>864844</b>	<b>839914</b>
SALES PROMOTION EXPENSES	<b>741649</b>	<b>218776</b>
STATIONERY & PRINTING	<b>28258</b>	<b>47289</b>
TELEPHONE & TRUNCKCALL EXPENSES	<b>96513</b>	<b>130375</b>
TRAVELLING EXPENSES & CONVEYANCE (Including Director's Travelling Expenses Rs 12388/-)	<b>728469</b>	<b>765746</b>
VEHICLE REPAIRS & MAINTAINENCE	<b>55319</b>	<b>174984</b>
<b>TOTAL</b>	<b>5774346</b>	<b>6283338</b>

**SCHEDULE- "L" : INTEREST**

INTEREST TO FINANCIAL INSTITUTION (M.P.F.C.)	<b>507790</b>	<b>598868</b>
INTEREST TO OTHERS	<b>61779</b>	<b>167159</b>
<b>TOTAL</b>	<b>569569</b>	<b>766027</b>

**SCHEDULE- "M" : MANAGERIAL REMUNERATION**

RENT	<b>0</b>	<b>120000</b>
SALARY TO MANAGING PERSON	<b>696000</b>	<b>566000</b>
<b>TOTAL</b>	<b>696000</b>	<b>686000</b>

**SCHEDULE- "N" : OTHER INCOME**

INTEREST RECEIVED	<b>9868</b>	<b>11796</b>
MISCELLANEOUS RECEIPT	<b>0</b>	<b>32359</b>
SUNDRY BALANCES W/OFF (NET)	<b>1448785</b>	<b>3955645</b>
<b>TOTAL</b>	<b>1458653</b>	<b>3999800</b>



PANJON LIMITED

SCHEDULE- "E" : FIXED ASSETS

NAME OF ASSET	RATE OF DEP.	GROSS BLOCK				DEPRECIATION			NET BLOCK	
		AS ON 01.04.2010	ADDITION	DELETION	AS ON 31.03.2011	UP TO 01.04.2010	FOR THE YEAR	UP TO 31.03.2011	AS ON 31.03.2011	AS ON 31.03.2010
LAND	0%	227216	0	0	227216	0	0	0	227216	227216
BUILDING	3.34%	16734774	0	0	16734774	9116938	558941	9675879	7058897	7617838
PLANT AND MACHINERY	4.75%	34570513	0	0	34570513	31312388	1642099	32954488	1616023	3258123
FURNITURES & FIXTURES	6.33%	1949930	0	0	1949930	1696856	123431	1820287	129641	253072
OFFICE EQUIPMENT	6.33%	1871786	0	0	1871786	1871786	0	1871786	0	0
VEHICLES	9.50%	4869343	0	0	4869343	4869343	0	4869343	0	0
PATENT & COPYRIGHT	0%	48962536	0	0	48962536	0	0	0	48962536	48962536
ANIMATED ADD FILM	9.50%	360781	0	0	360781	201405	34274	235679	125103	159377
OFFICE AT DAWA BAZAR	3.34%	1350000	0	0	1350000	135270	45090	180360	1169640	1214730
<b>TOTAL</b>		<b>110896879</b>	<b>0</b>	<b>0</b>	<b>110896879</b>	<b>49203985</b>	<b>2403836</b>	<b>51607823</b>	<b>59289057</b>	<b>61692893</b>
PREVIOUS YEAR		110896879	0	0	110896879	46531555	2672430	49203987	61692893	64365322

**Panjon Limited, Indore**

**Schedule 'O' 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

<b>Production</b>	<b>2010-2011</b>		<b>2009-2010</b>	
	<b>Qty. IN M.T.</b>		<b>Qty. IN M.T.</b>	
<b>Ayurvedic medicine</b>	34.42		109.87	
<b>Hard boiled candy</b>	Nil		Nil	
<b>Allopathic Medicine</b>	Nil		Nil	
	34.42		109.87	

<b>Turnover</b>	<b>2010-2011</b>		<b>2009-2010</b>	
	<b>Qty. IN M.T.</b>	<b>Amount</b>	<b>Qty. IN M.T.</b>	<b>Amount</b>
Allopathic medicine	38.88	43019959	16.88	27513049
Ayurvedic Medicine	459.90	61885700	187.29	25270848
Liquid Syrup (in Ltrs)	0.00	0	0.00	0
others		0		49801441
<b>Total</b>		104905659		102585338

<b>Value of Raw materials consumed</b>	<b>2010-2011</b>		<b>2009-2010</b>	
	<b>Qty. IN M.T.</b>	<b>Amount</b>	<b>Qty. IN M.T.</b>	<b>Amount</b>
Sugar	21.84	564055	68.26	1660495
liquid Glucose	11.35	242152	36.71	760846
Citric Acid	0.36	23955	1.95	119111
others		39002		371890
		869164		2912342
Packing Materials		877703		2301835
<b>Total</b>		1746867		5214177

**Purchase of Trading Goods**

<b>Item</b>	<b>2010-2011</b>		<b>2009-10</b>	
	<b>qty.</b>	<b>Amount</b>	<b>qty.</b>	<b>Amount</b>
Allopathic medicine	38.69	39376097	20.20	21902293
Ayurvedic Medicine	422.79	55887925	69.12	67000081

Liquid Syrup(in Ltrs)	0.00	0	0.00	0
		<b>95264022</b>		<b>88902374</b>

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

Item	Closing Stock		Opening Stock	
	2010-11	2009-10	2010-11	2009-10
Allopathic medicine	4.10	4.28	4.28	0.97
Ayurvedic Medicine	163.44	166.13	166.13	174.43
Liquid Syrup(in Ltrs)	14.99	14.99	14.99	14.99
others	LS	LS	LS	LS

**PANJON LIMITED, INDORE**

CASH FLOW STATEMENT PURSUANT TO CLAUSE NO. 32  
OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2011

PARTICULARS	CURRENT PERIOD 2010-2011	PREVIOUS 2009-2010
<b><u>CASH FLOW FROM OPERATING</u></b>		
<b>A. <u>ACTIVITIES</u></b>		
Net Profit Before Tax & Extraordinary Item	349587	337415
Add: Depreciation	2403836	2672430
Misc. Expenses Written off	0	0
	<u>2753423</u>	<u>3009846</u>
Less: Profit on Sales of Assets :	0	0
Cash Flow before Working Capital Changes	<b>2753423</b>	<b>3009846</b>
Less:-		
Increase/(Decrease) in Inventories	2380965	1814348
Increase/(Decrease) in Debtors	-15037603	-4811482
Increase/(Decrease) in other Advances	414	1932287
Increase/(Decrease) in Payable	15463801	1733988
	<u>-54154</u>	<u>2340704</u>
Less:- Income Tax Provision	65000	51000
Expenses related to earlier years	0	18121
<b>Net Cash Flow from Operating Activities</b>	<b>-119154</b>	<b>2271583</b>
<b><u>CASH FLOW FROM INVESTING</u></b>		
<b>B. <u>ACTIVITIES</u></b>		
Purchases of Fixed Assets	0	0
Sales/Transfer of Fixed Assets	0	0
Sales/Transfer of Investment	0	0
<b>Net Cash Flow from Investment Activities</b>	<b>0</b>	<b>0</b>
<b><u>CASH FLOW FROM FINANCING</u></b>		
<b>C. <u>ACTIVITIES</u></b>		
Decrease in Secured Loan	-754210	-454398
Decrease in Unsecured Loan	1015642	-1604974
Increase in Share Capital	0	0
Increase in Share Premium	0	0
<b>Net Cash Flow from Financing Activities</b>	<b>261432</b>	<b>-2059372</b>
	<b>(A+B+C)</b>	
Balance as on 01-04-2010	142278	212211
Balance as on 31-03-2011	862713	650502
	<u>1004991</u>	<u>862713</u>
	<b>0</b>	<b>0</b>

BY THE ORDER OF THE BOARD

**NAGIN  
KOTHARI**  
CHAIRMAN

**JAY KOTHARI**  
MANAGING DIRECTOR

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**AUDITOR CERTIFICATE**

The Board of Directors

**PANJON LIMITED**

II nd Floor Dawa Bazar,  
13-14, RNT Marg  
INDORE (M.P.)

We have examined the attached Cash Flow Statement of **PANJON LIMITED** for the year ended **31ST MARCH , 2011**

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

M.NO. 012712

PLACE : INDORE

DATE : 01-08-2011

**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
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<u>Balance Sheet Date</u>	31/03/11
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**II. Capital Raised during the year (Amount in Rs. Thousands)**

<u>Public Issue</u>	<u>Bonus Issue</u>
NIL	NIL

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

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

<u>Total Liabilities</u>	<u>Total Assets</u>
164115287	164115287

<u>SOURCE OF FUNDS</u>	<u>Paid up Capitals</u>	<u>Reserves and Surplus</u>
	104826000	37778163

<u>'Secured Loan</u>	<u>Unsecured Loan</u>
3624615	12839254

Deferred Tax Liability  
5047255

APPLICATION OF FUNDS	<u>Net Fixed Assets</u>	<u>Investments</u>
	59289056	11834400

<u>'Net Current Assets</u>	<u>Misc. Expenditure</u>
92991831	0

Accumulated Losses  
NIL

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

<u>Turnover (Total Income)</u>	<u>Total Expenditure</u>
108213620	107864033

<u>'(+/-) profit before tax</u>	<u>'(+/-) profit after tax</u>
349587	613962

<u>E.P.S.(Rs.)(on profit After Tax)</u>	<u>(On distributable profit) Dividend Rate (%)</u>
0.06	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  
M.NO. 012712  
PLACE : INDORE  
DATE : 01-08-2011

**(NAGIN  
KOTHARI)**

CHAIRMAN

**(JAY  
KOTHARI)**  
MANAGING  
DIRECTOR

**ATTENDANCE SLIP**

**Panjon Limited**

**REGD. OFFICE:** IIND FLOOR R. N. T. MARG, DAWA BAZAR, INDORE 452001

Please complete this attendance slip and hand it over at the Registered Office of the Company. Members of their Proxies are requested to present this form for admission, duly signed in accordance with their specimen signature with the company. The admission will, however, be subject to verification of signature and such other checks, as may be necessary.

I hereby record my presence at the Annual General Meeting of the company on 30<sup>th</sup> September, 2011 at the Registered office of the company at 11.00 a.m.

<b>DPID :</b>		<b>CLIENT ID:</b>	
<b>NAME AND ADDRESS OF THE SHAREHOLDER (IN BLOCK LETETRS)</b>			

Signature of the Shareholder of proxy

**PROXY FORM  
Panjon Limited**

<b>DPID :</b>		<b>CLIENT ID:</b>	
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I/We \_\_\_\_\_ of \_\_\_\_\_ being a Member/Members of Panjon Limited hereby appoint \_\_\_\_\_ of \_\_\_\_\_ (or failing him) \_\_\_\_\_ of \_\_\_\_\_ as my/our proxy o attend and vote for me/us and on my/our behalf at Annual General Meeting of the company to be held on 30<sup>th</sup> September, 2011 at 11.00 a.m. at the registered office of the Company and at any adjournment thereof.  
AS WITNESS my hand /our hands this \_\_\_\_\_ day of \_\_\_\_\_ 2011.

Rs. 1/-  
Revenue  
Stamp

Signed by the said \_\_\_\_\_

Note: The proxy form must be deposited at the Registered office of the company not less than 48 hours before the time of the holding the meeting. The proxy need not be a member of the company.

Folio No: \_\_\_\_\_

Name of the Shareholder (s): \_\_\_\_\_