

48th

Annual Report

2008-2009



PERMANENT MAGNETS LIMITED

PERMANENT MAGNETS LIMITED

48th ANNUAL REPORT 2008-2009

BOARD OF DIRECTORS

Shri Arun Binani - Chairman

Shri Shyam Sunder Taparia
Managing Director

Shri Sharad Kumar Taparia
Executive Director
(Appointed as Executive Director w.e.f. 1/10/2008)

Shri Anil Kumar Taparia

Shri Rajeev Mundra

Mr. Dinesh Lahoti
Company Secretary
(Appointed w.e.f. 02/02/2009)

AUDITORS

M/s. Jayesh Sanghrajka & Co.
Mumbai

BANKERS

Central Bank of India
State Bank of India

REGISTERED OFFICE

Lohana boarding House, Raopura,
Vadodara 390 001.

HEAD OFFICE

B-3, MIDC Industrial Area,
Village Mira, Mira Road – 401104,
Dist. Thane

FACTORIES

1. B-3, MIDC Industrial Area,
Village Mira, Mira Road – 401104,
Dist. Thane.
2. Plot No. 22, Mira Co-operative Indl. Estate,
Mira Road (East), Dist.- Thane - 401 104

REGISTRAR & SHARE TRANSFER AGENTS

Adroit Corporate Services Pvt. Ltd.
19, Jafferbhoy Industrial Estate,
1st Floor, Makwana Road,
Marol Naka, Andheri (E), Mumbai – 400059.
Phone : 022- 2859 8060 / 4060
Email : investors@pmlindia.com

SHARES LISTED AT:

Bombay Stock Exchange Ltd.

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PERMANENT MAGNETS LIMITED

NOTICE

NOTICE is hereby given that the **48th Annual General Meeting** of the members of **Permanent Magnets Limited** will be held on **Wednesday, the 30th day of September, 2009** at 2.00 p.m. at **Shree Premanand Sahitya Bhavan, Dandiya Bazaar, Vadodara 390001** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited accounts for the year ended 31st March, 2009 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Rajeev Mundra who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint M/s Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai, as auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board of Directors
For Permanent Magnets Ltd

Sd/-

(Dinesh Lahoti)
Company Secretary

Dated: 17-08-2009

Place: MUMBAI.

Head Office : B-3, MIDC Industrial Area,
Village Mira, Mira Road 401104, Dist. Thane.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The proxies, in order to be effective should be deposited with the company not less than 48 hours before the time fixed for the commencement of the meeting.
2. The Register of Members and Share Transfer Register shall remain close from 25th September, 2009 to 30th September, 2009 (both days inclusive).
3. The information as required to be provided under the Listing Agreements entered into by the Company with The Stock Exchange regarding the directors who are proposed to be appointed/re-appointed is separately given in the Corporate Governance Report.
4. The Company has appointed a SEBI approved Registrar and Share Transfer Agent M/s. Adroit Corporate Services P. Ltd. having their office 19, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400059. Members are requested to send all communication such as relating to change of address, Transfer/Demat of shares etc. to M/s. Adroit Corporate Services Private Limited.
5. Trading of equity shares of the company in demat form has been made in the CDSL system on 31st October, 2001 and in the NSDL system on 29th November, 2001. ISIN No. allotted by both the depositories viz. NSDL and CDSL to the Company is ISIN INE418EO1018.
6. The shares of the company are in Demat category for all the investors. In view of this and also to ensure better services, we request those shareholders who are yet to dematerialize their shares to do so at the earliest.
7. Corporate Members are requested to send a duly certified copy of the Board resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members/Proxies are requested to bring their admission slips along with the copies of the Annual Report to the Meeting.
9. Members having any queries in relation to the accounts- are requested to send them at least ten days in advance to enable the Company to collect the relevant information.



DIRECTORS' REPORT

To,

The Members,

PERMANENT MAGNETS LIMITED.

Your Directors have pleasure in presenting the 48TH Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31ST March, 2009.

1. SALES AND OPERATIONAL RESULTS:

	(Rs. In Lacs)	
	<u>31/03/2009</u>	<u>31/03/2008</u>
Sales	5963.49	6590.01
Other Income	1173.15	25.56
PBIDT & Extra Ordinary Items	739.70	562.60
Interest	301.39	251.93
Depreciation	110.27	128.38
Profit before Extra Ordinary Items & tax	328.04	182.29
Extra Ordinary Items	94.58	94.58
Profit before Tax	233.46	87.71
Tax /Deferred Tax	34.55	12.65
Profit/(Loss) for the year	198.91	75.06

2. YEAR IN RETROSPECT.

The Sales for the financial year under review have declined 10% as compared to previous year. The decline is due to postponement of orders by our customers mainly in export market. The global slowdown & recession has affected your Company badly. However sales have begun picking up since July 2009. The trend is expected to gather momentum.

3. DIVIDEND:

To conserve resources for growth, the Board has considered it prudent not to declare any dividend.

4. WORKING FOR 2009-10:

The sales during April-June 2009 has been Rs.883 lacs. The corresponding sales for the last year was Rs. 1404 lacs.

5. FIXED DEPOSITS:

The company has not accepted any deposits from the public during the year pursuant to the provisions of section 58A of the Companies Act, 1956.

6. LISTING:

The shares of the Company are listed on "Bombay Stock Exchange Limited" being the regional stock exchange at Mumbai. The Company has paid listing fees to the Stock Exchange, Mumbai up to the financial year 2008-2009.

7. DIRECTORS:

Shri Rajeev Mundra, Director of the Company retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offers himself for re-appointment.

Shri Sharad Kumar Taparia has been appointed as an Executive Director with effect from 1ST October, 2008.

8. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956 the Board of Directors confirms that:

- In the preparation of the accounts, the applicable accounting standards have been followed.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31ST March, 2009 and of the financial year and of the Profit or Loss of the Company for the year ended 31ST March, 2009.
- The Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual accounts on a going concern basis.

9. CORPORATE GOVERNANCE:

The Corporate Governance Code as contained in the Listing Agreement with the Stock Exchange is applicable in the case of the Company. The Company has taken necessary steps for ensuring the compliance of the code. A separate section on Corporate Governance is annexed and forms an integral part of this Report.

10. SUBSIDIARIES:

Since the Company has no subsidiaries, provisions of section 212 of the Companies Act, 1956 is not applicable.

PERMANENT MAGNETS LIMITED

11. THE SCHEME OF AMALGAMATION AND ARRANGEMENT:

The Scheme of amalgamation of Taparia Magnetics Private Limited, Sampada Capital Services Limited and Suyog Agencies Limited with the Company and Arrangement with the Preference Shareholders of the Company as earlier approved by both High courts of Mumbai and Gujarat has been fully implemented. The shares issued pursuant to the Scheme have already been listed on and trading permission granted by BSE Ltd.

12. COMMITTEES:

The Company has already constituted the Audit committee, Shareholder's Committee, and Remuneration Committee pursuant to clause 49 of the Listing Agreement.

13. AUDITORS:

M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai retires at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

14. INSIDER TRADING:

The Company has implemented a policy prohibiting Insider Trading in conformity with applicable regulations of the Securities Exchange Board of India ("SEBI"), which has been laid down for employees, connected persons and persons deemed to be connected for trading in the securities of the Company.

15. MANAGEMENT DISCUSSION AND ANALYSIS.

The Management Discussion and Analysis is annexed and forms an integral part of this report.

16. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be given under section 217(2A) of the Companies act read with the Companies (Particulars of Employees) Rules, 1975.

17. TECHNOLOGY DEVELOPMENT AND ABSORPTION:

The R & D activity in the Company is mainly carried out by the key line manufacturing and technical personnel in alliance with the key technical sales personnel and outsourced consultants. Annexure A attached hereto provides the information required to be disclosed on the efforts made on Technology Development and Absorption as per Form B of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 read with section 217(1)(e).

18. FOREIGN EXCHANGE EARNING AND OUTGO:

Please refer to Note No. V(6) to accounts for the foreign exchange earnings and outgo of the Company.

19. APPRECIATION:

Your Directors wish to thank all the shareholders, bankers and clients for lending their support in various activities of the Company. Your Directors would like to place on record their appreciation to all the employees who have continued their support during the year.

FOR AND ON BEHALF OF THE BOARD,

Sd/-

SHYAMSUNDER TAPARIA,
MANAGING DIRECTOR

DATE : 17-08-2009

PLACE : MUMBAI.

Head Office : B-2/3, MIDC Industrial Area,
Village Mira, Mira Road 401104, Dist. Thane.

ANNEXURE - A

FORM B-FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION.

Research and development (R & D)

1. Specific areas in which R & D carried out by the company.
 - I. New product development for soft magnetic assemblies.
 - II. Use of alloys for magnet manufacturing.
 - III. Magnet design for optimizing flux in assemblies.
 - IV. In house chemical analysis facility.
 - V. Shunt
 - VI. Silver contact.
 - VII. Technology of Investment casting for magnets
 - VIII. Circuit Breaker components



2. Benefits derived as a result of above R & D.
 - I. Higher sales and profit due to sale of soft magnetic assemblies.
 - II. Flexibility of Raw material procurement.
 - III. Better quality for customers resulting repeat orders.
 - IV. New product line developed.
 - V. Quality improvement due to chemical checking in house.
 - VI. Moulded Speedometer.
 - VII. New Market segments with new components like Circuit Breakers
3. Future plan of action.
 - I. Yield improvement in cost magnets.
 - II. Alloy developments & modifications.
 - III. Assemblies related to electronic components.
 - IV. In House, complete testing facility for electronic components & assemblies
4. Expenditure on R & D (in Rs.)
 - a) Capita - Nil
 - b) Récurring - Rs. 21,31,800
 - Total - Rs. 21,31,800
 - c) Total R & D expenditure as a percentage of total turnover 0.36%.

Technology, Absorption, adaptation and Innovation:

1. Efforts in brief made towards technology absorption, adaptation and innovation.
 - I. Testing, heat treatment, processes for soft materials developed.
 - II. Recycling of alloys.
2. Benefits derived as a result of above efforts e.g. product improvement, cost and in process cost, reduction, product developments, import.
 - I. New product line developed for company with big potential for future.
 - II. Flexibility of production.
3. In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) substitution.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

Your Company has been able to weather global financial turmoil resulting into the one of the worst recession. The year was very tough across all sectors for which Magnet Industry is no exception. It has been a drastic change in the way business are managed & conducted in order to survive the recession.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Alnico magnet industry worldwide is stable. Alnico magnets are used mostly in temperature sensitive applications. The industry demand is stable since a lot of substitution of Alnico has taken place by other materials while a small growth is continuing in the existing applications. The manufacturing of Alnico magnets and assemblies is now shifting from developed countries to developing nations since the manufacturing costs are lower.

The substitution of electromechanical meters with electronic meters is continuing and expected to increase pace. The magnetic assemblies market is growing every year due to additions of newer applications.

STRATEGIC INITIATIVE

The Company is well on its course to develop new products in the area of Electronics. The products which are being developed have high potential and will add substantial revenue in the coming years.

OPPORTUNITIES & CHALLENGES

The substitution of electromechanical meters by electronic ones presents an opportunity to the company for higher sale of components for meters across the world. The increased features in the electronic meters also present an opportunity to develop additional products for electronic meters.

With the development of Indian economy, there is a good potential for increasing the magnetic assemblies business for industries like automobile, electronics, construction, food processing etc.

Company is also seeing an opportunity for copper based alloys business worldwide.

The ongoing economic turmoil around the world has considerably impacted our industry also as export of your Company is almost 75% of total Sales. The threat to sale of magnets to electromechanical meters continues due to substitution by electronic meters. Since the changes in electronic industry are very fast, it represents a threat to the traditional stability of business.

The high volatility and fluctuation of currency exchange rates presents a threat for the export business.

RISK AND CONCERN

Prices of main raw materials Cobalt, Nickel, aluminum and Copper have been fluctuating sharply with great volatility. Foreign Currency Exchange rates have been fluctuating impacting the profitability of the Company adversely.

OUTLOOK

The economic crisis is bottoming out slowly and export has started picking up. The outlook for business for 2009-10 appears positive at this point of time. PML is working actively to develop new products which will be the future of the company. PML plans to expand the Hiperam business by product development and increase the Alnico business by getting into applications other than the traditional business of the Company. The Company has taken initiative to reduce its fixed cost considerably the effect of which will be seen in the current year.

INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

PML has an effective management and internal control systems including the use of internal audit. Most of the transactions are managed through specialized software which have a rights management facility.

ISO 9001:2000 system is working effectively and is the main backbone of operations along with other systems. A corporate calendar is maintained for the compliances related to corporate laws. Further, PML plans to upgrade the existing accounting system to newer version for better integration with operations and ease of use.

FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Company's Act, 1956, and the applicable accounting standard, unless otherwise stated. The financial performance of the Company has been summarized in table given in the main report of the Board.

INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT

The industrial relations situation was satisfactory throughout the year. PML plans to expand the staff strength to increase the training programs to effectively handle the fast changes in business.

ENVIRONMENT, HEALTH AND SAFETY

The Company has adequate audit systems in place to monitor all relevant parameters and it ensures that it does not violate any prescribed norms in this regard. New initiatives have been taken to preserve environment. PML also plans to launch an awareness campaign within the company to educate staff and workers for environment, health and safety.



CAUTIONARY STATEMENT

Estimates and expectations, if any, stated in this Management Discussion and Analysis as given above may contain forward looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to PML's operations include economic conditions affecting demand/supply, price conditions in domestic and international market, and changes in Government regulations, tax laws, other statutes and other incidental factors.

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Permanent Magnets Limited,
Lohana Boarding House, Raopura,
Vadodara – 390 001.

We Shyam Sunder Taparia, CEO and Sharad Kumar Taparia, CFO of the Company do hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii. These statements together present a true and fair view of the company's 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 which are fraudulent, illegal or violative of the Company's 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 internal controls, if any of which we are aware 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
 - i. Significant changes in internal control during the year;
 - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. Instances of significant fraud of which we are 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.

FOR PERMANENT MAGNETS LIMITED

Sd/-

Shri Shyam Sunder Taparia

(CEO)

FOR PERMANENT MAGNETS LIMITED

Sd/-

Shri Sharad Kumar Taparia

(CFO)

Date: 17-08-2009

Place: Mumbai

Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement entered in to with Stock Exchange)

1. Company's Philosophy:

The Board of Directors and the Management of Permanent Magnets Ltd commit themselves to strive towards enhancement of shareholder value through sound business decisions, prudent financial management and high standard of ethics throughout the organization. The company ensures transparency and professionalism in all decisions and transactions of the company. The Board of Directors commit themselves to achieve excellence in Corporate Governance by confirming to guidelines on Corporate Governance.

2. Board of Directors

2.1 Composition, Category and Directorship in other Companies :

During the period under review, the Board of Directors comprises of five directors of which three are non executive Directors. The numbers of Independent directors are three. The composition is as under:

Name of Director	Category	Member of Board of other Companies**	Total No. of other Committee memberships held#	
			As Chairman	As Member
Mr. Arun Binani*	Chairman, Independent and Non Executive	3	-	-
Mr. Shyam Sunder Taparia	Managing Director	3	-	-
Mr. Sharad Kumar Taparia*	Executive Director	-	-	-
Mr. Anil Kumar Taparia	Independent and Non Executive	4	-	-
Mr. Rajeev Mundra	Independent and Non Executive	2	-	-

*Shri Sharad Kumar Taparia has been appointed as an Additional Director w.e.f 15th May, 2008 and Executive Director of the Company for a period of Five Years w.e.f. 1st October, 2008.

**The above excludes foreign companies, private companies and alternate directorships.

Only Audit Committee, Remuneration Committee and Shareholders Grievance Committee are reckoned for the purpose.

2.2 Attendance at Board Meetings and last A.G.M.

Board Meeting were held on 9th May' 08, 25th June' 08, 30th June' 08, 30th July' 08, 31st October' 08, 30th January' 09. The Last Annual General Meeting was held on 15th September, 2008

Name of Director	No. of Board Meetings		Attended Last AGM
	Held	Attended	
Mr. Arun Binani	6	5	No
Mr. Shyam Sunder Taparia	6	6	Yes
Mr. Sharad Kumar Taparia	6	5	No
Mr. Anil Kumar Taparia	6	6	Yes
Mr. Rajeev Mundra	6	5	No

The time gap between any two Board meetings did not exceed four months.

The names of the Directors on the Board, their attendance at Board Meetings during the year and at last A.G.M., as also the number of Directorships held by them in other companies are given below:

3. AUDIT COMMITTEE

3.1 Constitution

During the year under review, the committee consisted of three directors viz. Shri Rajeev Mundra, Chairman, Shri Arun Binani and Shri Anilkumar Taparia, Director.

3.2 Composition, names of members and chairman-

Members	Category
1. Shri Rajeev Mundra, Chairman	Independent Non Executive Director
2. Shri Anilkumar Taparia	Independent Non Executive Director
3. Shri Arun Binani	Independent Non Executive Director



3.3 Audit Committee Meetings during the year and attendance -

Date of the Meeting	Attendance by Directors		
	Shri Rajeev Mundra	Shri Anilkumar Taparia	Shri Arun Binani
9 th May 2008	yes	yes	yes
30 th June 2008	yes	yes	yes
30 th July 2008	yes	yes	yes
31 st October 2008	yes	yes	yes
30 th January 2009	yes	yes	yes

Mr. Sharad Kumar Taparia also attended the meeting on 30th July 2008 and 31st October 2008 of the committee as invitee.

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Management & the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, changes in accounting policies & practices and major accounting entries involving estimates, compliances with accounting standards and Listing Agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's Financial and Risk Management Policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half yearly and Annual Financial Statements before they are submitted to the Board of Directors.

The Chairman of the Audit Committee, Mr. Rajeev Mundra was not present at the Adjourned Annual General Meeting of the Company held on 15th September, 2008 due to ill health.

4. Remuneration Committee

4.1 During the year under review, the committee consisted of three directors viz Shri Rajeev Mundra, Chairman, Shri Arun Binani and Shri Anilkumar Taparia. The Committee is mandated with the following terms of reference:

- Determination and approval of the remuneration, commission and special allowance, if any, payable to the Managing Director.
- Finalisation and approval of the annual increments, if any, to the Managing Director.

4.2 The Committee met once during the year on 30.06.2008. All the members were present at the meeting.

4.3 The remuneration policy of the company:

At present, the Managing Director does not draw any remuneration. No remuneration is payable to the non executive directors.

Sitting Fees (Rs.)

Name	Board	Audit Committee	Remuneration Committee	Shareholders/ Investors Grievance Committee	Total
Shri Shyam Sunder Taparia	12000	-	-	-	12000
Shri Anilkumar Taparia	12000	2500	500	-	15000
Shri Arun Binani	10000	2500	500	2000	15000
Shri Rajeev Mundra	10000	2500	500	2000	15000
Shri Sharad Kumar Taparia	8000	500	-	-	8500

The company does not have any stock option scheme.

5. Shareholders Grievance Committee

5.1 The Shareholders Grievance Committee was formed on 26th March, 2003. Shareholders Grievance Committee consists of Shri Rajeev Mundra, Chairman of the Committee and Shri Arun Binani. Mr. Dinesh Lahoti, Company Secretary is the compliance officer for this purpose.

Date of the Meeting	Attendance by Directors	
	Shri Rajeev Mundra	Shri Arun Binani
9 th May 2008	yes	yes
30 th July 2008	yes	yes
31 st October 2008	yes	yes
30 th January 2009	yes	yes

PERMANENT MAGNETS LIMITED

During the year, no complaints were received from the investors; all these were dealt with satisfactorily. As on 31st March, 2009 there were no requests pending/overdue beyond the due dates.

The Committee reviews the system of dealing with and responding to correspondence from all investors. Every complaint letter received from stock exchanges, SEBI, Dept. of Company Affairs etc. and the responses thereto are reviewed by this committee. The committee also reviews the feedback from the investors and approves initiatives for further improvements in investor servicing. The Committee also ensures the expeditious share transfers.

6. General Body Meetings

Particulars about the last three Annual General Meetings of the company are:

Date and Time	Location
45th AGM 30 th September, 2006, 2.00 P.M.	Shree Premanand Sahitya Sabha, Premanand Sahitya Bhavan, Dandiya Bazar, Vadodara 390001
46th Adjourned AGM 25 th June, 2008, 2.00 P.M.	Shree Premanand Sahitya Sabha, Premanand Sahitya Bhavan, Dandiya Bazar, Vadodara 390001
47th AGM 15 th September, 2008, 2.00 P.M.	Shree Premanand Sahitya Sabha, Premanand Sahitya Bhavan, Dandiya Bazar, Vadodara 390001

7. Disclosures

There are related party transactions with the company's promoters, directors, the management or relatives the details of which are disclosed in Note No. 'N' to the Schedule S, attached to the annual Accounts and form part of the same. The company complied with regulatory requirements on capital markets. No penalties / strictures have been imposed. Accounting policies followed by the company are given in Schedule S attached to the accounts.

8. Means of Communication

8.1 The quarterly results are being published in Free Press Journal and Nav Shakti in Mumbai Edition and in Indian Express and Vadodara Samachar in Baroda Edition. Half yearly results are not sent to individual shareholders. They are not displayed on the web site. During the year under report, no representations were made to the institutional investors or to the analysts.

8.2 A Management Discussion and Analysis Report has been the part of the annual report

9. General Shareholder Information

Sr. No.	Salient Items of interest	Particulars
I	AGM date,time,venue	30 th September 2009 at 2.00 p.m. Shree Premanand Sahitya Sabha, Premanand Sahitya Bhavan, Dandiya Bazar, Vadodara 390001
II	Financial reporting for the quarter ending 30 th June, 2009 30 th September, 2009 31st December, 2009 31st March, 2010	Financial calendar for the year 2009-10 (Provisional) 31st July, 2009 Last week of October, 2009 Last week of January, 2010 Last week of April, 2010
III	Book Closure Date	From 25 th September, 2009 to 30 th September, 2009 (both days inclusive)
IV	Dividend payment date	N.A.
V	Listing of equity shares	Bombay Stock Exchange Limited Listing fees have been paid to stock exchange.
VI	Stock Code	504132
VII	Share Transfer system	Shares lodged in physical form with the company / its Registrars and Transfer Agent are processed and returned, duly transferred within 21 days normally except in cases where litigation is involved. In respect of shares held in demat mode, the transfer takes place instantaneously between the transferor, transferee and the depository participant through electronic debit / credit of the accounts involved.
VIII	Dematerialization of shares	As at 31 st March, 2009, 37,04,881 shares were held in demat mode. Demat ISIN No. for NSDL & CDSL is ISIN INE418EO1018
IX	Registrar & Transfer Agent	M/S Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, 1 st Fl., Makwana Road, Marol Naka, Andheri(E), Mumbai 400059



Market Price Data; High / Low during each month of 2008-09 on The Stock Exchange, Mumbai:

Date	High (Rs.)	Low (Rs.)	No. of Shares
March 2008	26.50	13.80	40109
April 2008	24.65	17.25	11248
May 2008	26.80	19.05	41251
June 2008	24.50	15.25	29552
July, 2008	19.00	15.25	18717
August 2008	20.50	16.05	11734
September 2008	19.40	13.80	11171
October 2008	15.15	9.00	10911
November 2008	10.40	9.00	5882
December 2008	11.00	8.00	9952
January 2009	11.45	10.20	134
February 2009	10.00	10.00	40
March 2009	10.39	8.59	5458

Distribution of Shareholding as on 31st March, 2009

No. of shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1- 500	5178	87.82	714626	8.31
501- 1000	364	6.17	292517	3.40
1001- 2000	158	2.68	232694	2.71
2001- 3000	39	0.66	99392	1.16
3001- 4000	24	0.41	86741	1.01
4001- 5000	17	0.29	81773	0.95
5001-10000	30	0.51	216161	2.51
Over 10000	86	1.46	6874549	79.95
Total	5896	100.00	8598453	100.00

Categories of shareholding as on 31st March, 2009

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	91	6175062	71.82
Individuals	5697	1954909	22.74
NRI's	18	105726	1.23
Companies	79	128366	1.49
Banks Fills, Insurance Co., Trust etc.	11	234390	2.72
Total	5896	8598453	100

Address for Correspondence - Shareholders are requested to contact:

M/S Adroit Corporate Services Pvt. Ltd.
19, Jaferbhoy Industrial Estate, 1st Floor,
Makwana Road, Marol Naka, Andheri (E),
Mumbai 400059.

Plant Location of the company-

- Plot No. 22, Mira Co-Operative Indl. Estate Mira, Dist-Thane 401104
- Plot No. B-3, MIDC Indl. area, Village Mira, Dist-Thane 401104

CERTIFICATE

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2009 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company has complied in all material respects with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement with the Stock Exchange.

We further state that our examination of such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For JAYESH SANGHRAJKA & COMPANY
CHARTERED ACCOUNTANTS

Sd/-

Ashish Sheth
PARTNER

(M. No. 107162)

Date: 17th August, 2009
Place: Mumbai



Auditors' Report

TO THE MEMBERS OF
PERMANENT MAGNETS LIMITED

We have audited the attached Balance Sheet of **Permanent Magnets Ltd.** as at 31st March 2009, the Profit and Loss Account for the year ended on that and the Cash Flow Statement 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.

1. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
2. As required by the Companies (Auditor's Report) Order, 2003 as amended by Companies (Auditor's Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
3. Further to our comments in the Annexure referred to in paragraph 2 above, we report that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account, as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c) The Balance Sheet, Profit Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d) In our opinion the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards referred in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e) In our opinion, and based on information and explanations given to us, none of the directors are disqualified as on 31st March 2009 from being appointed as directors in terms of clause (g) of subsection (1) of section 274 of the Companies Act 1956;
 - 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 the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956, in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India:
 - (i) In so far as it relates to Balance Sheet, of the state of affairs of the Company as at 31st March, 2009
 - (ii) In so far as it relates to the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and
 - (iii) In the case of the Cash Flows Statement, of the Cash Flows for the year ended on that date.

For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
M.No. 107162
Partner

Place : Mumbai
Date : 30th June 2009

ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 2 of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, though the Company has disposed of its Land & Building during the year, its going concern status is not affected.

PERMANENT MAGNETS LIMITED

2. In respect of its inventories:
 - a. As explained to us, inventories have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. The Company has granted loans to three companies which are covered in the register maintained under section 301 of the Companies Act 1956 aggregating to Rs. 155.58 Lakh.
 - b. According to the information and explanation given to us, the terms and conditions are not prima facie prejudicial to the interest of the company.
 - c. The Company has taken loans from a company amounting to Rs. 24.80 Lakh, which is covered in the register maintained under section 301. According to the information and explanation given to us, the terms and conditions are not prima facie prejudicial to the interest of the company.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. Transactions aggregating during the year to Rs. 5,00,000/- or more in respect of each party, have been made at prices which are reasonable having regard to prevailing market prices for such goods and materials available with the Company or prices at which transactions for similar goods have been made with other parties at the relevant time.
6. During the year the Company has not accepted any deposits from the public. Hence directives issued by the Reserve Bank of India and the provision of sections 58A & 58AA or any other relevant provision of the Act of the Companies Act, 1956 & the rules framed there under are not applicable.
7. In our opinion, the internal audit carried by the independent firm of Chartered Accountant, is commensurate with the size of the company and nature of its business.
8. According to the information given to us, the Central government has not prescribed maintenance of cost records under Section 209 (1) (d) of the companies Act, 1956
9. In respect of statutory dues:
 - a. According to the information and explanation given to us, during the year the company was regular in depositing undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it, with the appropriate authorities *except Tax Deducted at Source as detailed below:*

Nature	Amount(Rs. in Lacs)	Due Date	Date of Payment
Tax Deducted at source	8.30	07.10.2008	22.10.2008
Tax Deducted at source	6.90	07.11.2008	21.11.2008
Tax Deducted at source	4.14	07.02.2009	27.02.2009
Tax Deducted at source	4.10	07.03.2009	16.03.2009

- b. As at March 31, 2009, there have been no undisputed dues which have not been deposited with the respective authorities in respect of Income Tax, Wealth Tax, Excise Duty and Cess or any other statutory dues for a period of more than six months from the date they became payable.
- c. According to the information and explanations given to us, as on 31.3.2009, there are no disputed amount payable in respect of Income Tax, Wealth Tax, Sales Tax, Custom Duty, *except Excise Duty of Rs. 63.18 Lakh* which is in dispute and company has filed appeal against the order passed by the Commissioner of Central Excise and made payment of Rs. 5 Lakh against the said order for stay order. The stay order has been granted against the order.



10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that except for following, the Company has not defaulted in repayment of dues to financial institutions or banks.

Sr. No.	Bank / Financial Institution	Amount of Repayment	Due Date	Date of Payment
1	ICICI Bank (Central Excise Loan)	71.75	Oct 2002- Oct 2004	Not paid till signing of the report.
2	Syndicate Bank	10.00	31/03/2009	
3	Central Bank India	17.50	31/03/2009	

The Company has not issued any Debentures and hence question of repayment to debenture holders does not arise.

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the company is not a dealer or trader in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the CARO are not applicable to the company.
15. According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. On the basis of the record examined by us, and relying on the overall reconciliation of fund raised from term loan and total fund required for the purpose for which the term loans were obtained, we have to state that the company has, prime facie, applied the term loan for the purpose for which it is obtained. However, one to one nexus between the receipt of funds and utilisation of the same is not possible to establish.
17. On the basis of an overall examination of the Balance Sheet of the company, in our opinion, there are no funds raised on a short-term basis, which have been used for long term purposes and vice versa.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures.
20. In our opinion and according to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the year that causes the financial statements to be materially misstated.

For Jayesh Sanghrajka & Co.
Chartered Accountants.

Sd/-

Ashish Sheth
M.No. 107162
Partner

Place : Mumbai
Mumbai : 30th June 2009

PERMANENT MAGNETS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2009

PARTICULARS	SCH.	2008-09 Rs.	2007-08 Rs.
SOURCES OF FUNDS:			
Shareholders' Funds:			
Share Capital	A	85,984,430	85,984,430
Reserve & Surplus	B	69,794,719	58,124,582
		155,779,149	144,109,012
Loan Funds:			
Secured Loans	C	151,436,342	126,796,497
Unsecured Loans	D	10,306,672	9,256,672
		161,743,014	136,053,169
Total		317,522,163	280,162,181
APPLICATION OF FUNDS :			
Fixed Assets:-			
Gross Block	E	139,593,791	159,879,100
Less: Depreciation		95,323,289	97,355,360
Net Block		44,270,502	62,523,740
Capital Work in Progress		-	-
		44,270,502	62,523,740
Investments	F	19,000	19,000
Current Assets Loans & Advances:			
Inventories	G1	316,498,986	260,568,435
Sundry debtors	G2	47,866,961	96,426,146
Cash & bank Balances	G3	27,653,943	34,959,850
Loans & Advances	G4	145,036,038	104,485,748
		537,055,928	496,440,180
Less: Current Liabilities & Provisions			
Sundry Creditors	H	241,942,273	195,381,486
Other Current Liabilities & Provisions:	I	30,004,516	91,169,299
Net Current Assets		265,109,139	209,889,395
Deferred Tax Assets		8,123,522	7,730,046
Total		317,522,163	280,162,181
Significant Accounting Policies & Notes to Accounts	S		

As per our Report of even date
For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

For & On Behalf of the Board
Arun Binani
Shyam Sunder Taparia

Sharad Taparia
Dinesh Lahoti

Chairman
Managing Director
Executive Director
Company Secretary

Place : Mumbai
Date: 30th June, 2009



PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2009

PARTICULARS	SCH.	2008-09 Rs.	2007-08 Rs.
INCOME:			
Sales	J	596,349,420	659,001,432
Other Income	K	117,314,633	2,556,350
		713,664,053	661,557,782
EXPENDITURE:			
Cost of Goods Sold	L	348,158,273	349,241,941
Manufacturing Expenses	M	114,157,525	134,442,545
Employee's Cost	N	27,713,459	33,697,013
Administration & Other Expenses	O	118,825,680	56,538,362
Finance Expenses	P	30,138,700	25,192,518
Selling Expenses	Q	30,672,697	31,698,573
Depreciation	E	11,027,109	12,838,440
Prior Year (Income)/Expenses	R	167,083	(320,827)
		680,860,526	643,328,565
Profit before extra ordinary Items		32,803,527	18,229,217
Less : Extra ordinary Items			
Deferred Revenue Expenses w/off. (See note no 10)		9,457,787	9,457,787
NET PROFIT BEFORE TAX		23,345,740	8,771,430
Less: Tax Expense \ (Saving)			
Current Tax		2,475,511	1,401,429
Deferred Tax		(393,476)	(346,959)
Fringe Benefit Tax		838,756	901,044
Short \ (excess)Provisions of earlier years		533,788	(690,192)
Tax (Saving)/Expenses		3,454,579	1,265,322
NET PROFIT/(LOSS) AFTER TAX		19,891,161	7,506,108
Add:Profit/(Loss) Brought Forward		19,359,220	11,853,112
NET PROFIT/(LOSS) CARRIED FORWARD		39,250,381	19,359,220
Earnings per share			
Basic (on closing numbers of shares)		2.31	0.87
Diluted		2.31	0.90
Significant Accounting Policies & Notes to Accounts	S		

As per our Report of even date
For Jayesh Sanghrajka & Co.
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

For & On Behalf of the Board

Arun Binani
Shyam Sunder Taparia

Sharad Taparia
Dinesh Lahoti

Chairman
Managing Director

Executive Director
Company Secretary

Place : Mumbai
Date: 30th June, 2009

PERMANENT MAGNETS LIMITED

**Schedules annexed to and forming part of the Financial Statements as
on 31st March 2009**

PARTICULARS	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE : A : SHARE CAPITAL		
Authorised:		
(a) 1,00,00,000 (Previous year 1,00,00,000) Equity Shares of Rs. 10/-each	100,000,000	100,000,000
(b) 60,00,000 (Previous year 60,00,000) Redeemable Cumulative/ non-cumulative Preference shares of Rs.10/-each	60,000,000	60,000,000
	16,00,00,000	16,00,00,000
Issued:		
(a) 85,98,443 (Previous year 85,98,443) Equity Shares of Rs.10/- each	85,984,430	85,984,430
	85,984,430	85,984,430
Subscribed and Paid-up:		
85,98,443 (P.Y. 85,98,443) Equity Shares of Rs.10/- each,fully paidup (Of the above -	85,984,430	85,984,430
(a) 11,000(P.Y.11,000) Shares have been allotted as fully paid up,pursuant to a contract for Technical Know-how without having been received in cash		
(b) 3,86,620 (P.Y.3,86,620) Shares are allotted as paid up Bonus shares by capitalisation of Reserves)		
(c) 39,20,313 shares (P.Y.39,20,313) have been allotted in accordance with the scheme of Amalgamation & Arrangement to the shareholders of merged Companies.		
Total	85,984,430	85,984,430
SCHEDULE : B : RESERVES AND SURPLUS		
(A) Revaluation Reserve:		
Opening Balances	8,221,024	8,493,445
Less : Transferred on account of sale	8,221,024	-
Less: Transferred to Profit and Loss Account.	-	272,421
Balance of Revaluation Reserves	-	8,221,024
(B) Share Premium:	28,019,668	28,019,668
(C) General Reserve	2,524,670	2,524,670
(D) Balance as per the Profit and Loss Account carried forward		
Opening Balance	19,359,220	11,853,112
Add : Additions during the year	19,891,161	7,506,108
	39,250,381	19,359,220
Total	69,794,719	58,124,582



PARTICULARS	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE : C : SECURED LOANS		
A) Working Capital Finance from Banks (net) (For Security See Note (a) below)	103,966,070	68,697,563
B) Term Loans (For Security See Note.(b) below)	27,837,922	38,805,991
C) Loans for Vehicles (For Security See Note (c) below)	1,906,867	2,576,516
D) Central Excise loan (See Note no II-1h) (For Security See Note (d) below)	7,175,000	7,175,000
Interest accrued and due - On Central Excise Loan	10,257,566	9,137,566
- On Term Loans from Banks	292,917	403,861
Total	151,436,342	126,796,497

- a) Secured against
- (i) First charge by way of hypothecation of current assets, (ii) Second Charge on the fixed assets of the company (other than those specifically charged to other banks), (iii) These facilities are further secured by personal guarantees of Directors of the company, (iv) Packing Credit is secured by hypothecation of stocks & Book debts and personal guarantees of Directors.
- b) Secured by first charge on all the present and future fixed assets of the company and further secured by the personal guarantees of Directors of the company.
- c) Secured by hypothecation of specific assets/vehicle purchased.
- d) Secured by hypothecation of specific assets purchased under the scheme

SCHEDULE : D : UNSECURED LOANS

Deferred Sales Tax Liability	2,909,088	2,909,088
Inter-Corporate Loan	7,397,584	6,347,584
Total	10,306,672	9,256,672

**SCHEDULE : E :
FIXED ASSETS**

Description	GROSSBLOCK			DEPRICIATION				NETBLOCK		
	As at 01.04.2008	Additions During the Year	Deductions Adjust- ments	As at 31.03.2009	Upto 31.03.2008	For the Period	Deductions / Adjust- ments	Upto 31.03.2009	As at 31.03.2009	As at 31.03.2008
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Freehold Land	6,430,234	-	6,414,981	15,253	-	-	-	-	15,253	6,430,234
Road	33,227	-	33,227	-	19,090	-	19,090	-	-	14,137
Building	35,782,881	777,786	20,691,727	15,868,940	14,494,252	1,539,532	13,040,091	2,993,693	12,875,247	21,288,629
Plant & Machinery	88,935,235	5,298,949	-	94,234,184	63,648,699	7,163,121	-	70,811,820	23,422,364	25,286,536
Electric Installation	2,070,082	-	-	2,070,082	1,137,529	215,398	-	1,352,927	717,155	932,553
Laboratory Equipments	199,487	-	-	199,487	150,596	11,450	-	162,046	37,441	48,891
Misc.Factory Equipments	4,044,710	231,712	-	4,276,422	3,000,844	298,740	-	3,299,584	976,838	1,043,866
Automobiles & Vehicles	6,591,656	-	-	6,591,656	3,889,215	699,662	-	4,588,877	2,002,779	2,702,441
Furniture & Fixtures	6,264,923	171,723	-	6,436,646	3,485,661	534,128	-	4,019,789	2,416,857	2,779,262
Office Equipments	9,526,667	374,454	-	9,901,121	7,529,474	565,079	-	8,094,553	1,806,568	1,997,193
TOTAL	159,879,102	6,854,624	27,139,935	139,593,791	97,355,360	11,027,110	13,059,181	95,323,289	44,270,502	62,523,742
Capital Work In Progress										
TOTAL	159,879,102	6,854,624	27,139,935	139,593,791	97,355,360	11,027,110	13,059,181	95,323,289	44,270,502	62,523,742
Previous Year	148,159,966	33,864,086	8,727,930	148,159,966	87,619,653	9,609,091	965,154	87,619,653	60,540,313	43,115,282

PERMANENT MAGNETS LIMITED

PARTICULARS	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE : F : INVESTMENTS		
Long Term Investment		
Unquoted		
Kisan Vikas Patra (Hypothecated with Sales Tax Authorities)	10,000	10,000
Quoted		
200 Equity Shares of Bank of India (Market Value as on 31.03.2009 Rs. 43,980/-) (P.Y Rs. 50650/-)	9,000	9,000
Total	19,000	19,000
SCHEDULE : G : CURRENT ASSETS, LOANS & ADVANCES		
Inventories : G1 :		
(As per inventory valued and certified by the Management)		
Stores, Spares & Others	1,228,671	1,797,779
Raw Materials (including in-transit Rs.2,39,97,392/- (P. Y. Rs.1,96,63,831) and scrap at Net realisable value Rs.23,13,203/- (P.Y. Rs.86,88,778)	149,498,389	127,753,413
Work-in Process	144,519,961	120,979,950
Finished Goods	21,251,965	10,037,293
Total	316,498,986	260,568,435
Sundry Debtors : G2 :		
(Unsecured, Considered Good, as certified by the Management)		
Debts outstanding for a period exceeding six months	4,646,281	932,268
Other Debts	43,220,680	95,493,878
Total	47,866,961	96,426,146
Cash & Bank Balances : G3 :		
Cash In Hand	14,187	45,565
Bank Balance		
With Secudled Banks:		
In Current Accounts	3,241,803	1,288,648
In Fixed Deposits	24,346,234	17,259,316
In Margin Accounts	-	15,771,066
Interest receiable on Fixed Deposits	51,719	595,255
Total	27,653,943	34,959,850
Loans and Advances : G4 :		
(Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	13,171,301	14,719,687
Inter Corporate Deposits	25,265,771	28,708,447
Employees & Employee Stores	256,381	378,081
Deposits	8,163,724	10,503,032
Deferred Revenue Edxpenses	6,691,928	16,149,715
Balances with Central Ex̄cise Department	5,597,055	10,334,124



PARTICULARS	2008-2009 Rs.	2007-2008 Rs.
Recoverable from Excise Departments	1,555,965	2,681,953
Export Benefits Recoverable	7,158,763	9,146,665
Advance Payment of Income Tax & TDS	1,875,150	1,564,044
Recoverable Against Property	75,300,000	10,300,000
Total	145,036,038	104,485,748
SCHEDULE : H : SUNDRY CREDITORS		
Sundry Creditors (See note no II-5 of Sch. "S")	58,667,043	39,181,564
Sundry Creditors under Foreign Bills	183,275,230	156,199,922
Total	241,942,273	195,381,486
SCHEDULE : I : OTHER CURRENT LIABILITIES & PROVISIONS		
A. CURRENT LIABILITIES :		
Advance against Land	-	55,000,000
Advance from Customers	718,922	2,697,896
Security Deposit	100,000	100,000
Other Liabilities	15,107,058	20,366,640
Total A	15,925,980	78,164,536
B. PROVISIONS :		
Gratuity	5,818,428	6,795,217
Leave Encashment	2,600,914	2,728,045
Other Provision	1,869,727	1,094,650
Provision for Taxation	3,789,467	2,386,851
Total B	14,078,536	13,004,763
Total (A+B)	30,004,516	91,169,299
SCHEDULE : J : SALES		
A. SALES		
Local Sales :	159,230,372	199,468,060
Export Sales.	447,442,654	479,940,689
Total A	606,673,026	679,408,749
B. OPERATIONAL INCOME		
Export Benefits	14,722,296	16,318,055
Service charges	-	1,061,341
Total B	14,722,296	17,379,396
Less : Excise Duty & Sales Tax	25,045,902	37,786,713
Total (A + B)	596,349,420	659,001,432

PERMANENT MAGNETS LIMITED

PARTICULARS	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE : K : OTHER INCOME		
Dividend	-	300
Miscellaneous Income	532,584	47,783
Profit on sale of Assets (Net)	115,616,237	102,047
Scrap Sales	1,165,812	2,406,220
Total	117,314,633	2,556,350
SCHEDULE : L: COST OF GOODS SOLD		
Cost of Goods Sold		
Opening stock	127,753,413	136,589,364
Add: Purchase during the year	404,657,931	347,537,201
	532,411,344	484,126,565
Less: Closing stock	149,498,389	127,753,413
	382,912,955	356,373,152
A. Opening Stock of:		
Work-in-Process	120,979,950	104,577,019
Finished Goods	10,037,293	19,309,013
	131,017,243	123,886,032
B. Closing Stocks of:		
Work-in-Process	144,519,961	120,979,950
Finished Goods	21,251,964	10,037,293
C	165,771,925	131,017,243
D (B-C)	(34,754,682)	(7,131,211)
Total (A+D)	348,158,273	349,241,941
SCHEDULE : M : MANUFACTURING EXPENSES		
Excise Duty on Finished Goods	616,843	(1,089,358)
Expenses of Patterns	295,576	509,900
Freight Inwards	8,426,011	7,378,512
Power and Fuel	32,223,255	35,291,943
Repairs to Machinery	1,410,897	3,169,261
Stores and Spares Consumed	22,673,711	30,979,259
Sub-Contracts	48,511,232	58,203,027
Total	114,157,525	134,442,545
SCHEDULE : N : EMPLOYEES' COST		
Bonus	123,706	38,391
Contribution to P.F. & ESIC	1,648,399	2,084,896
Directors' Sitting Fees	65,500	88,000
Ex-Gratia payment	203,254	962,901
Gratuity	773,496	1,099,817
Retirement Compensation	638,000	668,734
Salaries and Wages	19,599,285	23,967,455
Staff Welfare	4,661,869	4,786,820
Total	27,713,459	33,697,013



PARTICULARS	2008-2009 Rs.	2007-2008 Rs.
SCHEDULE : O : ADMINISTRATION & OTHER EXPENSES		
Auditors' Remuneration	230,000	230,000
Brokerage	-	596,750
Computer Expenses	1,316,805	1,276,588
Donations	150,000	9,601
Insurance	484,446	629,018
Legal and Professional Charges	14,028,021	17,438,312
Misc. balances & advances written off	521,151	29,450
Miscellaneous Expenses	1,527,989	1,528,185
Office Expenses	109,526	144,525
Postage, Telephone & Telegrams	2,625,898	2,966,905
Printing & Stationery	857,298	1,006,829
Rates and Taxes	1,623,820	1,148,156
Rent	10,258,385	9,706,505
Repairs - Building	737,759	282,930
Repairs - others	788,586	319,509
Travelling, Conveyance and Motor Car Expenses	8,434,035	10,037,740
Foreign Exchange Fluctuation loss (Ref.Note -I)	75,131,961	9,187,359
Total	118,825,680	56,538,362
SCHEDULE : P : FINANCE EXPENSES		
Interest on Term Loans	5,479,098	6,843,207
Interest on Working capital	16,803,706	14,458,823
Other Interest	-	681,065
Bank Charges and L/C Charges	9,168,855	6,030,830
	31,451,659	28,013,924
Less : Interest Income (TDS Rs. 305892/- P.Y. Rs. 498934/-)	1,312,959	2,821,406
Total	30,138,700	25,192,518
SCHEDULE : Q : SELLING EXPENSES		
Advertisement and Publicity	242,727	577,319
Commission to Selling Agents	22,194,789	22,558,658
Freight Outward and Transportation	7,984,903	8,266,495
Sales Promotion Expenses	250,278	296,101
Total	30,672,697	31,698,573
SCHEDULE : R : PRIOR PERIOD INCOME / (EXPENSES)		
Sales Tax Refund & other income	-	393,583
Rates & Taxes	40,589	(41,726)
Travelling, Conveyance and Motor Car Expenses	126,494	(31,030)
Total	167,083	320,827

SCHEDULE S : ACCOUNTING POLICIES, CONTINGENT LIABILITIES AND NOTES

I. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared to comply in all material aspects with the applicable accounting principles in India, the accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of "The Companies Act, 1956. The Significant Accounting Policies are as follows:-

A. Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956. The Company is following accrual basis of accounting on a going concern concept. Accounting policies are suitably disclosed as notes annexed to the Balance Sheet and Profit & Loss Account.

B. Use of Accounting Estimates:

The presentation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

C. Fixed Assets

Fixed assets, other than land and building at Borivali, are stated at cost, including any attributable cost for bringing the asset to its working condition for its intended use; net of taxes and duties less accumulated depreciation and impairment loss and includes financing cost for period upto the date of readiness of use. Land and building at Borivali were revalued as on 30.06.1986 by an approved valuer and appear at values based on such valuation. There has been no revaluation of fixed assets. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Account in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

D. Depreciation:

Depreciation is provided as under:

In respect of additions to Assets upto 31.03.1992 : At the rates prescribed for SLM by Schedule XIV of the Companies Act, 1956 in the year of installation for entire period. Where asset has been sold discarded, demolished or destroyed, the depreciation on such assets be calculated on prorata basis.

In respect of Addition after 01.04.1992 : At the rates prescribed for WDV by Schedule XIV to the Companies ACT, 1956 for the entire year in the year of installation. Where asset has been sold discarded, demolished or destroyed, the depreciation on such assets be calculated on prorata basis.

E. Revenue Recognition

1. Revenue in respect of sale of goods is recognized on dispatch of goods from the factory on the basis of excise invoice. Sales are accounted net of Excise Duty, Sales Tax, Discounts, Returns and Rejections. Materials returned/rejected are accounted for in the year of return/rejection
2. For services rendered, the Company recognizes revenue on the basis of Completed Contract Method
3. Export Sales are recognized on dispatch of material from the premises of the Company irrespective of the date of shipping document.
4. According to Maharashtra Value Added Tax Act, dealer is required to pay sales tax on entire sales and is allowed credit of entire Value added tax suffered on purchases. Accordingly, the balance of Value added tax suffered on purchases not utilised against current years Sales is available for either refund or set-off in future. Therefore, all the transaction are accounted net of Value added tax and the balance in Value added tax account is included under the head recoverable from Tax department under Loans and Advances.
5. Export incentives, interest and other incomes are accounted on accrual basis except Dividend which is accounted in the year of receipt.

F. Export Benefits:

Export benefits receivable at the end of the year are estimated based on the applicable DEPB entitlement as per the prevailing EXIM Policy and reviewed for excess /short provision on realization and are written off/provided. The Export benefits, net of write off / write back is shown in the Profit & Loss account.

G. Excise Duty :

1. The Company has provided for Excise Duty on excisable stock of finished goods at the end of the year.
2. Excise Duty recovered is not included in sales and is recorded separately and any excess payment thereof is treated as an expense during the year.



H. Retirement Benefits :

Contributions to defined contribution scheme such as Provident Fund, Employees Pension Scheme are charged to the Profit & Loss Account as incurred. The company has adopted Accounting Standard 15 from the year under consideration. The retirement benefits are actuarially valued at the year end and provided for in the accounts.

Expenses on training, recruitment are charged to revenue in the year of incurrence.

Leave encashment is provided on the basis of actuarial valuation. Expenditure on leave travel concession to employees is recognized in the year of availment due to uncertainties of accrual.

I. Foreign Currency Transactions:

1. The transactions in foreign currencies are recorded at the exchange rate prescribed by the Customs Department for the month of the transaction.
2. All Monetary assets and liabilities are converted at the exchange rate prevailing on the last day of the year.
3. The foreign exchange difference arising on the settlement during the year of the foreign currency transactions and on re-statement of current liabilities and current assets at the rate applicable at the year end is charged to the Profit and Loss Account of the year by debit/credit to loss or gain on foreign Exchange Account.
4. Gains & losses in respect of foreign exchange contracts are recognized as income or expenses over the life of the contract.
5. As on 31st March 2009, there is a Mark-to-Market loss of Rs 341.22 lacs on account of forward exchange contract.

J. Inventories:

Items of inventories are measured at lower of cost or net realizable value. Cost of inventories comprise of all cost of purchase, cost of conversion and other cost incurred in bringing them to their respective present location and condition.

1. The inventory of raw material is valued at cost plus all incidental expenses up to receipt of raw material in factory. The method of arriving at cost is FIFO basis.
2. The inventory of Work-in-Process is valued at Raw Material cost plus appropriate share of manufacturing overheads or at net realizable value whichever is lower. The method of arriving at cost is FIFO basis.
3. Finished goods are valued at lower of Raw Material cost, manufacturing overheads or net realizable value. The method of arriving at the cost is FIFO basis.
4. Stores and spares are valued at cost. The method of arriving at the cost is FIFO basis.
5. Re-usable metallurgical residue is valued at the realizable value, as reduced by the estimated cost of purification/conversion, to render the material realizable.
6. Cost of imported raw materials, components, and consumable in-transit, is taken at the equivalent rupee calculated at the rate of exchange prevailing at the year-end and excludes the subsequent expenditure to be incurred.

K. Investments

1. Current investments are carried at the lower of cost and quoted/fair value, computed category wise.
2. Investments, intended to be held for more than a year, from the date of acquisition, are classified as long-term. & they are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary in the opinion of the management.

L. Taxation

1. Current Tax

The amount of Current tax is determined as the amount of tax payable in respect of taxable income for the year as per the Income Tax Act, 1961.

2. Deferred tax

Deferred tax is recognized, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income, that originate in one period and are capable of reversal in one or more subsequent periods. It is accounted for, using the tax rates and the tax laws enacted as on the balance sheet date. Deferred Tax Asset is recognized only when there is a virtual certainty of their realization.

3. Fringe Benefit Tax

Fringe Benefit Tax is determined at the current applicable rates on expenses falling within the ambit of "Fringe Benefit" as defined under the Income Tax Act, 1961.

M. Borrowing Costs:

Borrowing costs which are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. All other borrowings costs are expensed out.

N. Contingent Liabilities:

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies, which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

O. Contingencies and Event Occurring after the Balance Sheet Date:

There are no contingencies and events after the Balance Sheet dates that affect the financial position of the company.

PERMANENT MAGNETS LIMITED

II. NOTES TO ACCOUNTS:

A. Directors of the Company have certified that the Current Assets, Loans & Advances and Current Liabilities have a value on realization at least equal to the amount at which they are stated in the Balance Sheet

B. Contingent Liabilities:

These are disclosed by way of notes on the Balance Sheet. Provision is made in the accounts in respect of those contingencies, which are likely to materialize into liabilities after the year end, till the finalization of accounts and have material effect on the position stated in the Balance Sheet.

	(Rs. in Lakhs)	
Particulars	As at 31.03.2009	As at 31.03.2008
a) Unutilized Letters of Credit with Bankers	17.96	209.07
b) Bank Guarantee	19.25	7.97
c) Bills discounted with Banks and not realized (Secured by hypothecation of all moveable assets and second Charge on all Fixed Assets.)	633.42	690.81
d) Labour cases in the court for reinstatement and/or higher compensation, which in the opinion of the management demand no provision of liability than what is recorded in accounts.	28.80	37.44
e) Excise Department has rejected the appeal filed by the company and has raised demand as regards inter-unit transfers. The Company has filed appeal against the said order in CESTAT and has made payment of Rs. 5 Lakh for stay order. Stay order against recovery of the dues has been granted. In the opinion of Company's Consultant, since there is no suppression of facts by the Company, penalty imposed will be quashed. In case if the case is decided against the Company, there will be no actual outflow to the Company due to availability of Cenvat credit. Further, in similar cases the Commissioner of Central Excise has ruled in favour of the company and has set aside the show cause notices. Duty Demanded..... Penalty	31.59 31.59	31.59 31.59
f) Interest on Central Excise loan (Operated through ICICI). According to the management Central Excise loan is interest free. However ICICI, the Operating Agency raises certain demands towards the overdue installments. Company has provided simple interest as demanded by ICICI. Total interest provided by the company is Rs. 102.58 lakhs, which may be reversable if the Central Government finally do not demand such interest the same will be refundable to the Company. The ICICI had also demanded Compounded interest which is not provided in the account as according to the company the same is not payable and the same is shown as contingent here. Additional interest if claimed by the department will be payable. However management does not expect any liability on that account	131.27	80.12
g) During the year, credit balances had been written back under the head "Misc. Balances Written back". According to the company those amounts are not payable since all have become time barred.	0.52	0.57

C. Debit/Credits pertaining to Prior Period includes

	(Rs. in Lakhs)	
Particulars	As at 31.03.2009	As at 31.03.2008
Shown in Profit & Loss Account		
a) Rates & Taxes	0.41	0.42
b) Traveling, Conveyance & Motor car expenses	1.26	0.31
c) Sales Tax Refund	—	3.94

D. Extra Ordinary Income/Expenses

	(Rs. in Lakhs)	
Particulars	As at 31.03.2009	As at 31.03.2008
Shown in Profit & Loss Account		
A) Deferred VRS expenses written off During the F.Y. 2005-06 111 workers of the Company accepted Voluntary Retirement. The Expenditure on VRS relates to number of years and not the current year alone. Therefore, the company has regrouped the write off of expenditure on VRS as an extra ordinary item to present correct impact on current year's results.	94.58	94.58



E. Remuneration to Auditors:

Particulars	(Rs. in Lakhs)	
	As at 31.03.2009	As at 31.03.2008
a) As Auditors	1.65	1.65
b) As Tax Auditors	0.65	0.65
Total	2.30	2.30

(Note: Above figures are excluding service tax)

- F. The details of amount payable to small scale industrial undertakings, in excess of Rs. 1 Lakh and outstanding for a period of more than 30 days are not ascertainable as the suppliers have not disclosed their status.
- G. The Company has provided for Excise Duty on excisable stock of finished goods at the end of the year. The amount of Excise Duty on such Finished Goods is Rs. 18.70 Lacs (Previous Year Rs. 14.47 lacs). The same amount has been included in the calculation of cost for valuation of finished goods.
- H. Donation made by the Company is within the limits prescribed u/s. 293(1) (e) of the Companies Act 1956.
- I. Balance under the head 'Sundry Debtors', 'Sundry Creditors', 'Loan and Advances Receivable and Payable are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any on reconciliation thereof.
- J. During the year Rs 7,51,31,961 (Previous Year Rs. 92,24,342) has been Debited to the Profit and Loss account in respect of the Foreign Exchange Differences. The same has been shown as extra ordinary Expenses during the year.
- K. During the year under review, the company has neither received nor paid any amount on account of rent.
- L. Loans and Advances includes Rs.158.15 lacs (Previous Year Rs. 232.03 lacs) due from Company in which Directors are interested
- M. **Deferred Revenue Expenditure**
The company has made a provision of Rs. 1,38,29,296 during the year 2004-05, and Rs.3,34,59,639 during the year 2005-06 towards retirement compensation, to be written off in 5 years. Accordingly Rs.94,57,787 (Previous year Rs. 94,57,787) is written off during the year.
- N. **Related Party Transaction:**

As per the accounting standard 18 issued by the Institute of Chartered Accountants of India, the list of related parties are given below:

The list of related parties and nature of their relationship as on 31.3.2009:

Subsidiaries	NIL
Joint Ventures	NIL
Associate Companies	NIL
<u>Directors / Key Management Personnel and their relatives:</u>	
Shri Shyamsunder Taparia	Managing Director
Shri Sharad Taparia	Executive Director

Enterprises in control of Key Management Persons :

a) Pregna International Limited	h) Shriorient Corporation
b) Permanent Infotech (I) Pvt. Ltd.	i) Suraj Agency
c) Taparia Loudspeakers Pvt. Ltd	j) Suyog Agency
d) Taparia Audio Component Pvt.Ltd.	k) Kymsap Enterprises
e) Nymph Properties Pvt. Ltd.	l) Shrinivas Company Pvt. Ltd
f) Varij Plantation Ltd.	m) Nova Audio systems Pvt. Ltd.
g) Jalaj Plantations Ltd.	n) Nutal realties

Transaction with and outstanding balances of related parties are furnished below:

Particulars	Directors / Key Management Personnel and their relatives	Companies / firms Controlled by the Directors	Total	(Rs. In Lakhs)
				Outstanding Balance As On 31.03.09
Director Remuneration & Fees	0.93	-	0.93	Nil
ICD taken	-	40.00	40.00	24.80
Security Deposit received	-	-	-	1.00
Selling commission	-	221.23	221.23	Nil
Advance Given	-	1.71	1.71	97.18
ICD Given	-	124.52	124.52	158.14

PERMANENT MAGNETS LIMITED

Note: Reimbursement of expenses incurred by the related parties for and on behalf of the company and vice-versa has not been included above. Provision for Gratuity being on actuarial valuation, is not included as separate figure for related party is not available.

O. SEGMENT REPORTING :

The company is operating in single segment i.e. manufacturing of Cast Magnets & Assemblies. Hence AS-17 is not applicable.

P. The management has adopted the Accounting Standard - 28 relating to Impairment of Assets issued by the Institute of Chartered Accountants of India. The management has valued all the assets of the Company on 31.03.2009. On the basis of such valuation none of the assets of the company were found to be impaired. Therefore, no provision for impairment of assets is made.

Q. Disclosure as per amendment to clause 32 of the Listing Agreement

(Rs. in Lakhs)

Sr. No	Name of the Parties	Maximum balance outstanding during the year ended		Outstanding Balance as on	
		31st March 2009	31st March 2008	31st March 2009	31st March 2008
1	Loans to Subsidiary Co.	NIL	NIL	NIL	NIL
2	Unsecured Loans given where there are no Repayment Schedule				
a.	Nova Audio Visual P. Ltd.	8.00	8.00	8.00	8.00
b.	Shrinivas Company Pvt. Ltd.	38.88	70.56	142.59	38.89
c.	Sunrise Asian Limited	50.00	50.00	50.00	50.00
d.	Synagogue Impex Ltd.	8.06	8.06	8.06	8.06
e.	Trendy Togs Pvt. Ltd.	44.00	44.00	44.00	44.00

R. Earning per share

Particulars		2008-09	2007-08
Profit attributable to Equity Shareholders	(A)	1,98,91,161	68,64,454
Weighted Number of equity shares	(B)	85,98,443	85,98,443
Basic Earning per share (in Rupees)		2.31	0.80
Diluted Earning per Share (in Rupees)		2.31	0.90

S. Managerial Remuneration :

No managerial Remuneration has been paid to the Directors during the year. Thus the provisions of section 198 of the Companies Act, 1956 have been complied with.

T. In reference to the clause 9a to the annexure to the Auditor's Report, the company states that the default is only for few days and the tax has been paid in the same month. In respect to the clause 9c to the annexure to the Auditor's Report, the company states that there are no disputed statutory dues except Excise Duty of Rs 63.18 lacs. The Company has filed appeal against the order passed by Commissioner of central excise and has made part payment of RS 5 lacs against the said order for stay order. The stay order has been granted. In reference to the clause 11 to the annexure to the Auditors report, the company states that the company has received loan of Rs 71.75 lacs from Central-Government through their implementing agency, ICICI, there is accrued interest of Rs 102.58 lakhs as at 31.03.2009. In the opinion of the management, the said loan is interest free loan & hence its payment is not required. In respect of other repayments, since the company has made arrangements to repay them immediately.

U. As on 31.3.2009, the company has Deferred Tax Assets of Rs. 81.24Lacs (Previous Year Rs. 77.30 Lacs). Break up of the Deferred Tax assets and Liabilities in to Major Components of the respective balances are as under:

	(Rs. in Lacs)	
	As on 31.03.2009	As on 31.3.2008
Deferred Tax Asset :		
Retirement benefits	26.01	32.37
Expenses covered u/s. 43B of the Income Tax Act	26.05	27.36
Carry forward Losses	—	13.64
Depreciation	29.17	3.93
Total Asset (A)	81.24	77.30
Deferred Tax Liabilities (B)	—	—



Net Deferred tax Asset (A - B)

81.24

77.30

V. Additional information's pursuant to paragraphs 3 and 4 of part II of Schedule VI to the Companies Act 1956

1. Turnover

Class of Product	Unit	2008-09		2007-08	
		Qty. ('000)	Rupees (in Lac)	Qty. ('000)	Rupees (in Lac)
Cast Magnets including Assemblies & part & accessories of electricity Meter *(Excludes Operational Income, and excise duty)	No.s	163.87	5964.85	211.46	6498.14

2. Purchases of Finished Goods

Class of Product	Unit	2008-09		2007-08	
		Qty. ('000)	Rupees (in Lac)	Qty. ('000)	Rupees (in Lac)
Chrome balls	No.s	—	—	10	6.23

3. Opening & Closing Stock of Finished Goods:

Particulars	As at 31.03.2009		As at 31.03.2008	
	Qty (in Nos)	Rupees (In lacs)	Qty (in Nos)	Rupees (In lacs)
Cast Magnets Including Assemblies & Part & Accessories of Electricity Meter (Note: Figures in bracket are for the previous year 2007-08)	9.26	212.52	3.99	100.37

4. Value of Raw Materials Consumed:

Particulars	Quantity (M.T.)	Rupees (in Lacs)
Cobalt / NICO Shots	55.63 (45.49)	1013.05 (594.42)
Nickel	14.89 (13.56)	166.75 (229.64)
Iron	46.09 (42.76)	29.55 (24.32)
Aluminum	13.15 (14.74)	17.69 (19.61)
Copper	2.25 (2.73)	8.45 (11.18)
Nickel Strips	103.67 (96.40)	1746.85 (1579.57)
Magnets	—	540.52 (706.79)
Others	—	211.81 (398.20)
Total	—	3734.67 (3563.73)

PERMANENT MAGNETS LIMITED

(Note: Figures in bracket are for the previous year 2007-08)

5. **Capacities & production:**

Particular	Licensed Capacity	Installed Capacity	Actual Production
Cast Magnet Including assemblies	400.00 M.T. (400.00)	400.00 M.T. (400.00)	148.54 M.T. (189.85)
Part & Accessories of Electricity Meter	78 (Pcs in lacs) (78 Pcs in lacs)	78 (Pcs in lacs) (78 Pcs in lacs)	36(Pcs in lacs) (29 Pcs in lacs)

(Note: Figures in bracket are for the previous year 2007-08)

6. **Expenditure and Earning in Foreign Currencies:**

A. CIF Value of Imports:

Particulars	Rupees (in Lacs)
Raw Materials & component	3202.68 (3029.97)

B. Value of Imported and Indigenous Raw Materials and Spare Parts consumed during the year and its percentage to total consumption:

Particulars	Imported		Indigenous		Total Rupees
	Rupees (in Lacs)	%	Rupees (in Lacs)	%	
Raw Material	3496.72 (3141.48)	93.62 (88.15)	237.95 (422.25)	6.38 (11.85)	3734.67 (3563.73)
Spare Parts	— (—)	— (—)	— (3.10)	— (100.00)	— (3.10)

C. Expenditure in foreign currencies incurred during the year

Particulars	Rupees in Lacs
1. Traveling Expenses	19.04 (18.98)
2. Books & Periodicals	0.06 (0.15)
3. Others	7.70 (21.36)
4. Financial Charges	20.29 (12.00)

D. Earnings in foreign currencies during the year

Particulars	Rupees in Lacs
1. FOB Value of Exports	4440.40 (4671.38)
2. Service Charges	— (10.61)

(Note: Figures in bracket are for the previous year 2007-08)

W. Previous years figures have been recast or regrouped wherever necessary to make them comparable with current year's figures.

As per our Report of even date
For **Jayesh Sanghrajka & Co.**
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

For & On Behalf of the Board
Arun Binani
Shyam Sunder Taparia

Sharad Taparia
Dinesh Lahoti

Chairman
Managing Director
Executive Director
Company Secretary

Place : Mumbai
Date: 30th June, 2009



CASH FLOW STATEMENT FOR THE YEAR 2008-09

	2008-09 Rs.	2007-08 Rs.
Cash Flow From Operating Activities		
Net Profit before Tax (See Note No.: 'B-11' of Scd. 'S')	233.46	87.71
Adjusted for :		
Depreciation	110.27	128.38
(Profit) / Loss on Sale of Assets	(1,156.16)	(1.02)
Taxes Paid	(14.21)	(29.26)
Finance Expenses (Net)	301.39	251.93
Deferred Revenue Expenses written off	94.58	94.58
Operating Profit before Working Capital Changes (A1)	(430.68)	532.32
Trade and Other Receivables	485.59	(337.91)
Inventories	(559.31)	11.91
Other Current Assets	(496.44)	324.80
Trade Payables	465.61	367.42
Other Current Liabilities	(639.56)	449.95
Cash Generated from Operations (A2)	(744.11)	816.17
Net Cash from Operating Activities (A=A1+A2)	(1,174.78)	1,348.49
Cash Flow From Investing Activities		
Purchase of Fixed Assets	(68.55)	(152.49)
Sale of Fixed Assets	1214.76	2.57
Net Cash used in Investment Activities (B)	(1146.21)	(149.92)
Cash Flow From Financing Activities		
Proceeds From Long Term Borrowings	(106.29)	(135.85)
Proceeds From Unsecured Loans	10.50	(597.78)
Proceeds From Bank Borrowings	352.69	(47.82)
Interest Paid	(301.39)	(251.93)
Net Cash Used in Financing Activities (C)	(44.49)	(1,033.38)
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(73.06)	165.19
Opening Balance of Cash and Cash Equivalent	349.60	184.41
Closing Balance of Cash and Cash Equivalent	276.54	349.60
	(73.06)	165.19

As per our Report of even date
For **Jayesh Sanghrajka & Co.**
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

For & On Behalf of the Board
Arun Binani
Shyam Sunder Taparia

Sharad Taparia
Dinesh Lahoti

Chairman
Managing Director
Executive Director
Company Secretary

Place : Mumbai
Date: 30th June, 2009

PERMANENT MAGNETS LIMITED

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956.
BALANCE SHEET ABSTRACT AND A COMPANY GENERAL BUSINESS PROFILE**

I. Registration Details

Registration No.	1002	State Code	04
Balance Sheet Date	31.03.2009	(Refer Code List 1)	

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement (on amalgamation)	NIL

III. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	582631	Total Assets	582631
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Sources of Funds

Paid-up Capital	85984	Reserves & Surplus	69795
Secured / Unsecured Loans	161743	Deferred Liabilities	NIL

Application of Funds

Net Fixed Assets	44271	Investments	19
Net Current Assets	265109	Misc. Expenditure	NIL
Accumulated Losses	NIL		

IV. Performance of the Company (Amount in Rs. Thousands)

Turnover & Other Income	713664	Total Expenditure	690318
Profit / Loss		Profit / Loss	
Before Tax	(+ 23346)	after Tax	19891 (+)
Earning per share in Rs.	2	Dividend	NIL

V. Generic Names of Principal Products/Services of Company (as per monetary terms)

Item Code-No. (ITC Code)	85051190	Product Description	Cast Alloy Permanent Magets
	90289010		Parts and accessories for electricity meter

As per our Report of even date
For **Jayesh Sanghrajka & Co.**
Chartered Accountants

Ashish Sheth
(M.No. 107162)
Partner

For & On Behalf of the Board
Arun Binani
Shyam Sunder Taparia

Sharad Taparia
Dinesh Lahoti

Chairman
Managing Director
Executive Director
Company Secretary

Place : Mumbai
Date: 30th June, 2009

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PERMANENT MAGNETS LIMITED

Registered Office: Lohana Boarding House, Raopura, Vadodara – 390 001.

PROXY FORM

I/We _____ of _____
being a member/members of the above named Company
hereby appoint _____ of _____ or failing him
_____ of _____
as my / our proxy to vote for me/us on my our behalf at the 48th ANNUAL
GENERAL MEETING of the Company to be held at _____, on _____ the
____th _____, 2009 at _____ a.m. and at any adjournment thereof.

Signed this _____ day of _____, 2009.

Reg. Folio No _____

No. of Shares _____

Affix
Re. 1
Revenue
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

----- (TEAR HERE) -----

PERMANENT MAGNETS LIMITED

Regd. Office :Lohana Boarding House, Raopura, Vadodara 390 001.

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the venue.

Folio No./Client ID No _____

No. of Shares held _____

Name & Address _____

Jointly with _____

Full name of the Proxy if attending meeting _____

Hereby record my presence at the Annual General Meeting of the Company on 30th September 2009 at

Signature of Member/Joint
Member/proxy attending the meeting.

BOOK-POST

In Case of Any Complaints, Queries, Shifting of Address etc. please write us on investors@pmlindia.com

If undelivered return to :

Head Office :

PERMANENT MAGNETS LIMITED

B-2/3, MIDC Industrial Area,
Village Mira, Mira Road - 401104,
Dist. Thane.