

# PERMANENT MAGNETS LIMITED



B-3, MIDC, Village Mira, Mira Road (East), Thane - 401104. Maharashtra, India

Phone : +91-22-2945 2121 Facimile : +91-22-2945 2128 Email : sales@pmlindia.com Website : www.pmlindia.com

Date: 28-09-2016

To,  
**The Bombay Stock Exchange,**  
Market Operations Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001

Dear Sirs:

**SUB: ANNUAL REPORT FOR THE FINANCIAL YEAR 2015-16**

Please find enclosed herewith Annual Report of the Company for the financial year 2015-16. Kindly take the same on record.

This is for your information and Record.

Yours truly

**For PERMANENT MAGNETS LIMITED**

**BHAVANA SHAH**  
**(COMPANY SECRETARY)**

**ENCL:A/A**

**55<sup>TH</sup>**  
**ANNUAL REPORT**  
**2015-2016**



**PERMANENT MAGNETS LIMITED**

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# PERMANENT MAGNETS LIMITED

## 55<sup>TH</sup> ANNUAL REPORT 2015-2016

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### BOARD OF DIRECTORS

Mr. Arun Binani	<i>Independent Non Executive, Director, Chairman</i>
Mr. Sharad Taparia	<i>Managing Director</i>
Mr. Rajeev Mundra	Independent Director
Mr. Mukul Taparia	Non Executive Director
Ms. Sunaina Taparia	Non-Executive Director

### COMPANY SECRETARY

Ms. Bhavana Shah

### AUDITORS

M/s. Jayesh Sangharajka & Co. LLP  
Chartered Accountants  
405- 408, Hind Rajasthan Building,  
95, Dadasaheb Phalke Road, Dadar (East)  
Mumbai – 400 014. Maharashtra

### BANKERS

Central Bank of India  
State Bank of India

### REGISTERED OFFICE

Harsh Avenue, 302, 3<sup>rd</sup> Fl., Opp Silvassa Police Station,  
Silvassa Vapi Main Road, Silvassa-396230  
CIN : L27100DN1960PLC000371  
www.pmlindia.com

### CORPORATE OFFICE

B-3, MIDC Industrial Area, Village Mira,  
Mira Road – 401 104. Dist. Thane

### FACTORIES

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

### REGISTRAR AND SHARE TRANSFER AGENT

Adroit Corporate Services Private Limited  
19, Jafferbhoy Industrial Estate, 1<sup>st</sup> Floor,  
Makwana Road, Marol Naka, Andheri (East).  
Mumbai – 400 059. Ph. 022 2859 4060/ 6060  
Email: adroits@vsnl.net

# PERMANENT MAGNETS LIMITED

## NOTICE

NOTICE is hereby given that the **55th Annual General Meeting** of the members of **Permanent Magnets Limited** will be held on Wednesday, the 28th day of September, 2016 at 11.00 a.m. at the Registered Office of the Company at Harsh Avenue, 302, Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli, India, to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited accounts for the year ended 31<sup>st</sup> March, 2016 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 Sunaina Taparia (DIN: 07139610), who retires by rotation and being eligible offers herself for re-appointment.
3. To consider and, if thought fit, to pass with or without modification(s), as an Ordinary Resolution the following:  
“**RESOLVED THAT** pursuant to the provisions of Section 139 (2) and 142(1) of the Companies Act, 2013 the reappointment of the statutory auditors of M/s Jayesh Sanghrajka & Co.,LLP Chartered Accountants, (ICAI Firm Registration No. 104184W) be and is hereby ratified by the members of the company for the financial year 2016-2017 at such remuneration as may be determined by the Board of Directors of the Company.”

### **SPECIAL BUSINESS:**

4. To consider, and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution :  
“**RESOLVED that** subject to the provisions of sections 196, 197, 203 and all other applicable provisions of the Companies Act, 2013 (“the Act”) (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Articles of Association of the Company and subject to the approval of the Central Government, if necessary, and subject to such approvals, permissions and sanctions, as may be required, and subject to such conditions and modifications, as may be prescribed or imposed by any of the authorities including the Central Government in granting such approvals, permissions and sanctions, consent of the Company be and is hereby accorded to the re-appointment of Mr. Sharad Taparia (DIN: 00293739) as Managing Director of the Company under the provisions of the Act for a period of 5 (five) years with effect from 1st April, 2016 to 31<sup>st</sup> March, 2021 on terms and conditions including remuneration, Benefit and perquisites as set out in Explanatory Statement with power to Board to alter and vary from time to time within the limits of section 197 and schedule V of the Companies Act, 2013.  
**RESOLVED FURTHER THAT** Shri. Sharad Taparia shall not be subject to retirement by rotation in accordance with provision in the Articles of Association of the company during his term as Managing Director.  
**FURTHER RESOLVED THAT** for the purpose of giving effect to this Resolution, the Board be authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, proper or desirable and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

By Order of the Board of Directors  
For **Permanent Magnets Ltd**

Sd/-  
(Bhavana Shah)  
Company Secretary

Dated: 10<sup>th</sup> August, 2016

Place: MUMBAI.

**Corporate 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.**

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 the Companies (Management & Administration) Rules, 2014, a person can act as a proxy on behalf of members not exceeding 50 and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Register of Members and Share Transfer Register shall remain closed from Tuesday, 20th September 2016 to Wednesday 28th September, 2016 (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 given here in below..
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, 1<sup>st</sup> 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 31<sup>st</sup> October, 2001 and in the NSDL system on 29<sup>th</sup> November, 2001 under ISIN No. 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 details of their queries at least ten days in advance to enable the Company to collect the relevant information.
10. Members who have not registered their e-mail address so far are requested to register their e-mail address, by sending an email stating clearly your name, folio no. if you are holding shares in physical form / DP Id & Client Id if you are holding shares in dematerialized form to:- investors@pmlindia.com.
11. Explanatory statements pursuant to section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No.4 is Annexed hereto.

PARTICULARS OF DIRECTOR WHO IS PROPOSED TO BE APPOINTED/ RE-APPOINTED AT THE MEETING ARE GIVEN BELOW

Name of Director	Ms. Sunaina Taparia
Age	39 years
Date of Appointment	01-04-2015
Qualifications	Graduate
Exposure in specific functional areas	HR and Admin.
Directorship held in other Companies (excluding foreign Companies, Private Companies and Alternate Directorships)	-
Member of Committee of Directors of other Companies	-
Shareholding in Company	1500 shares

Name of Director	Mr. Sharad Taparia
Age	43 years
Date of Appointment	01-04-2016
Qualifications	Qualified Engineer and MBA (Finance)
Exposure in specific functional areas	Magnetic and magnetic assembly industry
Directorship held in other Companies (excluding foreign Companies, Private Companies and Alternate Directorships)	Jyotsana Plantations Ltd
Member of Committee of Directors of other Companies	-
Shareholding in Company	515487 shares

# PERMANENT MAGNETS LIMITED

## The instructions for shareholders voting electronically are as under:

The Company is pleased to offer E-Voting facility under Section 108 of the Companies Act, 2013 and Rule 20 and 21 of the Companies (Management and Administration) Rules, 2014 and Regulations 44 of SEBI (LODR) Regulations, 2015, for its Members to enable them to cast their votes electronically with the help of Central Depository Services (India) Limited (CDSL). For conducting this e-voting activity in a fair and transparent manner, the Board of Directors has appointed Mr. Arun Dash, Practicing Company Secretary, as Scrutinizer.

- (i) The voting period begins on 24<sup>th</sup> September, 2016 at 10.00 a.m. and ends on 27<sup>th</sup> September, 2016 at 6.00 p.m.. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 22<sup>nd</sup> September, 2016 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ol style="list-style-type: none"> <li>1. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</li> <li>2. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</li> </ol>
Dividend Bank Details <b>OR</b> Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ol style="list-style-type: none"> <li>1. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ol>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.



- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

Members may alternatively cast their votes using the Ballot Form .In the event member casts his votes through both the processes i.e. E-voting and Ballot Form, the votes in the electronic system would be considered and the Ballot Form would be ignored.

The Results declared along with the Scrutinizer’s Report(s) will be available on the website of the Company ([www.pmlindia.com](http://www.pmlindia.com)) and communication of the same will be sent to the BSE Limited within 48 hours from the conclusion of the AGM.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.**

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 8 of the accompanying Notice:

**Item 4**

The Board of Directors of the Company, had pursuant to the approval of the Nomination and Remuneration Committee and subject to the approval of the Members reappointed Mr. Sharad Taparia as the Managing Director of the Company for a period of five years with effect from 1st April, 2016 and approved the remuneration payable to Mr. Sharad Taparia as Managing Director of the Company with effect from 1st April, 2016 till the remainder of his term of office.

**I) TERMS AND CONDITIONS:**

1.	Name	Shri Sharad Taparia
2.	Designation	Managing Director
3.	Date of Appointment	1 <sup>st</sup> April, 2016
4.	Tenure	5(Five) years
5.	Salary (p.m.)	Rs.125000/- p.m. with power to Board to alter and vary from time to time within the limits of section 197 and schedule V of the Companies Act, 2013. The said amount shall include perquisites of House Rent Allowance and Medical reimbursement but shall exclude perquisites which are mentioned separately in point no. II underneath and expenses incurred by him on account of the business of the company on travel and communication in any form.
6.	Minimum Remuneration	In the absence of inadequacy of profits in any financial year, during the tenure of his office Shri Sharad Taparia shall be paid the remuneration as mentioned in point (5) above as minimum remuneration by way of salary subject to Schedule V to the Act as amended from time to time.

**II) PERQUISITES:**

Leave Entitlement: As per Company Rules applicable to Senior Executives of the Company.

Children Education Allowance: For Children studying in or outside India, an allowance limited to maximum of Rs. 5000 p.m. per child or actual expenses incurred, whichever is less. Such allowance is admissible upto a maximum of Two Children.

Leave Travel Concession: For self and Family as per Company Rules applicable to Senior Executives of the Company.

# PERMANENT MAGNETS LIMITED

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Retirement Benefits: Contribution to the Company's Provident Fund and Superannuation Fund and/or Annuity Fund in accordance with the Rules and Regulations governing the said funds. Gratuity will be payable in accordance with the Rules of the Company and such Gratuity shall not exceed half a month's salary for each completed year of service.

Salary and Perquisites specified herein shall be payable to the Managing Director notwithstanding the inadequacy or no profits in any financial year during the currency of tenure of his office as such.

The Managing Director shall not be paid any sitting fee for attending the meetings of the Board of directors or Committee thereof.

The Managing Director shall not become interested or otherwise concerned directly or through his wife or minor children in any selling agency of the Company as per the provisions of the Law in force as applicable to the Company.

The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified Companies Act, 2013, or any amendment hereafter in that regard.

Pursuant to the provisions of sections 196, 197, 203 and all other applicable provisions of the Act (including any statutory modification or re-enactment thereof for the time being in force) read with Schedule V of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the appointment of and remuneration payable to Managing Director is now being placed before the Members for their approval by way of a Special Resolution.

The Board recommends the passing of the Resolution under Item No.4 as a Special Resolution.

None of the Directors of the company, except Shri Sharad Taparia himself, Mukul Taparia and Sunaina Taparia is considered to be interested or concerned in this resolution.

For **Permanent Magnets Ltd**

Sd/-

(Bhavana Shah)

Company Secretary

Dated: 10<sup>th</sup> August, 2016

Place: MUMBAI.

**Corporate Office:**

**B-3, MIDC Industrial Area,**

Village Mira, Mira Road 401104

Dist. Thane.





## DIRECTORS' REPORT

To,  
The Members,

### PERMANENT MAGNETS LIMITED.

Your Directors have pleasure in presenting the 55th Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31<sup>st</sup> March, 2016.

### FINANCIAL RESULTS:

(₹In Lacs)

Particulars	31/03/2016	31/03/2015
Sales	6744.56	5869.19
Other Income	26.58	40.42
PBIDT & Extra Ordinary Items	381.11	488.11
Interest	160.10	326.03
Depreciation	137.16	111.05
Profit before Extra Ordinary Items & tax	83.84	51.03
Extra Ordinary Items	-	-
Profit before Tax	83.84	51.03
Tax /Deferred Tax(excess prov of IT )	9.44	9.44
Profit/(Loss) for the year	93.28	41.59

#### 1. YEAR IN RETROSPECT.

The Sales for the financial year under review increased by appx. 15% as compared to previous year. Profitability also improved due to foreign exchange gain and operational efficiency during the year.

#### 2. DIVIDEND:

Due to the paucity of net profit and to conserve resources for growth, the Board has considered it prudent not to declare any dividend.

#### 3. WORKING FOR 2016-17:

The sales during April-July 2016 have been Rs.18.92 Crores. The sales for the corresponding period of 2015-16 was Rs.21.83 Crores. Sales have decreased due to postponement of orders from customers. It is likely to pick up in coming months.

#### 4. 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.

#### 5. LISTING:

The shares of the Company are listed on "Bombay Stock Exchange Limited" at Mumbai. The Company has paid the applicable listing Fees to the Stock Exchange, Mumbai till date.

#### 6. DIRECTORS:

In accordance with the provisions of Companies Act, 2013 Smt. Sunaina Taparia, non-executive director retires by rotation and being eligible offers herself for reappointment.

#### 7. DIRECTORS RESPONSIBILITY STATEMENT:

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31, 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;

# PERMANENT MAGNETS LIMITED

- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively

## 8. CORPORATE GOVERNANCE:

In terms of SEBI (LODR) Regulation, 2015, compliance with the provisions of Clause relating to corporate governance report shall not be mandatory, for the time being, in respect of the companies having paid up equity share capital not exceeding ₹10 crore and Net Worth not exceeding ₹25 crore, as on the last day of the previous financial year. Accordingly, our company is fitting in to these criteria and not required to give corporate governance report detailing compliance on corporate governance.

## 9. SUBSIDIARIES:

Since the Company has no subsidiaries, provisions of section 129(3) of the Companies Act, 2013 is not applicable.

## 10. AUDITORS:

### 10.1 STATUTORY AUDITORS

**M/s. Jayesh Sanghrajka & Co. LLP, Chartered Accountants, Mumbai**, have been appointed as statutory auditors of the company at 53rd Annual General Meeting held on 22.09.2014 for a period of three years subject to ratification by members at every consequent Annual General Meeting. Therefore, ratification of appointment of Statutory Auditors is being sought from the members of the Company at the ensuing AGM.

### 10.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Arun Dash & Associates (CP No.:9309), Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as 'Annexure B'.

### 10.3 INTERNAL AUDITORS

M/S G S Nayak & Co, Chartered Accountants performs the duties of internal auditors of the company and their report is reviewed by the audit committee from time to time.

## 11. EXPLANATION ON AUDITOR'S COMMENT

The Board have to state as under with reference to the Auditor's certain remarks as contained in the annexure to the Auditor's Report:

- a) With reference to para VII(a) and para VII(c) of the Annexure to the Auditor's Report the item relates to a company that has merged in the company. The matter is being looked into and shall soon be appropriately dealt with.
- b) With reference to para VIII of the Annexure to the Auditor's Report, the Central Excise Loan has remained unpaid as the matter is pending for the cause of implementing agency claiming compound interest on an interest free excise loan under a scheme of incentives. Matter with relevant agencies will be sorted out in due course of time. No material liability is expected in this regard. As regard, the minor delay in repayment of instalments of term loan from bank was due to temporary cash flow gap, which has soon corrected.

## 12. MANAGEMENT DISCUSSION AND ANALYSIS.

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

## 13. PARTICULARS OF EMPLOYEES:

There are no employees covered by provision contained in Rule 5(2) and Rule 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended. As per latest amendment, name of top ten employees in terms of remuneration drawn is 1. Girish Mahajan 2. P A Kamath 3. Sukhmal Jain 4. Arun Dharmatti 5. Hemant Kore 6. Allen D'cunha 7. Bhavana Shah 8. Sunil Verma 9. Deepali Rane 10. Priti Kulkarni

## 14. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS

Honourable Bombay High Court has given interim stay order till 14th September, 2015, against the winding up order passed against the Company dated 15/04/2015. This was a lawsuit filed by a Freight Forwarder of the company who was deficient in services to the company. Company has deposited Rs. 19,05,179/- including interest as per direction of Honourable Bombay High Court. The Appeal shall be added to appropriate board for hearing. But the same is not yet listed on the Board of HC.

## 15. 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 Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.



**16. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Companies Act, 2013 regarding Corporate Social Responsibility are not attracted to the company.

**17. VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

In order to ensure that the activities of the company and its employees are conducted in a fair and transparent manner by adoption of standards of professionalism, honesty, integrity and ethical behaviour, the company has adopted vigil mechanism policy. This policy is posted on the website of company.

**18. RELATED PARTY TRANSACTIONS**

There were no contracts or arrangements entered into by the company in accordance with provisions of Section 188 of the Companies Act, 2013

**19. FOREIGN EXCHANGE EARNING AND OUTGO:**

Please refer to paragraph No. 12 b) of accounts for the foreign exchange outgo and earnings of the Company.

**20. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

There were no transactions for loans made, guarantees given or securities provided during the year pursuant to Section 186(4) of the Companies Act, 2013.

**21. BOARD OF DIRECTORS, ITS MEETINGS, ETC.**

The Board of Directors of the Company met four times during the year on 30th May, 2015; 10th August, 2015; 06th November, 2015; 11th February, 2016.

During the year four Board Meetings and four Audit Committee Meetings were held. The details of the constitution and meetings of the Board and the Committees held during the year are given below.

**Board of Directors Composition:**

During the period under review, the Board of Directors comprises of five directors of which two are Independent directors . The Chairman is Independent and Non Executive Director.

The composition is as under:

Name of the Director	Category	*Member of the Board of Other Companies	No. of other Committee Memberships held #	
			As Chairman	As Member
Mr. ArunBinani	Chairman, Independent and Non Executive Director	3	-	-
Mr. Sharad Taparia	Managing Director	-	-	-
Mr. Rajeev Mundra	Independent and Non Executive Director	2	-	1
Mr. Mukul J. Taparia	Non Executive Director	1	-	-
Ms. Sunaina Taparia	Non Executive Director	-	-	-

\*The above excludes Foreign Companies, Private Companies and alternate Directorships

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

**-Attendance at Board Meetings and last Annual General Meeting.**

Details of Board Meetings held during the year 2015-2016

Date of Board Meetings	Arun Binani	Sharad Taparia	Rajeev Mundra	Mukul Taparia	Sunaina Taparia
30th May, 2015	√	√	√	√	√
10th August, 2015	√	√	√	√	-
6 <sup>th</sup> November 2015;	√	√	√	√	-
11th February, 2016.	√	√	√	√	-

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

# PERMANENT MAGNETS LIMITED

## AUDIT COMMITTEE

### Constitution

During the year under review, the committee consisted of four directors viz. Mr. Rajeev Mundra, Chairman, Mr. ArunBinani, Mr. Mukul Taparia and Shri Sharad Taparia.

### Composition, names of members and chairman

Sr. No.	Members	Category
1.	Mr. Rajeev Mundra, Chairman	Independent Non Executive Director
2.	Mr. Sharad Taparia, Member	Managing Director
3.	Mr. ArunBinani, Member	Independent Non Executive Director
4.	Mr. Mukul Taparia	Non Executive Director

*Bhavana Shah, Company Secretary acts as the Secretary of the Committee*

### Audit Committee Meetings during the year and attendance -

Date of the Meeting	Attendance of Directors for Meetings held during the year 2015-2016			
	Mr. Rajeev Mundra	Mr. Sharad Taparia	Mr. ArunBinani	Mukul Taparia
30th May, 2015	√	√	√	-
10th August, 2015	√	√	√	√
06th November, 2015;	√	√	√	√
11th February, 2016.	√	√	√	√

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 Audit Committee has established a Vigil Mechanism and adopted a Revised Whistle-Blower Policy which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

### NOMINATION AND REMUNERATION COMMITTEE

During the year under review, the committee consisted of three directors viz Mr. Rajeev Mundra, Chairman, Mr. ArunBinani, Mr. Mukul Taparia. During the year, the committee met once, 10<sup>th</sup> August, 2015 the meeting was attended by all members.

The Committee was 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.

The remuneration policy of the company:

Shri Sharad Taparia is paid salary of Rs. 12,75,000/- p.a... exclusive of perquisites as mentioned in the resolution passed at the general meeting of shareholders of the company approving his appointment as Managing Director and remuneration. No remuneration is payable to the non executive directors.

The company does not have any stock option scheme.

### STAKEHOLDER RELATIONSHIP COMMITTEE

The Committee comprises of two Independent Directors and one non executive director. The Stakeholder Relationship Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and other miscellaneous complaints. The composition of the Stakeholder Relationship Committee and attendance at its meeting is as follows:



**Stakeholder Relationship Committee** consists of Mr. Rajeev Mundra, Chairman of the Committee, Mukul Taparia and Mr. Arun Binani. The Company Secretary, Ms. Bhavana Shah, is the compliance officer for this purpose. The committee meeting was held on 10<sup>th</sup> August, 2015 and was attended by all three members,

During the year the Company received NIL complaints.

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.

**22. NONIMATION AND REMUNERATION COMMITTEE(NRC) / REMUNERATION POLICY**

The Company has a policy in place for identification of Independence, Qualifications and positive attributes of Directors. The remuneration of the Directors is recommended by NRC to the Board for their approval.

**23. ANTI SEXUAL HARASSMENT POLICY**

The Company has in place a policy on Anti Sexual Harassment in line with the requirements of The Sexual Harassment of Women at the Work place (Prevention, Prohibition & Redressal) Act, 2013. There were no instances of Sexual Harassment that were reported during the period under review.

**24. EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in the prescribed Form No. MGT 9 is appended as Annexure C.

**25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Company has adequate Internal Control Systems commensurate with its size and nature of business. Internal Audits are periodically conducted by an external firm of Chartered Accountants who monitor and evaluate the efficiency and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, suitable corrective actions are taken and thereby controls are strengthened. These Internal Audit reports are reviewed by the Audit Committee.

**26. SHARE CAPITAL**

The Paid-up Capital of the Company is Rs.8,59,84,530/- and Authorised Capital of the Company is Rs.16,00,00,000/-.

**27. COST RECORDS AND AUDIT**

Under the Section 148 of the Companies Act, 2013, the Central Government has prescribed maintenance and audit of cost records vide the Companies (Cost Records and Audit) Rules, 2014 to such class of companies as mentioned in the Table appended to Rule 3 of the said Rules. Cost audit provisions are not applicable to the Company as of now.

**28. EQUITY SHARES IN THE SUSPENSE ACCOUNT**

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company: NA

**29. 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/-  
Sharad Taparia  
Managing Director

Sd/-  
Arun Binani  
Independent Director

**Date: 10th August,2016**

**Place: Mumbai.**

Corporate Office:

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

# PERMANENT MAGNETS LIMITED

## 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.
  - a. Components for electrical car e.g..Flux Concentrator
  - b. Circuit Breaker components and customized relay assemblies
  - c. Current Transformer (CT)
  - d. Shielding Magnetic Field
  - e. Gas meter components
  - f. Customized alloy ingot of soft magnetic material e.g. Fe-Ni alloys, Fe-Si alloys, Fe-Co alloys
  - g. Shunt assembly for energy meters
  - h. Neutral assemblies with Brass Terminal
  - i. Zinc pressure die cast components (Hot Chamber)
2. Benefits derived as a result of above R & D.
  - I. New product line development for future increase in Business.
  - II. New Market segments with new components like Circuit Breakers, current transformer, shielding components, Flux Concentrator, gas meter components, customized alloy ingot
3. Future plan of action.
  - I. Alloy developments & modifications for cost reductions & New alloy development e.g. Fe-Ni, Fe-Si (soft magnetic alloys) as well as new market
  - II. Assemblies related to electronic components & assemblies e.g. shunt assemblies with terminal & cable, customized relay assemblies
  - III. New components related to Copper alloys, iron nickel alloys, Iron silicon alloys , Iron Cobalt alloys
  - IV. Aero space components
4. Expenditure on R & D (in Rs.)
  - Capital - Nil
  - Recurring - Rs.56,55,028
  - *Total* - Rs.56,55,028
  - Total R & D expenditure as a percentage of total turnover is 0.91%.

Technology, Absorption, adaptation and Innovation:

  1. Efforts in brief made towards technology absorption, adaptation and innovation.
    - a) Testing, heat treatment, processes for soft materials developed e.g. iron silicon 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 development in progress for company with good potential for future.

Conservation of energy-

    - (i) the steps taken and impact on conservation of energy;  
Utilisation of electrical energy efficiently in the entire plant is done.
    - (ii) the steps taken by the company for utilising alternate sources of energy;  
Alternative energy like CNG, Solar, Wind have been studied as an alternative energy.  
Converting electrical to CNG may be feasible but need to change equipment.  
As on today, it is not economical to change equipment.
    - (iii) the capital investment on energy conservation equipments; Not done.



ANNEXURE B

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH, 2016**

**[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members

**Permanent Magnets Limited**

Harsh Avenue, 302, 3rd Floor,  
Opp.Silvassa Police Station,  
SilvassaVapi Main Rd,  
Silvassa, Dadar Nagar Haveli– 396230.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Permanent Magnets Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31 March, 2015 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Permanent Magnets Limited ("the Company") for the financial year ended on 31 March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): —
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) No Sector specific Laws are applicable to the Company.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (During the year under review these standards were not mandatory)
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least

# PERMANENT MAGNETS LIMITED

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seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there was no specific events/ actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

**For M/s Arun Dash & Associates**

**Company Secretaries**

**CS. Arun Dash  
(Proprietor)**

**M. No. ACS18701**

**C.P. No. 9309**

**Place: Mumbai**

**Date: 9<sup>th</sup> August, 2016**

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of the report.





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**‘Annexure A’**

To,

The Members

**Permanent Magnets Limited**

Harsh Avenue, 302, 3rd Floor,

Opp Silvassa Police Station,

Silvassa Vapi Main Rd,

Silvassa, Dadar Nagar Haveli– 396230.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For M/s Arun Dash & Associates**

**Company Secretaries**

**Sd/-**

**CS Arun Dash**

**(Proprietor)**

**M. No. ACS18701**

**C.P. No. 9309**

**Place: Mumbai**

**Date: 9<sup>th</sup> August, 2016**

# PERMANENT MAGNETS LIMITED

ANNEXURE C

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on 31/03/2016**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i) CIN	L27100DN1960PLC000371
ii) Registration Date	26/11/1960
iii) Name of the Company	PERMANENT MAGNETS LTD
iv) Category / Sub-Category of the Company	PUBLIC CO/LIMITED BY SHARES
v) Address of the Registered office and contact details	HARSH AVENUE, 302,3 <sup>RD</sup> FL., OPP SILVASSA POLICE STATION, SILVASSA VAPI MAIN RD., SILVASSA 396230, DNH
vi) Whether listed company	Yes
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any-	ADROIT CORPORATE SERVICES PVT LTD 19, JAFFERBHOY INDUSTRIAL ESTATE, 1 <sup>ST</sup> FL., MAKWANA RD.,MAROL NAKA , ANDHERI EAST,MUMBAI 400059 TEL: 022 28594060/6060

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	The Company has been operating in single business Segment i.e. Magnetism and its applications.	31904	100

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% of shares held	Applicable Section
1	-	-	-	-	-

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i) Category-wise Share Holding*

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	2815638	0	2815638	32.75	2815638	0	2815638	32.75	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	1206179	0	1206179	14.03	1206179	0	1206179	14.03	0.00
e) Banks /FI	0	31290	31290	0.36	0	31290	31290	0.36	0.00
f) Any other									
f-1) HUF CONTROLLING	489375	0	489375	5.69	489375	0	489375	5.69	0.00
f-2) DIRECTORS	522857	0	522857	6.08	522857	0	522857	6.08	0.00
f-3) DIRECTORS RELATIVES	1109073	0	1109073	12.90	1109073	0	1109073	12.90	0.00
Total Shareholding of promoter (A)	6143122	31290	6174412	71.81	6143122	31290	6174412	71.81	0.00



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	70	620	690	0.01	70	620	690	0.01	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	70	620	690	0.01	70	620	690	0.01	0.00
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	86377	7540	93917	1.09	101037	7540	108577	1.26	0.17
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh	914477	541020	1455497	16.93	904341	531560	1435901	16.70	-0.23
ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	771042	0	771042	8.97	770628	0	770628	8.96	0.00
c) Others (Specify)									
c-1) NON RESIDENT INDIANS(INDIVIDUALS)	2285	32160	34445	0.40	7635	32160	39795	0.46	0.06
c-2) NON RESIDENT INDIAN CORPORATE BODIES	0	66600	66600	0.77	0	66600	66600	0.77	0.00
c-3) TRUSTS	1850	0	1850	0.02	1850	0	1850	0.02	0.00
Sub-total (B)(2)	1776031	647320	2423351	28.18	1785491	637860	2423351	28.18	0.00
Total Public Shareholding(B)= (B)(1)+(B)(2)	1767731	656310	2424041	28.19	1776101	647940	2424041	28.19	0.00
<b>C. Shares held by Custodian for GDRs &amp; ADRs.</b>									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0
Public -	0	0	0	0	0	0	0	0	0
Sub-total (C)	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	7919223	679230	8598453	100	7928683	669770	8598453	100	7919223

## PERMANENT MAGNETS LIMITED

### (ii) Shareholding of Promoters

SI No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rashi Taparia	1000	0.01	0.00	1000	0.01	0.00	0.00
2	Yamini Taparia	10410	0.12	0.00	10410	0.12	0.00	0.00
3	Jaiprakash Taparia	202770	2.36	0.00	202770	2.36	0.00	0.00
4	Sunilkumar Taparia	219004	2.55	0.00	97890	1.14	0.00	-1.41
5	Sunaina Taparia	1500	0.02	0.00	1500	0.02	0.00	0.00
6	Ritu Taparia	1520	0.02	0.00	1520	0.02	0.00	0.00
7	Divya Taparia	3590	0.04	0.00	0	0.00	0.00	-0.04
8	Pregna International Limited	782802	9.10	0.00	782802	9.10	0.00	0.00
9	Sharad kumar Taparia	7370	0.09	0.00	7370	0.09	0.00	0.00
10	Rameshchandra Taparia	71925	0.84	0.00	71925	0.84	0.00	0.00
11	Poornimadevi Rameshchandra Taparia	74540	0.87	0.00	120654	1.40	0.00	0.54
12	Rameshchandra Madanlal Taparia	393890	4.58	0.00	468890	5.45	0.00	0.87
13	Sharadkumar Taparia	515487	6.00	0.00	515487	6.00	0.00	0.00
14	Mukul Taparia	601044	6.99	0.00	601044	6.99	0.00	0.00
15	Kamladevi Taparia	695295	8.09	0.00	695295	8.09	0.00	0.00
16	Anupkumar Taparia	185040	2.15	0.00	185040	2.15	0.00	0.00
17	Anupkumar Taparia	153110	1.78	0.00	153110	1.78	0.00	0.00
18	Rukmanidevi Taparia	216110	2.51	0.00	40110	0.47	0.00	-2.05
19	Sunitadevi Taparia	217130	2.53	0.00	217130	2.53	0.00	0.00
20	Anil kumar Taparia	33430	0.39	0.00	118430	1.38	0.00	0.99
21	Anil kumar Taparia	36720	0.43	0.00	36720	0.43	0.00	0.00
22	Megh Exim Pvt Ltd	88077	1.02	0.00	88077	1.02	0.00	0.00
23	Seemadevi Taparia	126100	1.47	0.00	126100	1.47	0.00	0.00
24	Nymph Properties Private Limited	160000	1.86	0.00	160000	1.86	0.00	0.00
25	Jaiprakash Taparia	496119	5.77	0.00	496119	5.77	0.00	0.00
26	Bank of Rajasthan Limited	31290	0.36	100.00	31290	0.36	100.00	0.00
27	Sunilkumar Taparia	5450	0.06	0.00	5450	0.06	0.00	0.00
28	Shyamsunder Taparia	19400	0.23	0.00	19400	0.23	0.00	0.00
29	Shriniwas Company Pvt. Ltd.	175300	2.04	0.00	175300	2.04	0.00	0.00
30	Shyamsunder Taparia	648989	7.55	0.00	648989	7.55	0.00	0.00
31	Rishi Taparia	41000	0.48	0.00	41000	0.48	0.00	0.48
32	Manmohan Taparia	50000	0.58	0.00	50000	0.58	0.00	0.58
33	Divya Taparia	3590	0.04	0.00	3590	0.04	0.00	0.04
	TOTAL	6174412	71.81	0.51	6174412	71.81	0.51	0.00



(iii) **Change in Promoters' Shareholding ( please specify, if there is no change)**

SI No.		Name of Promoter's	As On Date	No.of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Megh Exim Pvt Ltd	01/04/2015	88077	1.02	88077	1.02
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	88077	1.02
2	At the beginning of the year	Nymph Properties Private Limited	01/04/2015	160000	1.86	160000	1.86
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	160000	1.86
3	At the beginning of the year	Shriniwas Company Pvt. Ltd.	01/04/2015	175300	2.04	175300	2.04
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	175300	2.04
4	At the beginning of the year	Anupkumar Ttaparia	01/04/2015	153110	1.78	153110	1.78
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	153110	1.78
5	At the beginning of the year	Jaiprakash Taparia	01/04/2015	202770	2.36	202770	2.36
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	202770	2.36
6	At the beginning of the year	Shyamsunder Taparia	01/04/2015	19400	0.23	19400	0.23
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	19400	0.23
7	At the beginning of the year	Sunilkumar Taparia	01/04/2015	5450	0.06	5450	0.06
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	5450	0.06
8	At the beginning of the year	Anil Kumar Taparia	01/04/2015	36720	0.43	36720	0.43
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	36720	0.43
9	At the beginning of the year	Divya Taparia	01/04/2015	3590	0.04	3590	0.04
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	3590	0.04

## PERMANENT MAGNETS LIMITED

Sl No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
10	At the beginning of the year	Anil Kumar Taparia	01/04/2015	118430	1.38	118430	1.38
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	118430	1.38
11	At the beginning of the year	Pregna International Limited	01/04/2015	782802	9.10	782802	9.10
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	782802	9.10
12	At the beginning of the year	Sunitadevi Taparia	01/04/2015	217130	2.53	217130	2.53
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	217130	2.53
13	At the beginning of the year	Seemadevi Taparia	01/04/2015	126100	1.47	126100	1.47
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	126100	1.47
14	At the beginning of the year	Anupkumar Taparia	01/04/2015	185040	2.15	185040	2.15
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	185040	2.15
15	At the beginning of the year	Poornimadevi Rameshchandra Taparia	01/04/2015	120654	1.40	120654	1.40
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	120654	1.40
16	At the beginning of the year	Jaiprakash Taparia	01/04/2015	496119	5.77	496119	5.77
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	496119	5.77
17	At the beginning of the year	Sunilkumar Taparia	01/04/2015	97890	1.14	97890	1.14
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	97890	1.14
18	At the beginning of the year	Rameshchandra Madanlal Taparia	01/04/2015	468890	5.45	468890	5.45
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	468890	5.45



Sl No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
19	At the beginning of the year	Sharad kumar Taparia	01/04/2015	7370	0.09	7370	0.09
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	7370	0.09
20	At the beginning of the year	Rukmanidevi Taparia	01/04/2015	40110	0.47	40110	0.47
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	40110	0.47
21	At the beginning of the year	Rameshchandra Taparia	01/04/2015	71925	0.84	71925	0.84
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	71925	0.84
22	At the beginning of the year	Sunaina Taparia	01/04/2015	1500	0.02	1500	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	1500	0.02
23	At the beginning of the year	Kamladevi Taparia	01/04/2015	695295	8.09	695295	8.09
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	695295	8.09
24	At the beginning of the year	Shyamsunder Taparia	01/04/2015	648989	7.55	648989	7.55
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	648989	7.55
25	At the beginning of the year	Mukul Taparia	01/04/2015	601044	6.99	601044	6.99
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	601044	6.99
26	At the beginning of the year	Sharadkumar Taparia	01/04/2015	515487	6.00	515487	6.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	515487	6.00
27	At the beginning of the year	Yamini Taparia	01/04/2015	10410	0.12	10410	0.12
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	10410	0.12
28	At the beginning of the year	Ritu Taparia	01/04/2015	1520	0.02	1520	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	1520	0.02

## PERMANENT MAGNETS LIMITED

SI No.		Name of Promoter's	As On Date	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
29	At the beginning of the year	Manmohan Taparia	01/04/2015	50000	0.58	50000	0.58
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	50000	0.58
30	At the beginning of the year	Rishi Taparia	01/04/2015	41000	0.48	41000	0.48
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	41000	0.48
31	At the beginning of the year	Bank of Rajasthan Limited	01/04/2015	31290	0.36	31290	0.36
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	31290	0.36
32	At the beginning of the year	Rashi Taparia	01/04/2015	1000	0.01	1000	0.01
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	1000	0.01

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

SI No.	For Each of the Top 10 Shareholders	Folio no	Name Of Shareholder's	As on DATE	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
					No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	IN30036020087818	Hitesh Ramji Javeri	01/04/2015	275000	3.20	275000	3.20
	At the end of the year			31/03/2016	0	0.00	275000	3.20
2	At the beginning of the year	IN30064410001824	Dipak Kanayalal Shah	01/04/2015	154000	1.79	154000	1.79
	Date wise Increase/Decrease in Shareholding during the financial year			24/07/2015	130	0.00	1000	0.01
				14/08/2015	1000	0.01	156000	1.81
				16/10/2015	25	0.00	156025	1.81
				11/12/2015	975	0.01	157000	1.83
				15/01/2016	8000	0.09	165000	1.92
	At the end of the year			31/03/2016	0	0.00	165000	1.92
3	At the beginning of the year	IN30036020087795	Harsha Hitesh Javeri	01/04/2015	150000	1.74	150000	1.74
	At the end of the year			31/03/2016	0	0.00	150000	1.74





Sl No.	For Each of the Top 10 Shareholders	Folio no	Name Of Shareholder's	As on DATE	No. of Shares held at the beginning of the year		Cumulative Shareholding during the year	
					No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
4	At the beginning of the year	C00010	Centro Magneti Permanenti S P A	01/04/2015	43920	0.51	43920	0.51
	At the end of the year			31/03/2016	0	0.00	43920	0.51
5	At the beginning of the year	C00013	Cesare Giuseppe Rossi	01/04/2015	31740	0.37	31740	0.37
	At the end of the year			31/03/2016	0	0.00	31740	0.37
6	At the beginning of the year	IN30002011045427	Celaciha Tools P Ltd	01/04/2015	24664	0.29	24664	0.29
				15/01/2016	-5000	0.06	19664	0.23
	At the end of the year			31/03/2016	0	0.00	19664	0.23
7	At the beginning of the year	IN30082910066921	Saraiya Bhavin Ramakant	01/04/2015	23326	0.27	23326	0.27
	Date wise Increase/Decrease in Shareholding during the financial year			22/05/2015	20	0.00	23346	0.27
				29/05/2015	500	0.01	23846	0.28
				07/08/2015	780	0.01	24626	0.29
				14/08/2015	2708	0.03	27334	0.32
				21/08/2015	1160	0.01	28494	0.33
				16/10/2015	2108	0.02	30602	0.36
				23/10/2015	141	0.00	30743	0.36
	At the end of the year			31/03/2016	0	0.00	30743	0.36
	8	At the beginning of the year	C00011	Centro Magneti Permanenti S P A	01/04/2015	22680	0.26	22680
At the end of the year				31/03/2016	0	0.00	22680	0.26
9	At the beginning of the year	IN30131320493057	Sangeetha S	01/04/2015	21490	0.25	21490	0.25
	Date wise Increase/Decrease in Shareholding during the financial year			16/10/2015	5050	0.06	26540	0.31
				30/10/2015	1219	0.01	27759	0.32
				06/11/2015	1691	0.02	29450	0.34
				11/12/2015	5176	0.06	34626	0.40
				08/01/2016	1800	0.02	36426	0.42
				15/01/2016	450	0.01	36876	0.43
	At the end of the year			31/03/2016	0	0.00	36876	0.43
10	At the beginning of the year	IN30127630728191	Jyotindra Mansukhlal Mehta	01/04/2015	20156	0.23	20156	0.23
	Date wise Increase/Decrease in Shareholding during the financial year							
	At the end of the year			31/03/2016	0	0.00	20156	0.23

## PERMANENT MAGNETS LIMITED

**(v) Shareholding of Directors and Key Managerial Personnel:**

SI No.		Name of Promoter's	As On Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Sharad kumar Taparia	01/04/2015	7370	0.09	7370	0.09
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	7370	0.09
2	At the beginning of the year	Sharad kumar Taparia	01/04/2015	515487	6.00	515487	6.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	515487	6.00
3	At the beginning of the year	Sunaina Taparia	01/04/2015	1500	0.02	1500	0.02
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	1500	0.02
4	At the beginning of the year	Mukul Taparia	01/04/2015	601044	6.99	601044	6.99
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL	NIL		
	At the end of the year		31/03/2016	0	0.00	601044	6.99
5	At the beginning of the year	Bhavana Shah	01/04/2015	0	0.00	0	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL			
	At the end of the year		31/03/2016	0	0.00	0	0.00
6	At the beginning of the year	Sukhmal Jain	01/04/2015	10	0.00	10	0.00
	Date wise Increase / Decrease in Promoters Share holding during the year			NIL			
	At the end of the year		31/03/2016	10	0.00	10	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	165,126,779	500,000,0	-	170,126,779
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	158,362,59	342,000	-	161,782,59
iii) Interest accrued but not due				
Total (i+ii+iii)	180,963,038	534,200,0	-	186,305,038
Change in Indebtedness during the financial year				
· Addition	-	-	-	-
· Reduction	4,597,369	2,842,000	-	7,439,369
Net Change	4,597,369	2,842,000	-	7,439,369



	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year	159,741,989	2,500,000	-	162,241,989
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	166,236,80	-	-	166,236,80
iii) Interest accrued but not due				
Total (i+ii+iii)	176,365,669	2,500,000	-	178,865,669

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Sharad Taparia	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	1275000  32400  -	1275000  32400  -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	13,07,400	13,07,400
	Ceiling as per the Act		10,26,098

### B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Arun Binani	Rajeev Mundra	Mukul Taparia	Sharad Taparia	Sunaina Taparia	
1.	Independent Directors · Fee for attending board committee meetings · Commission · Others, please specify	11000 - -	11000 - -	- - -	- - -	- - -	22000 - -
	Total (1)	11000	11000	-	-	-	22000

## PERMANENT MAGNETS LIMITED

Sl. no.	Particulars of Remuneration	Name of Directors					Total Amount
		Arun Binani	Rajeev Mundra	Mukul Taparia	Sharad Taparia	Sunaina Taparia	
	2. Other Non-Executive Directors	-	-	11000	-	2000	13000
	· Fee for attending board committee meetings	-	-	-	-	-	-
	· Commission	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	11000	-	2000	13000
	Total (B)=(1+2)	11000	11000	11000	-	2000	35000
	Total Managerial Remuneration						1344500
	Overall Ceiling as per the Act					10,26,098	

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7,11,108	20,76,260	2787368
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	21600	21600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	7,11,108	20,97,860	2808960



VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description Penalty /	Details of Punishment/ Compounding fees imposed	Authority [RD / NCLT made, COURT]	Appeal if any (give Details
<b>A. COMPANY</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>B. DIRECTORS</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	NIL	NIL	NIL	NIL	NIL
Punishment	NIL	NIL	NIL	NIL	NIL
Compounding	NIL	NIL	NIL	NIL	NIL

# PERMANENT MAGNETS LIMITED

## ANNEXURE D

### Ratio of director remuneration to employee median remuneration

The ratio of the remuneration of each director to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

SR. NO	REQUIREMENTS	DISCLOSURE
1	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year	Mr. Sharad Taparia-5.35x
2	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Mr. Sharad Taparia (MD) : 0% Mr. Sukhmal Jain (CFO) : 22% Ms. Bhavana Shah (CS) : 10%
3	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in FY16 was increased by 0%.
4	The number of permanent employees on the rolls of the Company	90 as on March 31, 2016
5	Affirmation that the remuneration is as per the remuneration policy of the Company	We confirm.



## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE AND DEVELOPMENT:**

#### Smart Meters:

The increasing smart grid deployment, government policies supporting installation, and energy conservation facilitated by smart meters are the key growth drivers in the global market. Smart meters consist of digital displays for displaying detailed energy usage, and the cost related to the energy usage. With the detailed energy usage and cost displayed on digital display, the consumers are able to understand and act accordingly to conserve the energy. For instance; the consumers adjust their consumption patterns when they discover the amount of power used and the cost of operation of the several appliances. The Department for Energy and Climate Change (DECC) in the U.K. estimated that smart meters can reduce energy bills by an average of \$29 per household by 2020.

The major appliances in the home, such as washing machines can be automated with the help of smart meters. This allows such appliances to take various advantages, such as time-of-use tariffs. With the two-way communication offered between intelligent household appliances and meters, the consumers are able to make note of the power being consumed. By two-way communications, energy service provider or utilities are also able to control elements of the consumer's usage for lowering their bill.

The North American smart meters market dominates the regions, due to government initiatives in allocating funds and mandating the installation of smart meters in a number of countries in the region. Southern Company, Oncor, Southern California Edison, and AEP are some of the major utility groups, which have committed for full-scale rollouts to all the consumers. The Asia-Pacific smart meters market is expected to grow with the highest rate in the coming years, due to supportive government initiative towards the implementation across several developing countries of the region. As part of a five-year nationwide plan to upgrade grid infrastructure in Asia-Pacific, the utilities in China continue to install large numbers of smart meters in the country. The pilot projects are being introduced in India, which will support the deployment of meters on a large scale in the coming years.

Two of the major factors restraining the growth of the global market are lack of interoperability and lack of awareness about among consumers. Although, the awareness about smart meters is growing slowly among the consumers, but understanding the benefits offered by them is still limited among the consumers. This lack of understanding varies according to socio-economic status and age of the consumers. The competitors in smart meters market are using several methods for increasing awareness about the smart meters among the consumers. Paid channels are most effective way of raising awareness and supporting the consumers to understand the significance of using smart meters visually. Interoperability is important for grid modernization, which will allow the end users and service providers to incorporate various technology solutions and capabilities; while supporting reliable operations at the same time. To overcome the lack of interoperability restraint, the industry experts and government are evolving interoperability through standards testing, development, and supporting policies.-source PR Newswire

#### SUPERALLOYS:

According to the Superalloys Market 2015 - 2019 report, increasing demand for diversified applications is one of the major drivers contributing to the growth of the global superalloy market. Superalloys are used in the aerospace sector due to the need for high strength material and the property to withstand high temperatures. These materials are also resistant to corrosion, sulfidation, and oxidation. Superalloys are widely used in the transportation sector because they have advantageous properties such as light weight, chemical resistance, high strength, corrosion resistance, and are low maintenance. These properties also help in prolonging the life cycle of the equipment made using these materials. Superalloys also provide improved heat, sound, and electrical insulation.

Market Segmentation in this report is done by type covering nickel-based, nickel-iron based, cobalt based. The nickel-based segment accounted for nearly 81% of the market share during 2014 and is expected to maintain its dominance until the end of 2019. Nickel base superalloys are used in the aerospace sector as it is resistant to extremely high temperatures and physical stress, which helps in surface stability.

By application, superalloys market is segmented into aerospace, IGT, industrial application. The aerospace sector dominated the market during 2014 with a market share of 55%. This research report predicts this segment to grow at a CAGR of around 10% during the forecast period. The market is driven by the need for high strength materials that can withstand high temperatures are resistant to corrosion, sulfidation, and oxidation. Superalloys are also lightweight and increase the fuel efficiency of aircraft.-source PR Newswire

#### Electric Vehicles (EV):

New research by Bloomberg New Energy Finance suggests that further, big reductions in battery prices lie ahead, and that during the 2020s EVs will become a more economic option than gasoline or diesel cars in most countries.

The study published forecasts that sales of electric vehicles will hit 41 million by 2040, representing 35% of new light duty vehicle sales. This would be almost 90 times the equivalent figure for 2015, when EV sales are estimated to have been 462,000, some 60% up on 2014.

This projected change between now and 2040 will have implications beyond the car market. The research estimates that the growth of EVs will mean they represent a quarter of the cars on the road by that date, displacing 13 million barrels per day of crude oil but using 2,700TWh of electricity. This would be equivalent to 11% of global electricity demand in 2015.[1]

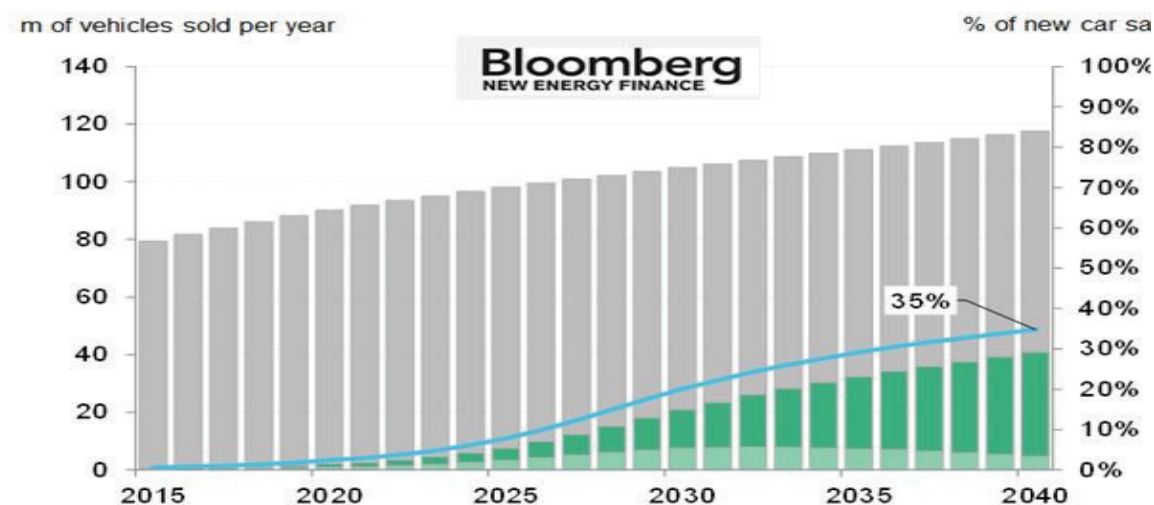
# PERMANENT MAGNETS LIMITED

Colin McKerracher, lead advanced transportation analyst at Bloomberg New Energy Finance, said: “At the core of this forecast is the work we have done on EV battery prices. Lithium-ion battery costs have already dropped by 65% since 2010, reaching \$350 per kWh last year. We expect EV battery costs to be well below \$120 per kWh by 2030, and to fall further after that as new chemistries come in.”

Salim Morsy, senior analyst and author of the study, commented: “Our central forecast is based on the crude oil price recovering to \$50, and then trending back up to \$70-a-barrel or higher by 2040.[2] Interestingly, if the oil price were to fall to \$20 and stick there, this would only delay mass adoption of EVs to the early 2030s.”

The electric vehicle market at present is heavily dependent on “early adopters” keen to try out new technology or reduce their emissions, and on government incentives offered in markets such as China, Netherlands and Norway. Although some 1.3 million EVs have now been sold worldwide and 2015 saw strong growth, they still represented less than 1% of light duty vehicle sales last year.

EVs come in two categories – battery electric vehicles, or BEVs, that rely entirely on their batteries to provide power; and plug-in hybrid electric vehicles, or PHEVs, that have batteries that can be recharged but have conventional engines as back-up. The best-selling BEV over the last six years has been the Nissan Leaf, and the best-selling PHEV the Chevrolet Volt.



The study's calculations on total cost of ownership show BEVs becoming cheaper on an unsubsidised basis than internal combustion engine cars by the mid-2020s, even if the latter continue to improve their average mileage per gallon by 3.5% per year. It assumes that a BEV with a 60kWh battery will travel 200 miles between charges. The first generation of these long-range, mid-priced BEVs is set to hit the market in the next 18 months with the launch of the Chevy Bolt and Tesla Model 3.

Morsy said: “In the next few years, the total-cost-of-ownership advantage will continue to lie with conventional cars, and we therefore do not expect EVs to exceed 5% of light duty vehicle sales in most markets – except where subsidies make up the difference. However, that cost comparison is set to change radically in the 2020s.” – source Bloomberg New Energy Finance

## STRATEGIC INITIATIVE

PML is already supplying components for Smart meters. PML has added new products which are used in manufacturing of smart meters. PML plans to expand this product range to cater to customers manufacturing smart meters.

PML plants are already certified for ISO9001:2008, ISO 14001, TS 16949:2009. Further PML plans to get certified for AS9100.

PML is developing new products made of super alloys / Cobalt / Nickel etc. These products are similar to manufacturing of Alnico magnets which has been a strength for PML.

PML has increased sales for parts for EVs. PML is further developing additional parts for EVs.

## OPPORTUNITIES & CHALLENGES

Substantial increase in the worldwide installation of Smart meters presents a huge opportunity for PML.

Increase in demand for EVs worldwide represents good opportunity for PML.

New applications like Cobalt/Nickel Alloys, copper based welded parts, battery shunts, Brass parts presents good opportunity for growth.





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#### RISK AND CONCERN

Foreign Currency Exchange rates and fluctuations in raw material prices of copper and nickel present a risk for future. Overall financial markets stability is important for sustained growth by meter manufacturing companies.

#### OUTLOOK

The overall outlook is positive for the company.

#### FINANCIAL PERFORMANCE

The financial statements have been prepared in accordance with the requirements of the Companies Act, 2013 and the applicable accounting standard, unless otherwise stated. The financial performance of the company has been summarised in table given in the main report of the Board which is self explanatory.

#### INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT

The industrial situation was satisfactory through out the year.

#### 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 result could differ from those expressed or implied. Important factors that could make 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.

# PERMANENT MAGNETS LIMITED

## CEO/CFO CERTIFICATION

To,  
The Board of Directors,  
Permanent Magnets Limited

We Sharad Taparia, Managing Director (CEO) and Sukhmal Jain, General Manager Finance (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 statements 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 for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such 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 over financial reporting 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 they 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 financial reporting.
- (e) We affirm that no personnel has been denied access to the Audit Committee of the Company.

For Permanent Magnets Limited

For Permanent Magnets Limited

Sd/-

Sd/-

Sharad Taparia (Managing Director)  
CEO in terms of Clause 49 of Listing Agreement

Sukhmal Jain (Vice President Finance)  
CFO in terms of Clause 49 of Listing Agreement

Date: 28<sup>th</sup> May, 2016  
Place: Mumbai



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### **Managing Director Declaration**

I, Sharad Taparia, Managing Director of the Company hereby declares that all Board members and senior management personnel have affirmed compliance with the Code on an annual Basis.

For Permanent Magnets Limited

Sd/-

Sharad Taparia

Managing Director

Place: Mumbai

Date: 28<sup>th</sup> May, 2016

# PERMANENT MAGNETS LIMITED

## INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF  
PERMANENT MAGNETS LIMITED  
Report on the Financial Statements**

We have audited the accompanying financial statements of **PERMANENT MAGNETS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the act and the rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by companies' directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016 and its profit and its cash flows for the year ended on that date.

**Emphasis of Matters**

- a. We draw attention to Note no. 3 of notes to accounts, which states that Honorable Bombay High Court has given interim stay order against the winding up order passed against the Company dated 15/04/2015.
- b. Honorable High Court of Bombay had passed winding up order dated 15/04/2015 for Winding up of the company on petition filed by M/s. Savino Del Bene Freight Forwarders (I) Pvt. Ltd., and court had issued direction for appointment of official liquidator in winding up order.

On the appeal against this order made by the company before Honorable Bombay High Court, Honorable Bombay High Court has given interim stay order against the winding up order passed (against the Company) dated 15/04/2015. Company has deposited Rs. 19,05,179/- Lac with interest as per direction of honorable Bombay High Court. Matter is pending before Bombay High Court.

The financial statements of the company have been prepared on Going Concern Basis on reasons mentioned in the note no. 3 of notes of accounts.

Our opinion is not modified in respect of above matter.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors report) Order, 2016 ("The Order") issued by the central government of India in terms of sub-section 11 of section 143 of the Act, We give in the Annexure A statement on the matters specified in paragraphs 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e. on the basis of written representations received from the directors as on March 31, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us :
    - I. The company has disclosed the impact of pending litigation on its financial position in its financial statements - Refer to Note 2 of notes to accounts
    - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - III. The provisions relating to transferring any amounts to the investor's education and protection fund is not applicable to the Company during the year.

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 104184W/ W100075

Hemant Agrawal

Designated Partner

M. No. 403143

Place: Mumbai

Date: 28<sup>th</sup> May, 2016

# PERMANENT MAGNETS LIMITED

## Annexure 'A' to the Independent Auditors' Report

The referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2016, we report that:

- I. (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, Company did not have any immovable property except 15% share of Borivali (Mumbai) property sold to Builder.
- II. According to the information and explanations given to us, management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- III. According to information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 during the year. Accordingly, clause 3 (iii) of the Order is not applicable to the Company.
- IV. According to information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- V. According to information and explanations given to us, the company has not accepted any deposits from the public in accordance with the provisions of section 73 to 76 and rules framed thereunder during the year. Accordingly, clause 3 (v) of the Order is not applicable to the Company.
- VI. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of section 148 of the Companies Act 2013.
- VII. According to the information and explanations given to us, in respect of statutory dues:
  - a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable, *except the following*:

Nature of Dues	Amount (INR in Lakhs)	Due date
Income Tax	00.54	30 <sup>th</sup> Oct, 2007
Income Tax	16.08	19 <sup>th</sup> March, 2012
Sales Tax (06-07)	06.84	26 <sup>th</sup> March, 2014
Sales Tax (07-08)	11.40	30 <sup>th</sup> March, 2015

- b. According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Value added tax, Service tax, duty of customs, duty of excise which have not been deposited with the appropriate authorities on account of any dispute, *except the following*:

c.

Nature of Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	63.18	F.Y. 2003-04	CESTAT – Mumbai
Income Tax	02.06	F.Y. 2006-07	CIT (A) – Mumbai
Income Tax	03.94	F.Y. 2008-09	CIT(A) – 21 Mumbai

- VIII. According to the records of the Company examined by us and the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions or Banks, except following payments.

Bank	Nature	Amount ( INR in Lakhs)	Due on	Paid on
ICICI	Central Excise Loan	222.43*	Between October 2002 to October 2004	Not yet paid

\*including simple interest @ 12%



- IX. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments). The company has applied funds from term loans raised during the year only for the purpose for which those term loans were raised.
- X. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- XI. According to the information and explanations give to us and based on our examination of the records, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- XIII. According to the information and explanations given to us and based on our examinations of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- XIV. According to the information and explanations give to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.
- XV. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- XVI. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 104184W/ W100075

**Hemant Agrawal**

Designated Partner

M. No. 403143

Place: Mumbai

Date: 28<sup>th</sup> May, 2016

# PERMANENT MAGNETS LIMITED

## ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Referred to in Para 2 (f) ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report to the members of the Company for the year ended March 31, 2016

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **PERMANENT MAGNETS LIMITED** (“the Company”) as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the Standalone Financial Statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by “the Institute of Chartered Accountants of India”

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration No. 104184W/ W100075

**Hemant Agrawal**

Designated Partner

M. No. 403143

Place: Mumbai

Date: 28<sup>th</sup> May, 2016





## Balance Sheet as at 31st March, 2016

Particulars	Notes	31.03.2016 ₹	31.03.2015 ₹
<b>I. EQUITY AND LIABILITIES</b>			
<b>(1) Shareholder's Funds</b>			
(a) Share Capital	2	8,59,84,530	8,59,84,530
(b) Reserves and Surplus	3	3,19,77,729	2,26,49,558
		<b>11,79,62,259</b>	<b>10,86,34,088</b>
<b>(2) Non-Current Liabilities</b>			
(a) Long-term borrowings	4	3,71,40,381	2,91,73,112
(b) Other Long Term liabilities	5	16,61,717	16,61,717
(c) Long-term provisions	6	62,36,320	54,12,834
		<b>4,50,38,418</b>	<b>3,62,47,663</b>
<b>(3) Current Liabilities</b>			
(a) Short-term borrowings	7	13,82,02,032	15,39,91,894
(b) Trade payables	8	17,83,27,302	19,01,40,297
(c) Other current liabilities	9	1,81,16,353	1,69,87,491
(d) Short-term provisions	10	8,02,153	17,90,016
		<b>33,54,47,840</b>	<b>36,29,09,697</b>
<b>Total</b>		<b>49,84,48,517</b>	<b>50,77,91,448</b>
<b>II. ASSETS</b>			
<b>(1) Non-current assets</b>			
<b>(a) Fixed assets</b>			
(i) Tangible assets	11	3,98,38,998	2,79,98,230
(ii) Intangible assets	11	1,96,300	3,07,874
(b) Non-current investments	12	10,000	69,000
(c) Deferred tax assets (net)	13	1,00,45,576	1,00,45,576
(d) Long term loans and advances	14	1,98,23,659	1,63,18,290
		<b>6,99,14,533</b>	<b>5,47,38,970</b>
<b>(2) Current assets</b>			
(a) Inventories	15	19,59,71,330	23,45,80,282
(b) Trade receivables	16	17,74,60,842	16,72,28,953
(c) Cash and cash equivalents	17	2,06,42,088	1,85,49,884
(d) Short-term loans and advances	18	3,44,59,724	3,26,93,360
		<b>42,85,33,984</b>	<b>45,30,52,478</b>
<b>Total</b>		<b>49,84,48,517</b>	<b>50,77,91,448</b>
Significant Accounting Policies	1		

Notes referred to above and notes attached there to form an integral part of Financial Statements.

As per our Report of even date attached

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number : 104184W/ W100075

For & on behalf of the Board

**(Hemant Agrawal)**

Designated Partner

Membership No. : 403143

**Arun Binani**

Chairperson

**Sharad Taparia**

Managing Director

**Sukhmal Jain**

Vice President-Finance

**Bhavana Shah**

Company Secretary

Place: Mumbai

Date: 28/05/2016

# PERMANENT MAGNETS LIMITED

## Statement of Profit and Loss for the Year Ended 31st March, 2016

SL No	Particulars	Note	31.03.2016 ₹	31.03.2015 ₹
I	Revenue from operations (gross)	19	69,39,45,883	60,26,29,375
	Less: Excise Duty		1,94,89,520	1,57,10,174
	Revenue from operations (net)		67,44,56,363	58,69,19,201
II	Other Income	20	26,58,425	40,42,646
III	<b>Total Revenue (I+II)</b>		<b>67,71,14,788</b>	<b>59,09,61,847</b>
IV	<b>Expenses:</b>			
	Cost of materials consumed	21	36,80,93,547	36,77,66,969
	Changes in Inventories of Work-in-Progress & Finished Goods	22	4,11,16,605	91,84,401
	Employee benefit expenses	23	4,64,13,752	3,94,83,971
	Finance costs	24	1,60,10,942	3,26,03,182
	Depreciation and amortization expense	25	1,37,16,661	1,11,05,047
	Other expenses	26	18,33,79,189	12,57,15,147
	<b>Total Expenses</b>		<b>66,87,30,696</b>	<b>58,58,58,717</b>
V	<b>Profit/(Loss) before exceptional items and tax (III-IV)</b>		<b>83,84,092</b>	<b>51,03,130</b>
VI	<b>Exceptional items (Net)</b>		-	-
VII	<b>Profit/(Loss) before tax (V-VI)</b>		<b>83,84,092</b>	<b>51,03,130</b>
VIII	<b>Tax expense:</b>			
	(1) Current tax		-	9,44,079
	(2) Deferred tax		-	-
	(3) Excess Provision of Income Tax of earlier year		(9,44,079)	-
IX	<b>Profit/(Loss) for the year (VII-VIII)</b>		<b>93,28,171</b>	<b>41,59,051</b>
X	<b>Earnings per equity share of Rs. 10 each</b>	27		
	Basic and Diluted		1.08	0.59

Notes referred to above and notes attached there to form an integral part of Financial Statements

As per our Report of even date

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number : 104184W/ W100075

**(Hemant Agrawal)**

Designated Partner

Membership No. : 403143

**Arun Binani**

Chairperson

**Sukhmal Jain**

Vice President-Finance

For & on behalf of the Board

**Sharad Taparia**

Managing Director

**Bhavana Shah**

Company Secretary

Place: Mumbai

Date: 28/05/2016



## Annexure forming part of Financial Statements

### 2 Share Capital

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
<b>1</b>	<b>AUTHORIZED CAPITAL</b>		
(a)	1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
(b)	60,00,000 (P.Y. 60,00,000) Redeemable Cumulative/ Non-Cumulative Preference Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
		<b>16,00,00,000</b>	<b>16,00,00,000</b>
<b>2</b>	<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL:</b>		
	85,98,453 (P.Y. 85,98,453) Equity Shares of Rs. 10/- each, Fully Paid-Up	8,59,84,530	8,59,84,530
	<b>Total</b>	<b>8,59,84,530</b>	<b>8,59,84,530</b>

#### a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period

##### Equity Shares

Particulars	31st March 2016		31st March 2015	
	No of Shares held	In ₹	No of Shares held	In ₹
<b>Number of Shares at the beginning</b>	85,98,453	8,59,84,530	85,98,453	8,59,84,530
Add:- Number of Shares Issued	-	-	-	-
<b>Number of Equity Shares at the end</b>	<b>85,98,453</b>	<b>8,59,84,530</b>	<b>85,98,453</b>	<b>8,59,84,530</b>

#### b. Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Amount Rs. 10/- each per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### c. Details of shareholders holding more than 5% shares in the company

Sr. No	Particulars	31st March 2016		31st March 2015	
		No of Shares held	% of Holding	No of Shares held	% of Holding
	<b>Equity shares of Rs. 10 each fully paid</b>				
1	Mukul Taparia	6,01,044	6.99%	6,01,044	6.99%
2	Pregna International Ltd	7,82,802	9.10%	7,82,802	9.10%
3	Sharad Kumar Taparia	5,15,487	6.00%	5,15,487	6.00%
4	Kamladevi Taparia	6,95,295	8.09%	6,95,295	8.09%
5	Shyamsunder Taparia	6,48,989	7.55%	6,48,989	7.55%
6	Jai Prakash Taparia	4,96,119	5.77%	4,96,119	5.77%
7	RAMESHCHANDRA MADANLAL TAPARIA	4,68,890	5.45%	4,68,890	5.45%

As per the records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

The company has neither issued any bonus shares nor any shares pursuant to contract without payment being received in cash during preceding five years. It has also not bought back any shares during these years.

# PERMANENT MAGNETS LIMITED

## Annexure forming part of Financial Statements

### 3 Reserves & Surplus

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
1.	<b>Securities Premium Reserve</b>		
	Balance as per last financial statement	2,80,19,668	2,80,19,668
	<b>(A)</b>	2,80,19,668	2,80,19,668
2.	<b>General Reserve</b>		
	Balance as per last financial statement	25,24,570	25,24,570
	<b>(B)</b>	25,24,570	25,24,570
3.	<b>Surplus in the Statement of Profit and Loss</b>		
	Balance as per last financial statement	(78,94,680)	(1,10,44,898)
	Add: Profit for the year	93,28,171	41,59,051
	Less: Depreciation on transition to Schedule II of the Companies Act,2013 on tangible fixex assets with nil remaining useful life (Refer Note) Net of Deferred tax	-	10,08,833
	<b>(C)</b>	14,33,491	(78,94,680)
	<b>Total Reserves &amp; Surplus (A)+(B)+(C)</b>	<b>3,19,77,729</b>	<b>2,26,49,558</b>

### 4 Long Term Borrowings

a)	<b>Term Loan</b>		
	Foreign Currency Loan from Banks	-	-
	Rupee Loan from Bank	1,14,21,046	5,56,252
	Rupee Loan from Financial Institutions	9,76,769	17,22,294
b)	Central Excise loan*	2,22,42,566	2,15,52,566
c)	Intercorporate Deposits	25,00,000	53,42,000
		<b>3,71,40,381</b>	<b>2,91,73,112</b>
	<b>The above amount includes</b>		
	Secured borrowings	3,46,40,381	2,38,31,112
	Unsecured Borrowings	25,00,000	53,42,000

\*Including Interst accrued & due on Central Excise Loan (at simple interest rate 12%) Rs. 164.93 Lacs (P.Y. Rs. 158.03 Lacs)

- a) Rupee Loans from banks are repayable in 3 years to 5 year from the date of loan and interest ranging from 9% to 15%. Above loans are secured by first charges on specific assets financed by the lender and first pari passu charges on all the present and future fixed assets.
- b) Central Excise Loan taken from ICICI Bank is secured by hypothecation of specific assets purchased under the scheme and payable in Qtrly instalment which are overdue since 15th October, 2002 to 15th October, 2004
- c) Details of defaults as at year end in repayment of Term Loans are as follows :

Sr. No.	Name of Bank	Amount including Interest (In ₹)	Amount including Interest (In ₹)
	Central Excise Loan - ICICI Bank	2,22,42,566	2,15,52,566
	<b>Total</b>	<b>2,22,42,566</b>	<b>2,15,52,566</b>



## Annexure forming part of Financial Statements

### 5 Other Long Term liabilities

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
1	Income Tax payable	16,61,717	16,61,717
	<b>Total</b>	<b>16,61,717</b>	<b>16,61,717</b>

### 6 Long Term Provisions

1	Provision for Gratuity	39,05,073	42,67,031
2	Provision for Leave Encashment	23,31,247	11,45,803
	<b>Total</b>	<b>62,36,320</b>	<b>54,12,834</b>

### 7 Short Term Borrowings

<b>Loan Repayable on Demand</b>			
1	Foreign Currency Loan from Banks*	9,47,03,590	14,43,21,016
2	Rupee Loan from Banks	4,34,98,442	96,70,878
	<b>Total</b>	<b>13,82,02,032</b>	<b>15,39,91,894</b>
	The above amount includes		
	Secured Borrowings	13,82,02,032	15,39,91,894
	Unsecured Borrowings		

\*Foreign as well as Rupee currency Loans are secured by Hypothecation of stocks , receivables and other current assets, present and future on pari passu basis . These working capital facilities are further secured by first pari passu charge on residential flat standing in the name of Synagogue Impex Ltd and second pari passu charge on entire fixed assets of the company (excluding Borivali property). The portion of working capital limits from Central Bank of India is exclusively secured by 2500 square feet constructable area of Borivali property out of 15% share of the company. Further these facilities are secured by personal guarantees of Director's relatives and a Corporate Guarantee by Synagogue Impex Ltd.

### 8 Trade Payables

1	Micro Small & Medium Enterprises*	-	-
2	Others	17,83,27,302	19,01,40,297
	<b>Total</b>	<b>17,83,27,302</b>	<b>19,01,40,297</b>

\* for details, please refer notes

### 9 Other Current Liabilities

1	Current maturities of long term debts	33,92,142	31,06,339
2	Withholding & Other taxes payable	27,35,211	20,68,299
3	Interest accrued but not due	1,31,114	33,693
4	Expenses Payables	67,71,466	54,51,290
5	Advances received from Customers	50,86,420	34,77,458
6	VRS Compensation Payable	-	28,50,412
	<b>Total</b>	<b>1,81,16,353</b>	<b>1,69,87,491</b>

### 10 Short Term Provisions

1	Other Provision	8,02,153	8,45,937
2	Provision for Income Tax	-	9,44,079
	<b>Total</b>	<b>8,02,153</b>	<b>17,90,016</b>

# PERMANENT MAGNETS LIMITED

## 11. Fixed Assets

Sr No.	Particulars	GROSSBLOCK			DEPRECIATION			NETBLOCK			
		01.04.2015	Additions	Deductions Adjustments	31.03.2016	01.04.2015	During the year	Deductions / Adjustments	Upto 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>A</b>	<b>Tangible Assets</b>										
1	Freehold Land	15,253	-	-	15,253	-	-	-	-	15,253	15,253
2	Building	15,868,940	-	-	15,868,940	9,006,776	668,408	-	9,675,184	6,193,756	6,862,164
3	Plant & Machinery*	98,395,188	21,730,883	1,792,807	118,333,264	81,040,377	10,230,357	1,448,431	89,822,303	28,510,961	17,354,811
4	Electric Installation	2,203,982	-	-	2,203,982	2,001,310	56,706	-	2,058,016	145,966	202,672
5	Laboratory Equipments	198,020	-	-	198,020	190,727	756	-	191,483	6,537	7,293
6	Automobiles & Vehicles	6,815,325	3,632,000	1,934,507	8,512,818	4,620,699	1,856,886	1,425,040	5,052,545	3,460,273	2,194,626
7	Furniture & Fixtures	6,801,546	380,421	-	7,181,967	5,996,267	368,068	-	6,364,335	817,632	805,279
8	Office Equipments	11,616,139	530,976	-	12,147,115	11,060,008	396,889	-	11,456,897	690,218	556,131
	<b>TOTAL A</b>	<b>141,914,393</b>	<b>26,274,280</b>	<b>3,727,314</b>	<b>164,461,359</b>	<b>113,916,164</b>	<b>13,578,070</b>	<b>2,873,471</b>	<b>124,620,763</b>	<b>39,840,596</b>	<b>27,998,229</b>
<b>B</b>	<b>Intangible Assets</b>										
1	Computer Software	814,252	27,017	-	841,269	506,378	138,591	-	644,969	196,300	307,874
	<b>TOTAL B</b>	<b>814,252</b>	<b>27,017</b>	<b>-</b>	<b>841,269</b>	<b>506,378</b>	<b>138,591</b>	<b>-</b>	<b>644,969</b>	<b>196,300</b>	<b>307,874</b>
	<b>TOTAL (A+B)</b>	<b>142,728,645</b>	<b>26,301,297</b>	<b>3,727,314</b>	<b>165,302,628</b>	<b>114,422,542</b>	<b>13,716,661</b>	<b>2,873,471</b>	<b>125,265,732</b>	<b>40,036,896</b>	<b>28,306,103</b>
	<b>Privious Year</b>	<b>135,824,445</b>	<b>9,223,720</b>	<b>859,559</b>	<b>142,728,645</b>	<b>104,098,838</b>	<b>11,105,047</b>	<b>781,344</b>	<b>114,422,541</b>	<b>28,306,104</b>	<b>31,725,607</b>

\*Plant & Machinery includes Misc Factory Equipments Rs. 59,01,727/- (P.Y. Rs. 52,72,548/-)



## Annexure forming part of Financial Statements

### 12 Non Current Investments

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
1	<b>Non Trade Investments</b>		
	<b>Unquoted</b>		
	National Saving Certificates (Hypothecated with Sales Tax Authorities)	10,000	60,000
	<b>Quoted</b>		
	<u>A. In equity shares - Fully paid up</u>		
	200 Equity Shares of Bank of India	-	9,000
	<u>B. Investment in Mutual Funds</u>		
	472.6412 units of SBI MF-MAGNUM INSTA CASH FUND)	-	-
	<b>Total</b>	<b>10,000</b>	<b>69,000</b>
	<b>Aggregate Value of</b>		
	Quoted Investments	-	9,000
	Market Value - Quoted Investments	-	39,150
	Un Quoted Investments	10,000	60,000

### 13 Deferred Tax Assets (Net)

	<u>Deferred Tax Assets</u>		
1	Depreciation - Deferred Tax Assets	37,63,153	37,63,153
2	Retirement Benefits	20,27,484	20,27,484
3	Expenses Covered U/s 43B of the Income Tax Act	42,54,939	42,54,939
	<b>Total</b>	<b>1,00,45,576</b>	<b>1,00,45,576</b>

### 14 Long Term Loans and Advances\*

1	Security Deposits	75,92,179	62,85,045
2	Loans & Advances to Employees	3,700	4,800
3	Other Advances	55,07,786	45,07,786
4	Balance with Statutory/ Government Authorities	50,16,812	46,69,085
5	Capital Advances	17,03,182	8,51,574
	<b>Total</b>	<b>1,98,23,659</b>	<b>1,63,18,290</b>

\*all the above loans and advances are unsecured, considered good unless otherwise stated.

### 15 Inventories

1	Raw Material	13,20,59,642	12,92,89,127
2	Stock -in-Progress	5,45,83,547	9,52,13,107
3	Stores, Spares & Others	21,08,765	23,71,627
4	Finished Goods (As taken, valued and certified by the management)	72,19,376	77,06,421
	<b>Total</b>	<b>19,59,71,330</b>	<b>23,45,80,282</b>

### 16 Trade Receivables\*

1	Outstanding for more than six months	26,61,816	30,09,779
2	Others	17,47,99,026	16,42,19,174
	<b>Total</b>	<b>17,74,60,842</b>	<b>16,72,28,953</b>

\*all the above Trade Receivables are unsecured and considered good.

# PERMANENT MAGNETS LIMITED

## Annexure forming part of Financial Statements

### 17 Cash & Bank Balances

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
1	<b>Cash and cash equivalents</b>		
	Cash on hand	3,44,949	1,31,983
	<b>Balances with banks:</b>		
	In current accounts	20,66,062	10,35,588
2	<b>Others</b>		
	Term Deposits	1,82,31,077	1,73,82,313
	<b>Total</b>	<b>2,06,42,088</b>	<b>1,85,49,884</b>

\* Bank deposits of Rs. 182.31 Lacs (P.Y. Rs. 173.82 Lacs) held as margin money against bank guarantee/LC

### 18 Short Term Loans and Advances

	Unsecured and considered good		
1	Security Deposit	6,25,000	12,18,500
2	Inter- Corporate Deposits	50,00,000	50,00,000
3	Advances recoverable in cash or kind	34,18,552	10,84,811
4	Advance to Suppliers	6,64,702	9,63,440
5	Loans & Advances to Staff/ Empolyees	33,500	41,300
6	Balance with statutory/ Government Authorities	2,39,31,798	2,40,15,303
7	Prepaid Expenses	7,86,172	3,70,006
	<b>Total</b>	<b>3,44,59,724</b>	<b>3,26,93,360</b>

### 19 Revenue From Operations

	<b>Revenue from Operations</b>		
1	Sale of Products		
	Cast Magnets & Magnetic Assembly	13,40,32,660	10,39,76,669
	Parts & Accessories of Electricity Meter	51,68,63,357	44,06,19,610
	Sales Others	-	1,07,67,723
2	Sale of services		
	Job work Sale	32,45,210	-
	<b>Total A</b>	<b>65,41,41,227</b>	<b>55,53,64,002</b>
3	<b>Other Operational Income</b>		
	Scrap Sale	2,07,61,971	3,17,49,614
	Export Benefits	1,90,42,685	1,55,15,759
	<b>Total B</b>	<b>3,98,04,656</b>	<b>4,72,65,373</b>
	<b>Revenue from Operations (Gross) (A+B)</b>	<b>69,39,45,883</b>	<b>60,26,29,375</b>
	Less : Excise Duty	1,94,89,520	1,57,10,174
	<b>Total</b>	<b>67,44,56,363</b>	<b>58,69,19,201</b>

### 20 Other Income

1	Other Miscellaneous Income	12,88,597	25,51,936
2	Profit /(Loss) on Sale of Assets	85,927	-
2	Interest Income	12,83,901	14,86,317
3	Profit on sale of Mutual Fund	-	4,393
	<b>Total</b>	<b>26,58,425</b>	<b>40,42,646</b>





## Annexure forming part of Financial Statements

### 21 Cost of Material Consumed

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
	Inventory at the beginning of the year	12,92,89,127	14,23,24,459
	Add: Purchases (net)	37,08,64,062	35,47,31,637
		50,01,53,189	49,70,56,096
	Less : Inventory at the end of the year	13,20,59,642	12,92,89,127
	<b>Cost of raw material &amp; components Consumed</b>	<b>36,80,93,547</b>	<b>36,77,66,969</b>
	<b>Particulars of Materials Consumed</b>		
	Cobalt	64,66,752	35,50,212
	Nickel	69,25,894	88,92,449
	Copper Strip	5,39,50,315	7,00,27,799
	Nickel Strip	16,43,36,698	13,51,13,758
	Semi-finished Magnet	5,88,59,643	4,02,87,706
	Zinc	71,62,862	66,20,740
	Brass	6,31,52,609	9,15,04,155
	Others	72,38,774	1,17,70,150
	<b>Total</b>	<b>36,80,93,547</b>	<b>36,77,66,969</b>

### 22 Change in Inventories of WIP & Finished Goods

	<b>Inventory at the end of the year</b>		
	Work-in-progress	5,45,83,547	9,52,13,107
	Finished goods	72,19,376	77,06,421
		<b>6,18,02,923</b>	<b>10,29,19,528</b>
	<b>Inventory at the beginning of the year</b>		
	Work-in-progress	9,52,13,107	10,36,55,308
	Finished goods	77,06,421	84,48,621
		<b>10,29,19,528</b>	<b>11,21,03,929</b>
	<b>Total</b>	<b>4,11,16,605</b>	<b>91,84,401</b>

### 23 Employee Benefit Expenses

1	Contribution to PF & Other Fund	12,68,896	12,87,879
2	Gratuity Expenses	7,10,426	8,26,190
3	Salaries, Wages & Bonus	4,24,75,729	3,56,43,682
4	Staff Welfare Expenses	19,58,701	17,26,220
	<b>Total</b>	<b>4,64,13,752</b>	<b>3,94,83,971</b>

### 24 Financial Cost

1	Borrowing cost	93,93,606	1,80,25,728
2	Other Borrowing cost*	84,40,687	89,50,063
3	Exchange difference on borrowings (net)	(18,23,351)	56,27,391
	<b>Total</b>	<b>1,60,10,942</b>	<b>3,26,03,182</b>

\*includes Bank charges & Commission paid on BG & LC

### 25 Depreciation & Amortised Cost

1	Depreciation	1,35,78,070	1,09,71,178
2	Amortisation	1,38,591	1,33,869
	<b>Total</b>	<b>1,37,16,661</b>	<b>1,11,05,047</b>

# PERMANENT MAGNETS LIMITED

## Annexure forming part of Financial Statements

### 26 Other Expenses

<b><u>Manufacturing Expenses</u></b>			
1	Consumption of Stores, Spares & Consumbles	2,46,13,838	2,03,08,332
2	Freight Inward	39,27,824	31,43,788
3	Sub-Contract Charges & Labour Charges	5,36,37,130	4,20,23,221
4	Repairs & Maintenance - Machinery	16,97,512	19,30,763
5	Excise Duty on Finished Goods	(43,784)	(83,441)
6	Power & Fuel Charges	1,47,86,844	1,26,13,363
	<b>A</b>	<b>9,86,19,364</b>	<b>7,99,36,026</b>
<b><u>Selling &amp; Distribution Expenses</u></b>			
1	Advertising & Sales Promotion Expenses	18,92,550	15,74,912
2	Commission to Selling Agents	1,77,39,538	1,57,73,803
3	Freight Outward & Transportation	1,64,66,132	1,58,00,646
4	Other Selling & Distribution Expenses		
	<b>B</b>	<b>3,60,98,220</b>	<b>3,31,49,361</b>
<b><u>Administrative &amp; Other Expenses</u></b>			
1	Advertisement	2,02,100	4,66,648
2	Auditors Remuneration	5,63,500	4,75,000
3	Computer & Software Expenses	4,89,446	3,99,044
4	Directors' Sitting Fees	35,000	37,500
5	Exchange differences (net)	61,94,090	(2,08,91,735)
6	Travelling & Conveyance	37,70,875	32,29,715
7	Insurance	3,75,411	3,87,924
8	Printing & Stationery Expenses	8,26,007	8,20,424
9	Legal & Professional Charges	1,17,60,456	82,80,770
10	Loss on Sale of Assets	-	7,104
11	Miscl Exp	43,62,240	28,88,787
12	Rates & Taxes	40,65,090	21,01,009
13	Rent Exp	84,86,564	83,10,796
14	Security Service Charges	20,38,559	17,53,239
15	Communication Cost	18,47,134	15,51,025
16	Vehicle Running exp	21,47,747	17,83,084
17	Repairs - Building	11,12,364	7,25,341
18	Repairs - Others	3,85,022	3,04,084
	<b>C</b>	<b>4,86,61,605</b>	<b>1,26,29,759</b>
<b>Total A+B+C</b>		<b>18,33,79,189</b>	<b>12,57,15,147</b>

#### Payment to Auditor

<b>As Auditor</b>			
-	Audit Fee	3,50,000	3,50,000
-	Tax Audit Fee	1,00,000	1,00,000
<b>In other Capacity</b>			
-	Certifications	34,500	-
-	Other Services	79,000	25,000
		<b>5,63,500</b>	<b>4,75,000</b>

(Note: Above Figures are Excluding Service Tax)



## Annexure forming part of Financial Statements

### 27 Earning per Share

Sr. No	Particulars	31.03.2016 ₹	31.03.2015 ₹
1	Net Profit before Extra Ordinary Items attributable to Equity Share Holders	93,28,171	51,03,130
2	Extra Ordinary Items (Deferred Revenue Expense W/Off )		-
3	Net Profit after Extra Ordinary Items attributable to Equity Share Holders	93,28,171	51,03,130
4	Weighted Average Number of Equity Shares in calculating Basic EPS	85,98,453	85,98,453
5	Basic & Diluted Earning per share before Extra Ordinary Items (In Rs.)	1.08	0.59
6	Basic & Diluted Earning per share after Extra Ordinary Items (In Rs.)	1.08	0.59
7	Face value per Equity Shares	10	10

# PERMANENT MAGNETS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2016

Particulars	31.03.2016 ₹	31.03.2015 ₹
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	83,84,092	51,03,130
Adjustment for :		
Depreciation & Amortization	1,37,16,661	1,11,05,047
Loss/(Profit) on Sale of Assets	(85,927)	7104
Loss/(Profit) on Sale of Mutual Fund/Investments	(48,050)	(4393)
Finance Charges	1,60,10,942	3,26,03,182
Earlier year tax provision	9,44,079	-
Unrealised Foreign Exchange Loss/Gain	17,10,338	(45,77,455)
<b>Operating Profit before working Capital Changes</b>	<b>4,06,32,135</b>	<b>4,42,36,615</b>
Adjustment for:		
Inventories	3,86,08,952	2,18,15,954
Trade Receivables	(1,18,18,655)	(2,13,81,751)
Other Assets	(58,59,823)	(3912802)
Trade Payables	(1,18,12,994)	2,83,50,405
Other Liabilities	9,64,485	(27300133)
	<b>5,07,14,100</b>	<b>4,18,08,289</b>
Direct Taxes Paid	-	(9,44,079)
<b>Net cash flow from Operating Activities</b>	<b>5,07,14,100</b>	<b>4,08,64,210</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of/ (Additions to) Fixed Assets	(2,53,59,929)	(91,52,609)
Sale of/ (Additions to) investments (net)	1,07,050	14,393
<b>Net cash used in investing activities</b>	<b>(2,52,52,879)</b>	<b>(91,38,216)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	79,67,269	(25,73,058)
Proceeds from Short Term Borrowings (Net)	(1,53,25,344)	57,09,420
Finance Charges paid (Net)	(1,60,10,942)	(3,26,03,182)
<b>Net cash from Financing Activities</b>	<b>(2,33,69,017)</b>	<b>(2,94,66,820)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>20,92,204</b>	<b>22,59,175</b>
Opening Cash and Cash Equivalents	1,85,49,884	1,62,90,709
Closing Cash and Cash Equivalents	2,06,42,088	1,85,49,883

Notes :

1. The above statement has been prepared in indirect method as described in AS-3 issued by ICAI.

2. Cash and Cash Equivalent

Cash and Cash Equivalent	31.03.2016	31.03.2015
Cash in hand	3,44,949	1,31,983
Balance with Banks	2,02,97,139	1,84,17,901
<b>Total</b>	<b>2,06,42,088</b>	<b>1,85,49,884</b>

As per our Report of even date.

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number : 104184W/ W100075

For & on behalf of the Board

**(Hemant Agrawal)**  
Designated Partner  
Membership No. : 403143

**Arun Binani**  
Chairperson

**Sharad Taparia**  
Managing Director

**Sukhmal Jain**  
Vice President-Finance

**Bhavana Shah**  
Company Secretary

Place: Mumbai  
Date: 28/05/2016



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### Company Overview

Permanent Magnet Limited is one of the flagship Company of Taparia Group, Mumbai and one of the leading manufacturers of Alnico Cast Magnets and Yoke Assemblies, Parts and accessories of electricity meters in the world. Company has good customer base in India as well as in Europe, USA, South America and South East Asia. Permanent Magnets Limited (the 'Company') is listed on the Bombay Stock Exchange (BSE). The Significant Accounting Policies are as follows:

#### 1. Significant Accounting Policies:

##### a. Basis of Preparation of Financial Statements:

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 ("the Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The financial statements have been prepared as a going concern on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

All the assets and liabilities have been classified as current or non-current as per the Companies normal operating cycle and other criteria set out in the schedule III of the Companies Act, 2013. Based on the nature of product and the time between the acquisition of assets for processing and their realization in cash and cash equivalent, the Company has ascertained its operating cycle to be 12 months for the purpose of current, non-current classification of assets and liabilities.

##### b. Use of Accounting Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

##### c. Fixed Assets:

Fixed assets 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 include financing cost for period up to the date of readiness of use. There has been no revaluation of fixed assets during the year.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost and related incidental expenses.

##### d. Intangible Assets

Intangible Assets are stated at cost of acquisition net of recoverable taxes less accumulated amortization/depletion and impairment loss, if any. The cost comprises purchase price, borrowing costs, and any cost directly attributable to bringing the asset to its working condition for the intended use.

##### e. Depreciation and Amortisation:

Depreciation on tangible fixed assets has been provided on WDV method as per the useful life prescribed in Schedule II to the Companies Act, 2013. For any addition during the year, depreciation is charged for whole year whereas for disposals of any assets during the year, depreciation is provided on pro-rata for the year of use.

The Management estimates the useful lives for the other fixed assets as follows:

Name of Assets	Life as per management
Plant & Machinery	From 2 year to 10 years
Furniture & Fixtures - Cabin & Aluminum Section	15 Years
Laptop, Scanner & Monitors	5 Years

Computer Software is amortized in 5 years

##### f. Impairment of Assets

The carrying amount of assets or cash generating units are reviewed at each balance sheet date, if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss 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.

# PERMANENT MAGNETS LIMITED

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**g. Revenue Recognition:**

1. Revenue in respect of sale of goods as well as scrap 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. Income from services rendered is recognized as per the agreed terms/completion of the services
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 Value added tax (VAT) on entire sales and is allowed credit of entire Value added tax (VAT) suffered on purchases. Accordingly, the balance of Value added tax suffered on purchases not utilised against current year 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 in case of refund and Other Current Liabilities, if any liability arises.
5. Export incentives, interest and other incomes are accounted on accrual basis except Dividend which is accounted in the year of receipt.
6. Dividend income is recognized when the right to receive payment is established.
7. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable

**h. Export Benefits:**

Export benefits receivable at the end of the year are estimated based on the applicable Export benefits 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 Statement of Profit & Loss.

**i. 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.

**j. Retirement Benefits:**

**Defined contribution plans**

Contributions to defined contribution schemes such as employees' state insurance, labour welfare fund, superannuation scheme, employee pension scheme etc. are charged as an expense based on the amount of contribution required to be made as and when services are rendered by the employees. Company's provident fund contribution, in respect of certain employees, is made to a government administered fund and charged as an expense to the Statement of Profit and Loss. The above benefits are classified as Defined Contribution Schemes as the Company has no further defined obligations beyond the monthly contributions.

**Defined benefit plans**

Defined benefit plans like gratuity & Leave Encashment are determined based on actuarial valuation carried out by an independent actuary at the balance sheet date using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit, and measures each unit separately to build up final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on government securities at the balance sheet date. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

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

**k. Foreign Currency Transactions:**

- i. The transactions in foreign currencies are recorded at the exchange rate prescribed by the Customs Department for the month of the transaction.
- ii. All Monetary assets and liabilities are converted at the exchange rate prevailing on the last day of the year. Non-monetary foreign currency items are carried at cost.
- iii. 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 Statement of Profit and Loss of the year by debit/credit to loss or gain on foreign Exchange Account.



**I. 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.

- i. 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.
- ii. 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.
- iii. 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.
- iv. Stores and spares are valued at cost. The method of arriving at the cost is FIFO basis.
- v. Re-usable metallurgical residue is valued at the realizable value, as reduced by the estimated cost of purification/ conversion, to render the material realizable.
- vi. 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.

**m. Investments:**

- i. 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.
- ii. Current investments are carried at the lower of cost and fair value of each investment individually.

**n. Taxation:**

**i. 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 provisions of the Income Tax Act, 1961 applicable to the current financial year.

**ii. Deferred tax**

Deferred tax is recognised for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date for any write down, as considered appropriate.

**o. Borrowing Costs:**

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred.

**p. Provisions, Contingent Liabilities & Contingent Assets:**

Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

Contingent assets are neither recognized nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that inflow of economic benefit will arise, the asset and related income are recognized in the period in which such change occur.

# PERMANENT MAGNETS LIMITED

**q. Leases:**

Lease arrangements, where the risk and rewards incidental to the ownership of asset substantially vests with the lessor are recognized as operating lease. Assets taken on lease under operating leases are capitalized. Lease payments under operating leases are recognized as an expense in the Statement of Profit and Loss.

**r. Cash flow Statement**

Cash flows are reported using indirect method as set out in Accounting Standard (AS) -3 "Cash Flow Statement", whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**s. Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**t. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss after tax (including the post tax effect of extraordinary items, if any) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per share, the net profit or loss after tax (including the post-tax effect of extraordinary items, if any) for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, if any.

**u. 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.

**1. NOTES TO ACCOUNTS:**

1. In the opinion of Directors, the Current Assets, Loans & Advances and Investments have a value on realization in the ordinary course of business, which is at least equal to the amount at which they are stated in the Balance Sheet.

**2. Contingent Liabilities:(Rs. in Lakhs)**

Particulars	31.03.16	31.03.15
a. Unutilized Letters of Credit with Bankers	138.07	66.68
b. Bank Guarantee	0.43	13.05
c. 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.	9.85	31.25
d. 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
e. 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. The Company has provided simple interest as demanded by ICICI. Total interest provided by the company is ₹ 164.93 lakhs, which may be reversible if the Central Government finally doesn't demand. 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 the management does not expect any liability on that account.	963.79	663.80





Particulars	31.03.16	31.03.15
f. 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.	12.42	18.55
g. Income tax Department has raised a demand of Rs. 2,59,318/- in respect of Suyog Agency Ltd. (Company merged with PML) for the A. Y. 07-08 of which Rs. 53,517/- is recognized in the books and for the balance amount the company has filed an appeal with CIT (A).	2.06	2.06

3. Honorable Bombay High Court has passed winding up order on the petition of M/s Savino Del Beno "Petitioner" (Freight forwarder agent & CHA of company).

Facts of the case - During the year 2010, Petitioner has raised bills for their services but failed to submit Original EP copy to the company which is essential documents to claim Excise rebate, and accordingly company withheld their payment. Subsequently, petitioner has filed winding up petition against the Company of dues of Rs. 12,95,305/-. Honorable Mumbai High Court has passed an order allowing the petition and issued direction for appointment of official liquidator in winding up order.

On the appeal against this order made by the company before Honorable Bombay High Court, Honorable Bombay High Court has given interim stay order against the winding up order passed (against the Company) dated 15/04/2015. Company has deposited Rs. 19,05,179/- with interest as per direction of honorable Bombay High Court. Matter is pending before Bombay High Court. Amount deposited with court shown in Balance sheet under Current Assets

4. 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. 08.02 Lakhs (P. Y. Rs. 08.46 Lakhs). The same amount has been included in the calculation of Cost for valuation of finished goods.
5. Balance under the head 'Trade Receivables', 'Trade Payables', '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.
6. During the year Rs. 43.71 Lakh (P. Y. Rs. 152.64 Lakh credit) has been debited to the Statement of Profit and Loss in respect of the Foreign Exchange Differences.
7. **Leases:**

The company has operating lease agreements, primarily for leasing office space. Most of these lease agreements provide for cancellation by either party with a notice period ranging from 30 days to 120 days and contain a clause for renewal of lease agreement at the option of the company. There are no non-cancelable operating leases. There are no assets are taken on finance lease.

8. **Related Party Disclosure:**

As per the accounting standard 18 prescribed by Companies (Accounting Standards) Rules, 2006, details of related parties & transactions with them are given below:

Sr. No.	Name of Related Party	Relationship
1	Taparia Ayurvedic & Food Products Pvt. Ltd.	Associates & Enterprises over which Key Managerial Personnel are able to exercise significant influence
2	Jyotsna Plantation Ltd.	
3	Varij Plantation Pvt Ltd.	
4	Panache Fashions	
5	Precision Medical Devices Corporation	
6	Mr Sharad Taparia	Key Managerial Personnel
7	Mr Sukhamal Jain	
8	Mrs Bhavana Shah	
9	Mrs Sunayna Taparia (Wife of Shri Sharad Taparia)	Relatives of Key Managerial Person.

Transactions with and outstanding balances of related parties are furnished below: (INR In Lakhs)

Particulars	Directors / Key Management Personnel and their relatives	Companies / firms Controlled by the Directors'	Outstanding Balance
Directors' /KMP Remuneration & Fees	41.16 36.66	Nil Nil	2.47 0.87
ICD taken/Given	Nil Nil	Nil Nil	Nil Nil
Advance Given	Nil Nil	Nil Nil	Nil Nil

## 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.

Note: Previous year's figures are given in *italic*

Out of the above, transaction with related parties in excess of 10% of the total related party transactions are as under:

(INR in Lakhs)

Particulars	2015-16	2014-15
<b>KMP</b>		
<b>Remuneration</b>		
Mr. Sharad Kumar Taparia	13.07	13.07
Mr. Sukhmal Jain	20.98	17.03
Mrs. Bhavna D Shah	7.11	6.57

9. **Segment Reporting :**

The company is operating in single business segment i.e. manufacturing of Cast Magnets & part and accessories of electricity meters & its application. Hence AS-17 is not applicable.

10. **Impairment of Assets:**

During the year under consideration, none of the assets has been impaired.

11. **Disclosure as per amendment to clause 32 of the Listing Agreement:**

(INR in Lakhs)

Sr. No.	Name of the Parties	Maximum balance outstanding during the year ended		Outstanding Balance as on	
		31.03.16	31.03.15	31.03.16	31.03.15
1.	Loans to Subsidiary Co.	NIL	NIL	NIL	NIL
2.	Unsecured Loans given where there are no Repayment Schedule	NIL	NIL	NIL	NIL

12. a) Purchases of Finished Goods:

NIL

(P.Y. NIL)

b) **Expenditure and Earning in Foreign Currencies:**

A. CIF Value of Imports:

Particulars	Amount (INR In Lakhs)	
	2015-16	2014-15
Raw Materials & component	2589.76	1945.96

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

Particulars	2015-16		2014-15	
	Amount (INR In Lakhs)	%	Amount (INR In Lakhs)	%
<b>Raw Materials</b>				
Imported	2434.79	66.15	1873.66	50.95
Indigenous	1246.14	33.85	1804.01	49.05
<b>Total</b>	<b>3680.93</b>	<b>100.00</b>	<b>3677.67</b>	<b>100.00</b>



c. Expenditure in foreign currencies incurred during the year:

Particulars	Amount (INR In Lakhs)	
	2015-16	2014-15
a. Travelling Expenses	10.72	17.77
b. Books & Periodicals	0	0.06
c. Others	19.31	1.15
d. Financial Charges	41.54	31.84

D. Earnings in foreign currencies during the year:

Particulars	Amount (INR In Lakhs)	
	2015-16	2014-15
1. FOB Value of Exports	4812.49	4185.88

13. The management has initiated the process of identifying enterprises which have provided goods and services to the company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006. The company has not received any intimation from its vendors regarding their status under Micro, Small and Medium Enterprises Development Act, 2006. Further in the view of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material.
14. The Company has determined the liability for Gratuity and Leave encashment in accordance with Accounting Standard 15 (Revised 2005) – Employee Benefits.
- a) The following table sets out the status of the Gratuity Plan as required under AS-15.

Particulars	Amount (INR In Lakhs)	
	31.03.16	31.03.15
<b>Reconciliation of Opening and Closing Balance of Present Value of the defined benefit obligation and plan assets:</b>		
Obligation at the beginning	42.67	38.84
Interest Cost	2.98	3.29
Current Service Cost	7.04	6.91
Actuarial (Gain)/Loss	-2.92	1.94
Benefit Paid	-10.72	-4.43
Obligation at the period end	39.05	42.67
<b>Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company :</b>		
Change in plan assets:		
Fair Value of plan asset at the beginning	0	0
Expected return on plan assets	0	0
Actuarial Gain	0	0
Contribution	10.72	4.43
Benefit paid	-10.72	-4.43
Fair Value of plan asset at the end of the year	0	0
<b>Reconciliation of present value of obligation and fair value of plan asset:</b>		
Fair Value of plan asset at the end of the year		
Present Value of defined obligation at the end of the period	39.05	42.67
Liability recognized in the balance sheet	39.05	42.67
<b>Gratuity Cost for the period:</b>		
Service cost	7.04	6.91
Interest cost	2.98	3.29
Expected return on plan assets	0	0
Actuarial (gain)/loss	-2.92	-1.95
Expense recognized in Statement of Profit and Loss	7.10	8.26

# PERMANENT MAGNETS LIMITED

The following table sets out the status of the Leave Encashment Plan as required under AS-15.

Amount (INR In Lakhs)

Particulars	As at 31.03.16	As at 31.03.15
<b>Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:</b>		
Obligation at the beginning	11.46	10.20
Interest Cost	0.81	0.81
Current Service Cost	13.00	12.91
Actuarial (Gain)/Loss	0.72	10.04
Benefit Paid	-02.68	-02.42
Obligation at the period end	23.31	11.46
<b>Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company:</b>		
Change in plan assets:		
Fair Value of plan asset at the beginning	0	0
Expected return on plan assets	0	0
Actuarial Gain	0	0
Contribution	2.68	2.42
Benefit paid	-2.68	-2.42
Fair Value of plan asset at the end of the year	0	0
<b>Reconciliation of present value of obligation and fair value of plan asset:</b>		
Fair Value of plan asset at the end of the year	0	0
Present Value of defined obligation at the end of the period.	23.31	11.46
Liability recognized in the balance sheet	23.31	11.46
<b>Leave Encashment Cost for the period</b>		
Current Service cost	13.00	12.91
Interest cost	0.81	0.81
Expected return on plan assets	0	0
Actuarial (gain)/loss	0.72	10.04
Expense recognized in Statement of Profit and Loss	14.54	-3.68

b) **Valuation Assumptions**

Considering the above stipulation in the case of Gratuity and Leave Encashment, the following assumptions have been made:

Particulars	31.03.16	31.03.15
Mortality Rate	IALM2008	LIC (1994-96)
Discount Rate	7.57%	8%
Salary Escalation Rate	4%	4%
Withdrawal Rate	1% throughout	1% throughout
Retirement Age	60 Years	60 Years
Expected average remaining service	23	22 (20.7)

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

**For Jayesh Sanghrajka & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number : 104184W/ W100075

**(Hemant Agrawal)**

Partner

Membership No. : 403143

**Arun Binani**

Chairperson

**Sukhmal Jain**

Vice President-Finance

For & on behalf of the Board

**Sharad Taparia**

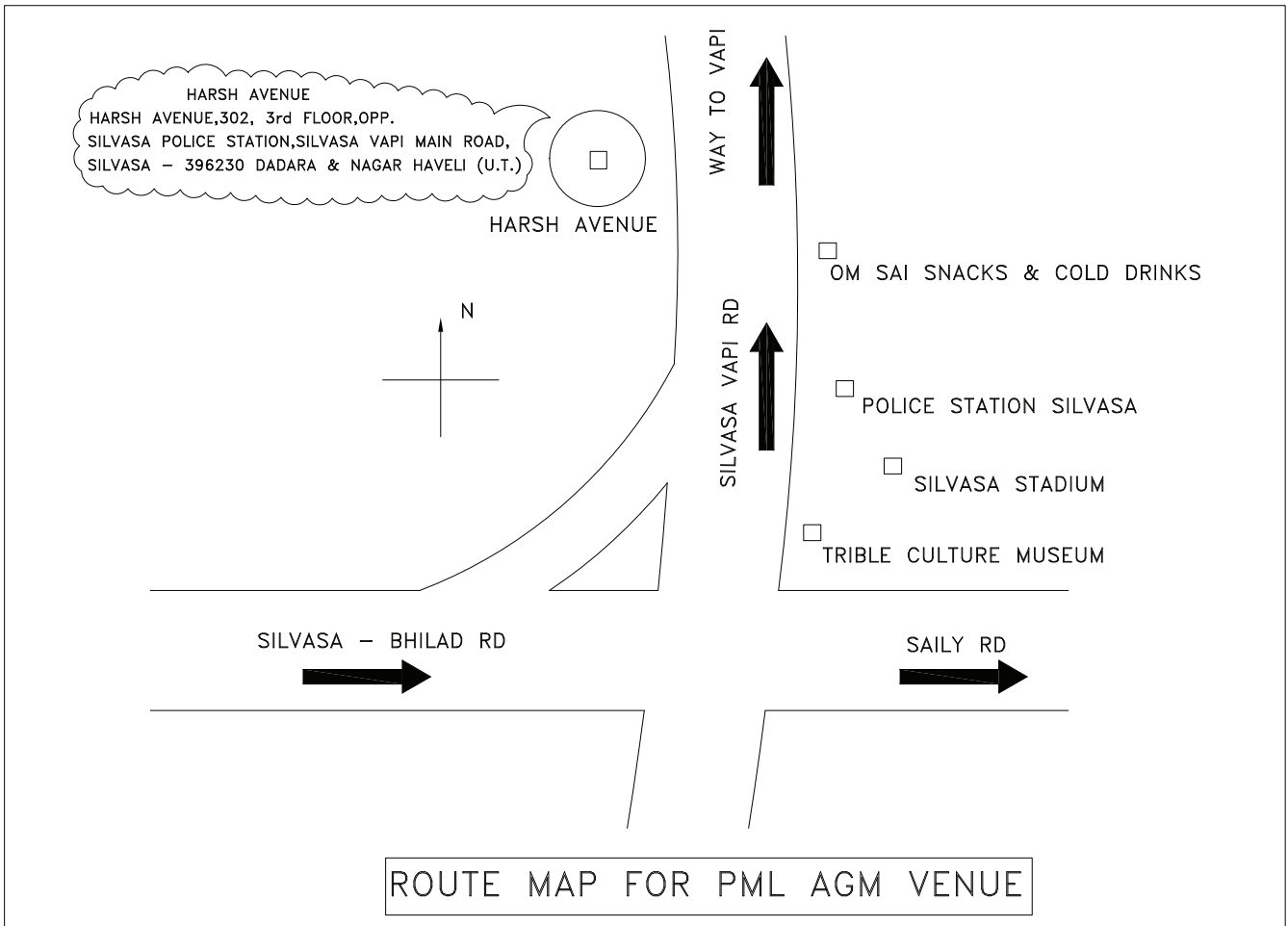
Managing Director

**Bhavana Shah**

Company Secretary

Place: Mumbai

Date: 28<sup>th</sup> May, 2016



## PERMANENT MAGNETS LIMITED

Regd Off. : Harsh Avenue, 302, 3rd Floor, Opp. Silvassa Police Station, Silvassa Vapi Main Road,  
Silvassa- 396230. Dadra and Nagar Haveli(U.T.)  
CIN: L27100DN1960PLC000371 WEBSITE: www.pmlindia.com

### ATTENDANCE SLIP

I hereby record my presence at the 55th Annual General Meeting held at Harsh Avenue, 302, 3rd Floor, Opp. Silvassa Police Station, Silvassa Vapi Main Road, Silvassa- 396230. Dadra and Nagar Haveli (U.T.) on Wednesday, 28th September, 2016 at 11.00 A.M.

Name of Shareholders _____	DP ID* _____
Registered Address _____	Client ID* _____
_____	Folio No. _____
_____	No. of Shares _____

\_\_\_\_\_  
SIGNATURE OF THE SHAREHOLDER OR PROXY:

NOTE: Please fill in this attendance slip and hand it over at the entrance of the meeting hall.

\* For shares held in electronic form

### Form No. MGT-11

### PROXY FORM

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

## PERMANENT MAGNETS LIMITED

Regd Off. : Harsh Avenue, 302, 3rd Floor, Opp. Silvassa Police Station, Silvassa Vapi Main Road,  
Silvassa- 396230. Dadra and Nagar Haveli(U.T.)  
CIN: L27100DN1960PLC000371 WEBSITE: www.pmlindia.com

Name of the Member (s): _____	
Registered address: _____	
E - mail Id: _____	
Folio No / Client Id: _____	DP Id: _____

I/We, being the Member (s) of .....shares of above named company, hereby appoint

- 1) \_\_\_\_\_ of \_\_\_\_\_ (address) having e-mail ID \_\_\_\_\_, or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ (address) having e-mail ID \_\_\_\_\_, or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ (address) having e-mail ID \_\_\_\_\_, or failing him

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 55th Annual general meeting of the company, to be held on Wednesday, 28th September, 2016 at 11.00 A.M. at Harsh Avenue, 302, 3rd Floor, Opp. Silvassa Police Station, Silvassa Vapi Main Road, Silvassa- 396230. Dadra and Nagar Haveli U.T.) and at any adjournment thereof in respect of such resolutions as are indicated behind:

Resolutions	For	Against
1. Adoption of statement of Profit and Loss, Balance Sheet, Report of Board of Directors and Auditors for the year ended March 31, 2016		
2. Appointment of Director liable to retire by rotation		
3. Ratification of appointment of Auditors		
4. Resolution for reappointment of Managing Director		

Signed this ..... day of ..... 2016

Signature of shareholder \_\_\_\_\_

Affix  
a revenue  
stamp

\_\_\_\_\_  
Signature of Proxy holder

**Note:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A proxy need not be a member.
- (3) For the Resolutions Explanatory statement and Notes, please refer to the Notice of the 55th Annual General Meeting.
- (4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.





*If undelivered return to :*

**Head Office :**

**PERMANENT MAGNETS LIMITED**

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