

Form A

1	Name of the Company	Permanent Magnets Ltd.
2	Annual Financial Statements for the year ended	31st March 2014
3	Type of Audit Observation	Unqualified
4	Frequency of Observation	Not Applicable

For Jayesh Sanghrajka & Co. For Permanent Magnet Limited


Chartered Accountants

Firm Regn. No. 104184W


Ashish Sheth
Partner
M.No. 107162




Sharad Taparia
Managing Director


Sukhmal Jain
Chief Financial Officer


Rajeev Mundra
Chairman – Audit
Committee

53rd
Annual Report
2013-2014



PERMANENT MAGNETS LIMITED

PERMANENT MAGNETS LIMITED

53rd ANNUAL REPORT 2013- 2014

BOARD OF DIRECTORS

Mr. Arun Binani	<i>Independent Non Executive, Director, Chairman</i>
Mr. Sharad Kumar Taparia	<i>Managing Director</i>
Mr. Rajeev Mundra	Independent Director
Mr. Mukul Taparia	Additional Director (w.e.f. 12 th August, 2014)

COMPANY SECRETARY

Ms. Bhavana Shah

AUDITORS

M/s. Jayesh Sangharajka & Co.
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, 3rd Fl., Opp Silvassa Police Station,
Silvassa Vapi Main Road, Silvassa-396230

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, 1st 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 **53rd Annual General Meeting** of the members of **Permanent Magnets Limited** will be held on Monday, the 22nd day of September, 2014 at 11.30 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 31st March, 2014 along with notes and schedules thereon as on that date and the reports of Directors and Auditors thereon.
2. 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 of the Companies Act, 2013 and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, M/s Jayesh Sanghrajka & Co., Chartered Accountants, (ICAI Firm Registration No. 104184W) , as statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion of the fifty sixth Annual General Meeting of the company to be held in the year 2017 (subject to ratification of their appointment at every AGM) at such remuneration as may be mutually agreed upon between the Board of Directors of the company and the Auditors."

SPECIAL BUSINESS:

3. To consider and, if thought fit, to pass with or without modification(s), as an **Ordinary Resolution** the following:
"RESOLVED THAT pursuant to Section 149(13) of the Companies Act, 2013 the Independent Directors of the Company shall not be liable to retire by rotation."
4. "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Arun Binani (DIN00295959) a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 12th August, 2014 up to 11th August, 2009.
5. "RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules made thereunder read with Schedule IV to the Act, as amended from time to time, Mr. Rajeev Mundra (DIN1352145) a non-executive director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company with effect from 12th August, 2014 up to 11th August, 2009.
6. To consider and if thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**.
RESOLVED that pursuant to section 149,150,152 and any other applicable provisions of Companies Act, 2013 and the Rules made there under read with schedule IV to the companies Act 2013 Mr Mukul J. Taparia (Din 00318434) who was appointed as an additional director of the company by the Board of Directors with effect from 12th August, 2014 and who holds office until this Annual General meeting in terms of section 161 of the Companies Act, 2013 and who has offered himself for appointment as Non Executive Director and in respect of whom the company has received a notice in writing from a member under section 160 of the Companies Act, 2013 signifying his intention to propose Mr Mukul J. Taparia as a candidate for the office of Director of the company , be and is hereby appointed as a Non executive Director of the company, liable to retire by rotation."
7. To consider and, if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:
"RESOLVED THAT in supersession of Resolution passed at the Annual General Meeting held on 30th September, 2006, consent of the Company be and is hereby accorded under Section 180 (1) (c) of Companies Act, 2013 and other applicable provisions, if any, to the Board of Directors of the Company, to borrow any sum or sums of money, from time to time for the purpose of the Company, upon such terms and conditions and with/without security, as the Board of Directors may, in its absolute discretion, think fit and proper, notwithstanding the fact that the money or monies to be borrowed together with the monies already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) may exceed, at any time, the aggregate of the paid up capital of the Company and its free reserves, (that is to say, reserved not set apart for any specific purpose), provided that the total amount of such borrowings shall not exceed, at any time, a sum of Rs. 50 Crores (Rupees Fifty Crores) over and above the paid up capital and free reserves of the Company and the Board of Directors be and is hereby empowered and authorised to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest repayment, security or otherwise howsoever as it may think fit.
RESOLVED FURTHER THAT the Board of Directors be and is hereby further authorised to create mortgages and/or charges on such properties of the Company as it may think fit and for that purpose to execute such documents, papers, deeds and writings containing such conditions and covenants as the Board may think fit and to take all such steps as may be necessary or desirable to give effect to this Resolution."
8. To consider and if thought fit, to pass with or without modification, if any, the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of Rs. 35000/- plus service tax, out-of- pocket, travelling expenses payable to M/s Krishna S. & Associates, Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records maintained by the Company for the Financial Year ending March 31, 2015."
"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

By Order of the Board of Directors
For Permanent Magnets Ltd
Sd/-
(Bhavana Shah)
Company Secretary

Dated: 12th August, 2014
Place: MUMBAI.
Corporate Office:
B-3, MIDC Industrial Area,
Village Mira, MiraRoad 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, 16th September 2014 to Monday 22nd September, 2014 (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 in notes.
4. The Company has appointed a SEBI approved Registrar and Share Transfer Agent M/s. Adroit Corporate Services P. Ltd. having their office 19, Jafferbhoy Industrial Estate, 1st Floor, Makwana Road, Marol Naka, Andheri (E), Mumbai - 400059. Members are requested to send all communication such as relating to change of address, Transfer/Demat of shares etc. to M/s. Adroit Corporate Services Private Limited.
5. Trading of equity shares of the company in demat form has been made in the CDSL system on 31st October, 2001 and in the NSDL system on 29th November, 2001 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.

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

Name of Director	Mr. Rajeev Mundra
Age	43 years
Date of Appointment	16-04-2007
Qualifications	B.Com, CA, Grad CWA, CISA(USA),DIFA(ICA)
Exposure in specific functional areas	Finance, Accounting and Taxation.
Directorship held in other Companies (excluding foreign Companies, Private Companies and Alternate Directorships)	Rachit Mercantile Private Limited Pregna International Limited Taparia Tools Limited Bhanuprasad Commodities Private Limited. Sumaaya Digital Private Limited
Member of Committee of Directors of other Companies	1
Shareholding in Company	Nil
Name of Director	Mr. Arun Binani
Age	55 years
Date of Appointment	26-03-2003
Qualifications	B.Com
Exposure in specific functional areas	Textile Manufacturing Business, Accounts, Banking, Exports etc.
Directorship held in other Companies (excluding foreign Companies, Private Companies and Alternate Directorships)	Orient Pratishtan Limited Indo Industries Limited Pregna International Limited.
Member of Committee of Directors of other Companies	Nil
Shareholding in Company	Nil

PERMANENT MAGNETS LIMITED

Name of Director	Mr. Mukul Taparia
Age	39 years
Date of Appointment	12 th August, 2014
Qualifications	Bachelors in Computer Science, Diploma in Business Engineering
Exposure in specific functional areas	International Marketing, Finance
Directorship held in other Companies (excluding foreign Companies, Private Companies and Alternate Directorships)	Jyotsna Plantations Ltd.
Member of Committee of Directors of other Companies	NIL
Shareholding in Company	6.99%

Voting through electronic means:

The Company is pleased to offer E-Voting facility under Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, 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.

The procedure and instructions for the same are as follows:

In case of Members receiving e-mail:

- (i) Log on to the e-voting website 'www.evotingindia.com'
- (ii) Click on "Shareholders" tab.
- (iii) 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.
- (iv) Next enter the Image Verification as displayed and Click on Login.
- (v) If you are holding shares in demat form and had logged on to 'www.evotingindia.com' and voted on an earlier voting of any other company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • 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. • 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.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then reach directly 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) 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.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.



- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to 'www.evotingindia.co.in' and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to 'helpdesk.evoting@cdslindia.com'.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to 'helpdesk.evoting@cdslindia.com' and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of Members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins on 15th September, 2014 at 10:00 a.m. IST and ends on Wednesday, 17th September, 2014 at 6:00 p.m. IST. During this period, shareholders' of the Company, holding shares as on Friday, 22nd August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (c) 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.co.in' under help section or write an email to '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 Scrutinizer will within a period of not exceeding three (3) working days from the conclusion of the e-Voting period unlock the votes in the presence of at Least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

The Results will be declared at the 53rd Annual General Meeting of the Company. The Results declared along with the Scrutinizer's Report will be placed on the Company's website www.pmlindia.com and on the website of CDSL within two (2) days of passing of the resolutions at the 53rd Annual General Meeting of the Company and will be communicated to Bombay Stock Exchange Limited.

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 No. 3 :

Section 149(4) requires the Company to appoint Independent Directors. The Company already has Independent Directors pursuant to the provisions of Clause 49 of the Listing Agreement. However, as per Articles of Association of the Company, all Directors including the Independent Directors except the Managing Director are liable to retire by rotation at the Annual General Meeting. The provisions of subsection (6) and (7) of the Section 152 in respect of retirement of Directors are not applicable to appointment of Independent Directors as per Section 149(13) of the Companies Act, 2013. The Company will suitably amend its Articles of Association to enable this provision. Considering the requirement of the new Companies Act, 2013, applicable with effect from April 1, 2014, it is proposed to specifically seek approval of the Shareholders in this AGM to the effect that the Independent Directors, whether present or future, will not retire by rotation in any AGM.

Except Independent Directors, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, in the resolution set out at Item No. 3. The Directors recommend the Resolution for approval of the shareholders.

Item No. 4:

Mr. Arun Binani appointed as Non-Executive Independent Director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

He is Commerce graduate He is having experience in the field of Accounts, Finance, exports etc. The Company is utilizing his experience in all respective field of the business operation.

As per the provisions of Section 149 of the Companies Act, 2013 which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Arun Binani has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Arun Binani as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director from 12 August, 2014 up to 11 August, 2019.

In the opinion of the Board, Mr. Arun Binani fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Arun Binani as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. Arun Binani would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. Arun Binani, is concerned or interested in the Resolution at Item No. 4 of the Notice. Mr. Arun Binani and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 4.

Item No. 5:

Mr. Rajeev Mundra appointed as Independent Directors. He is a non-executive independent director of the Company and is considered as an Independent Director under Clause 49 of the Listing Agreement.

He is qualified Chartered Accountant. He is having vast experience in the field of accounts, Financial Matters , taxation, administration etc.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1 April, 2014, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Mr. Rajeev Mundra has given a declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act.

The matter regarding appointment of Mr. Rajeev Mundra as Independent Director was placed before the Nomination & Remuneration Committee, which commends his appointment as an Independent Director from 12 August, 2014 up to 11 August, 2019.

In the opinion of the Board, Mr. Rajeev Mundra fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Mr. Rajeev Mundra as Independent Director is now being placed before the Members in general meeting for their approval.

Copy of the draft letter for appointment of Mr. Rajeev Mundra would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Mr. Rajeev Mundra, is concerned or interested in the Resolution at Item No. 5 of the Notice. Mr. Rajeev Mundra and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 5.



Item 6

Pursuant to section 149, 150, 152 Schedule IV of the Companies Act 2013 read with Companies (appointment and qualification of Director) Rules 2014, it is proposed to appoint Mr. Mukul J. Taparia as a non-executive Director of the company, liable to retire by rotation. The Company has also received notice pursuant to section 160 of the Companies Act, 2013 from member proposing the appointment of aforesaid Independent Directors. He is brother of Shri Sharad Taparia, Managing Director of the company. Mr. Mukul J. Taparia shall not be entitled to get any remuneration except sitting fees for attending meeting of the Directors and its Committee, travelling expenses for attending meetings and other out of pocket expenses.

The Board of Directors at its meeting held on 12th August, 2014 has appointed Mr Mukul J. Taparia as an additional Director on the Board of Director of the company.

Mr. Mukul J Taparia is well qualified and having wide experience in the field of Marketing. Mr. Mukul Taparia is holding 6.99% shares in the Company.

Copy of the draft letter for appointment of Mr. Mukul J Taparia would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

None of the Directors or key managerial personnel (KMP) or relatives of directors and KMP, except Shri Sharad Taparia and Mukul J Taparia, are concerned or interested in the Resolution at Item No. 6 of the Notice. Mr. Mukul J Taparia and his relatives are interested or concerned in the Resolution concerning his appointment proposed at agenda Item No. 6.

Mr. Mukul J. Taparia is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

Brief resume of Mr. Mukul J. Taparia, nature of her expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are given in notes.

The Board commends the Ordinary Resolution set out of the Notice for approval by the shareholders.

Item 7

In terms of Section 180(1) (c) of the Companies Act, 2013, Company cannot borrow money, where the money to be borrowed, together with the money already borrowed by the company exceeds aggregate of its paid-up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business without obtaining consent of the members of the company by Special Resolution passed in their meeting.

Taking into account the future finance requirements considering growth plans and expansion programs being contemplated and undertaken by the Company and to cater to the working capital needs, a resolution is proposed providing that, in addition to the Company's existing borrowings, the Directors may, for and on behalf of and for the purpose of the Company, borrow further sums of money amounting in the aggregate to a sum not exceeding Rs. 50 Crore (Rupees Fifty Crore Only). Hence the members are requested to accord their approval for the borrowing power limit of the Board to Rs. 50 Crore (Rupees Fifty Crore Only).

Your Directors recommend the above Resolution to be passed Special Resolution for your approval.

None of the Directors and Key Managerial Personnel of the company and their relatives is concerned or interested, financially or otherwise, in respect of this resolution.

Item No .8

The Board had on May 29, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Krishna S. & Associates, Cost Accountants to conduct the audit of the Cost records pertaining to relevant product groups maintained by the Company for the Financial Year ending March 31, 2015 and remuneration of Rs.35000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.8 of the Notice.

By Order of the Board of Directors
For Permanent Magnets Ltd
Sd/-
(Bhavana Shah)
Company Secretary

Dated: 12th August, 2014
Place: MUMBAI.
Corporate Office:
B-3, MIDC Industrial Area,
Village Mira, MiraRoad 401104
Dist. Thane.

PERMANENT MAGNETS LIMITED

DIRECTORS' REPORT

To,
The Members,

PERMANENT MAGNETS LIMITED.

Your Directors have pleasure in presenting the 53rd Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31st March, 2014.

FINANCIAL RESULTS:

(Rs.In Lacs)

Particulars	31/03/2014	31/03/2013
Sales	5453.66	4851.07
Other Income	74.06	79.16
PBIDT & Extra Ordinary Items	337.70	394.58
Interest	326.19	349.53
Depreciation	82.56	85.36
Profit before Extra Ordinary Items & tax	-71.05	-40.30
Extra Ordinary Items	-	215.54
Profit before Tax	-71.05	-255.85
Tax /Deferred Tax	-	-
Profit/(Loss) for the year	-71.05	-255.85

1. YEAR IN RETROSPECT.

The Sales for the financial year under review increased by appx. 12 % as compared to previous year. However Profitability was under pressure due to higher cost of materials, increase in other expenses etc. 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 2014-15:

The sales during April-July 2014 has been 13.03 Crores. The corresponding sales for the corresponding period of 2013-14 was 15.01 Crores. Some customers have slowdown resulting in less sales.

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:

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreement entered in to with stock exchanges, appointed Shri Arun Binani and Shri Rajeev Mundra as Independent Directors of the company. The Company has received declarations from the said Independent Directors of the company that they meet the criteria of independence as prescribed both under sub section (6) of Section 149 of the Companies Act, 2013 and under the said Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act, 2013, these directors are being appointed as Independent directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the company.

Shri Mukul J. Taparia was appointed as additional director of the company by the Board of Directors at their meeting held on 12th August, 2014. He holds office up to the date of the forth coming AGM. He has offered himself for appointment as Non Executive Director of the company.

7. DIRECTORS RESPONSIBILITY STATEMENT:

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

- In the preparation of the accounts, the applicable accounting standards have been followed.
- The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012 and of the financial year and of the Profit or Loss of the Company for the year ended 31st March, 2012.
- The Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the Annual accounts on a going concern basis.



8. CORPORATE GOVERNANCE:

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

9. SUBSIDIARIES:

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

10. AUDITORS:

M/s. Jayesh Sanghrajka & Co., Chartered Accountants, Mumbai retire as Auditors at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. It is proposed to reappoint them as statutory auditors of the company for three years to hold office from the conclusion of this AGM till the conclusion of fifty sixth AGM of the company, subject to ratification of their appointment at every AGM.

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 9(a) and para 9(b) 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 11 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. Please also refer to paragraph No. 27(f) in Accounts. 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. COST AUDITORS

Pursuant to the provisions of Section 233B of the Companies Act, 1956, the Company has appointed M/S. Krishna S. & Associates, Cost Accountants as cost Auditor of the Company for audit of the Cost accounting reports for the financial year 2014-15.

The Board had on May 29, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/S Krishna S. & Associates, Cost Accountants to conduct the audit of the Cost records pertaining to relevant product groups maintained by the Company for the Financial Year ending March 31, 2015 and remuneration of Rs.35000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.8 of the Notice.

14. PARTICULARS OF EMPLOYEES:

There are no employees covered by Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended.

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 Form B of the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 read with section 217(1)(e).

16. FOREIGN EXCHANGE EARNING AND OUTGO:

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

17. 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 Taparua
Managing Director

Date: 12th August, 2014

Place: Mumbai.

Corporate Office:

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

ANNEXURE – A

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

Research and development (R & D)

1. Specific areas in which R & D carried out by the company.
 - I. New product development for soft magnetic assemblies.e.g..Flux Concentrator
 - II. Circuit Breaker components
 - III. Current Transformer (CT)
 - IV. Shielding Magnetic Field
 - V. Electromagnetic Shielding for components.
 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.
 3. Future plan of action.
 - I. Alloy developments & modifications for cost reductions & New alloy development e.g. Fe-Ni, Fe-Si (soft magnetic alloys)
 - II. Assemblies related to electronic components & assemblies e.g. shunt assemblies with terminal & cable
 - III. New components related to Copper alloys, iron nickel alloys, Iron silicon alloys , Iron Cobalt alloys
 4. **Expenditure on R & D (in Rs.)**
 - a. **Capita** - **Nil**
 - b. **Recurring** - **Rs.45,10040**
 - c. **Total** - **Rs.45,10040**
 - d. **Total R & D expenditure as a percentage of total turnover is 0.83%.**
- Technology, Absorption, adaptation and Innovation:
1. Efforts in brief made towards technology absorption, adaptation and innovation.
 - I. Testing, heat treatment, processes for soft materials developed 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.
 - I. New product line development in progress for company with good potentialfor future.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT

During last year, the Alnico business has reduced sharply. This business is expected to stabilise at a small level. There has been a strong growth in the other products of the company.

The business environment remains positive for the new products of your company.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Electronic meter industry continues to grow worldwide. The main application of PML products are in the electronic meter industry.

The automotive industry is shifting to cars that run on Electricity instead of conventional fuel.

STRATEGIC INITIATIVE

PML is developing products for applications like Automotive, Earth Leakage Circuit breakers etc. These products will provide a diversity to the product line.

PML plans to have a strategic selling agreement with other companies for complimentary products to magnetic filters and magnetic grills. These products are expected to contribute substantially to the sales in future.

PML plans to supply parts for Electric Cars.

OPPORTUNITIES & CHALLENGES

The Indian market has good opportunities for applications like Magnetic Shielding, Magnetic Separation, Holding and Lifting devices, Shunt assemblies, Current transformers for measurement

RISK AND CONCERN

Foreign Currency Exchange rates and fluctuations in raw material prices of copper and nickel present a risk for future.

OUTLOOK

PML has entered in the field of electronic components. This is a major change from the earlier business of magnet manufacturing. The growth is high in electronic industry and the changes in product design are also frequent.

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, 1956, and the applicable accounting standard, unless otherwise stated. The financial performance of the Company has been summarized in table given in the main report of the Board which self explanatory.

INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT

The industrial relations situation was satisfactory throughout 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 results could differ from those expressed or implied. Important factors that could make a difference to PML's operations include economic conditions affecting demand/supply, price conditions in domestic and international market, and changes in Government regulations, tax laws, other statutes and other incidental factors.



CEO/CFO CERTIFICATION

To,
The Board of Directors,
Permanent Magnets Limited

We Sharad Taparia, Managing Director (CEO in terms of Clause 49 of Listing Agreement) and Sukhmal Jain, General Manager Finance (CFO in terms of Clause 49 of Listing Agreement) 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.

For Permanent Magnets Limited

Sd/-

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

For Permanent Magnets Limited

Sd/-

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

Date: 29th May, 2014
Place: Mumbai

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: 29th May, 2014

REPORT ON CORPORATE GOVERNANCE

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

1. Company's Philosophy:

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

2. Board of Directors

2.1 Composition:

During the period under review, the Board of Directors comprises of four directors of which two are Independent directors . The Chairman is Independent and Non Executive Director. Mr. Mukul J. Taparia is appointed as additional Director of the company w.e.f. 12th August, 2014 as Non Executive Director of the company. The composition is as under:

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

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

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

2.2 Attendance at Board Meetings and last Annual General Meeting.

Details of Board Meetings held during the year 2013-2014

Date of Meetings Board Meetings	Attendance of Directors for Meetings held during the year 2013-2014		
	Arun Binani	Sharad Kumar Taparia	Rajeev Mundra
17-04-2013	✓	✓	✓
29-05-2013	✓	✓	✓
12-07-2013	✓	✓	✓
07-08-2013	✓	✓	✓
31-10-2013	✓	✓	✓
11-02-2014	✓	✓	✓
04-03-2014 Last AGM	✓	✓	✓
24-09-2013	✓	✓	✓

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

3. AUDIT COMMITTEE

3.1 Constitution

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

3.2 Composition, names of members and chairman

Sr. No.	Members	Category
1.	Mr. Rajeev Mundra , Chairman	Independent Non Executive Director
2.	Mr. Sharad Taparia, Member	Executive Director (Managing Director)
3.	Mr. Arun Binani, Member	Independent Non Executive Director

Bhavana Shah, Company Secretary act as the Secretary of the Committee

3.3 Audit Committee Meetings during the year and attendance -

Date of the Meeting	Attendance of Directors for Meetings held during the year 2011-2012		
	Mr. Rajeev Mundra	Mr. Sharad Taparia	Mr. Arun Binani
17-04-2013	✓	✓	✓
29-05-2013	✓	✓	✓
12-07-2013	✓	✓	✓
07-08-2013	✓	✓	✓
31-10-2013	✓	✓	✓
11-02-2014	✓	✓	✓
04-03-2014	✓	✓	✓

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 at its meeting held on May 29, 2014, 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.

4. Remuneration Committee

4.1 During the year under review, the committee consisted of two directors viz Mr. Rajeev Mundra, Chairman, Mr. Arun Binani.

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.

4.2 The remuneration policy of the company:

Shri Sharad Taparia is paid salary of Rs. 12,75000/- 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.

Sitting Fees

(Rs)

Name of Directors	Board	Audit Committee	Remuneration Committee	Stakeholder Relationship Committee	Total
Mr. Arun Binani	14000	3500	-	1500	19000
Mr. Rajeev Mundra	14000	3500	-	1500	19000
Mr. Sharad Kumar Taparia	-	-	-	-	-

The company does not have any stock option scheme.

5. Stakeholder Relationship Committee

Pursuant to Section 178(5) of the Act the Company renamed the erstwhile Investors' Grievance Committee as the Stakeholder Relationship Committee with effect from 29th May, 2014. The Committee comprises of two Independent Directors. 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:

5.1 Stakeholder Relationship Committee consists of Mr. Rajeev Mundra, Chairman of the Committee and Mr. Arun Binani. The Company Secretary, Ms. Bhavana Shah, is the compliance officer for this purpose.

Date of the Meeting	Attendance of Directors for Meetings held during the year 2013-2014	
	Mr. Rajeev Mundra	Mr. Arun Binani
07-08-2013	✓	✓
31-10-2013	✓	✓
11-02-2014	✓	✓

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.

6. General Body Meetings

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

Date and Time	Location
50 th Annual General Meeting 29 th September, 2011, 11.00 A.M..	Shree Premanand Sahitya Sabha, Premanand Sahitya Bhavan, Dandiya Bazar, Vadodara 390001
51 st Annual General Meeting 26 th September, 2012, 11.00 A.M.	110/1/11, 110/1/12, Himalaya Industrial Estate, Village Aml, Silvassa-396230
52 nd Annual General Meeting 24 th September, 2013, 11.30 A.M.	The Raj Regency, Tokarkhada, Silvassa 396230

As per the provisions of Section 293(1)(a) and 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011, the company passed the resolution by postal ballot for the sale of factory at Silvassa.

7. Disclosures

There are related party transactions with the company's promoters, directors, the management or relatives the details of which are disclosed in Note No. '8' to the Notes, attached to the annual Accounts and form part of the same. The company complied with regulatory requirements on capital markets. No penalties / strictures have been imposed. Accounting policies followed by the company are given in Notes attached to the accounts.

PERMANENT MAGNETS LIMITED

8. Means of Communication

8.1 Annual Reports in respect of each Financial Year are sent to the Shareholders' on the Address available with Company's Registrar and Transfer Agent. Also the last financial year's Annual Report of the Company is available on the Company's website.

The quarterly results are being published in the News Papers at Ahmedabad and Vapi (Nearby town to Silvassa). The Last few latest Results for the Quarters are available on the Company's Website. During the year under report, no representations were made to the institutional investors or to the analysts.

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

9. General Shareholder Information

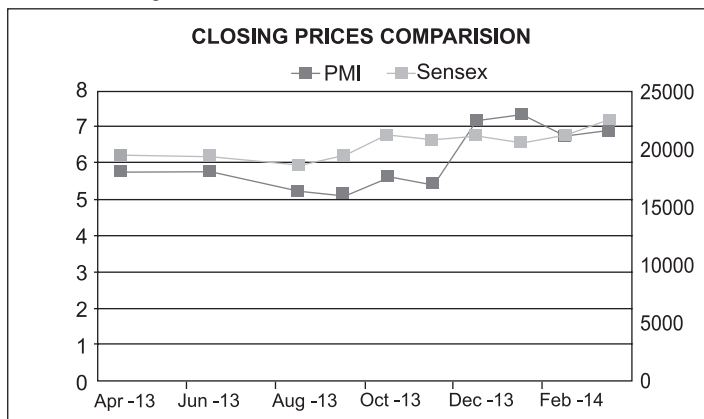
Sr.No.	Salient Items of interest	Particulars
I	AGM date,time,venue	22nd September 2014 at 11.30 a.m. Harsh Avenue, 302, Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli, India
II	Financial reporting for the quarter ending 30 th June, 2014 30 th September, 2014 31st December, 2014 31st March, 2015	Financial calendar for the year 2014-15 (Provisional) 12 th August, 2014 Second week of November, 2014 Second week of February, 2015 Last week of May, 2015
III	Book Closure Date	From 16th September, 2014 to 22nd September, 2014 (both days inclusive)
IV	Dividend payment date	N.A.
V	Listing of equity shares	Bombay Stock Exchange Limited Listing fees have been paid to stock exchange.
VI	Stock Code	504132
VII	Share Transfer system	Shares lodged in physical form with the company / its Registrars and Transfer Agent are processed and returned, duly transferred within 21 days normally except in cases where litigation is involved. In respect of shares held in demat mode, the transfer takes place instantaneously between the transferor, transferee and the depository participant through electronic debit / credit of the accounts involved.
VII	Dematerialisation of shares	As at 31 st March, 2014, 7910853 shares were held in demat mode. Demat ISIN No. for NSDL & CDSL is ISIN INE418EO1018
IX	Registrar & Transfer Agent	M/S Adroit Corporate Services Pvt. Ltd. 19, Jaferbhoy Industrial Estate, 1 st Floor, Makwana Road, Marol Naka, Andheri(E), Mumbai 400059

Market Price Data; High / Low during each month of 2013-14 on The Bombay Stock Exchange Limited:

Date	High (Rs.)	Low (Rs.)	Number of Shares
April 1, 2013	5.75	5.75	146
June 1, 2013	5.75	5.75	110
August 1, 2013	5.47	5.2	276
September 1, 2013	5.1	5.1	100
October 1, 2013	5.61	5.35	150
November 1, 2013	5.44	5.4	98
December 1, 2013	7.12	4.89	9365
January 13, 2014	7.84	6.81	6935
February 13, 2014	8	6.7	7160
March 13, 2014	8.15	6.35	7147

Source: www.bseindia.com

H - L -> High - Low



Source of Data: www.bseindia.com



Distribution of Shareholding as on 31st March, 2014

No. of shares	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1- 500	4707	88.12	626003	7.28
501- 1000	325	6.09	258495	3.01
1001- 2000	149	2.79	216239	2.51
2001- 3000	47	0.88	117716	1.37
3001- 4000	19	0.36	67667	0.79
4001- 5000	19	0.36	87975	1.02
5001-10000	24	0.45	168683	1.96
Over 10000	51	0.95	7055675	82.06
Total	5341	100.00	8598453	100.00

Categories of shareholding as on 31st March, 2014

Category	No. of Shareholders	No. of shares held	% of shareholding
Promoters	37	6174412	71.81
Individuals	5221	2214538	25.76
NRI's	15	101685	1.18
Companies	55	103856	1.21
Banks Flls, Insurance Co., Trust etc.	13	3962	0.04
Total	5341	8598453	100

Address for Correspondence - Shareholders are requested to contact by email for faster response:

Email: investors@pmlindia.com

Address:

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

Plant Location of the company-

1. Plot No. B-3, MIDC Indl. area, Village Mira, Dist-Thane 401104
- 2) Plot no 22, Mira Co-op. Industrial Estate, Mira Road (East) Dist. Thane - 401104

CERTIFICATE

We have reviewed the implementation of Corporate Governance procedures by the Company during the year ended March 31, 2014 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

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

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

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

For JAYESH SANGHRAJKA & COMPANY
CHARTERED ACCOUNTANTS

Sd/-
Ashish Sheth
(M. No. 107162)
PARTNER

Date: 12th August, 2014
Place: Mumbai

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, 2014, the Statement of Profit and Loss and 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

Management is responsible for the preparation 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of section 133 of Companies Act, 2013 in terms of general circular 15/2013 dated 13/09/2013 of the Ministry of Corporate Affairs) and in accordance with accounting principal generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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:

- a. In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014
- b. In the case of the Statement of Profit and Loss, of loss for the year ended on that date; and
- c. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) order 2004 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 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, the Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956.
 - e. On the basis of written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Jayesh Sanghrajka & Co.

Chartered Accountants

Firm Reg. No. 104184W

Ashish Sheth

Partner

M. No. 107162

Place: Mumbai

Date: 29th May 2014



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of our report of even date

1. In respect of its fixed assets:
 - a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
 - b. As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
 - c. In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.
2. In respect of its inventories:
 - a. As explained to us, inventories, except goods in transit, have been physically verified by the management at regular intervals during the year.
 - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c. The Company has maintained proper records of inventories. As explained to us, there was no material discrepancies noticed on physical verification of inventory as compared to the book records.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - a. As per the information and explanation given to us, the Company has not granted loans to Companies, Firms or Other Parties covered in the register maintained under section 301 of the Companies Act 1956.
 - b. As per the information and explanation given to us, the Company not has taken loans from parties which are covered in the registered maintained under section 301 of the Companies Act 1956.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventories, fixed assets and with regards to sale of goods and services. During the course of our audit, we have not observed any major weakness in internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:
 - a. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements, that needed to be entered into in the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
 - b. In our opinion and according to the information and explanations given to us, Transactions aggregating during the year to ₹ 5,00,000/- or more in respect of each party, have been made at prices which appear reasonable as per information available with the company.
6. According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of section 58A, 58AA or any other relevant provision of the Companies Act, 1956 and Companies (Acceptance of Deposits) Rules, 1975. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion and according to the information and explanations given to us, the Company has an internal audit system commensurate with its size and nature of its business.
8. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
 - a. According to the records of the company, undisputed statutory dues including Provident fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2014 for a period of more than six months from the date of becoming payable, *except the following*.

Nature of Dues	Amount (₹ in Lakhs)	Due Date
Income Tax	00.54	30 th Oct, 2007
Income Tax	26.00	19 th March, 2012

- b. The disputed statutory dues that have not been deposited on account of matters pending before appropriate authorities are as under:

Nature of Dues	Amount (₹ 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

PERMANENT MAGNETS LIMITED

10. The accumulated loss of the company as at the end of the year is Rs. 1,10,44,898/- which is less than fifty percent of the net worth of the company. The company does not incurred cash losses during the financial year covered by our audit but incurred cash losses immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanation given to us, we are of the opinion that the company has not defaulted in repayment of dues to Financial Institutions or Banks, *except following payments:*

Bank	Nature	Amount (₹ in Lakhs)	Due on	Paid on
ICICI Bank	Central Excise Loan with interest	208.63	Between October 2002 to October 2004	Not Paid

12. In our opinion and according to the information and explanation given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund / nidhi /mutual benefit fund/ society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
14. In our opinion, the company has maintained proper records of the transactions and contracts in respect of dealing or trading in shares, securities, debentures and other investments and timely entries have been made therein. All these investments have been held by the company in its own name.
15. According to the information and explanation given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions.
16. On the basis of the record examined by us, and relying on the overall reconciliation of fund raised from term loan and total fund required for the purpose for which the term loans were obtained, we have to state that the company has, prime facie, applied the term loan for the purpose for which it is obtained. However, one to one nexus between the receipt of funds and utilization of the same is not possible to establish.
17. According to the information and explanation given to us and On the basis of an overall examination of the Balance Sheet of the company, we are of the opinion that there are no funds raised on a short-term basis, which have been used for long term investment.
18. During the year, the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore, the provisions of clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. During the year, the company has not raised money by public issue. Therefore, the provisions of clause (xx) of paragraph 4 of the Order are not applicable to the Company.
21. In our opinion and according to the information and explanation given to us, no material fraud on or by the Company has been noticed or reported during the year.

For Jayesh Sanghrajka & Co.
Chartered Accountants
Firm Reg. No. 104184W

Ashish Sheth
Partner
M. No. 107162

Place: Mumbai
Date: 29th May 2014



BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Notes	31.03.2014 ₹	31.03.2013 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	85,984,530	85,984,530
(b) Reserves and Surplus	3	19,499,340	26,604,653
		105,483,870	112,589,183
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	31,746,170	50,335,090
(b) Long-term provisions	5	7,754,459	14,816,491
		39,500,629	65,151,581
(3) Current Liabilities			
(a) Short-term borrowings	6	145,625,633	150,378,001
(b) Trade payables	7	157,541,451	168,340,618
(c) Other current liabilities	8	51,371,651	49,585,992
(d) Short-term provisions	9	929,378	963,441
		355,468,113	369,268,052
	Total	500,452,612	547,008,816
II. ASSETS			
(1) Non-current assets			
<i>(a) Fixed assets</i>			
(i) Tangible assets	10	31,351,237	48,592,025
(ii) Intangible assets	10	374,370	208,982
(b) Non-current investments	11	79,000	79,000
(c) Deferred tax assets (net)	12	9,594,448	9,594,448
(d) Long term loans and advances	13	16,947,371	12,971,847
		58,346,426	71,446,302
(2) Current assets			
(a) Inventories	14	256,396,236	296,213,078
(b) Trade receivables	15	142,231,204	113,308,496
(c) Cash and cash equivalents	16	16,290,709	22,481,830
(d) Short-term loans and advances	17	27,188,037	43,559,110
		442,106,186	475,562,514
	Total	500,452,612	547,008,816
Significant Accounting Policies	1		

Significant accounting policies & Notes are an integral part of the Financial Statements.

As per our Report of even date.

For Jayesh Sanghrajka & Co.
Chartered Accountants
Firm No.: 104184W

(Ashish Sheth)
Partner
Membership No. : 107162

Place: Mumbai
Date: 29/05/2014

For & on behalf of the Board

Arun Binani
Chairperson

Sharad Taparia
Managing Director

Bhavana Shah
Company Secretary

PERMANENT MAGNETS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2014

SL No	Particulars	Note	31.03.2014 ₹	31.03.2013 ₹
I	Revenue from operations	18	558,284,180	499,170,112
	Less: Excise Duty		12,917,248	14,063,077
			<u>545,366,932</u>	<u>485,107,035</u>
II	Other Income	19	7,406,040	7,916,230
III	Total Revenue (I+II)		<u>552,772,972</u>	<u>493,023,265</u>
IV	Expenses:			
	Cost of materials consumed	20	289,579,062	257,259,088
	Changes in inventories of Work-in-Progress & Finished Goods	21	22,394,611	34,882,993
	Employee benefit expenses	22	31,205,565	33,472,289
	Financial costs	23	32,619,441	34,952,665
	Depreciation and amortization expenses	24	8,256,855	8,536,181
	Other expenses	25	175,822,751	127,950,911
	Total Expenses		<u>559,878,285</u>	<u>497,054,126</u>
V	Profit/(Loss) before exceptional items and tax (III-IV)		(7,105,313)	(4,030,860)
VI	Exceptional items (Net)	26	-	(21,554,643)
VII	Profit/(Loss) before tax (V-VI)		(7,105,313)	(25,585,503)
VIII	Tax expense:			
	(1) Current tax		-	-
	(2) Deferred tax		-	-
IX	Profit/(Loss) for the year (VII-VIII)		<u>(7,105,313)</u>	<u>(25,585,503)</u>
X	Earnings per equity share of ₹ 10 each	27		
	(1) Basic		(0.83)	(2.98)
	(2) Diluted		(0.83)	(2.98)

Significant accounting policies & Notes are an integral part of the Financial Statements.

As per our Report of even date.

For Jayesh Sanghrajka & Co.
Chartered Accountants
Firm No.: 104184W

(Ashish Sheth)
Partner
Membership No. : 107162

Place: Mumbai
Date: 29/05/2014

For & on behalf of the Board

Arun Binani
Chairperson

Sharad Taparia
Managing Director

Bhavana Shah
Company Secretary



Notes on Financial Statements for the year ended 31st March, 2014

The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation

2. Share Capital

Sr. No	Particulars	31.03.2014	31.03.2013
1	AUTHORIZED CAPITAL		
	(a) 1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of ₹ 10/- each	100,000,000	100,000,000
	(b) 60,00,000 (P.Y. 60,00,000) Redeemable Cumulative/ Non-Cumulative Preference Shares of ₹ 10/- each	60,000,000	60,000,000
		160,000,000	160,000,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL:		
	85,98,453 (P.Y. 85,98,453) Equity Shares of ₹ 10/- each, Fully Paid-Up	85,984,530	85,984,530
	Total	85,984,530	85,984,530

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

Equity Shares

Particulars	31st March 2014		31st March 2013	
	No of Shares	Amount (In ₹)	No of Shares	Amount (In ₹)
Number of Shares at the beginning	8,598,453	8,598,453	8,598,453	8,598,453
Add:- Number of Shares Issued	-	-	-	-
Number of Equity Shares at the end	8,598,453	8,598,453	8,598,453	8,598,453

b. Terms/Rights attached to Equity Shares

Equity shares are having a par value of Amount Rs. 10/- 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 2014		31st March 2013	
		Nos	% Holding in class	Nos	% Holding in class
	Equity shares of Rs. 10 each fully paid				
1	Mukul Taparia	601,044	6.99%	601,044	6.99%
2	Pregna International Ltd	782,802	9.10%	782,802	9.10%
3	Sharad Kumar Taparia	515,487	6.00%	515,487	6.00%
4	Vimla devi Taparia	-	0.00%	1,001,019	11.64%
5	Kamladevi Taparia	695,295	8.09%	-	-
6	Shyamsunder Taparia	648,989	7.55%	-	-
7	Jai Prakash Taparia	496,119	5.77%	-	-

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 preceeding five years. It has also not bought back any shares during these years.

PERMANENT MAGNETS LIMITED

3 Reserves & Surplus	31.03.2014 ₹	31.03.2013 ₹
Securities Premium Reserve		
Balance as per last financial statement	28,019,668	28,019,668
(A)	28,019,668	28,019,668
General Reserve		
Balance as per last financial statement	2,524,570	2,524,570
(B)	2,524,570	2,524,570
Surplus in the Statement of Profit and Loss		
Balance as per last financial statement	(3,939,585)	21,645,918
Profit for the year	(7,105,313)	(25,585,503)
(C)	(11,044,898)	(3,939,585)
Total Reserves & Surplus (A)+(B)+(C)	19,499,340	26,604,653

4 Long Term Borrowings

a) Term Loan		
Foreign Currency Loan from Banks	-	18,749,980
Rupee Loan from Bank	2,947,643	4,560,171
Rupee Loan from Financial Institutions	2,435,758	3,352,373
b) Central Excise loan*	20,862,566	20,172,566
c) Intercompany Deposits	5,500,203	3,500,000
	31,746,170	50,335,090
The above amount includes		
Secured borrowings	26,245,967	46,835,090
Unsecured Borrowings	5,500,203	3,500,000

*Including Interest accrued & due on Central Excise Loan ₹ 151.12 Lakhs (P.Y. ₹ 144.23 Lakhs)

- a) Rupee Loans from banks are repayable in 3 years to 5 year from the date of loan. Above loans are secured by first charges on specific assets financed by the lender except working capital term loan from bank which is secured by exclusive charge on 5000 sq.ft. of constructible area at Borivali property out of the 15% Share of the Company. Further these facilities are secured by personal guarantees of Directors and relatives and a Corporate Guarantee by Synagogue Impex Ltd. and payable in monthly \ Qtrly Installments.
- 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 :

Name of Bank	Amount including Interest (In ₹)	Amount including Interest (In ₹)
Central Excise Loan - ICICI Bank	20,862,566	20,172,566
Total	20,862,566	26,422,566



5 Long Term Provisions

		31.03.2014	31.03.2013
		₹	₹
1	Provision for Gratuity	3,884,212	3,844,808
2	Provision for Leave Encashment	1,019,835	1,833,235
3	VRS Compensation	2,850,412	9,138,448
	Total	7,754,459	14,816,491

6 Short Term Borrowings

Loan Repayable on Demand			
1	Foreign Currency Loan from Banks	63,595,298	85,711,854
2	Rupee Loan from Banks	82,030,335	64,666,146
	Total	145,625,633	150,378,001
The above amount includes			
	Secured Borrowings	145,625,633	150,378,001
	Unsecured Borrowings	-	-

Foreign as well Rupee currency Loans are secured by first pari passu charge on residential flat standing in the name of Synagauge Impex Ltd and second pari passu charge on entire fixed assets of the company , (Excluding Borivli property). Further working capital enhancement of Rs 1.9 crores by Central Bank of India is secured by exclusive 2500 square feet constructable area of Borivli Property .

7 Trade Payables

1	Micro Small & Medium Enterprises*	-	-
2	Others	157,541,451	168,340,618
	Total	157,541,451	168,340,618

The details of amount outstanding to supplier under the Micro, Small and Medium Enterprises Development Act, 2006, based on available information with the company is as under:

Principal Amount due and remaining unpaid	-	-
Interest due and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed date during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-

8 Other Current Liabilities

1	Current maturities of long term debts	21,877,485	28,188,806
2	Withholding & Other taxes payable	2,753,528	3,346,721
3	Interest accrued but not due	294,450	343,890
4	Expenses Payables	9,796,104	10,636,683
5	Advances received from Customers	362,048	781,856
6	VRS Compensation Payable	6,288,036	6,288,036
7	Other Advances received	10,000,000	-
	Total	51,371,651	49,585,992

9 Short Term Provisions

1	Other Provision	929,378	963,441
2	Provision for Income Tax	-	-
	Total	929,378	963,441

PERMANENT MAGNETS LIMITED

10 Fixed Assets

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		01.04.2013	Additions	Deductions Adjustments	31.03.2014	01.04.2013	During the year	Deductions/ Adjustments	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A	Tangible Assets										
1	Freehold Land	15,710,580	-	15,695,327	15,253	-	-	-	-	15,253	15,710,580
2	Building	15,868,940	-	-	15,868,940	7,421,491	844,745	-	8,266,236	7,602,704	8,447,449
3	Plant & Machinery*	100,752,598	5,539,736	15,822,181	90,470,153	82,942,921	5,333,844	15,241,398	73,035,367	17,434,786	17,809,677
4	Electric Installation	2,114,682	89,300	-	2,203,982	1,833,881	86,678	-	1,920,559	283,423	280,801
5	Laboratory Equipments	199,487	-	-	199,487	186,609	3,016	-	189,625	9,862	12,878
6	Automobiles & Vehicles	7,663,211	857,874	846,201	7,674,884	3,943,398	1,161,297	754,019	4,350,676	3,324,207	3,719,813
7	Furniture & Fixtures	6,534,352	221,043	-	6,755,395	5,395,592	246,124	-	5,641,716	1,113,679	1,138,760
8	Office Equipments	11,337,855	551,617	-	11,889,472	9,865,788	456,362	-	10,322,150	1,567,322	1,472,067
	TOTAL A	160,181,705	7,259,570	32,363,709	135,077,566	111,589,680	8,132,065	15,995,417	103,726,328	31,351,237	48,592,025
B	Intangible Assets										
1	Computer Software	456,701	290,178	-	746,879	247,720	124,790	-	372,509	374,370	208,982
	TOTAL B	456,701	290,178	-	746,879	247,720	124,790	-	372,509	374,370	208,982
	TOTAL (A+B)	160,638,406	7,549,748	32,363,709	135,824,445	111,837,400	8,256,855	15,995,417	104,098,838	31,725,607	48,801,006
	Previous Year	160,566,101	8,332,581	8,260,276	160,638,406	110,888,607	8,536,181	7,587,388	111,837,400	48,801,006	49,677,494

*Plant & Machinery includes Misc Factory Equipments ₹ 49,05,915/- (P.Y. ₹ 47,25,943/-)

11 Non Current Investments

Sr. No	Particulars	31.03.2014	31.03.2013
		₹	₹
1	Non Trade Investments		
	Unquoted		
	Kisan Vikas Patra (Hypothecated with Sales Tax Authorities)	60,000	60,000
	Quoted		
	A. In equity shares - Fully paid up		
	200 Equity Shares of Bank of India	9,000	9,000
	B. Investment in Mutual Funds		
	472.6412 units of SBI MF-MAGNUM INSTA CASH FUND	10,000	10,000
	Total	79,000	79,000
	Aggregate Value of		
	Quoted Investments	19,000	19,000
	Market Value - Quoted Investments	45,780	60,780
	Un Quoted Investments	60,000	60,000

12 Deferred Tax Assets (Net)

	<u>Deferred Tax Assets</u>		
1	Depreciation - Deferred Tax Assets	3,312,025	3,312,025
2	Retirement Benefits	2,027,484	2,027,484
3	Expenses Covered U/s 43B of the Income Tax Act	4,254,939	4,254,939
	Total	9,594,448	9,594,448

13 Long Term Loans and Advances

1	Security Deposits	3,700,717	3,426,717
2	Loans & Advances to Employees	11,741	33,941
3	Other Advances	5,192,251	5,042,251
4	Balance with statutory/ Government Authorities	5,770,127	2,095,630
5	Capital Advance	2,272,535	2,373,308
	Total	16,947,371	12,971,847

*all the above loans and advances are unsecured and considered good.



14 Inventories		31.03.2014 ₹	31.03.2013 ₹
1	Raw Material	142,324,459	160,298,496
2	Stock -in-Progress	103,655,308	125,763,779
3	Stores, Spares & Others	1,967,848	1,416,042
4	Finished Goods (As per Inventory Valued and Certified by the Management)	8,448,621	8,734,761
Total		256,396,236	296,213,078

15 Trade Receivables

1	Outstanding for more than six months	2,937,806	5,024,908
2	Others - Trade Receivables	139,293,398	108,283,588
Total		142,231,204	113,308,496

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

16 Cash & Bank Balances

1	Cash and cash equivalents Cash on hand	13,001	1,668,194
	Balances with banks: In current accounts	427,050	695,623
2	Others Term Deposits	15,850,658	20,118,012
Total		16,290,709	22,481,830

* Bank deposits held as margin money against guarantee for ₹ 158.51 Lacs (P.Y. ₹ 201.18 Lacs)

17 Short Term Loans and Advances

1	Security Deposit	2,250,000	2,500,000
2	Inter- Corporate Deposits	5,198,796	10,024,379
3	Advances recoverable in cash or kind	2,792,076	3,364,952
4	Loans & Advances to Staff/ Empolyees	24,300	19,800
5	Balance with statutory/ Government Authorities	16,333,422	25,434,335
6	Prepaid Expenses	589,444	2,215,644
Total		27,188,038	43,559,110

18 Revenue From Operations

1	Revenue from Operations Sale of Products Cast Magnets & Magnetic Assembly Parts & Accessories of Electricity Meter Sales Others Total A	128,204,672 371,197,788 3,328,474 502,730,934	165,104,154 288,968,847 7,772,761 461,845,762
2	Other Operational Income Scrap Sale Export Benefits Total B	40,935,090 14,618,156 55,553,246	23,605,426 13,718,924 37,324,350
Revenue from Operations (Gross)		558,284,180	499,170,112

19 Other Income

1	Other Miscellaneous Income	2,116,166	559,096
2	Profit on Sale of Assets	3,428,239	349,387
3	Interest Income	1,861,635	2,829,685
4	Foreign Exchange Fluctuation gain	-	4,178,061
Total		7,406,040	7,916,230

PERMANENT MAGNETS LIMITED

20 Cost of Material Consumed	31.03.2014 ₹	31.03.2013 ₹
Inventory at the beginning of the year	160,298,496	157,981,257
Add: Purchases	271,605,025	259,576,327
	<u>431,903,521</u>	<u>417,557,584</u>
Less : Inventory at the end of the year	142,324,459	160,298,496
Cost of raw material & components Consumed	289,579,062	257,259,088

Particulars of Materials Consumed		
Cobalt	7,084,922	12,296,251
Nickel	2,961,375	4,943,229
Copper Strip	32,017,064	17,582,747
Nickel Strip	123,691,911	123,999,100
Semi-finished Magnet	35,954,965	52,509,664
Zinc	6,894,340	3,879,018
Brass	69,089,432	26,455,170
Others	11,885,053	15,593,909
Total	289,579,062	257,259,088

21 Change in Inventories of WIP & Finished Goods

Inventory at the end of the year		
Work-in-progress	103,655,308	125,763,779
Finished goods	8,448,621	8,734,761
	<u>112,103,929</u>	<u>134,498,540</u>
Inventory at the beginning of the year		
Work-in-progress	125,763,779	161,861,127
Finished goods	8,734,761	7,520,406
	<u>134,498,540</u>	<u>169,381,533</u>
Total	22,394,611	34,882,993

22 Employee Benefit Expenses

1	Contribution to PF & other fund	1,160,240	1,541,562
2	Gratuity Expenses	427,990	2,088,842
3	Salaries, Wages & Bonus	28,283,471	28,279,435
4	Staff Welfare Expenses	1,333,864	1,562,450
	Total	31,205,565	33,472,289

23 Financial Cost

1	Borrowing cost	21,657,253	27,741,378
2	Other Borrowing cost*	9,667,229	6,286,193
3	Exchange difference on foreign currency transacton	1,294,959	925,093
	Total	32,619,441	34,952,665

*includes Bank charges & Commission paid on BG & LC

24 Depreciation & Amortised Cost

1	Depreciation	8,132,065	8,466,521
2	Amortisation	124,790	69,660
	Total	8,256,855	8,536,181


25 Other Expenses

		31.03.2014	31.03.2013
		₹	₹
	Manufacturing Expenses		
1	Consumption of Stores, Spares & Consumbles	18,035,925	16,310,647
2	Freight Inward	3,349,648	4,953,497
3	Sub-Contract Charges & Labour Charges	42,540,947	34,896,320
4	Repairs & Maintenance - Machinery	1,089,101	1,281,685
5	Excise Duty on Finished Goods	(34,063)	107,020
6	Power & Fuel Charges	12,673,207	12,914,134
	A	77,654,765	70,463,302
	Selling & Distribution Expenses		
1	Advertising & Sales Promotion Expenses	1,568,143	2,056,286
2	Commission to Selling Agents	19,336,209	17,773,348
3	Freight Outward & Transportation	10,442,333	7,576,069
	B	31,346,685	27,405,703
	Administrative & Other Expenses		
1	Auditors Remuneration	475,000	400,000
2	Computer & Software Expenses	345,268	507,327
3	Directors' Sitting Fees	38,000	27,000
4	Foreign Exchange Fluctuation	29,659,686	-
5	Travelling & Conveyance	3,917,944	2,499,848
6	Insurance	266,779	462,896
7	Printing & Stationery Expenses	701,551	766,787
8	Legal & Professional Charges	10,795,715	8,683,981
9	Misc Exp	2,801,199	2,873,256
10	Rates & Taxes	3,287,305	1,610,257
11	Rent Exp	7,346,232	5,996,160
12	Security Service Charges	1,857,436	1,709,219
13	Communication Cost	1,790,316	1,542,231
14	Vehicle Running exp	2,073,295	1,836,680
15	Repairs - Building	1,248,409	869,151
16	Repairs - Others	217,166	297,112
	C	66,821,300	30,081,906
	Total A+B+C	175,822,751	127,950,911

Payment to Auditor		
As Auditor		
- Audit Fee	350,000	300,000
- Tax Audit Fee	100,000	75,000
In other Capacity	-	-
- Taxation matters	-	-
- Other Services	25,000	25,000
	475,000	400,000

(Note: Above Figures are Excluding Service Tax)

26 Exceptional items (Net)

1	Expenditure on Voluntary Retirement Scheme	-	21,554,643
---	--	---	------------

During the previous year, company has announced Voluntary retirement Scheme (VRS) for its permanent employees. In response of the scheme, total of 35 employees has opted for the same. The company has incurred a total expenditure of Rs.215.55 Lakhs on the said scheme. In compliance with the provisions of the Accounting Standards -15 "Employees Benefits", the entire amount of Rs.215.55 Lakhs is charged to Statement of Profit and Loss Under the head "Exceptional items (net) during the previous financial year.

27 Earning per Share

Sr. No	Particulars	31.03.2014	31.03.2013
1	Net Profit before Extra Ordinary Items attributable to Equity Share Holders	(7,105,313)	(4,030,860)
2	Extra Ordinary Items (Deferred Revenue Expense W/Off)	-	21,554,643
3	Net Profit after Extra Ordinary Items attributable to Equity Share Holders	(7,105,313)	(25,585,503)
4	Weighted Average Number of Equity Shares in calculating Basic EPS	8,598,453	8,598,453
5	Basic & Diluted Earning per share before Extra Ordinary Items (In Rs.)	(0.83)	(2.98)
6	Basic & Diluted Earning per share after Extra Ordinary Items (In Rs.)	-	-
7	Face value per Equity Shares	10	10

1 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. The Significant Accounting Policies are as follows:

a) Basis of Preparation of Financial Statements:

The financial statements have been prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles (GAAP) in India and the provisions of the Companies Act, 1956. The Company is following accrual basis of accounting on a going concern concept.

b) Use of Accounting Estimates:

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

c) Fixed Assets:

Fixed assets are stated at cost, including any attributable cost for bringing the asset to its working condition for its intended use, net of taxes and duties less accumulated depreciation and impairment loss and includes financing cost for period up to the date of readiness of use. There has been no revaluation of fixed assets during the year.

Capital Work-In-Progress is stated at the amount expended upto the date of Balance Sheet including preoperative expenditure.

d) Intangible Assets

Cost of Intangible assets includes license fees, cost of implementation and system integration and capitalized as intangible assets in the year in which the relevant assets is put to use.

e) Depreciation and Amortisation:

Depreciation on Fixed assets is provided on WDV at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956. 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.

Computer software is amortized @ 25% on WDV Basis

f) Impairment of Assets

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.

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 For services rendered, the Company recognizes revenue on the basis of Completed Contract Method.
- 3 Export Sales are recognized on dispatch of material from the premises of the Company irrespective of the date of shipping document.
- 4 According to Maharashtra Value Added Tax Act, dealer is required to pay 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.
- 5 Export incentives, interest and other incomes are accounted on accrual basis except Dividend which is accounted in the year of receipt.

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:

Contribution to defined contribution scheme such as Provident Fund, Employees Pension Scheme are charged to the Statement of Profit & Loss as incurred.

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:

1. The transactions in foreign currencies are recorded at the exchange rate prescribed by the Customs Department for the month of the transaction.
2. All Monetary assets and liabilities are converted at the exchange rate prevailing on the last day of the year.
3. The foreign exchange difference arising on the settlement during the year of the foreign currency transactions and on re-statement of current liabilities and current assets at the rate applicable at the year end is charged to the Statement of Profit and Loss of the year by debit/credit to loss or gain on foreign Exchange Account.

l) Inventories:

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

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

m) Investments:

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

n) Taxation:

1. Current Tax

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

2. Deferred tax

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

o) Borrowing Costs:

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

p) Provisions, Contingent Liabilities & Contingent Assets:

The company creates a provision when there is present obligation because of a past event that will probably result in the outflow of resources and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect current best estimate.

Contingent Liabilities are disclosed when there is a possible obligation or a present obligation but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of resources is remote, no provision or disclosure is 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.

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) Contingencies and Event Occurring after the Balance Sheet Date:

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

PERMANENT MAGNETS LIMITED

I. 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:

(₹ in Lakhs)

Particulars	31.03.14	31.03.13
a) Unutilized Letters of Credit with Bankers	47.00	126.54
b) Bank Guarantee	13.70	19.05
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.	34.74	16.79
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 ₹ 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 ₹ 151.13 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.	571.64	447.87
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.	18.31	0.15
g) Income tax Department has raised a demand of ₹ 2,59,318 in respect of Suyog Agency Ltd. (Company merged with PML) for the A. Y. 07-08 of which ₹ 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. 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 ₹ 09.29 Lakhs (P. Y. ₹ 09.63 Lakhs). The same amount has been included in the calculation of Cost for valuation of finished goods.

4. Donation made by the Company is within the limits prescribed u/s. 293(1) (e) of the Companies Act 1956.

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 ₹ 309.55/- Lakhs (P. Y. ₹ 32.22 Lakhs credited) 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	Pregna International Limited	Associates & Enterprises over which Key Managerial Personnel are able to exercise significant influence
2	Taparia Ayurvedic & Food Products Pvt. Ltd.	
3	Taparia Loudspeakers Pvt. Ltd.	
4	Taparia Audio Component Pvt. Ltd.	
5	Panache Fashions	
6	Precision Medical Devices Corporation	
7	Shri Sharad Taparia	Key Managerial Personnel

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

(₹ In Lakhs)

Particulars	Directors / Key Management Personnel and their relatives	Companies / firms Controlled by the Directors'	Outstanding Balance
Directors' Remuneration & Fees	12.75 <i>14.89</i>	00 <i>Nil</i>	Nil <i>Nil</i>
ICD taken	00 <i>Nil</i>	46.00 <i>30.00</i>	Nil <i>Nil</i>
Advance Given	00 <i>Nil</i>	00 <i>Nil</i>	00.00 <i>45.08</i>
ICD Given	00 <i>Nil</i>	00 <i>Nil</i>	Nil <i>Nil</i>

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:

(₹ in Lakhs)

Particulars	2013-14	2012-13
Associates		
ICD Taken		
Pregna International Limited	46.00	30.00
KMP		
Remuneration		
Mr. Sharad Kumar Taparia	12.75	14.89

9. Segment Reporting :

The company is operating in single business segment i.e. manufacturing of Cast Magnetics & 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:

(₹ in Lakhs)

Sr. No.	Name of the Parties	Maximum balance outstanding during the year ended		Outstanding Balance as on	
		31.03.14	31.03.13	31.03.14	31.03.13
1.	Loans to Subsidiary Co.	NIL	NIL	NIL	NIL
2.	Unsecured Loans given where there are no Repayment Schedule	NIL	NIL	NIL	NIL

12. Additional information's as per Revised Schedule VI to the Companies Act 1956

- a) Purchases of Finished Goods: NIL (P.Y. NIL)
- b) Expenditure and Earning in Foreign Currencies:

PERMANENT MAGNETS LIMITED

A) CIF Value of Imports:

Particulars	Amount (₹ In Lakhs)	
	2013-14	2012-13
Raw Materials & component	1698.65	1559.05

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

Particulars	2013-14		2012-13	
	Amount (₹ In Lakhs)	%	Amount (₹ In Lakhs)	%
Raw Materials				
Imported	1874.09	64.72	2044.09	79.46
Indigenous	1021.70	35.28	0528.50	20.54
Total	2895.79	100.00	2072.59	100.00

C) Expenditure in foreign currencies incurred during the year:

Particulars	Amount (₹ In Lakhs)	
	2013-14	2012-13
a) Travelling Expenses	19.55	11.87
b) Books & Periodicals	--	00.34
c) Others	11.78	26.19
d) Financial Charges	55.71	76.23

D) Earnings in foreign currencies during the year:

Particulars	Amount (₹ In Lakhs)	
	2013-14	2012-13
1. FOB Value of Exports	4205.16	3509.28

13. 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 (₹ In Lakhs)	
	31.03.14	31.03.13
Reconciliation of Opening and Closing Balance of Present Value of the defined benefit obligation and plan assets:		
Obligation at the beginning	38.45	48.19
Interest Cost	2.92	02.63
Service Cost	6.81	6.71
Actuarial (Gain)/Loss	5.48	11.55
Benefit Paid	-3.86	-30.64
Obligation at the period end	38.84	38.45
Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company :		
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	3.86	30.64
Benefit paid	-3.86	(30.64)
Fair Value of plan asset at the end of the year		
Reconciliation of present value of obligation and fair value of plan asset:		
Fair Value of plan asset at the end of the year		
Present Value of defined obligation at the end of the period	38.84	38.45
Liability recognized in the balance sheet	38.84	38.45
Gratuity Cost for the period:		
Service cost	6.81	6.71
Interest cost	2.92	2.63
Expected return on plan assets	0	0
Actuarial (gain)/loss	-5.48	11.55
Expense recognized in Statement of Profit and Loss	4.25	20.89



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

Amount (₹ In Lakhs)

Particulars	As at 31.03.14	As at 31.03.13
Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:		
Obligation at the beginning	18.33	18.14
Interest Cost	1.36	1.25
Service Cost	12.13	11.12
Actuarial (Gain)/Loss	-18.83	-7.13
Benefit Paid	-2.78	-5.04
Obligation at the period end	10.20	18.33
Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company:		
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	2.78	5.04
Benefit paid	-2.78	-5.04
Fair Value of plan asset at the end of the year	0	0
Reconciliation of present value of obligation and fair value of plan asset:		
Fair Value of plan asset at the end of the year	0	0
Present Value of defined obligation at the end of the period.	10.20	18.33
Liability recognized in the balance sheet	10.20	18.33
Leave Encashment Cost for the period		
Service cost	12.13	11.12
Interest cost	1.36	1.25
Expected return on plan assets	0	0
Actuarial (gain)/loss	18.83	-7.13
Expense recognized in Statement of Profit and Loss	-5.35	5.24

c. Valuation Assumptions

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

Particulars	31.03.14	31.03.13
Mortality Rate	LIC (1994-96)	LIC (1994-96)
Discount Rate	9%	8%
Salary Escalation Rate	4%	4%
Withdrawal Rate	1% throughout	1% throughout
Retirement Age	60 Years	60 Years
Expected average remaining service	23 (21.6)	21

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

For JAYESH SANGHRAJKA & CO

Chartered Accountants
Firm Reg. No. 104184W

Ashish Sheth
Partner
M. No. 107162

Place: Mumbai
Date: 29th May, 2014

FOR AND ON BEHALF OF THE BOARD

Arun Binani
Chairman

Bhavana Shah
Company Secretary

Sharad Taparia
Managing Director

PERMANENT MAGNETS LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

Particulars	31.03.2014 ₹	31.03.2013 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	(7,105,313)	(25,585,503)
Adjustment for :		
Depreciation & Amortization	8,256,855	8,536,181
Loss/(Profit) on Sale of Assets	(3,428,239)	(349,387)
Finance Charges	32,619,441	34,952,665
Operating Profit before working Capital Changes	30,342,744	17,553,955
Adjustment for:		
Inventories	39,816,842	32,162,682
Trade Receivables	(28,922,708)	(31,701,564)
Other Assets	12,395,548	495,974
Trade Payables	(10,799,166)	5,524,221
Other Liabilities	1,785,659	2,183,690
Direct Taxes Paid	-	-
Net cash flow from Operating Activities	44,618,919	26,218,958
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets	12,246,783	(7,310,305)
Sale of/ (Additions to) investments (net)	-	-
Net cash used in investing activities	12,246,783	(7,310,305)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	(25,650,952)	(5,571,942)
Proceeds from Short Term Borrowings (Net)	(4,786,430)	12,423,683
Finance Charges paid (Net)	(32,619,441)	(34,952,665)
Net cash from Financing Activities	(63,056,823)	(28,100,923)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(6,191,121)	(9,192,270)
Opening Cash and Cash Equivalents	22,481,830	35,345,459
Closing Cash and Cash Equivalents	16,290,709	26,153,189
Significant accounting policies & Notes are an integral part of the Financial Statements.		
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	31.03.2014	31.03.13
Cash in hand	13,001	1,668,194
Balance with Banks	16,277,708	20,813,636
Total	16,290,709	22,481,830

As per our Report of even date.

For Jayesh Sanghrajka & Co.

Chartered Accountants
Firm No.: 104184W

(Ashish Sheth)

Partner
Membership No. : 107162

Place: Mumbai
Date: 29/05/2014

For & on behalf of the Board

Arun Binani
Chairperson

Sharad Taparia
Managing Director

Bhavana Shah
Company Secretary

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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 53rd 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 Monday, 22nd September, 2014 at 11.30 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

----- ✂ ----- TEAR HERE ----- ✂ -----

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) ofshares 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 53rd **Annual general meeting** of the company, to be held on the Monday, 22nd September, 2014 at 11.30 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 below:

----- ✂ ----- TEAR HERE ----- ✂ -----

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, 2014		
2. Appointment of Auditors and fixing their Remuneration		
3. Resolution for Independent Director not liable to retire by rotation		
4. Appointment of Mr. Arun Binani as an Independent Director		
5. Appointment of Mr. Rajeev Mundra as an Independent Director		
6. Appointment of Mr. Mukul J. Taparia as Non Executive Director		
7. Resolution u/s 180(1)(c) for borrowing		
8. Resolution for ratification of remuneration of M/S Krishna S. & Associates as cost auditor		

Signed this day of 2014 Signature of shareholder _____

Affix a
revenue
stamp

Signature of first Proxy holder

Signature of second Proxy holder

Signature of third 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 the 53rd 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. Thane.