

# PERMANENT MAGNETS LIMITED

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

Phone : +91-22-2945 2121 / 6828 5454. Facimile : +91-22-2945 2128

Email : sales@pmlindia.com Website : www.pmlindia.com



Date : 30<sup>th</sup> August, 2019

To,  
Corporate Relationship Department  
The Bombay Stock Exchange Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai - 400 001

**SUBJECT : Annual Report FY 2018-2019 and Notice of 58<sup>th</sup> Annual General Meeting**

**SCRIP CODE : 504132**

Dear Sir,

Pursuant to Regulation 30 and 34(1)(a) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2018-19 along with the Notice convening the 58<sup>th</sup> AGM of the Company.

Notice of the 58<sup>th</sup> AGM and Annual Report for the financial year 2018-19 can also be downloaded from website of the Company – [www.pmlindia.com/Investors](http://www.pmlindia.com/Investors).

Request you to take the above on record.

Thanking you,

Yours Faithfully,

**FOR PERMANENT MAGNETS LIMITED**

**RACHANA RANE  
COMPANY SECRETARY**



Regd Office: Harsh Avenue, 302, 3<sup>rd</sup> Floor, opp. Silvassa Police Station, Silvassa Vapi Main Road,  
Silvassa- 396 230. Dadra and Nagar Haveli (U.T.)

(All correspondence has to be made at our Mira Road address only)

CIN-L27100DN1960PLC000371



**58<sup>TH</sup>**  
**ANNUAL REPORT**  
**2018-2019**



**PERMANENT MAGNETS LIMITED**

# PERMANENT MAGNETS LIMITED

# 58<sup>TH</sup> ANNUAL REPORT 2018- 2019

## BOARD OF DIRECTORS

Shri. Rajeev Mundra	Independent Non Executive Director & Chairman
Shri. Sharad Taparia	Managing Director
Shri. Kamal Binani	Independent Non Executive Director
Shri. Mukul Taparia	Non Executive Director
Smt. Sunaina Taparia	Non Executive Director

## COMPANY SECRETARY

Smt. Rachana Rane

## AUDITORS

M/s. Ramanand & Associates  
Chartered Accountants  
6/C, Gr Floor, Ostwal Park Bldg. No. 4,  
Near Jesal Park Jain Temple,  
Bhayander (East), Thane – 401105

## BANKERS

Central Bank of India  
State Bank of India

## REGISTERED OFFICE

Harsh Avenue, 302, 3<sup>rd</sup> Fl., Opp Silvassa Police Station,  
Silvassa Vapi Main Road, Silvassa, DN-396230  
CIN : L27100DN1960PLC000371  
**Website : [www.pmlindia.com](http://www.pmlindia.com)**

## CORPORATE OFFICE

B-3, MIDC Industrial Area, Village Mira,  
Mira Road (East), Thane - 401104.

## FACTORIES

- 1) B-3, MIDC Industrial Area, Village Mira,  
Mira Road (East), Thane - 401104.
- 2) Plot No. 22, Mira Co-op. Industrial Estate,  
Mira Road (East), Thane - 401104.
- 3) Plot Nos. A-8, A-9, A-13, MIDC Industrial Area,  
Village Mira, Mira Road (East), Thane - 401104

## REGISTRAR AND SHARE TRANSFER AGENT

Adroit Corporate Services Private Limited  
17/20, 1<sup>st</sup> Floor, Jafferbhoy Industrial Estate, Makhwana Road,  
Marol Naka, Andheri (East), Mumbai - 400059.  
Ph. 022 - 28594060 / 6060  
E-mail : [adroits@vsnl.net](mailto:adroits@vsnl.net)

Contents	Page No.
Notice of the Annual General Meeting	1
Directors' Report	6
Corporate Governance Report	25
Management Discussion And Analysis	36
Auditor's Report	38
Balance Sheet	44
Statement of Profit and Loss	45
Cash Flow Statement	46
Notes to the Financial Statements	48
Attendance Slip & Proxy Form	71
Route MAP	73

# PERMANENT MAGNETS LIMITED

## NOTICE

NOTICE is hereby given that the **58<sup>th</sup> Annual General Meeting** of the members of **Permanent Magnets Limited** will be held on Saturday, the 28<sup>th</sup> day of September, 2019 at 11.00 a.m. at The Raj Regency Hotel, Khanvel Road, Opp. Silvassa Civil Court, Near Anand Nagar, Tokarkhada, 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 Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019 along with notes and schedules thereon as on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Mukul Taparia (DIN: 00318434), who retires by rotation and being eligible, offers himself for re-appointment.

### **SPECIAL BUSINESS:**

#### **3. Re-appointment of Shri. Rajeev Mundra (DIN: 00139886) as an Independent Director**

To consider and if thought fit, to pass the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any of the Companies Act, 2013 (“Act”), and the Companies (Appointment and Qualifications of Directors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Shri. Rajeev Mundra (DIN: 00139886), who was appointed as an Independent Director at the 53<sup>rd</sup> Annual General Meeting of the Company and who holds office up to August 11, 2019 and in terms of Section 149 of the Companies Act, 2013, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five consecutive years commencing with effect from August 12, 2019 upto August 11, 2024.”

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

Sd/-

**Rachana Rane**  
Company Secretary

Place: Thane

Dated: 9<sup>th</sup> August, 2019

### **Corporate Office:**

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

### **NOTES:**

1. **A member entitled to attend and vote at the Annual General Meeting (AGM) is entitled to appoint a proxy to attend and vote on poll instead of himself / herself and the proxy need not be a member of the company. The instrument appointing the proxy, in order to be effective, must be deposited with the Company, duly completed and signed, not less than FORTY-EIGHT hours before the commencement of the AGM. A proxy so appointed shall not have any right to speak.**

Pursuant to Section 105 of the Companies Act, 2013 and Rule 19 of 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 Saturday, 21<sup>st</sup> September 2019 to Saturday, 28<sup>th</sup> September, 2019 (both days inclusive).
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 3 of the Notice, is annexed hereto.
4. The Company has appointed a SEBI approved Registrar and Share Transfer Agent M/s. Adroit Corporate Services Private Limited having their office 17/20, Jafferbhoy Ind. Estate, 1<sup>st</sup> Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai-400059. Members are requested to send all communication such as relating to Change of Address, Transfer/Demat of shares etc. to M/s. Adroit Corporate Services Private Limited.



5. Trading of equity shares of the company in demat form has been made in the CDSL system on 31<sup>st</sup> October, 2001 and in the NSDL system on 29<sup>th</sup> November, 2001 under ISIN: INE418E01018.
6. The shares of the company are in Demat category for all the investors. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
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 else DP Id & Client Id if you are holding shares in dematerialized form to:- [investors@pmlindia.com](mailto:investors@pmlindia.com).
11. The Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2018-19 will also be available on the Company's website viz. [www.pmlindia.com](http://www.pmlindia.com)
12. The route map showing directions to reach the venue of the Fifty Eighth AGM is annexed.
13. In compliance with the provisions of Section 108 of the Act read with Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM. The Board of Directors has appointed Shri. Arun Dash, Practicing Company Secretary, as a Scrutinizer.

**Voting through electronic means:**

The procedure and instructions for the same are as follows:

- (i) The voting period begins on 24<sup>th</sup> September, 2019 at 10.00 a.m and ends on 27<sup>th</sup> September, 2019 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21<sup>st</sup> September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iv) Click on Shareholders/Members.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

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

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘**Password Creation**’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.



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

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

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

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

**Place: Thane**  
**Dated: 9<sup>th</sup> August, 2019**

**Sd/-**  
**Rachana Rane**  
**Company Secretary**

**Corporate Office:**

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

**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 No. 3 of the accompanying Notice:

**Item No. 3**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Shri. Rajeev Mundra (DIN : 00139886) as an Independent Director, for a second term of five consecutive years from August 12, 2019 to August 11, 2024, not liable to retire by rotation. Shri. Rajeev Mundra was appointed as Independent Director at the 53<sup>rd</sup> Annual General Meeting (“AGM”) of the Company and holds office up to August 11, 2019. The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that, given his background, experience and contribution made during his tenure, continued association of Shri. Rajeev Mundra would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Shri. Rajeev Mundra as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 3 of this Notice for approval of the Members.

Except Shri. Rajeev Mundra and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, financially or otherwise in the Resolution set out at Item No. 3 of the Notice.

The Board recommends passing of the Special Resolution as set out in the Item No. 3 of the accompanying Notice for approval by the Members.

# PERMANENT MAGNETS LIMITED

Brief profile of Shri. Rajeev Mundra is provided as below.

BRIEF PROFILE OF DIRECTOR WHO IS PROPOSED TO BE RE-APPOINTED AS SET OUT IN THIS NOTICE:

Name of Director	Shri. Rajeev Mundra
Date of Birth	May 19, 1970
Date of Appointment	April 16, 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)	Taparia Tools Limited Pregna International Limited Lifetime Mobbilities Private Limited Skvm Global Service Private Limited Vistaar Logistic Private Limited
Memberships / Chairmanships of committees of other public companies	Taparia Tools Limited – Members in 3 Committees
Shareholding in Company	Lifetime Mobbilities Private Limited – 10% Skvm Global Service Private Limited – 33.34% Vistaar Logistic Private Limited – 2.70%

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

**Place: Thane**  
**Dated: 9<sup>th</sup> August, 2019**

**Sd/-**  
**Rachana Rane**  
**Company Secretary**

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





## DIRECTORS' REPORT

To,  
The Members,  
**PERMANENT MAGNETS LIMITED**

Your Directors are pleased to present the 58<sup>th</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2019.

### FINANCIAL RESULTS:

(₹ In Lakhs)

Particulars	31/03/2019	31/03/2018
Sales	12084.10	9276.60
Other Income	99.21	44.60
<b>Total Income</b>	<b>12183.31</b>	<b>9321.20</b>
<b>PBIDT &amp; Extra Ordinary Items</b>	<b>2387.21</b>	<b>883.77</b>
Interest	151.07	165.36
Depreciation	156.18	127.62
<b>Profit before Extra Ordinary Items &amp; tax</b>	<b>2079.98</b>	<b>590.79</b>
Extra Ordinary Items	-	96.93
<b>Profit before Tax</b>	<b>2079.98</b>	<b>687.72</b>
Current Tax	613.26	140.22
Deferred Tax	(14.25)	8.68
Short /Excess provision of earlier years	0.51	-
<b>Profit/(Loss) for the year</b>	<b>1480.46</b>	<b>538.82</b>
<b>Other Comprehensive Income</b>	<b>4.98</b>	<b>2.50</b>
<b>Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>	<b>1485.44</b>	<b>541.32</b>

#### 1. COMPANY'S PERFORMANCE:

Your Company's total revenue during the year under review was Rs.12183.31 Lakhs as compared to Rs. 9321.20 Lakhs in the previous year. The Profit before Tax for the year 2018-19 was higher at Rs. 2079.98 Lakhs as against Rs. 687.72 Lakhs in the previous year. Profit after Tax in 2018-19 stood at Rs. 1485.44 Lakhs as against Rs. 541.32 Lakhs in the previous year.

#### 2. DIVIDEND :

In order to conserve the resources of the Company, the Board of Directors are not recommending any dividend for the Financial Year.

#### 3. CHANGE IN THE NATURE OF THE BUSINESS:

There were no changes in the nature of business during the year under review as prescribed in Rule 8 of the Companies (Accounts) Rules, 2014.

#### 4. TRANSFER TO RESERVE:

The Company has not transferred any amount to reserves in the current financial year.

#### 5. DEPOSITS:

The company has not accepted any deposits from the public during the year pursuant to the provisions of section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 or under Chapter V of the Companies Act, 2013 (the Act).

#### 6. LISTING:

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

#### 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors at its meeting held on 29<sup>th</sup> May, 2019, subject to the approval of the shareholders in the general meeting, re-appointed Shri. Rajeev Mundra (DIN : 00139886), as an Independent Director of the Company for a second term period of 5 consecutive years with effect from 12<sup>th</sup> August, 2019, on terms of remuneration as recommended by the Nomination & Remuneration Committee. A resolution in this behalf is set out at Item No. 3 of the Notice of Annual General Meeting, for Members' approval.

Pursuant to the provisions of Section 152 of the Act, Shri. Mukul Taparia (DIN: 00318434), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment. In terms of Section 203 of the Act, the following are the Key Managerial Personnel of the Company:

- Shri. Sharad Taparia, Managing Director
- Shri. Sukhmal Jain – CFO & Senior Vice President - Finance
- Smt. Rachana Rane – Company Secretary

All the Independent Directors of the Company have given their declarations to the Company under Section 149(7) of the Act that they meet the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'). In the opinion of the Board, they fulfil the conditions of independence as specified in the Act and the Listing Regulations and are independent of the management.

## **8. DIRECTORS RESPONSIBILITY STATEMENT:**

Accordingly, pursuant to Section 134(3)(c) and 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm :

- a) that in the preparation of the annual financial statements for the year ended March 31, 2019, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## **9. CORPORATE GOVERNANCE:**

In terms of Regulation 27(2) read with Regulation 15(2) of Chapter IV of Listing Regulations, the provisions of clauses relating to corporate governance is applicable to Company with effect from FY 2019 -20.

Your Company is in compliance with all applicable provisions of Corporate Governance as stipulated under Chapter IV of the Listing Regulations. A detailed report on Corporate Governance as required under the Listing Regulations is provided in a separate section and forms part of the Annual Report. Certificate from the Practicing Company Secretary regarding compliance with the conditions stipulated in the Listing Regulations forms part of the Corporate Governance Report.

## **10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

Since the Company has no subsidiaries, Joint Ventures or associate companies provisions of section 129(3) of the Companies Act, 2013 is not applicable. As the Company does not have any subsidiaries, associates or joint venture companies as per the Companies Act, 2013, no report on the performance of such Companies is provided.

## **11. AUDITORS:**

### **11.1 STATUTORY AUDITORS**

The Members at the 56<sup>th</sup> Annual General Meeting of the Company held on 28<sup>th</sup> September, 2017, had appointed M/s. Ramanand & Associates, Chartered Accountants (Firm Registration No. 117776W), as the Statutory Auditor of the Company to hold office for a term of five years i.e., from the conclusion of the said Annual General Meeting until the conclusion of 61<sup>st</sup> Annual General Meeting of the Company to be held in 2022, subject to ratification of their appointment by the shareholders, every year. The Ministry of Corporate Affairs vide its Notification dated 7<sup>th</sup> May, 2018, has dispensed with the requirement of ratification of Auditor's appointment by the shareholders, every year. Hence, the resolution relating to ratification of Auditor's appointment is not included in the Notice of the ensuing Annual General Meeting. The observations made in the Auditors Report are self-explanatory.



## 11.2 SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Act and the rules made there under, the Company had appointed M/s. Arun Dash & Associates, a firm of Company Secretaries to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2019. The Secretarial Audit Report issued in this regard is annexed as “Annexure A”. The observations made in the Secretarial Audit Report are self-explanatory.

## 11.3 INTERNAL AUDITORS

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

## 12. EXPLANATION ON AUDITOR'S COMMENT:

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

- a) With reference to para VII(a) of the Annexure to the Auditor's Report the TDS i.e Rs. 8.47 lakhs pertaining to late filing fees & interest which are as per Traces site of Income Tax (TDS) and With reference to para VII(c) the matter is being looked into and shall soon be appropriately dealt with.
- b) With reference to para VIII of the Annexure to the Auditor's Report, the Central Excise Loan interest 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 and Government of India is being taken up and will be sorted out in due course of time. No material liability is expected in this regard.

## 13. MANAGEMENT DISCUSSION AND ANALYSIS:

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

## 14. PARTICULARS OF EMPLOYEES:

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

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given in “Annexure B” which is part of this report.

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

Honorable Bombay High Court has given interim stay order against the winding up order passed (against the Company) dated 15/04/2015. This was a lawsuit filed by M/s. Savino Del Bene Freight Forwarders (India) Private Limited. Company has deposited Rs. 19,05,179/- including interest as per direction of Honourable Bombay High Court. The Appeal shall be added to the appropriate board for hearing. But the same is not yet listed on the Board of High Court.

## 16. RELATED PARTY TRANSACTIONS:

All Related Party Transactions that were entered during the financial year under review were on an arm's length basis and in the ordinary course of business and is in compliance with the applicable provisions of the Act and the Listing Regulations.

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material. Members may refer to Note 8 of Notes to Account of the standalone financial statement which sets out related party disclosures.

The information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with Rule 8(2) of the Companies(Accounts) Rules, 2014 are given in “Annexure C” in Form AOC-2 which is part of this report.

## 17. CORPORATE SOCIAL RESPONSIBILITY:

The Company has a Policy on Corporate Social Responsibility and the same has been posted on the website of the Company at [www.pmlindia.com](http://www.pmlindia.com). The Annual Report on CSR activities in terms of the requirements of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as “Annexure D”, which forms part of this Report.

## 18. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has adopted a Whistle Blower Policy to provide a formal mechanism to the Directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy. The said policy is posted on the Company's website - [www.pmlindia.com](http://www.pmlindia.com).

## 19. CONSERVATION OF ENERGY, TECHNOLOGY DEVELOPMENT AND ABSORPTION:

The Conservation of Energy, 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 E” attached hereto provides the information required to be disclosed on the efforts made on Conservation of Energy, Technology Development and Absorption as per Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

## 20. FOREIGN EXCHANGE EARNING AND OUTGO:

Please refer to paragraph No. 14 of Notes to accounts for the foreign exchange outgo and earnings of the Company which is required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014.

## 21. PARTICULARS OF LOANS GIVEN, GUARANTEES AND INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

The Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.

## 22. BOARD AND COMMITTEE MEETINGS:

The details of the composition of the Board and its Committees and the number of meetings held and attendance of Directors at such meetings are provided in the Corporate Governance Report, which forms part of the Annual Report.

## 23. ANTI SEXUAL HARASSMENT POLICY:

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on Prevention, Prohibition and Redressal of Sexual Harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules made thereunder.

## 24. EXTRACT OF ANNUAL RETURN:

Pursuant to Section 92(3) of the Act and Rule 12(1) of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in the prescribed form i.e., Form MGT-9 is annexed herewith as “Annexure F”, which forms part of this Report.

## 25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

## 26. SHARE CAPITAL:

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

## 27. PERFORMANCE EVALUATION :

Pursuant to the applicable provisions of the Act and the Listing Regulations, the Board has carried out an Annual Evaluation of its own performance, performance of the Directors and the working of its Committees based on the evaluation criteria defined by Nomination and Remuneration Committee (NRC). The performance assessment of Non-Independent Directors, Board as a whole were evaluated in a separate meeting of Independent Directors. The Directors expressed their satisfaction with the evaluation process.

## 28. APPRECIATION:

Your Directors take this opportunity to thank the employees, customers, vendors, Shareholders of the Company and the communities in which the Company operates for their unstinted co-operation and valuable support extended to the Company during the year.

Your Directors also thank the Government of India, Government of various States in India and concerned government departments/agencies for their co-operation.

Place: Thane

Date: 9<sup>th</sup> August, 2019

Corporate Office:

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

FOR AND ON BEHALF OF THE BOARD,

Sd/-  
Sharad Taparia  
Managing Director

Sd/-  
Mukul Taparia  
Director



**ANNEXURE A TO DIRECTORS' REPORT  
SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2019**

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

To,  
The Members  
**Permanent Magnets Limited**  
Harsh Avenue, 302, 3<sup>rd</sup> Floor,  
Opp.Silvassa Police Station,  
Silvassa Vapi Main Road,  
Silvassa, Dadra Nagar Haveli- 396230.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (Not applicable to the Company during the audit period) ;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period).
- (vi) Other laws specifically applicable to the Company:
  1. The Factories Act, 1948
  2. The Employee's State Insurance Act, 1948
  3. The Employee's Provident Funds and Miscellaneous Provisions Act, 1952
  4. The Maternity Benefit Act, 1961
  5. The Child Labour (Prohibition & Regulation) Act, 1986

# PERMANENT MAGNETS LIMITED

6. The Workmen's Compensation Act, 1923

7. The Environment Protection Act, 1986

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:

1. Pursuant to Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hundred percent of shareholding of promoter(s) and promoter group must be in dematerialized form; Shareholding of one of the promoter of the company is held in physical form.

**We further report that:**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on the agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However attention is drawn to note no. 2 of Notes to Accounts i.e Contingent Liabilities.

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

*The Hon'ble Bombay High Court has passed a winding up order dated 15.04.2015 for winding up of the Company on petition filed by M/s. Savino Del Bene Freight Forwarders (India) Private Limited and the Hon'ble Court had issued direction for appointment of an official liquidator in the winding up order. On the appeal against this order made by the Company before the Hon'ble Bombay High Court, the Hon'ble Court has given interim stay order against the winding up order passed (against the Company) dated 15.04.2015. The Company has deposited Rs. 19,05,179/- with interest as per direction of the Hon'ble Court. Matter is pending before the Hon'ble Court and next hearing in this matter shall come up as per listing of the court.*

**M/s Arun Dash & Associates  
Company Secretaries**

Sd/-

**CS. Arun Dash  
(Proprietor)**

**M. No. FCS 9765  
C.P. No. 9309**

**Place: Mumbai**

**Date: 9<sup>th</sup> August, 2019**

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



'Annexure'

To,  
The Members

**Permanent Magnets Limited**

Harsh Avenue, 302, 3<sup>rd</sup> Floor,  
Opp. Silvassa Police Station,  
Silvassa Vapi Main Road,  
Silvassa, Dadra Nagar Haveli- 396230.

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

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

**M/s Arun Dash & Associates  
Company Secretaries**

Sd/-

**CS. Arun Dash  
(Proprietor)**

**M. No. FCS 9765**

**C.P. No. 9309**

**Place: Mumbai**

**Date: 9<sup>th</sup> August, 2019**

# PERMANENT MAGNETS LIMITED

## ANNEXURE B

### Ratio of director remuneration to employee median remuneration

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

Sr. No.	Particulars	Disclosure
1.	The ratio of the remuneration of each director to the median remuneration of the employees for the financial year.	Shri. Sharad Taparia – 22.28x
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Shri. Sharad Taparia (MD) – 103% Shri. Sukhmal Jain (CFO) - 16% Smt. Rachana Rane (CS) – 30%
3.	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in FY 18-19 was increased by 15%
4.	The number of permanent employees on the rolls of the Company	102 as on March 31, 2019
5.	Average percentile increase already made in the salaries of employees other than managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with benchmark study and the performance of the Company over a period of time.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	We confirm the same.





**ANNEXURE C**  
**Form No. AOC-2**

*(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and  
Rule 8(2) of the Companies (Accounts) Rules, 2014)*

Form for disclosure of particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis: Permanent Magnets Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which is not in ordinary course of business or at arm's length during FY 2018-2019. The Company has laid down policies and processes/procedures so as to ensure compliance to the subject section in the Companies Act, 2013 (Act) and the corresponding Rules. In addition, the process goes through internal and external checking, followed by quarterly reporting to the Audit Committee.
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts/arrangements/transactions: Not Applicable
  - (c) Duration of the contracts / arrangements/transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Justification for entering into such contracts or arrangements or transactions: Not Applicable
  - (f) Date(s) of approval by the Board: Not Applicable
  - (g) Amount paid as advances, if any: Not Applicable
  - (h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: Not Applicable
2. Details of material contracts or arrangement or transactions at arm's length basis:
  - (a) Name(s) of the related party and nature of relationship: Not Applicable
  - (b) Nature of contracts / arrangements / transactions: Not Applicable
  - (c) Duration of the contracts / arrangements / transactions: Not Applicable
  - (d) Salient terms of the contracts or arrangements or transactions including the value, if any: Not Applicable
  - (e) Date(s) of approval by the Board, if any: Not Applicable
  - (f) Amount paid as advances, if any: None

**FOR AND ON BEHALF OF THE BOARD,**

**Place: Thane**  
**Date: 9<sup>th</sup> August, 2019**

**Sd/-**  
**Sharad Taparua**  
**Managing Director**

## ANNEXURE D

### ANNUAL REPORT ON CSR ACTIVITIES OF THE COMPANY

- 1. A brief outline of the Company's CSR Policy, including overview of the projects or programs proposed to be undertaken and a reference to the web link of the CSR Policy and projects or programs.**

The focus areas of CSR Policy are as follows:

CSR initiatives of the Company aim towards inclusive development of communities through a range of social interventions, enhancing skills and building social infrastructure to improve their livelihood. Our CSR approach focuses on development of communities around the vicinity of our plants and other offices.

Your Company's focus areas for the Financial Year 2018-19 under CSR are as under:

Promotion of education, self development and employment-enhancing vocational skills;

Other areas approved by the CSR Committee within the ambit of CSR Rules as amended from time-to-time.

The CSR Policy can be viewed on the Company's website at 'www.pmlindia.com'

- 2. The Composition of CSR Committee:**

Shri. Rajeev Mundra - Chairman (Independent Non-Executive Director)

Shri. Sharad Taparia - Managing Director

Shri. Mukul Taparia - Non-Executive Director

- 3. Average Net Profit of the Company for the last 3 financial years:**

The average Net Profit for the last three years is Rs. 3,03,06,285/-

- 4. Prescribed CSR Expenditure (two percent of the amount as mentioned at item 3 above):**

The Company is required to spend Rs. 6,06,126/- towards CSR during the financial year 2018-19.

- 5. Details of CSR spent during the financial year:**

a) Total amount spent for the financial year: Rs. 6,06,126/-

b) Amount unspent, if any: Nil

c) Manner in which the amount spent during the financial year is detailed below:

Sr. No.	Project/ Activities	Sector	Locations Districts (State)	Amount Outlay (Budget)	Amount Spent on the Projects or Programs	Cumulative expenditure upto reporting period	Amount Spent	
							Direct	Through Implementing Agency
1.	Mitra Vipassana Academy	Promoting Education	Padgha, Thane - Maharashtra	Rs. 6,06,126	Rs. 6,06,126	Rs. 6,06,126	Rs. 6,06,126	-

- 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board's Report:**

Not Applicable

- 7. The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.**

Place: Thane  
Date: 9<sup>th</sup> August, 2019

Sd/-  
Sharad Taparia  
Managing Director

Sd/-  
Rajeev Mundra  
Chairman - CSR Committee



## ANNEXURE E

### 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. Components for Electric Vehicle
  - II. Circuit Breaker Components and customized relay assemblies
  - III. Current Transformer (CT) and cores
  - IV. Shielding Magnetic field
  - V. Nano & Amorphous iron based ribbon parts
  - VI. Micro injection plastic moulding for advance engineering 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 current transformer, shielding components, Flux Concentrator, gas meter components, customized alloy ingot, automotive precision parts, current measurement modules
  - III. New magnetic measurement equipment for open loop components (all soft materials)
3. Future plan of action.
  - I. Alloy developments & modifications for cost reductions & New alloy development e.g. Fe-Ni, Fe-Si (soft magnetic alloys) as well as new market
  - II. Assemblies related to electronic components & assemblies e.g. shunt assemblies with terminal & cable, customized relay assemblies
  - III. New components related to Copper alloys, Iron nickel alloys, Iron silicon alloys, Iron Cobalt alloys, Bimetals
  - IV. Aerospace components
  - V. Development of assemblies using soft magnetic materials
4. Expenditure on R & D (Rs. In Lakhs)
  - I. Capital - Rs. 28.16
  - II. Recurring - Rs. 75.43
  - III. **Total - Rs. 103.59**

Total R & D expenditure as a percentage of total turnover is 0.64%.

#### **Technology, Absorption, adaptation and Innovation:**

- I. Efforts in brief made towards technology absorption, adaptation and innovation.
  - Testing, heat treatment, processes for soft materials developed e.g. iron silicon alloys, iron cobalt alloys, nano & amorphous iron based ribbon parts
- II. Benefits derived as a result of the above efforts e.g. process improvement, cost reduction, product development.
  - I. New product line development in progress for company with good potential for future.

#### **Conservation of energy:**

- I. the steps taken and impact on conservation of energy-
  - Utilisation of electrical energy efficiently in the entire plant is done.
- II. the steps taken by the company for utilising alternate sources of energy-
  - Alternative energy like Solar have been studied as an alternative energy.
  - Best benefit of Solar power is when it is installed on the roof. Company will evaluate further about solar power equipment.
- III. the capital investment on energy conservation equipment- Not done.

# PERMANENT MAGNETS LIMITED

## ANNEXURE F

Form No. MGT-9

### EXTRACT OF ANNUAL RETURN

as for the financial year ended on 31<sup>st</sup> March, 2019

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

#### I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27100DN1960PLC000371
ii) Registration Date	26/11/1960
iii) Name of the Company	PERMANENT MAGNETS LIMITED
iv) Category/Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v) Address of the Registered office and contact details	HARSH AVENUE, 302,3 <sup>RD</sup> FLOOR., OPP SILVASSA POLICE STATION, SILVASSA VAPI MAIN RD., SILVASSA - 396230, DNH TEL NO. 022 : 68285454 EMAIL : investors@pmlindia.com
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any-	ADROIT CORPORATE SERVICES PRIVATE LIMITED 17-20, JAFFERBHOY IND. ESTATE, 1 <sup>ST</sup> FLOOR, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400059. TEL/DIRECT: +91 022 - 28594060 / 6060

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Parts and accessories of electricity and Gas meters, Cast Alloy, Permanent Magnet and Magnetic assembly	32909	100

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-	-	-	-	-	-

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual	3222728	0	3222728	37.49	3222728	0	3222728	37.49	0.00
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	423377	0	423377	4.93	423377	0	423377	4.93	0.00
e) Banks /FI	0	31290	31290	0.36	0	31290	31290	0.36	0.00
f) Any other									
f-1) HUF Controlling	515457	0	515457	5.99	515457	0	515457	5.99	0.00
f-2) Directors	1468711	0	1468711	17.08	1468711	0	1468711	17.08	0.00
f-3) Directors Relatives	512849	0	512849	5.96	512849	0	512849	5.96	0.00
<b>Total Shareholding of promoter (A)</b>	<b>6143122</b>	<b>31290</b>	<b>6174412</b>	<b>71.81</b>	<b>6143122</b>	<b>31290</b>	<b>6174412</b>	<b>71.81</b>	<b>0.00</b>



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	70	620	690	0.01	70	620	690	0.01	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (B) (1)</b>	<b>70</b>	<b>620</b>	<b>690</b>	<b>0.01</b>	<b>70</b>	<b>620</b>	<b>690</b>	<b>0.01</b>	<b>0.00</b>
<b>(2) Non - Institutions</b>									
a) Bodies Corp.									
i) Indian	56408	7540	63948	0.74	37984	6240	44224	0.51	-0.23
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.2 lakh	928734	507504	1436238	16.70	952767	455717	1408484	16.38	-0.32
ii) Individual shareholders holding nominal share capital in excess of Rs.2 lakh	805186	0	805186	9.36	831801	0	831801	9.67	0.31
c) Others (Specify)									
c-1) Non Resident Indians(Individuals)	15004	32160	47164	0.55	29851	32160	62011	0.72	0.17
c-2) Non Resident Indian Corporate Bodies	0	66600	66600	0.77	0	66600	66600	0.77	0.00
c-3) Trusts	100	0	100	0.00	100	0	100	0.00	0.00
c-4) Clearing Member	2115	0	2115	0.02	8131	0	8131	0.09	0.07
c-5) Corporate Body - Broker	2000	0	2000	0.02	2000	0	2000	0.02	0.00
<b>Sub-total (B)(2)</b>	<b>1809547</b>	<b>613804</b>	<b>2423351</b>	<b>28.18</b>	<b>1862634</b>	<b>560717</b>	<b>2423351</b>	<b>28.18</b>	<b>-0.02</b>
<b>Total Public Shareholding(B)= (B) (1)+(B)(2)</b>	<b>1809617</b>	<b>614424</b>	<b>2424041</b>	<b>28.19</b>	<b>1862704</b>	<b>561337</b>	<b>2424041</b>	<b>28.19</b>	<b>-0.02</b>
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0	0	0	0	0	0.00
Public -	0	0	0	0	0	0	0	0	0.00
Sub-total (C)	0	0	0	0	0	0	0	0	0.00
<b>Grand Total (A+B+C)</b>	<b>7952739</b>	<b>645714</b>	<b>8598453</b>	<b>100</b>	<b>8005826</b>	<b>592627</b>	<b>8598453</b>	<b>100</b>	<b>0.00</b>

# PERMANENT MAGNETS LIMITED

## ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rashi Taparia	1000	0.01	0.00	1000	0.01	0.00	0.00
2	Yamini Taparia	47130	0.55	0.00	47130	0.55	0.00	0.00
3	Jaiprakash Taparia, HUF	202770	2.36	0.00	202770	2.36	0.00	0.00
4	Sunilkumar Taparia	97890	1.14	0.00	97890	1.14	0.00	0.00
5	Sunaina S. Taparia	34800	0.40	0.00	34800	0.40	0.00	0.00
6	Ritu Taparia	1520	0.02	0.00	1520	0.02	0.00	0.00
7	Divya Taparia	3590	0.04	0.00	3590	0.04	0.00	0.00
8	Sharad Taparia	742857	8.64	0.00	742857	8.64	0.00	0.00
9	Rameshchandra Taparia, HUF	134727	1.57	0.00	134727	1.57	0.00	0.00
10	Poornimadevi Rameshchandra Taparia	270654	3.15	0.00	270654	3.15	0.00	0.00
11	Rameshchandra Madanlal Taparia	618890	7.20	0.00	618890	7.20	0.00	0.00
12	Mukul Taparia	691054	8.04	0.00	691054	8.04	0.00	0.00
13	Kamladevi Taparia	725695	8.44	0.00	725695	8.44	0.00	0.00
14	Anupkumar Taparia	185040	2.15	0.00	185040	2.15	0.00	0.00
15	Anupkumar Taparia, HUF	113360	1.32	0.00	113360	1.32	0.00	0.00
16	Sunitadevi Taparia	206530	2.40	0.00	206530	2.40	0.00	0.00
17	Anil Kumar Taparia	118430	1.38	0.00	118430	1.38	0.00	0.00
18	Anil Kumar Taparia, HUF	39750	0.46	0.00	39750	0.46	0.00	0.00
19	Megh Exim LLP	88077	1.02	0.00	88077	1.02	0.00	0.00
20	Seemadevi Taparia	53500	0.62	0.00	53500	0.62	0.00	0.00
21	NYMPH Properties Private Limited	160000	1.86	0.00	160000	1.86	0.00	0.00
22	Jaiprakash Taparia	465719	5.42	0.00	465719	5.42	0.00	0.00
23	Bank of Rajasthan Limited	31290	0.36	100.00	31290	0.36	100.00	0.00
24	Sunilkumar Taparia, HUF	5450	0.06	0.00	5450	0.06	0.00	0.00
25	Shyamsunder Taparia, HUF	19400	0.23	0.00	19400	0.23	0.00	0.00
26	Shriniwas Company Pvt. Ltd.	175300	2.04	0.00	175300	2.04	0.00	0.00
27	Shyamsunder Taparia	848989	9.87	0.00	848989	9.87	0.00	0.00
28	Rishi Taparia	41000	0.48	0.00	41000	0.48	0.00	0.00
29	Manmohan Taparia	50000	0.58	0.00	50000	0.58	0.00	0.00
	<b>TOTAL</b>	<b>6174412</b>	<b>71.81</b>	<b>0.51</b>	<b>6174412</b>	<b>71.81</b>	<b>0.51</b>	<b>0.00</b>

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

Sr. No.	Name of Promoter's	Shareholding at the beginning of the year ( April 01, 2018)					Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
1	Megh Exim Private Limited	88077	1.02	NIL	NIL	NA	0	0.00
	At the End of the year						88077	1.02
2	Nymph Properties Private Limited	160000	1.86	NIL	NIL	NA	0	0.00
	At the End of the year						160000	1.86
3	Shriniwas Company Private Limited	175300	2.04	NIL	NIL	NA	0	0.00
	At the End of the year						175300	2.04
4	Anupkumar Taparia, HUF	113360	1.32	NIL	NIL	NA	0	0.00
	At the End of the year						113360	1.32
5	Jaiprakash Taparia, HUF	202770	2.36	NIL	NIL	NA	0	0.00
	At the End of the year						202770	2.36



Sr. No.	Name of Promoter's	Shareholding at the beginning of the year ( April 01, 2018)					Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
6	Shyamsunder Taparia, HUF	19400	0.23	NIL	NIL	NA	0	0.00
	At the End of the year						19400	0.23
7	Sunilkumar Taparia, HUF	5450	0.06	NIL	NIL	NA	0	0.00
	At the End of the year						5450	0.06
8	Anil Kumar Taparia, HUF	39750	0.46	NIL	NIL	NA	0	0.00
	At the End of the year						39750	0.46
9	Divya Taparia	3590	0.04	NIL	NIL	NA	0	0.00
	At the End of the year						3590	0.04
10	Anil Kumar Taparia	118430	1.38	NIL	NIL	NA	0	0.00
	At the End of the year						118430	1.38
11	Sunitadevi Taparia	206530	2.40	NIL	NIL	NA	0	0.00
	At the End of the year						206530	2.40
12	Seemadevi Taparia	53500	0.62	NIL	NIL	NA	0	0.00
	At the End of the year						53500	0.62
13	Anupkumar Taparia	185040	2.15	NIL	NIL	NA	0	0.00
	At the End of the year						185040	2.15
14	Poornimadevi Rameshchandra Taparia	270654	3.15	NIL	NIL	NA	0	0.00
	At the End of the year						270654	3.15
15	Jaiprakash Taparia	465719	5.42	NIL	NIL	NA	0	0.00
	At the End of the year						465719	5.42
16	Sunilkumar Taparia	97890	1.14	NIL	NIL	NA	0	0.00
	At the End of the year						97890	1.14
17	Rameshchandra Madanlal Taparia	618890	7.20	NIL	NIL	NA	0	0.00
	At the End of the year						618890	7.20
18	Sharad Taparia	742857	8.64	NIL	NIL	NA	0	0.00
	At the End of the year						742857	8.64
19	Rameshchandra Taparia, HUF	134727	1.57	NIL	NIL	NA	0	0.00
	At the End of the year						134727	1.57
20	Sunaina Taparia	34800	0.40	NIL	NIL	NA	0	0.00
	At the End of the year						34800	0.40
21	Kamladevi Taparia	725695	8.44	NIL	NIL	NA	0	0.00
	At the End of the year						725695	8.44
22	Shyamsunder Taparia	848989	9.87	NIL	NIL	NA	0	0.00
	At the End of the year						848989	9.87
23	Mukul Taparia	691054	8.04	NIL	NIL	NA	0	0.00
	At the End of the year						691054	8.04
24	Yamini Taparia	47130	0.55	NIL	NIL	NA	0	0.00
	At the End of the year						47130	0.55
25	Ritu Taparia	1520	0.02	NIL	NIL	NA	0	0.00
	At the End of the year						1520	0.02
26	Manmohan Taparia	50000	0.58	NIL	NIL	NA	0	0.00
	At the End of the year						50000	0.58
27	Rishi Taparia	41000	0.48	NIL	NIL	NA	0	0.00
	At the End of the year						41000	0.48
28	Bank of Rajasthan Limited	31290	0.36	NIL	NIL	NA	0	0.00
	At the End of the year						31290	0.36
29	Rashi Taparia	1000	0.01	NIL	NIL	NA	0	0.00
	At the End of the year						1000	0.01

## PERMANENT MAGNETS LIMITED

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

Sr. No.	* Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 01, 2018)		Transaction during the year			Shareholding end of the year (March 31, 2019)	
		No. of Shares	% of total Shares of the Company	Date	Sale	Purchase	No. of Shares	% of total shares of the company
1	Hitesh Ramji Javeri	275000	3.20	-	-	-	275000	3.20
2	Dipak Kanayalal Shah	185000	2.15	07.09.18	-	300	185300	2.16
3	Harsha Hitesh Javeri	150000	1.74	-	-	-	150000	1.74
4	Sangeetha S	100150	1.16	01.06.18 31.08.18 28.09.18 14.12.18	900 900 900 900	- - - -	96550	1.12
5	Centro Magneti Permanenti S P A	66600	0.77	-	-	-	66600	0.77
6	Cesare Giuseppe Rossi	36660	0.43	-	-	-	36660	0.43
7	Rajendra Kumar Maliwal	23711	0.28	-	-	-	23711	0.28
8	Jyotindra Mansukhlal Mehta	20156	0.23	-	-	-	20156	0.23
9	Sridhar A	25316	0.29	15.06.18 22.06.18 29.06.18 13.07.18 10.08.18 17.08.18 24.08.18 31.08.18 14.09.18	- - - - 930 - - - -	820 500 300 889 - 14 186 299 445	27839	0.32
10	Dhanalakshmi Sridhar	51169	0.60	06.04.18 27.04.18 11.05.18 25.05.18 01.06.18 08.06.18 15.06.18 22.06.18 06.07.18 13.07.18 20.07.18 27.07.18 17.08.18 24.08.18 31.08.18 07.09.18 14.09.18 28.09.18 05.10.18 19.10.18 26.10.18 09.11.18 16.11.18 23.11.18 30.11.18 07.12.18 14.12.18 21.12.18	- - - - - - - 33 - 1912 500 685 400 - - - - - 3897 - 6873 - - - - 3820 - -	2004 2596 176 4050 799 3700 2 - 814 - - - - 199 2224 2 118 318 - 774 - 320 2311 115 278 - 1492 2139	53245	0.62





Sr. No.	* Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 01, 2018)		Transaction during the year			Shareholding end of the year (March 31, 2019)	
		No. of Shares	% of total Shares of the Company	Date	Sale	Purchase	No. of Shares	% of total shares of the company
				28.12.18	170	-		
				04.01.19	1111	-		
				11.01.19	1569	-		
				18.01.19	1719	-		
				01.02.19	-	1572		
				08.02.19	585	-		
				15.02.19	4018	-		
				22.02.19	-	758		
				01.03.19	-	754		
				08.03.19	-	1604		
				22.03.19	104	-		
				29.03.19	1258	-		

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

Sr. No.	Name of Directors & Key Managerial Personnel	Shareholding at the beginning of the year ( April 01, 2018)					Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of shares	% of total shares of the company
1	Sharad Taparia	742857	8.64	NIL	NIL	NA	0	0.00
	At the End of the year						742857	8.64
2	Sunaina Taparia	34800	0.40	NIL	NIL	NA	0	0.00
	At the End of the year						34800	0.40
3	Mukul Taparia	691054	8.04	NIL	NIL	NA	0	0.00
	At the End of the year						691054	8.04
4	Rajeev Mundra	0	0.00	NIL	NIL	NA	0	0.00
	At the End of the year						0	0.00
5	Kamal Binani	0	0.00	NIL	NIL	NA	0	0.00
	At the End of the year						0	0.00
6	Sukhmal Jain	10	0.0001	NIL	NIL	NA	0	0.00
							10	0.0001
7	Rachana Rane	0	0.00	NIL	NIL	NA	0	0.00
	At the End of the year						0	0.00

# PERMANENT MAGNETS LIMITED

## V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	12,31,73,197	-	-	12,31,73,197
ii) Interest due but not paid	-	-	-	-
iii) Interest Accrued But not due	1,76,71,354	-	-	1,76,71,354
Total (i+ii+iii)	14,08,44,551	-	-	14,08,44,551
Change in Indebtedness during the financial year				
• Addition	42,27,885	-	-	42,27,885
• Reduction	5,23,51,971	-	-	5,23,51,971
Net Change	5,65,79,856	-	-	5,65,79,856
Indebtedness at the end of the financial year				
i) Principal Amount	6,66,20,465	-	-	6,66,20,465
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,76,44,230	-	-	1,76,44,230
Total (i+ii+iii)	8,42,64,695	-	-	8,42,64,695

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
		Sharad Taparia	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	70,84,880	70,84,880
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	-	-
5.	Others, please specify	-	-
	Total (A)	71,17,280	71,17,280
	Ceiling as per the Act	5% of Net Profit as per Section 197 of the Companies Act, 2013	



B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Rajeev Mundra	Mukul Taparia	Sharad Taparia	Sunaina Taparia	Kamal Binani	
1.	Independent Directors • Fee for attending Board and Committee meetings • Commission • Others, please specify	60,000	-	-	-	57,500	1,17,500
	Total (1)	60,000	-	-	-	57,500	1,17,500
2.	Other Non-Executive Directors • Fee for attending Board and Committee meetings • Commission • Others, please specify	-	47,500	-	20,000	-	67,500
	Total (2)	-	47,500	-	20,000	-	67,500
	Total (B)=(1+2)	60,000	47,500	-	20,000	57,500	1,85,000
3.	Total Managerial Remuneration						71,17,280
4.	Overall Ceiling as per the Act	1% of the Net Profits as per Section 197(1) (ii) of the Companies Act, 2013					

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section17(3) Income-taxAct, 1961	-	4,48,937	40,85,700	45,34,637
		-	-	21,600	21,600
		-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as a % of profit - others, specify...	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total	-	4,48,937	41,07,300	45,56,237

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

## Corporate Governance Report

### 1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy on Corporate Governance relates to providing maximum service to all its stakeholders. The principles of transparency, accountability, trusteeship, creating robust policies and practices for key processes, equity in all facets of its operations and integrity are at the core of the Company's basic character.

Implementation of good governance indicates not only the compliance of the laws and regulations of the land but also indicates the values, practices and culture of your organization. Your Company is committed to adopt the best Corporate Governance practices and endeavors continuing to implement the code of Corporate Governance in its true spirit. Our Corporate Governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. Further as required by the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Report on Corporate Governance is given below.

### 2. BOARD OF DIRECTORS

#### Board Composition

As on 31<sup>st</sup> March, 2019, the Board comprised of 5 Directors. The Board of Directors of the Company comprises of a fair combination of Executive, Non-executive and Independent Directors with diverse professional background complying with the provisions of the Companies Act, 2013 and the Listing Regulations.

#### Board Meetings

The Board of Directors of the Company met four times during the year on 29<sup>th</sup> May, 2018; 13<sup>th</sup> August, 2018; 12<sup>th</sup> November, 2018 and 30<sup>th</sup> January, 2019. The gap between any two meetings is not more than 120 days.

Name of the Director	Category	No. of Board Meetings		Attendance at last AGM	Particulars of Directorship, Committee membership / Chairmanship in other companies			Names of the listed entities
		Held	Attended		As Director	As Chairman	As Member	
Shri. Sharad Taparia	Managing Director, Promoter	4	4	Yes	1	-	-	-
Shri. Rajeev Mundra	Independent and Non Executive Director	4	4	Yes	5	-	3	Taparia Tools Ltd. - Independent Director
Shri. Kamal Binani	Independent and Non Executive Director	4	4	No	4	-	1	SPA Capital Services Limited - Independent Director
Shri. Mukul Taparia	Non Executive, Promoter Director	4	4	Yes	2	-	-	-
Smt. Sunaina Taparia	Non Executive, Promoter Director	4	2	Yes	-	-	-	-

During the year, one meeting of the Independent Directors was held on 30<sup>th</sup> January, 2019. The Independent Directors, inter-alia, reviewed the performance of non-independent directors and the Board as a whole.

#### Relationship Between Directors

Out of 5 Directors 3 Directors are related Directors viz : Shri. Sharad Taparia, Managing Director, Shri. Mukul Taparia, Non Executive Director and Smt. Sunaina Taparia, Non Executive Director. None of the other Directors are related with each other.

#### Equity shareholding of the Non-Executive directors in the company as on 31<sup>st</sup> March, 2019

Sr. No.	Name of the Non-Executive Director	No. of Shares
1.	Shri. Rajeev Mundra	Nil
2.	Shri. Kamal Binani	Nil
3.	Shri. Mukul Taparia	691054
4.	Smt. Sunaina Taparia	34800

#### Familiarization Programme for Independent Directors

The Executive Director of the Company provides a brief of the industry and business of the Company to the new Independent Directors and also has a discussion to familiarize the Independent Directors with the Company's operations. At the time of

regularization of the appointment of an Independent Directors, the appointment is formalized by issuing a letter to the director, which inter-alia explains the role, function, duties and responsibilities expected of him/her as a director of the Company. The company has formulated a policy on 'Familiarisation programme for independent directors' which is available on the company's website, [www.pmlindia.com](http://www.pmlindia.com).

**List of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board**

The following is the list of core skills / expertise / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available with the Board Members:

- i) Knowledge on Company's businesses, policies and culture (including the Mission, Vision and Values) major risks / threats and potential opportunities and knowledge of the industry in which the Company operates
- ii) Behavioral skills - attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company
- iii) Business Strategy, Sales & Marketing, Corporate Governance, Administration, Decision Making,
- iv) Financial and Management skills
- v) Technical / Professional skills and specialized knowledge in relation to Company's business

**Confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management**

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**Detailed reasons for the resignation of an independent director who resigns before the expiry of his tenure :** Not Applicable

### 3. AUDIT COMMITTEE

The composition, procedure, Role / Function of the committee complies with the requirements of the Companies Act, 2013 as well as those of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**The brief terms of reference of the Audit Committee includes the following:**

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- To review quarterly, half yearly and Annual Financial results before submission to the Board.
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company.
- To review the statement of significant related party transactions submitted by management.
- To review the adequacy of internal control systems with the management, external & internal auditors.
- Discussion with external auditors about the nature and scope of audit including their observation.
- To review the functioning of the Whistle Blower mechanism.

**Powers of Audit Committee:**

The Audit Committee shall have powers, which should include the following:

- To investigate any activity within its terms of reference;
- To seek information from any employee;
- To obtain outside legal or other professional advice; and
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

**Audit Committee Composition:**

Audit Committees' composition meets with the requirements of Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013. The committee comprises of three members i.e. Two Non Executive Independent Directors and One Managing Director. During the year, Four meetings of the Audit Committee were held i.e. on 29<sup>th</sup> May, 2018; 13<sup>th</sup> August, 2018; 12<sup>th</sup> November, 2018 and 30<sup>th</sup> January, 2019.

# PERMANENT MAGNETS LIMITED

## Composition and Attendance of Members at the Meetings of the Audit Committee held during 2018-2019

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Shri. Rajeev Mundra	Chairman, Non-executive, Independent Director	4	4
Shri. Sharad Taparia	Member, Executive Director	4	4
Shri. Kamal Binani	Member, Non-executive, Independent Director	4	4

Shri. Sukhmal Jain, Chief Financial Officer are permanent invitees to the Audit Committee meetings. The Company Secretary acted as the Secretary to the Audit Committee.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

#### 4. NOMINATION AND REMUNERATION COMMITTEE

As per the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations, the Company has constituted Nomination and Remuneration Committee of the Board of Directors.

The term of reference of the Committee inter alia, includes:

- To formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- Formulate criteria for evaluation of Independent Directors and the Board.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- To carry out evaluation of every Director's performance.
- To recommend to the Board the appointment and removal of Directors and Senior Management.
- To recommend to the Board policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management.
- Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- To devise a policy on Board diversity.
- To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

#### Nomination And Remuneration Committee Composition:

The composition of the NRC and details of meetings attended by its members during the financial year ended 31<sup>st</sup> March 2019, are given below:

#### Composition and Attendance of Members at the Meetings of the Nomination And Remuneration Committee held during 2018-2019.

Members	Category	Meetings held during the tenure of the Directors	Meetings attended
Shri. Kamal Binani	Chairman, Non-executive, Independent Director	1	1
Shri. Mukul Taparia	Member, Non-executive Director	1	1
Shri. Rajeev Mundra	Member, Non-executive, Independent Director	1	1

During the year, One meeting of the Nomination And Remuneration Committee were held i.e. on 13<sup>th</sup> August, 2018.

#### Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors are determined by the Nomination and Remuneration Committee. The criteria for performance evaluation includes the areas relevant to the functioning of Independent Directors such as participation, conduct and effectiveness. The performance evaluation of Independent Directors was done by the entire Board of Directors except for the Directors who are subject to evaluation.

#### Criteria for determining qualifications, positive attributes and independence of a Director:

##### A. Appointment criteria and qualifications:

- The Nomination and Remuneration Committee (NRC) shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

- A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The NRC has discretion to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the concerned position.
- The provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 should be adhered to while considering the appointment of a Director or KMP or senior management personnel.

**B. Independence of Director (ID):**

- Appointment of IDs shall be in accordance with the provisions of the Companies Act, 2013 (Act) as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulation”).
- NRC to check whether a person to be nominated or appointed as an ID meets the criterion of independence as prescribed under Sec. 149(6) of the Act and under Regulation 25 of the Listing Regulation.
- While nominating any person to be appointed as an ID, the Committee should satisfy itself that the person gives a declaration as prescribed under the Act declaring that he/she meets the criterion of independence prescribed under the Act and Listing Regulation.

**5. REMUNERATION OF DIRECTORS**

In accordance with Section 178 of the Act, the Committee has framed a Nomination and Remuneration Policy which is available on the company’s website, [www.pmlindia.com](http://www.pmlindia.com).

Details of remuneration paid during the financial year 2018-19:

Sr. No.	Names	Category	Sitting Fees	Salary	Perquisites	Stock Options	Total
1.	Shri. Sharad Taparia	Managing Director	-	70,84,880/-	32,400/-	-	71,17,280/-
2.	Shri. Rajeev Mundra	Independent Director	60,000/-	-	-	-	60,000/-
3.	Shri. Kamal Binani	Independent Director	57,500/-	-	-	-	57,500/-
4.	Shri. Mukul Taparia	Non Executive Director	47,500/-	-	-	-	47,500/-
5.	Smt.Sunaina Taparia	Non Executive Director	20,000/-	-	-	-	20,000/-

The Company did not have any pecuniary relationship or transactions with Non-Executive Directors except payment of sitting fees, reimbursement of expenses incurred for travel etc. for attending Board/ Committee Meetings. Notice period, severance fees and performance-linked incentive are not stipulated in their terms of appointments.

**6. STAKEHOLDERS’ RELATIONSHIP COMMITTEE**

As per the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI Listing Regulations, the company has constituted Stakeholders Relationship Committee of the Board of Directors.

Smt. Rachana Rane, Company Secretary is the Compliance Officer for complying with requirements of Companies Act, Securities laws and listing Regulations with Stock Exchanges.

During the year, the Committee had One Meeting on 30<sup>th</sup> January,2019

Sr. No.	Name of the Member	Status	Category	No. of Meetings Held	No. of Meetings Attended
1.	Shri. Rajeev Mundra	Chairman	Non-Executive & Independent	1	1
2.	Shri. Kamal Binani	Member	Non-Executive & Independent	1	1
3.	Shri. Mukul Taparia	Member	Non-Executive	1	1

**Details of complaints received and attended to during the financial year 2018-19 are given below:**

No. of complaints pending as on 1 <sup>st</sup> April 2018	0
No. of complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending as on 31 <sup>st</sup> March, 2019	0

**7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee has been constituted by the Board in compliance with the requirements of Section 135 of the Act.

**Terms of reference:**

- Formulate and recommend to the Board, a CSR Policy indicating the activity or activities to be undertaken by the Company as specified in Schedule VII to the Act.

# PERMANENT MAGNETS LIMITED

- Recommend to the Board CSR activities to be undertaken by the Company.
- Monitor the CSR Policy of the Company from time to time and ensure its Compliance.

The Board has adopted the CSR Policy as formulated and recommended by the Committee. The CSR Policy is available on the website of the Company at [www.pmlindia.com](http://www.pmlindia.com). The Annual Report on CSR activities for the financial year 2018-19 forms part of the Board's Report.

The composition of the CSR Committee and the details of the meetings attended by its members during the financial year ended 31<sup>st</sup> March, 2019 are as under:

Sr. No.	Name	Meetings held	Meetings attended
1.	Shri. Rajeev Mundra, Chairman	1	1
2.	Shri. Sharad Taparia, Member	1	1
3.	Shri. Mukul Taparia, Member	1	1

During the financial year 2018-19 Corporate Social Responsibility Committee meeting was held on 30<sup>th</sup> January, 2019.

## 8. GENERAL BODY MEETINGS :

a) Details of previous three Annual General Meetings:

Financial Year	Date of Meeting	Time	Location
2017-18	28.09.2018	11.00 a.m	The Raj Regency Hotel, Khanvel Road, Opp. Silvassa Civil Court, Near Anand Nagar, Tokarkhada, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli
2016-17	28.09.2017	11.00 a.m	Harsh Avenue, 302, 3 <sup>rd</sup> Floor, Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli
2015-16	28.09.2016	11.00 a.m	Harsh Avenue, 302, 3 <sup>rd</sup> Floor, Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli

Special resolutions passed in the previous three AGMs are as below:

2017-18	Nil
2016-17	Nil
2015-16	Re-appointment of Shri. Sharad Taparia (DIN: 00293739) as a Managing Director of the Company under the provisions of the Act for a period of 5 years with effect from 01.04.2016 to 31.03.2021.

Whether any Special Resolution passed last year through postal ballot : No special resolution was passed through postal ballot in the last year.

Whether any Special Resolution proposed to be conducted through postal ballot – At present, there is no proposal to pass any special resolution through Postal Ballot.

## 9. MEANS OF COMMUNICATION:

The Un-audited quarterly/ half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within sixty days from the closure of the financial year as per the requirement of the Listing Regulations.

The Company publishes its annual, half yearly and quarterly financial results in the following Newspapers:

- Daman Ganga Times (Gujarati) – Ahmedabad Edition
- Financial Express (English) – Ahmedabad Edition

The results are also displayed on the company's website: [www.pmlindia.com](http://www.pmlindia.com). In terms of the Listing Regulations, the Company has a designated email ID for dealing with Investors' complaints viz., [investors@pmlindia.com](mailto:investors@pmlindia.com).

## 10. GENERAL SHAREHOLDER INFORMATION:

i.	<b>AGM (Date, Time and Venue)</b>	28 <sup>th</sup> September, 2019, 11.00 A.M at the Raj Regency Hotel, Khanvel Road, Opp. Silvassa Civil Court, Near Anand Nagar, Tokarkhada, Silvassa – 396230
ii.	<b>Company's Financial Year</b> First quarter ending 30 <sup>th</sup> June, 2019 Second quarter and half year ending 30 <sup>th</sup> September, 2019 Third quarter and nine months ending 31 <sup>st</sup> December, 2019 Year ending on 31 <sup>st</sup> March, 2020	1 <sup>st</sup> April to 31 <sup>st</sup> March Within 45 days from the end of quarter Within 45 days from the end of quarter Within 45 days from the end of quarter Within 60 days from the end of the year





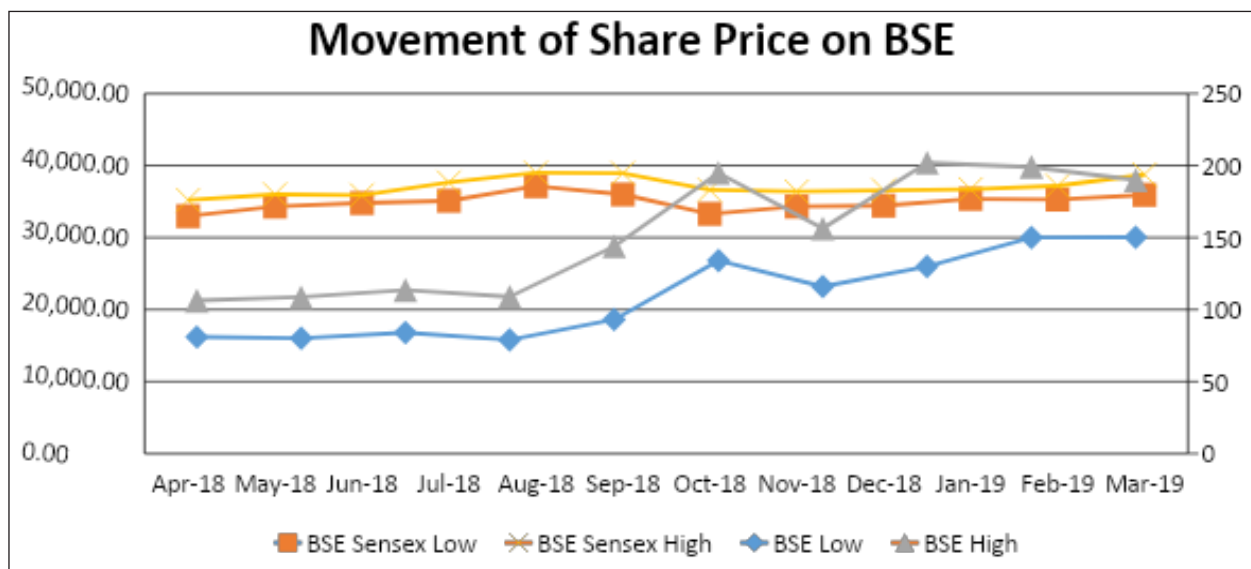
iii.	<b>Dividend Payment Date</b>	No Dividend for Financial Year 2018-19 is proposed.
iv.	<b>Listing on Stock Exchanges</b>	Bombay Stock Exchange (BSE) Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001
v.	<b>Listing Fees</b>	The Company has paid Listing Fees for the financial year 2019 - 20 to the Stock Exchanges, where the equity shares of the Company are listed.
vi.	<b>Stock Codes</b>	504132 PERMAGN

**Market price data**

**Monthly high and Low compared with BSE Sensex**

Month	BSE		BSE Sensex	
	High	Low	High	Low
Apr-18	106.3	81	35,213.30	32,972.56
May-18	108.7	80.1	35,993.53	34,302.89
Jun-18	113.65	83.95	35,877.41	34,784.68
Jul-18	108.95	79	37,644.59	35,106.57
Aug-18	143.9	93	38,989.65	37,128.99
Sep-18	194.9	134	38,934.35	35,985.63
Oct-18	156.4	115.95	36,616.64	33,291.58
Nov-18	201.95	129.95	36,389.22	34,303.38
Dec-18	199	150	36,554.06	34,427.22
Jan -19	189.95	150.15	36,701.03	35,375.51
Feb -19	194	120	37,172.18	35,287.16
Mar -19	174	148	38,748.54	35,926.94

**Performance of the Company's equity shares (closing share price) in comparison to BSE Sensex during the financial year 2018-19**



# PERMANENT MAGNETS LIMITED

## Registrar to an issue and share transfer agent :

Adroit Corporate Services Private Limited  
17/20, 1<sup>st</sup> Floor, Jafferbhoy Industrial Estate, Makhwana Road,  
Marol Naka, Andheri (East), Mumbai - 400 059  
Ph. 022 - 42270400

**Share Transfer System :** The transactions of the shares held in Demat and Physical form are handled by the Company's Depository Registrar M/s. Adroit Corporate Services Private Limited. The transfers are processed, if technically found to be in order and complete in all respects. As per directives issued by SEBI, it is compulsory to trade in the Company's equity shares in dematerialized form. Effective April 1, 2019, transfer of shares in physical form has ceased. Shareholders who had lodged their request for transfer prior to March 31, 2019 and, have received the same under objection can relodge the transfer request after rectification of the documents. Request for transmission of shares and dematerialization of shares will continue to be accepted.

## Distribution of shares and shareholding as on 31<sup>st</sup> March, 2019

shares slab	Shareholders	% age	Total Shares	Amount (Rs.)	% age
UPTO - 500	5080	90.05	594544	5945440	6.91
501 - 1000	278	4.93	219000	2190000	2.55
1001 - 2000	132	2.34	189157	1891570	2.20
2001 - 3000	41	0.73	100645	1006450	1.17
3001 - 4000	29	0.51	104291	1042910	1.21
4001 - 5000	14	0.25	65650	656500	0.76
5001 -10000	24	0.43	156509	1565090	1.82
10001 & Above	43	0.76	7168657	71686570	83.37
	<b>5641</b>	<b>100.00</b>	<b>8598453</b>	<b>85984530</b>	<b>100.00</b>

## Shareholding Pattern as on 31<sup>st</sup> March 2019

Sr. No.	Category of Shareholders	No. of Shares	Percentage
A.	Promoter and Promoter Group	6174412	71.81
B.	Non-Promoter shareholding		
1.	Financial Institutions/Banks	690	0.01
2.	Individual Holding nominal share capital upto Rs.2L	1408484	16.39
3.	Individual Holding nominal share capital in excess of Rs.2L	831801	9.68
4.	Bodies Corporate	44224	0.51
5.	Clearing member	8131	0.09
6.	NRIs	62011	0.72
7.	NRI Corp Bodies	66600	0.77
8.	Trusts	100	0.00
9.	Corporate Body - Broker	2000	0.02
	<b>TOTAL</b>	<b>8598453</b>	<b>100.00</b>

## Physical / NSDL /CDSL / Summary Report as on 31<sup>st</sup> March, 2019

CATEGORY	SHAREHOLDERS	SHARES	PERCENTAGE
PHYSICAL	2821	592627	6.89
NSDL	1632	6258611	72.79
CDSL	1190	1747215	20.32

## Dematerialization of Shares and Liquidity as on 31<sup>st</sup> March, 2019

The Company's shares are compulsorily traded in dematerialized form on BSE. Equity shares of the Company representing 93.11 percent of the Company's equity share capital are dematerialized as on March 31, 2019. Under the Depository System, the International Securities Identification Number (ISIN) allotted to the Company's shares is INE418E01018.

## Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:

The Company has not issued any GDRs/ADRs/Warrants or any convertible instruments in past and hence as on 31<sup>st</sup> March, 2019, the Company does not have any outstanding GDRs/ ADRs/Warrants or any convertible instruments.

**Commodity price risk or foreign exchange risk and hedging activities:**

During the year ended 31<sup>st</sup> March 2019, the Company had managed the foreign exchange risk to the extent considered necessary.

**Credit Ratings:**

<b>Total Bank Facilities</b>	Rs.34.48 Cr.
<b>Long Term Rating</b>	ACUITE C - (Reaffirmed)
<b>Short Term Rating</b>	ACUITE A4 - (Reaffirmed)

**Plant Location:**

- B-3, MIDC Industrial Area, Village Mira, Mira Road (East), Thane - 401104.
- Plot No. 22, Mira Co-op. Industrial Estate, Mira Road (East), Thane - 401104.
- Plot Nos. A-8, A-9, A-13, MIDC Industrial Area, Village Mira, Mira Road (East), Thane - 401104

**Corporate office address for correspondence:**

Permanent Magnets Limited

Plot No. B-3, MIDC Industrial Area,

Village Mira, Mira Road (East),

Thane - 401104

Contact : 022 - 68285454

Fax : 022 – 29452128

Website : [www.pmlindia.com](http://www.pmlindia.com)

E-mail Id : [investors@pmlindia.com](mailto:investors@pmlindia.com) / [rachana.rane@pml.in](mailto:rachana.rane@pml.in)

**11. OTHER DISCLOSURE :****Related Party Transactions**

The details of the related party transactions during the year under review are shown in the Notes to Accounts which form part of this Report. The Board has approved a policy on Materiality of Related Party Transactions which also includes procedure to deal with Related Party Transactions and such a policy has been put up on the Company's website [www.pmlindia.com](http://www.pmlindia.com).

**Non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years:**

There was no such instance in the last 3 years.

**Establishment of Vigil Mechanism, Whistle blower policy:**

The Company has adopted a Whistle Blower Policy to report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct. A copy of Whistle Blower Policy of the Company has been put up on Company's website [www.pmlindia.com](http://www.pmlindia.com).

**Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:**

The Company confirms that it has complied with all mandatory requirements prescribed in the Listing Regulations for the FY 2018-19. Also, pursuant to the provisions of Regulation 34(3) of the Listing Regulations read with Part B of Schedule II to the Listing Regulations, the Managing Director and the Chief Financial Officer (CFO) have issued a certificate to the Board for the year ended 31<sup>st</sup> March, 2019.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

No funds have been raised through preferential allotment or qualified institutional placement.

**A certificate from a Company Secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.**

The certificate from Shri. Arun Dash, Practicing Company Secretary forms part of this Report.

**Where the Board had not accepted any recommendation of any Committee of the Board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof.**

No such disclosure.

# PERMANENT MAGNETS LIMITED

**Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part :**

Payment to Statutory Auditors	FY 2018-19
Audit Fees	4,00,000/-
Tax Audit Fees	-
Other Services	-
Reimbursement of expenses	-
<b>Total</b>	<b>4,00,000/-</b>

**The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2018-19.**

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

a.	Number of complaints filed during the financial year	NIL
b.	Number of complaints disposed during the financial year	NIL
c.	Number of complaints pending as on end of the financial year	NIL

**12. Details of non-compliance of any requirement of Corporate Governance Report or sub-paras (2) to (10) above, with reasons thereof:**

There is no non-compliance with any requirement of Corporate Governance Report of sub-paras (2) to (10) of the Corporate Governance Report as given in Schedule V(C) of the Listing Regulation. The disclosures of the compliance with Corporate Governance requirements specified in Regulation 17 to 27 of the Listing Regulations, have been made in this Corporate Governance report. Details required under clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the said Regulations are displayed on the website of the Company at [www.pmlindia.com](http://www.pmlindia.com).

The non-mandatory requirements as stipulated in Part E of Schedule II of the Listing Regulations have been adopted to the extent and in the manner as stated under the appropriate headings in this Report.

**13. CEO and CFO Certification:**

The Managing Director and Chief Financial Officer have given a certificate to the Board as contemplated in Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**14. Code of Conduct:**

The Code of Conduct for the Board of Directors and the Senior Management Personnel has been disclosed on the website of your Company, viz., [www.pmlindia.com](http://www.pmlindia.com). The declaration by the Managing Director stating that all the Board Members and Senior Management Personnel have affirmed their compliance with the laid down Code of Conduct for the Financial Year ended 31<sup>st</sup> March, 2019, is annexed to this Report on Corporate Governance.

**15. Equity Shares in Suspense Account:**

aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	27
number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	2
number of shareholders to whom shares were transferred from suspense account during the year;	2
aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	25

**Declaration under Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, regarding compliance with Code of Conduct**

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Board Members and Senior Management personnel of the Company have affirmed compliance with the Codes of Conduct, as applicable to them, for the financial year ended March 31, 2019.

**For and on behalf of the Board**

**Place: Thane  
Date : 9<sup>th</sup> August, 2019**

**Sd/-  
Sharad Taparia  
Managing Director**



### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members  
**Permanent Magnets Limited**  
**Harsh Avenue, 302, 3<sup>rd</sup> Floor,**  
**Opp.Silvassa Police Station,**  
**Silvassa Vapi Main Road,**  
**Silvassa, Dadra Nagar Haveli– 396230.**

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Permanent Magnets Limited** having CIN - L27100DN1960PLC000371 and having registered office at Harsh Avenue, 302, 3<sup>rd</sup> Floor, Opp.Silvassa Police Station, Silvassa Vapi Main Road, Silvassa, Dadra Nagar Haveli– 396230 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31<sup>st</sup> March, 2019 have been debarred or disqualified from being appointed or continuing as Director of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of Appointment in the Company
1.	Shri Sharad Jaiprakash Taparia	00293739	15/05/2008
2.	Shri Rajeev Jugalkishor Mundra	00139886	16/04/2007
3.	Shri Kamal Binani	00340348	26/12/2017
4.	Shri MukulTaparia	00318434	22/09/2014
5.	Smt Sunaina Taparia	07139610	01/04/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Arun Dash & Associates**

**Sd/-**  
**Arun Dash**  
**Practicing Company Secretaries**  
**Membership No. F9765**  
**C.P. No. 9309**

**Place: Mumbai**  
**Date: 9<sup>th</sup> August, 2019**

# PERMANENT MAGNETS LIMITED

## CEO/CFO CERTIFICATE UNDER REGULATION 17(8) OF SEBI (LODR) REGULATIONS, 2015

We the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of PERMANENT MAGNETS LIMITED ("the Company") to the best of our knowledge and belief certify that:

- I. We have reviewed Financial Statements and the Cash Flow Statement for the year ended March 31, 2019 and that to the best of our knowledge and belief we state that:
  - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - b) 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.
- II. 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.
- III. 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.
- IV. We have indicated to the Auditors and the Audit Committee;
  - a) Significant changes in the Internal Control over financial reporting during the year ended March 31, 2019;
  - b) Significant changes in accounting policies during the year ended March 31, 2019 and that the same have been disclosed in the notes to the Financial Statements; and
  - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's Internal Control System over financial reporting.

**For and on behalf of the Board**

**Place : Thane**  
**Date: 9<sup>th</sup> August, 2019**

**Sd/-**  
**Sharad Taparia**  
**Managing Director**

**Sd/-**  
**Sukhmal Jain**  
**Chief Financial Officer**

## PRACTISING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

**To,**  
**The Members of**  
**Permanent Magnets Limited**

We have examined the compliance of conditions of Corporate Governance by Permanent Magnets Limited ('the Company') as stipulated in Regulation 34(3) and Schedule V of the SEBI Listing Regulations.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 except the following:

*Pursuant to Regulation 31(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, hundred percent of shareholding of promoter(s) and promoter group must be in dematerialized form; Shareholding of one of the promoter of the company is held in physical form.*

No investor grievance(s) is/ are pending for a period exceeding one month against the Company.

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

**For Arun Dash & Associates**

**Sd/-**  
**Arun Dash**  
**Practicing Company Secretaries**  
**Membership No. F9765**  
**C.P. No. 9309**

**Place: Mumbai**  
**Date: 9<sup>th</sup> August, 2019**



## MANAGEMENT DISCUSSION AND ANALYSIS

### INDUSTRY OVERVIEW:

Your Company operates in Manufacturing of parts & accessories of Electricity Meters, Gas Meters, electric vehicles, Cast Alloys, Permanent Magnets and Magnetic Assemblies.

### SMART ENERGY METERING AND SOLUTION:

A smart meter is an intelligent digital device, which is designed to replace the traditional electricity meter. Smart meter is mainly equipped with IT enabled technologies to facilitate operational advantages such as pre-payment feature and control from remote location amongst others. It's a new generation meter that enables efficient energy management through two-way communication from energy supplier to end-consumer. It allows the consumer to track the energy usage in real time basis and enable them to effectively manage energy consumption costs and accordingly take care of their energy consumption. Europe has also been focusing towards reducing electricity usage by energy conservation as a long-term goal. The Asia-Pacific market is projected to grow at the highest CAGR from 2017 to 2022. The region is aggressively investing in smart grid & smart city, repair & upgradation of aging infrastructure, preventing electric theft, minimizing inaccurate metering & managing growing electricity scarcity. Your Company being supplier of parts of smart electricity meter will benefit from these development globally as well as within India.

### SMART METERS INDIA:

Ujwal DISCOM Assurance Yojana (UDAY) — Government of India introduced UDAY scheme in November 2015. The scheme is targeted to make DISCOMs financially and operationally healthy so that they can provide 24 x 7 power supply at an affordable price. To achieve UDAY targets, the state has recently pursued installation of smart meters among other initiatives. The work for installing these meters is underway and is expected to complete in coming years.

### ELECTRIC VEHICLES:

The Government of India had come up with an Integrated Energy Policy in 2006. The Policy recommended promotion of hybrid vehicles and electric vehicles and suggested that efforts should be made to develop low weight and high density batteries. The policy also emphasised on promoting commercially available hybrid vehicles in India and commercially available flexi-fuel vehicles which run on varying proportions of ethanol-blended fuels. The policy proposed fiscal incentives for automotive industries to support commercialisation of hybrid and battery operated vehicles in India. The Draft Energy Policy, 2017 prepared by the NITI Aayog also lays emphasis on mainstreaming emerging energy technologies like EVs. The policy talks about setting up charging stations for electric vehicles need for appropriate sub-structures for Renewable Energy (RE) to support EVs and energy storage solutions. The policy identifies hybrid vehicles, electric vehicles and fuel cell vehicles to be inducted in the transportation system of the future and indicates the need to utilize their complete potential.

### MAKE IN INDIA:

The 'Make in India' initiative was launched with the objective of making India a global manufacturing hub. The initiative is expected to boost entrepreneurship in manufacturing, services and infrastructure sectors. The Indian Government set up 'Invest India' as a national investment promotion and facilitation agency under the initiative. Electric Vehicle Market: The global electric-vehicle markets are amped up and continue to surge ahead in top gear. It's not all smooth driving though as the EV industry needs to overcome major challenges related to battery technology and charging infrastructure, both of which have failed to match the cracking pace set by EVs. Initiatives for production of electric Vehicles: The Government started Faster Adoption and Manufacturing of Hybrid and Electric vehicles (FAME) scheme which provides incentives for purchasing electric vehicles. Government is releasing tenders to increase charging centers to the EVs in the country. Reforms the company is quite hopeful with the opportunities available in the following areas: 1. Smart Meter: The Company has developed products which are an integral part of the meter. 2. Automotive application: We have developed resistors which are used in high power low ohmic metals. We are expecting the aforesaid activities to turn as another profit centre for us in the coming years. We have been continuously strengthening and updating our manufacturing capacity to cope up with the ever increasing market demands.

### COMPANY'S STRENGTH AND GROWTH DRIVERS:

PML has good knowledge and experience of metals, metallurgy and assemblies. Using this knowledge, PML is able to develop new products and assemblies quickly. Growth driver for PML will be the number of projects/products under development.

### OCCUPATIONAL HEALTH & SAFETY :

PML gives great importance to all the matters related to Health, Safety and Environment and ensures compliance of all statutory regulations. Training of employees on emergency response, firefighting, rescue and first aid are some of the regular features at manufacturing sites. Occupational Health & Safety is an area concerned with protecting the safety, health and welfare of employees engaged in the company. The goals of occupational safety and health programs include to foster a safe and healthy work environment. Occupational Health & Safety has been recognized as an integral and key part of the Company's Business Process. The management believes that people working with the organization are of key resource for the success of the Organization. The sincere efforts put in by the employees have translated in to Quality improvements, Productivity improvements and Cost reduction etc. Proper care is taken for safety, health and welfare of the employees. The Company ensured employee safety through investments in pollution mitigating equipment, the selection of safe processes, adequate safety training and provision of

# PERMANENT MAGNETS LIMITED

safety equipment. For the safe return of the employees to their homes all precautions are taken to avoid accidents. PML is in the process of implementing ISO 45001 (description).

## **STRATEGIC INITIATIVE:**

PML continues to develop products for Smart meters, EV markets in keeping pace with emerging opportunities. These markets are likely to present huge demand for products and suppliers.

PML is diversifying into parts related to Aerospace and related products of magnetic cores, super alloys, brass parts, nano and amorphous cores.

## **OPPORTUNITIES & CHALLENGES:**

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

New applications like Cores, Heat Treatment Services presents good opportunities for growth of the company.

## **RISK AND CONCERN:**

The swings on commodity prices, the volatility of several currencies across the world, the economic conditions of countries and inter-country trade issues are some of the uncertainties that we face.

The company mitigates these risks by timely managerial intervention and by carefully diversifying our portfolios.

## **OUTLOOK:**

The Company expects to achieve reasonable growth in 2019-20 as well, on the back of a diversified product portfolio, increased capacity and further strengthening of the existing operations.

## **INTERNAL CONTROLS AND SYSTEMS:**

We have put in place internal control systems and a structured internal audit process vested with the task of safeguarding the assets of the organisation and ensuring reliability and accuracy of the accounting and other operational data. The internal auditor reports to the Audit Committee. During the year, we carried out a detailed review of internal financial controls. The findings were satisfactory and suggestions for improvement have been taken up for implementation. Policy guidelines and standard operating procedures (SOPs) continue to be updated.

## **FINANCIAL PERFORMANCE:**

INCOME: Revenue for the F.Y.2018-19 was 12183. 31 Lakhs compared to 9321. 20 Lakhs for the previous year.

EBITDA: EBITDA for F.Y 2018-19 was 2387.21 Lakhs compared to 883.77 Lakhs for the previous year.

PAT: Net Profit after Tax for the F.Y.2018-19 stood at 1485. 44 Lakhs as against 541.32 Lakhs for the previous year.

## **SIGNIFICANT CHANGES IN FINANCIAL RATIOS:**

During the year, on a standalone basis, significant changes in the financial ratios of the Company, which are more than 25% as compared to the previous year are summarized below:

Financial Ratio	FY 2018-19	FY 2017-18	Change (%)	Reason for change
Interest Coverage Ratio	15.77	5.84	170.03%	Improved operational efficiency and higher sales resulting into higher net profit.
Current Ratio	1.94	1.39	39.56%	Less utilisation of working capital limits.
Debt Equity Ratio	0.25	0.77	67.53%	Less utilisation of working capital limits and reduction of debts.
Operating Profit Margin (%)	19.75%	10.57%	86.84%	Additions of new products, improved operational efficiency and higher sales resulting into higher net profit.
Net Profit Margin (%)	17.21%	7.41%	132.25%	Additions of new products, improved operational efficiency and higher sales resulting into higher net profit.
Return on Net Worth	44.67%	29.42%	51.84%	Additions of new products, improved operational efficiency and higher sales resulting into higher net profit.

## **INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT :**

The company has maintained very harmonious & cordial Industrial relations. There is a continuous emphasis on development of human resources through training. We consistently aim to provide a sustainable environment for learning right from the stage of recruitment to retention. We also believe that our employees have been an important factor in our success, as they drive the quality and efficiency of our services. We have followed transparent management policies over the years, encouraging employees to take up challenging roles and responsibilities to drive organisational growth.

## **CAUTIONARY STATEMENT:**

Certain statements made in the Management Discussion and Analysis Report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make a significant difference to the Company's Operations. These include climatic and economic conditions affecting demand and supply, government regulations, taxation, and natural calamities over which the Company does not have any direct control.





## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF PERMANENT MAGNETS LIMITED REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying standalone financial statements of **PERMANENT MAGNETS LIMITED** ("the Company"), which comprise the balance sheet as at 31<sup>st</sup> March 2019, the statement of profit and loss, including Other Comprehensive Income, the Cash Flow Statement and the Statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31<sup>st</sup> March, 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Adoption of Ind AS 115 - Revenue from Contract with Customers:</b>	<b>Customers as described in note 2 i. and note 17 of the financial statements:</b>
The Company has adopted Ind AS 115 - Revenue from Contracts with Customers, mandatory for reporting periods beginning on or after April 1, 2018. Application of Ind AS 115, including selection of transition method involves significant judgment in determining when 'control' of the goods or services underlying the performance obligation is transferred to the customer and the transition method to be applied. As the revenue recognition, due to the significance of the balance to the financial statements as a whole, we regard this as a key audit matter.	As part of our audit procedures, our procedures included the following: <ul style="list-style-type: none"> <li>- We have read the accounting policy for revenue recognition and assessed compliance of the policy in terms of principles enunciated under Ind AS 115.</li> <li>- We obtained and understood the revenue recognition process including determination of point of transfer of control and completion of performance obligation.</li> <li>- We performed test of details, on a sample basis, and examined the underlying customer contracts.</li> <li>- We examined the disclosures made by management in compliance with the requirements of Ind AS 115.</li> </ul> <b>Conclusion:</b> Our procedures did not identify any material exceptions

#### Emphasis of Matters

We draw attention to the following matters in the Notes to the Financial Statements:

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

On the appeal against this order made by the company before the Honorable Bombay High Court, Honorable Bombay High Court has given interim stay order against the winding up order passed (against the Company) dated 15/04/2015. Company has deposited Rs. 19,05,179/- Lakhs with interest as per direction of the Honorable Bombay High Court. Matter is pending before the Bombay High Court and next hearing in this matter shall come up as per listing of the court.

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

- b. We draw attention to Note no. 4 of notes to accounts of the financial statement regarding non receipts of confirmation in respect of balances due under Trade receivables and Trade payables though company has issued letters to the debtors to that effect, adjustments, if any, required upon such confirmation is not ascertainable.

Our opinion is not modified in respect of these matters.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibility of Management and Those Charged With Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016("the Order")issued by the Central Government in terms of Section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income),the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2019, none of the directors are disqualified as on 31<sup>st</sup> March, 2019 from being appointed as a director in terms of section 164(2)oftheAct.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations as at 31<sup>st</sup> March, 2019 on its financial position in its standalone financial statements - Refer Note No. 34 of Notes to Accounts to the standalone financial statements.
    - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
    - iii. Company has not declared and paid any dividend, so there is no question of transferring amounts to the Investor Education and Protection Fund by the Company. Therefore, point is not applicable to the company.

**For Ramanand & Associates  
Chartered Accountants  
ICAI Firm Reg. No. 117776W**

**Sd/-  
CA Karan Verma  
Partner  
M. No. 161335**

**Place: Mumbai  
Date: 29<sup>th</sup> May, 2019**

## Annexure “A” to the Independent Auditor’s Report

The referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March, 2019, we report that:

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

- a. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees state insurance, income tax, Goods and Service Tax, duty of customs, professional tax and other material statutory dues, as applicable, with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, Goods and Service Tax, duty of customs, professional tax and other material statutory dues were in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable, *except the following*:

Nature of Dues	Amount (INR in Lakhs)	Due date
TDS	8.47	As per Traces site of Income Tax (TDS)

- b. According to the information and explanations given to us, there are no dues of provident fund, employees state insurance, income tax, Goods and Service Tax, duty of customs, professional tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, *except the following*:

c.

Nature of Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	63.18	F.Y. 2003-04	CESTAT – Mumbai

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

Bank	Nature	Amount ( INR in Lakhs)	Due on	Paid on
ICICI	Interest on Central Excise Loan	175.85*	Between October 2002 to November 2017	Not yet paid

\*it is simple interest @ 12% provided by the company

- IX. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments). The company has applied funds from term loans raised during the year only for the purpose for which those term loans were raised.



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

**For Ramanand & Associates**  
**Chartered Accountants**  
**ICAI Firm Reg. No. 117776W**

**Sd/-**  
**CA Karan Verma**  
**Partner**  
**M. No. 161335**

**Place: Mumbai**  
**Date: 29<sup>th</sup> May, 2019**

### **Annexure “B” to the Independent Auditor’s Report**

**[Referred to in Para 12(f) ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report of even date to the members of Permanent Magnets Limited on the Ind AS financial statement for the year ended 31<sup>st</sup> March, 2019]**

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

We have audited the internal financial controls over financial reporting of **PERMANENT MAGNETS LIMITED**. (“The Company”) as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial reporting ( the “Guidance Note”) and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the

Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting established and maintained and if such controls operated effectively in all material respects.

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

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

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

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

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

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal controls over financial reporting were effective as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essentials components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by "the Institute of Chartered Accountants of India".

**For Ramanand & Associates  
Chartered Accountants  
ICAI Firm Reg. No. 117776W**

**Place: Mumbai  
Date: 29<sup>th</sup> May, 2019**

**Sd/-  
CA Karan Verma  
Partner  
M. No. 161335**



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2019**

(Amount in INR)

Particulars	Note No	As at 31.03.2019	As at 31.03.2018
<b>ASSET</b>			
<b>(1) Non Current Assets</b>			
(a) Property, Plant and Equipment	2	5,08,88,933	4,66,71,558
(b) Other Intangible assets	2	6,72,288	2,00,418
(c) Financial Assets			
(i) Loans	3	62,15,730	47,15,730
(d) Deferred Tax Assets (Net)	4	1,05,99,730	91,75,186
(e) Other Non-Current Assets	5	54,59,911	64,49,342
		<b>7,38,36,592</b>	<b>6,72,12,234</b>
<b>(2) Current Assets</b>			
(a) Inventories	6	17,54,74,705	13,38,85,860
(b) Financial Assets			
(i) Trade Receivables	7	31,83,29,863	28,93,79,902
(ii) Cash and Cash Equivalents	8	80,58,165	5,23,040
(iii) Bank Balances	9	1,95,30,440	3,32,02,085
(iv) Loans	10	64,91,797	9,31,448
(c) Other Current Assets	11	6,73,58,775	6,86,39,656
		<b>59,52,43,745</b>	<b>52,65,61,991</b>
<b>Total Assets</b>		<b>66,90,80,337</b>	<b>59,37,74,225</b>
<b>EQUITY AND LIABILITIES</b>			
<b>(1) Equity</b>			
(a) Equity Share Capital	12	8,59,84,530	8,59,84,530
(b) Other Equity	13	24,65,20,075	9,79,75,732
		<b>33,25,04,605</b>	<b>18,39,60,262</b>
<b>Liabilities</b>			
<b>(2) Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	2,24,13,695	2,51,54,468
(b) Provisions	15	70,69,998	65,08,895
(c) Other Non Current Liabilities		-	-
		<b>2,94,83,693</b>	<b>3,16,63,363</b>
<b>(3) Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	16	5,83,54,577	11,24,51,667
(ii) Trade Payables	17	19,62,27,700	23,89,51,437
(iii) Other Financial Liabilities	18	1,58,78,674	1,01,64,833
(b) Other Current Liabilities	19	44,68,827	22,83,790
(c) Provisions	20	5,18,314	2,76,913
(d) Current Tax Liabilities	21	3,16,43,947	1,40,21,960
		<b>30,70,92,039</b>	<b>37,81,50,600</b>
<b>Total Equity and Liabilities</b>		<b>66,90,80,337</b>	<b>59,37,74,225</b>

Significant Accounting Policies

1

The Notes are an integral part of these financial statements  
As per our report of even date.

**For Ramanand & Associates**

Chartered Accountants  
ICAI Firm Reg. No. 117776W

**CA Karan Verma**

Partner  
M. No. 161335

Mumbai, 29<sup>th</sup> May, 2019

**For & on behalf of the Board**

**Sharad Taparia**  
Managing Director

**Mukul Taparia**  
Director

**Sukhmal Jain**  
Sr. Vice President-Finance

**Rachana Rane**  
Company Secretary

# PERMANENT MAGNETS LIMITED

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Amount in INR)

Particulars	Note No	31.03.2019	31.03.2018
I Revenue From Operations	22	1,20,84,10,020	92,76,59,791
II Other Income	23	99,20,692	44,60,145
<b>III Total Income (I+II)</b>		<b>1,21,83,30,713</b>	<b>93,21,19,936</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	24	64,61,05,130	56,69,80,896
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	25	(81,89,386)	(52,30,258)
Employee benefits expense	26	7,12,44,023	6,00,85,171
Finance costs	27	1,51,06,848	1,65,36,650
Depreciation and amortization expense	28	1,56,17,958	1,27,62,254
Other expenses	29	27,04,48,221	22,19,05,831
<b>Total expenses (IV)</b>		<b>1,01,03,32,794</b>	<b>87,30,40,544</b>
<b>V Profit/(loss) before exceptional items and tax (I- IV)</b>		<b>20,79,97,918</b>	<b>5,90,79,392</b>
VI Exceptional Items		-	96,93,295
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>20,79,97,918</b>	<b>6,87,72,687</b>
VIII Tax expense:			
(1) Current tax		6,13,25,507	1,40,21,960
(2) Deferred tax assets		(14,24,544)	8,67,977
(3) Short /Excess provision of earlier years		50,886	-
<b>IX Profit/ (Loss) for the period from continuing operations (VII-VIII)</b>		<b>14,80,46,069</b>	<b>5,38,82,750</b>
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
<b>XIII Profit/(loss) for the period (IX+XII)</b>		<b>14,80,46,069</b>	<b>5,38,82,750</b>
<b>XIV Other Comprehensive Income</b>			
A (i) Items that will not be reclassified to profit or loss	30	4,98,274	2,49,581
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
<b>XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit/ (Loss) and Other Comprehensive Income for the period)</b>		<b>14,85,44,343</b>	<b>5,41,32,331</b>
<b>XVI Earnings per equity share (for continuing operation):</b>	31		
(1) Basic		17.22	6.27
(2) Diluted		17.22	6.27
<b>XVII Earnings per equity share (for discontinued operation):</b>	31		
(1) Basic		-	-
(2) Diluted		-	-
<b>XVIII Earnings per equity share (for discontinued &amp; continuing operations)</b>	31		
(1) Basic		17.22	6.27
(2) Diluted		17.22	6.27

The Notes are an integral part of these financial statements

As per our report of even date.

**For Ramanand & Associates**

Chartered Accountants

ICAI Firm Reg. No. 117776W

**CA Karan Verma**

Partner

M. No. 161335

Mumbai, 29<sup>th</sup> May, 2019

**For & on behalf of the Board**

**Sharad Taparia**

Managing Director

**Sukhmal Jain**

Sr. Vice President-Finance

**Mukul Taparia**

Director

**Rachana Rane**

Company Secretary





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2019

(Amount in INR)

Particulars	31.03.2019	31.03.2018
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax and extraordinary items	20,84,96,192	6,90,22,268
Adjustment for :		
Depreciation & Amortization	1,56,17,958	1,27,62,254
Loss/(Profit) on Sale of Assets	(4,13,049)	(5,98,757)
Finance Charges	1,51,06,848	1,65,36,650
Misc balance w/off	5,62,453	(72,30,783)
Unrealised Foreign Exchange Gain	(30,82,974)	(19,06,556)
Operating Profit before working Capital Changes	<b>23,62,87,428</b>	<b>8,85,85,076</b>
Adjustment for:		
Inventories	(4,15,88,845)	1,65,18,591
Trade Receivables	(2,89,49,961)	(9,11,65,644)
Other Assets	1,10,91,680	(3,70,40,402)
Trade Payables	(4,27,23,737)	3,59,61,099
Other Liabilities	2,64,43,622	1,38,31,800
	<b>16,05,60,186</b>	<b>2,66,90,522</b>
Direct Taxes Paid	6,13,76,393	1,40,21,960
<b>Net cash flow from Operating Activities</b>	<b>9,91,83,793</b>	<b>1,26,68,562</b>
<b>CASH FLOW FROM INVESTMENT ACTIVITIES</b>		
Sale of/ (Additions to) Fixed Assets	(1,98,94,153)	(2,30,72,696)
Sale of/ (Additions to) investments (net)	-	10,21,338
<b>Net cash used in investing activities</b>	<b>(1,98,94,153)</b>	<b>(2,20,51,358)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings (Net)	(27,40,773)	(1,01,37,455)
Proceeds from Short Term Borrowings (Net)	(5,39,06,894)	3,20,76,921
Finance Charges paid (Net)	(1,51,06,848)	(1,65,36,650)
<b>Net cash from Financing Activities</b>	<b>(7,17,54,516)</b>	<b>54,02,816</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>75,35,125</b>	<b>(39,79,980)</b>
Opening Cash and Cash Equivalents	5,23,040	45,03,020
Closing Cash and Cash Equivalents	80,58,165	5,23,040

Notes :

1. The above statement has been prepared in indirect method as described in Ind AS -7 issued by ICAI.
2. Cash and Cash Equivalent

Cash and Cash Equivalent	31.03.2019	31.03.2018
Cash in hand	4,41,896	4,03,062
Balance with Banks	76,16,269	1,19,978
<b>Total</b>	<b>80,58,165</b>	<b>5,23,040</b>

**For Ramanand & Associates**

Chartered Accountants  
ICAI Firm Reg. No. 117776W

**CA Karan Verma**

Partner  
M. No. 161335

Mumbai, 29<sup>th</sup> May, 2019

**For & on behalf of the Board**

**Sharad Taparia**  
Managing Director

**Mukul Taparia**  
Director

**Sukhmal Jain**  
Sr. Vice President-Finance

**Rachana Rane**  
Company Secretary

# PERMANENT MAGNETS LIMITED

## STATEMENT SHOWING CHANGES IN EQUITY FOR THE PERIOD ENDED 31<sup>ST</sup> MARCH, 2019

### A. Equity Share Capital

(Amount in INR)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
-	-	-

### B. Other Equity

	Reserves and Surplus			Exchange difference on translating Financial Statements of a foreign operations	Total
	General Reserve	Securities Premium Reserve	Retained Earnings		
Balance at the beginning of the reporting period	-	2,80,19,668	6,99,56,064	-	9,79,75,732
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	-	<b>2,80,19,668</b>	<b>6,99,56,064</b>	-	<b>9,79,75,732</b>
Total Comprehensive Income for the year	-	-	14,80,46,069	-	14,80,46,069
Transfer to retained earnings	-	-	-	-	-
Remeasurements of the defined benefit plans	-	-	4,98,274	-	4,98,274
Any other change	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	-	<b>2,80,19,668</b>	<b>21,85,00,407</b>	-	<b>24,65,20,075</b>

## STATEMENT SHOWING CHANGES IN EQUITY AS AT 31<sup>ST</sup> MARCH, 2018

### A. Equity Share Capital

(Amount in INR)

Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
-	-	-

### B. Other Equity

	Reserves and Surplus			Exchange difference on translating Financial Statements of a foreign operations	Total
	General Reserve	Securities Premium Reserve	Retained Earnings		
Balance at the beginning of the reporting period	-	2,80,19,668	1,58,23,733	-	4,38,43,401
Changes in accounting policy or prior period errors	-	-	-	-	-
<b>Restated balance at the beginning of the reporting period</b>	-	<b>2,80,19,668</b>	<b>1,58,23,733</b>	-	<b>4,38,43,401</b>
Total Comprehensive Income for the year	-	-	5,38,82,750	-	5,38,82,750
Transfer to retained earnings	-	-	-	-	-
Remeasurements of the defined benefit plans	-	-	2,49,581	-	2,49,581
Any other change	-	-	-	-	-
<b>Balance at the end of the reporting period</b>	-	<b>2,80,19,668</b>	<b>6,99,56,064</b>	-	<b>9,79,75,732</b>



## 2 Fixed Assets

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK AS ON			
		01.04.2018		31.03.2019		01.04.2018		During the year		31.03.2019		31.03.2018	
		INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
<b>A</b>	<b>Tangible Assets</b>												
1	Freehold Land	15,253	-	15,253	-	-	-	-	-	-	15,253	15,253	15,253
2	Building	61,93,756	-	61,93,756	-	11,47,638	4,91,496	4,91,496	16,39,334	45,54,422	45,54,422	50,45,918	50,45,918
3	Plant & Machinery*	5,78,94,238	1,81,80,846	11,79,076	7,48,96,007	2,11,31,151	1,27,45,950	5,78,948	3,32,98,153	4,15,97,854	3,67,63,087	3,67,63,087	3,67,63,087
4	Electric Installation	1,45,966	-	1,45,966	-	49,821	7,342	-	57,163	88,803	96,145	96,145	96,145
5	Laboratory Equipments	6,537	-	6,537	-	519	-	-	519	6,018	6,018	6,018	6,018
6	Automobiles & Vehicles	51,86,349	12,33,033	1,96,548	62,22,834	25,48,350	11,78,118	1,13,356	36,13,112	26,09,722	26,37,999	26,37,999	26,37,999
7	Furniture & Fixtures	10,92,286	44,300	-	11,36,586	3,81,641	1,18,221	-	4,99,862	6,36,724	7,10,645	7,10,645	7,10,645
8	Office Equipments	25,84,113	8,46,951	-	34,31,064	11,87,619	8,63,309	-	20,50,928	13,80,136	13,96,494	13,96,494	13,96,494
	<b>TOTAL A</b>	<b>7,31,18,498</b>	<b>2,03,05,130</b>	<b>13,75,624</b>	<b>9,20,48,003</b>	<b>2,64,46,940</b>	<b>1,54,04,436</b>	<b>6,92,304</b>	<b>4,11,59,072</b>	<b>5,08,88,932</b>	<b>4,66,71,558</b>	<b>4,66,71,558</b>	<b>4,66,71,558</b>
<b>B</b>	<b>Intangible Assets</b>												
1	Computer Software	4,37,928	6,85,392	-	11,23,320	2,37,510	2,13,522	-	4,51,032	6,72,288	2,00,418	2,00,418	2,00,418
	<b>TOTAL B</b>	<b>4,37,928</b>	<b>6,85,392</b>	<b>-</b>	<b>11,23,320</b>	<b>2,37,510</b>	<b>2,13,522</b>	<b>-</b>	<b>4,51,032</b>	<b>6,72,288</b>	<b>2,00,418</b>	<b>2,00,418</b>	<b>2,00,418</b>
	<b>TOTAL (A+B)</b>	<b>7,35,56,426</b>	<b>2,09,90,522</b>	<b>13,75,624</b>	<b>9,31,71,323</b>	<b>2,66,84,449</b>	<b>1,56,17,958</b>	<b>6,92,304</b>	<b>4,16,10,104</b>	<b>5,15,61,221</b>	<b>4,68,71,977</b>	<b>4,68,71,977</b>	<b>4,68,71,977</b>
	<b>Previous Year</b>	<b>5,86,47,334</b>	<b>2,30,72,696</b>	<b>81,63,604</b>	<b>7,35,56,426</b>	<b>1,40,04,065</b>	<b>1,27,62,253</b>	<b>81,869</b>	<b>2,66,84,449</b>	<b>4,68,71,977</b>	<b>4,46,43,269</b>	<b>4,46,43,269</b>	<b>4,46,43,269</b>

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK AS ON			
		01.04.2017		31.03.2018		01.04.2017		During the year		31.03.2018		31.03.2017	
		INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR	INR
<b>A</b>	<b>Tangible Assets</b>												
1	Freehold Land	15,253	-	15,253	-	-	-	-	-	-	15,253	15,253	15,253
2	Building	61,93,756	-	61,93,756	6,03,301	5,44,537	5,44,537	-	11,47,838	50,45,918	55,90,455	55,90,455	55,90,455
3	Plant & Machinery*	4,58,32,285	1,97,60,411	76,98,558	5,78,94,138	1,13,77,716	97,53,435	-	2,11,31,151	3,67,62,987	3,44,54,569	3,44,54,569	3,44,54,569
4	Electric Installation	1,45,966	-	1,45,966	39,866	9,955	9,955	-	49,821	96,145	1,06,100	1,06,100	1,06,100
5	Laboratory Equipments	6,537	-	6,537	519	-	-	-	519	6,018	6,018	6,018	6,018
6	Automobiles & Vehicles	42,60,273	13,91,122	4,65,046	51,86,349	13,45,291	12,84,928	81,869	25,48,350	26,37,999	29,14,982	29,14,982	29,14,982
7	Furniture & Fixtures	9,53,106	1,39,180	-	10,92,286	2,31,655	1,49,986	-	3,81,641	7,10,645	7,21,451	7,21,451	7,21,451
8	Office Equipments	9,17,130	16,66,983	-	25,84,113	2,96,669	8,90,950	-	11,87,619	13,96,494	6,20,461	6,20,461	6,20,461
	<b>TOTAL A</b>	<b>5,83,24,306</b>	<b>2,29,57,696</b>	<b>81,63,604</b>	<b>7,31,18,398</b>	<b>1,38,95,017</b>	<b>1,26,33,791</b>	<b>81,869</b>	<b>2,64,46,939</b>	<b>4,66,71,459</b>	<b>4,44,29,289</b>	<b>4,44,29,289</b>	<b>4,44,29,289</b>
<b>B</b>	<b>Intangible Assets</b>												
1	Computer Software	3,22,928	1,15,000	-	4,37,928	1,09,048	1,28,462	-	2,37,510	2,00,418	2,13,880	2,13,880	2,13,880
	<b>TOTAL B</b>	<b>3,22,928</b>	<b>1,15,000</b>	<b>-</b>	<b>4,37,928</b>	<b>1,09,048</b>	<b>1,28,462</b>	<b>-</b>	<b>2,37,510</b>	<b>2,00,418</b>	<b>2,13,880</b>	<b>2,13,880</b>	<b>2,13,880</b>
	<b>TOTAL (A+B)</b>	<b>5,86,47,234</b>	<b>2,30,72,696</b>	<b>81,63,604</b>	<b>7,35,56,326</b>	<b>1,40,04,065</b>	<b>1,27,62,253</b>	<b>81,869</b>	<b>2,66,84,449</b>	<b>4,68,71,877</b>	<b>4,46,43,169</b>	<b>4,46,43,169</b>	<b>4,46,43,169</b>
	<b>Previous Year</b>	<b>4,00,36,898</b>	<b>1,86,10,436</b>	<b>-</b>	<b>5,86,47,334</b>	<b>-</b>	<b>1,40,04,065</b>	<b>-</b>	<b>1,40,04,065</b>	<b>4,46,43,269</b>	<b>4,00,36,898</b>	<b>4,00,36,898</b>	<b>4,00,36,898</b>

\*Plant & Machinery includes Misc Factory Equipments

# PERMANENT MAGNETS LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in INR)

### Note 3: Loans

Particulars	As at 31.03.2019	As at 31.03.2018
Security Deposits	62,15,730	47,15,730
<b>Total</b>	<b>62,15,730</b>	<b>47,15,730</b>
Secured, considered good	-	-
Unsecured, considered good	62,15,730	47,15,730
Doubtful	-	-

### Note 4: Deferred Tax Asset

<u>Deferred Tax Asset</u>		
- On account of Depreciation difference	28,92,763	28,92,763
- On account of Disallowance of expenses	62,82,423	62,82,423
	91,75,186	91,75,186
<u>Add:</u>		
- On account of Depreciation diff.	14,24,544	-
	14,24,544	-
<b>Total</b>	<b>1,05,99,730</b>	<b>91,75,186</b>

### Note 5: Other Non-Current Assets

Balance with statutory/ Government Authorities	2,39,694	2,39,694
Security Deposits with Govt Dept	30,13,824	30,13,824
Capital Advances	22,06,393	31,95,824
<b>Total</b>	<b>54,59,911</b>	<b>64,49,342</b>
Secured, considered good	-	-
Unsecured, considered good	54,59,911	64,49,342
Doubtful	-	-

### Note 6: Inventories

Raw materials	12,23,35,925	8,91,49,017
Work-in-progress	4,04,48,889	3,14,59,016
Stores and spares	20,47,789	18,35,238
Finished goods	1,06,42,102	1,14,42,589
<b>Total</b>	<b>17,54,74,705</b>	<b>13,38,85,860</b>

### Note 7: Trade Receivables

Secured, considered good	-	-
Unsecured, considered good	31,83,29,863	28,93,79,902
Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
<b>Total</b>	<b>31,83,29,863</b>	<b>28,93,79,902</b>

### Note 8: Cash and Cash Equivalents

Balances with Banks	76,16,269	1,19,978
Cash in hand	4,41,896	4,03,062
<b>Total</b>	<b>80,58,165</b>	<b>5,23,040</b>



## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in INR)

### Note 9: Bank Balances

Particulars	As at 31.03.2019	As at 31.03.2018
Term Deposits for less than 12 months	1,95,30,440	3,32,02,085
<b>Total</b>	<b>1,95,30,440</b>	<b>3,32,02,085</b>

\* Bank deposits of INR 195.30 Lacs (P.Y. INR 332.02 Lacs) held as margin money against bank guarantee/LC.

### Note 10: Loans

Advances recoverable in cash or kind	64,21,047	9,08,698
Loans & Advances to Employees	70,750	22,750
<b>Total</b>	<b>64,91,797</b>	<b>9,31,448</b>
Secured, considered good	-	-
Unsecured, considered good	64,91,797	9,31,448
Doubtful	-	-

### Note 11: Other Current Assets

Advance to Suppliers	25,60,339	29,66,270
Balance with statutory/ Government Authorities	6,23,60,066	6,48,32,170
Prepaid Expenses	24,00,370	8,13,308
Other Assets	38,001	27,908
<b>Total</b>	<b>6,73,58,776</b>	<b>6,86,39,656</b>

### Note 12: Equity Share Capital

<b>AUTHORIZED CAPITAL</b>		
1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of INR 10/- each	10,00,00,000	10,00,00,000
60,00,000 (P.Y. 60,00,000) Redeemable Cumulative/ Non-Cumulative Preference Shares of INR 10/- each	6,00,00,000	6,00,00,000
	<b>16,00,00,000</b>	<b>16,00,00,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP CAPITAL:</b>		
85,98,453 (P.Y. 85,98,453) Equity Shares of INR 10/- each, Fully Paid-Up	8,59,84,530	8,59,84,530
<b>Total</b>	<b>8,59,84,530</b>	<b>8,59,84,530</b>

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

##### Equity Shares

Particulars	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	No of Shares	Amount In INR	No of Shares	Amount In INR
Number of Shares at the beginning	85,98,453	8,59,84,530	85,98,453	8,59,84,530
Add:- Number of Shares Issued	-	-	-	-
Number of Equity Shares at the end	<b>85,98,453</b>	<b>8,59,84,530</b>	<b>85,98,453</b>	<b>8,59,84,530</b>

#### 12.2 Terms/Rights attached to Equity Shares

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

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

# PERMANENT MAGNETS LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in INR)

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

Particulars	31 <sup>st</sup> March 2019		31 <sup>st</sup> March 2018	
	No of Shares held	% of Holding	No of Shares held	% of Holding
<b>Equity shares of INR 10 each fully paid</b>				
Mukul Taparia	6,91,054	8.04%	6,91,054	8.04%
Sharad Taparia	7,42,857	8.64%	7,42,857	8.64%
Kamladevi Taparia	7,25,695	8.44%	7,25,695	8.44%
Shyamsunder Taparia	8,48,989	9.87%	8,48,989	9.87%
Jai Prakash Taparia	4,65,719	5.42%	4,65,719	5.42%
Rameshchandra Madanlal Taparia	6,18,890	7.20%	6,18,890	7.20%

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.

### Note 13: Other Equity

Particulars	As at 31.03.2019	As at 31.03.2018
<b>Securities Premium Reserve</b>		
Opening Balance	2,80,19,668	2,80,19,668
Add/Less:	-	-
Closing Balance	2,80,19,668	2,80,19,668
<b>General Reserve</b>		
Opening Balance	-	25,24,570
Add/Less: Transferred to Surplus in Statement of Profit & Loss	-	(25,24,570)
Closing Balance	-	-
<b>Retained Earnings</b>		
Opening Surplus in the Statement of Profit and Loss	6,99,56,064	1,32,99,163
Add: Profit / (Loss) of the year	14,85,44,343	5,41,32,331
Add: General Reserves transferred	-	25,24,570
Closing Balance	<b>21,85,00,407</b>	<b>6,99,56,064</b>
<b>Total Equity</b>	<b>24,65,20,075</b>	<b>9,79,75,732</b>

### Note 14: Borrowings

<b>Term Loan</b>		
Rupee Loan from Bank	40,86,219	63,49,936
Rupee Loan from Financial Institutions	7,42,410	12,19,466
Central Excise loan*	1,75,85,066	1,75,85,066
<b>Total</b>	<b>2,24,13,695</b>	<b>2,51,54,468</b>
<u>The above amount includes</u>		
Secured Borrowings	2,24,13,695	2,51,54,468
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Director relative's (see note below)	48,28,629	75,69,402

15.1 Rupee Loans from banks and financial institutions are repayable in 3 years to 5 years from the date of loan and interest ranging from 9% to 15%. Above loans are secured by first charges on specific assets financed by the lender and first pari passu charges on all the present and future fixed assets & Corporate Guarantee by Synagogue Impex Ltd. (In case of Term loan taken from Central Bank of India)

\* During FY 2017-18 Company repaid entire principal amount of Central Excise loan disbursement by ICICI Bank but Interest is not paid so default persist to the extent of interest amount as on date. See note no. 2 (e) of note to accounts.

**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS****(Amount in INR)****Note 15: Provisions**

Particulars	As at 31.03.2019	As at 31.03.2018
Provision for Gratuity	32,41,064	31,71,991
Provision for Leave Encashment	38,28,934	33,36,904
<b>Total</b>	<b>70,69,998</b>	<b>65,08,895</b>

**Note 16: Borrowings**

Foreign Currency Loan from Banks*	1,59,46,688	7,28,73,002
Rupee Loan from Banks	4,24,07,889	3,95,78,665
<b>Total</b>	<b>5,83,54,577</b>	<b>11,24,51,667</b>
<u>The above amount includes</u>		
Secured Borrowings	5,83,54,577	11,24,51,667
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Promoters/ Directors	5,83,54,577	11,24,51,667

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

**Note 17: Trade Payables**

Micro Small & Medium Enterprises	3,00,13,069	3,00,54,032
Others Trade Payables	16,62,14,631	20,88,97,405
<b>Total</b>	<b>19,62,27,700</b>	<b>23,89,51,437</b>

**Note 18: Other Financial Liabilities**

Current maturities of long term debts	34,96,424	32,38,417
Other Liabilities	1,23,82,251	69,26,416
<b>Total</b>	<b>1,58,78,675</b>	<b>1,01,64,833</b>

**Note 19: Other Current Liabilities**

Withholding & Other taxes payable	7,23,914	9,98,010
Advances received from Customers	37,44,913	12,85,780
<b>Total</b>	<b>44,68,827</b>	<b>22,83,790</b>

**Note 20: Provision**

Provision for Gratuity	5,18,314	2,76,913
<b>Total</b>	<b>5,18,314</b>	<b>2,76,913</b>

**Note 21: Current Tax Liability (Net)**

Provision for Income Tax	3,16,43,947	1,40,21,960
<b>Total</b>	<b>3,16,43,947</b>	<b>1,40,21,960</b>

# PERMANENT MAGNETS LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in INR)

### Note 22: Revenue from Operations

Particulars	31.03.2019	31.03.2018
<b>Sale of Products</b>		
Cast Magnets & Magnetic Assembly	17,79,02,896	17,08,00,377
Parts & Accessories of Electricity Meter	91,49,00,187	69,85,98,543
<b>Sale of services</b>		
Job work Sale	2,66,82,359	9,13,384
<b>Total A</b>	<b>1,11,94,85,442</b>	<b>87,03,12,304</b>
<b>Other Operational Income</b>		
Export Benefits	3,07,16,362	1,83,15,428
Other Income	5,64,223	-
Scrap Sale	5,76,43,994	5,94,27,000
Less: Sale of scrap (exceptional item)	-	(2,03,94,942)
<b>Total B</b>	<b>8,89,24,579</b>	<b>5,73,47,487</b>
<b>Revenue from Operations (Gross)</b>	<b>1,20,84,10,020</b>	<b>92,76,59,791</b>

### Note 23: Other Income

Other Miscellaneous Income	5,12,303	20,63,746
Profit /(Loss) on Sale of Assets	4,13,049	5,98,757
Interest Income	17,60,543	17,97,642
Exchange differences (net)	72,34,797	-
<b>Total</b>	<b>99,20,692</b>	<b>44,60,145</b>

### Note 24: Cost of Material Consumed

Inventory at the beginning of the year	8,91,49,017	11,17,86,821
Add: Purchases (net)	67,92,92,038	55,50,44,739
Less: Scrap sale cost (exceptional item)	-	1,07,01,647
	76,84,41,055	65,61,29,913
Less : Inventory at the end of the year	12,23,35,925	8,91,49,017
<b>Cost of raw material &amp; components Consumed</b>	<b>64,61,05,130</b>	<b>56,69,80,896</b>

### Note 25: Change in Inventories of WIP & Finished Goods

<b>Inventory at the end of the year</b>		
Work-in-progress	4,04,48,889	3,14,59,016
Finished goods	1,06,42,102	1,14,42,589
	5,10,90,991	4,29,01,605
<b>Less:</b>		
<b>Inventory at the beginning of the year</b>		
Work-in-progress	3,14,59,016	2,94,89,615
Finished goods	1,14,42,589	81,81,732
	4,29,01,605	3,76,71,347
<b>Total</b>	<b>(81,89,386)</b>	<b>(52,30,258)</b>





**NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS**

(Amount in INR)

**Note 26: Employee Benefit Expenses**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
Contribution to PF & Other Fund	17,17,735	17,45,907
Gratuity Expenses	10,87,402	10,67,236
Salaries, Wages & Bonus	6,58,17,209	5,49,21,719
Staff Welfare Expenses	25,52,569	21,88,496
VRS Compensation	69,108	1,61,813
<b>Total</b>	<b>7,12,44,023</b>	<b>6,00,85,171</b>

**Note 27: Financial Cost**

Interest	71,08,397	66,31,459
Other Borrowing cost*	48,45,142	45,12,735
Exchange difference on borrowings (net)	(1,90,196)	14,36,953
LC Charges	33,43,505	39,55,504
<b>Total</b>	<b>1,51,06,848</b>	<b>1,65,36,650</b>

\*includes Bank charges & BG Commission

**Note 28: Depreciation & Amortised Cost**

Depreciation	1,54,04,436	1,26,33,792
Amortisation	2,13,522	1,28,462
<b>Total</b>	<b>1,56,17,958</b>	<b>1,27,62,254</b>

**Note 29: Other Expenses**

<b>Particulars</b>	<b>31.03.2019</b>	<b>31.03.2018</b>
<b><u>Manufacturing Expenses</u></b>		
Consumption of Stores, Spares & Consumables	3,24,15,910	2,59,13,624
Freight Inward	44,01,652	50,23,204
Sub-Contract Charges & Labour Charges	8,71,62,794	6,59,12,652
Repairs & Maintenance - Machinery	39,42,994	25,87,515
Power & Fuel Charges	2,34,76,418	2,03,27,750
<b>A</b>	<b>15,13,99,768</b>	<b>11,97,64,746</b>
<b><u>Selling &amp; Distribution Expenses</u></b>		
Advertising & Sales Promotion Expenses	21,02,918	25,24,756
Commission to Selling Agents	2,46,63,356	2,04,30,403
Freight Outward & Transportation	3,24,07,256	2,62,34,095
<b>B</b>	<b>5,91,73,531</b>	<b>4,91,89,253</b>
<b><u>Administrative &amp; Other Expenses</u></b>		
Advertisement	1,00,400	1,49,500
Auditors Remuneration	4,00,000	6,02,500
Bad Debts	22,689	-
Computer & Software Expenses	9,34,054	4,62,002
Directors' Sitting Fees	1,85,000	1,54,500
Travelling & Conveyance	48,92,490	53,87,494
Insurance	14,24,107	5,76,283
Printing & Stationery Expenses	10,06,063	8,60,765
Legal & Professional Charges	1,78,73,323	1,16,08,831
Miscl Exp	18,62,894	17,61,410

# PERMANENT MAGNETS LIMITED

## NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS

(Amount in INR)

Particulars	31.03.2019	31.03.2018
Rates & Taxes	35,10,219	17,62,066
Rent Exp	1,40,63,092	1,09,75,824
Security Service Charges	31,14,462	28,60,865
Communication Cost	18,13,071	17,07,378
Vehicle Running exp	19,13,225	19,55,008
Repairs - Building	33,58,244	32,50,496
Repairs - Others	15,44,713	13,64,331
Interest - Others	3,77,840	4,97,566
Office Expense	3,10,458	3,20,863
Misc-Balance W/off	5,62,453	65,53,709
Exchange differeces (net)	-	1,40,443
Corporate Social Responsibility	6,06,126	-
<b>C</b>	<b>5,98,74,922</b>	<b>5,29,51,832</b>
<b>Total A+B+C</b>	<b>27,04,48,221</b>	<b>22,19,05,831</b>

### Payment to Auditor

Particulars	31.03.2019	31.03.2018
<b>As Auditor</b>		
- Audit Fee	4,00,000	3,50,000
- Tax Audit Fee	-	1,00,000
- Others		
Certifications	-	42,000
Others Services	-	1,10,500
	<b>4,00,000</b>	<b>6,02,500</b>

(Note: Above Figures are Excluding Service Tax)

### Note 30: Items that will not be reclassified to profit or loss

Remeasurements of the defined benefit plans	4,98,274	2,49,581
Others	-	-
<b>Total</b>	<b>4,98,274</b>	<b>2,49,581</b>

### Note 31: Earning per Share

<b>For Continued Operations</b>		
Profit/(Loss) attributable to Equity shareholders	14,80,46,069	5,38,82,750
<u>Weighted Average Number of Shares for Basic and Diluted EPS</u>	85,98,453	85,98,453
Basic EPS (Amount in Rs.)	17.22	6.27
Diluted EPS (Amount in Rs.)	17.22	6.27



## SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

### Corporate Information

Permanent Magnet Limited is one of the flagship Companies 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. PML has started with supplies of Gas meters parts and accessories. The assembly includes Die cast parts, Plastic parts, Brass parts, Bi-metal parts, Stainless steel parts and special copper alloy parts. The combination of these parts fitted together is further aligned under special conditions to be directly used in gas meters. PML is adding similar range of product and forward integration of parts to assemblies in current business based on customer demand. Company has good customer base in India as well as in Europe, USA, South America and South East Asia. Permanent Magnets Limited (the 'Company') is listed on the Bombay Stock Exchange (BSE). The Significant Accounting Policies are as follows:

### Significant Accounting Policies:

#### A. Basis of Preparation

##### a. Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

##### b. Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that are measured at fair value;
- Defined benefit plans-plan assets measured at fair value;

#### B. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Company has identified Managing Director as chief operating decision maker. Refer note 6 of Notes to Accounts for segment information presented.

#### C. Foreign currency translation

##### i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

##### ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

#### D. Revenue Recognition

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch-up transition method, applied to contracts that were not completed as of April 1, 2018. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services

Other income is comprised primarily of interest income, dividend income, gain/loss on investments, exchange gain/loss on translation of other assets and liabilities. Interest income is recognized using the effective interest method. Claims for export incentives/ duty drawbacks, duty refunds and insurance are accounted when the right to receive payment is established.

## **E. Income tax Current**

### **Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised in outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets including Minimum Alternate Tax (MAT) are generally recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## **F. Leases**

### **As a lessee**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of profit and loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

## **G. Impairment of assets**

Property, plant and equipment and intangible assets are tested for impairment annually whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **H. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.



## **I. Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using effective interest method, less provision for impairment.

## **J. Inventories**

Raw materials and stores, work-in-progress, traded and finished goods are stated at the lower of cost and net realizable value.

Cost of raw materials and traded goods comprise of cost of purchase.

Cost of work-in-progress and manufactured finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the later being allocated on the basis of normal operating capacity.

Cost of inventories also includes all other cost incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

## **K. Financial Instruments:**

### **(i) Financial assets:**

#### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortised cost. All financial assets not recorded at fair value though profit or loss are recognized initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset.

#### **Subsequent measurement**

For Purposes of subsequent measurement, financial assets are classified in two broad categories:

- Financial assets at fair value
- Financial assets at amortised cost

Where assets are measured at fair value, gains and losses are either recognized in the statement of profit and loss (i.e. fair value through profit or loss), or recognized in other comprehensive income (i.e. fair value through other comprehensive income).

A financial asset that meets the following two conditions is measured at amortised cost (net of any write down for impairment) unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The objective of the company's business model is to hold the financial asset to collect the contractual cash flows (rather than to sell the instrument prior to its contractual maturity to realise its fair value changes).
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option.

- Business model test: The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flow and selling financial assets.
- Cash flow characteristics test: The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Even if an instrument meets the two requirements to be measured at amortised cost or fair value through other comprehensive income, a financial asset is measured at fair value through profit or loss as doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as an 'accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

All other financial asset is measured at fair value through profit or loss.

All equity investments are measured at fair value in the balance sheet, with value changes recognized in the statement of profit and loss, except for those equity investments for which the entity has elected to present value changes in 'other comprehensive income'

If an equity investment is not held for trading, an irrevocable election is made at initial recognition to measure it at fair value through other comprehensive income with only dividend income recognized in the statement of profit and loss.

## **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either;
  - (a) The company has transferred substantially all the risks and rewards of the asset, or
  - (b) The company has either transferred substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the company has transferred its rights to received cash flow from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the company continues to recognize the transferred asset to the extent of the company's continuing involvement. In that case, the company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

## **Impairment**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

## **Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognized in profit or loss and is included in the 'Other income' line item.

## **(ii) Financial liabilities and equity instruments:**

### **Classification as debt or equity**

Debt and equity instruments issued by a company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

### **Financial Liabilities**

#### **Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

#### **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.



Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

### Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials/services. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 3 months. These arrangements for raw materials are recognized as Deferred Payment Liabilities under Borrowings.

### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

### Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent.

The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model.

Original Classification	Revised Classification	Accounting Treatment
Amortised Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in Statement of Profit and Loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised Cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised Cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to Statement of Profit and Loss at the reclassification date.

### L. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

## M. Property, plant and equipment

Property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Subsequent costs are included in the asset's carrying amount or recognized as asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the Statement of Profit and Loss during the period in which they are incurred.

Gains or Losses arising on retirement or disposal of property, plant and equipment are recognised in the Statement of Profit and Loss.

Capital work-in-progress/intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Spares in the nature of capital spares/insurance spares are added to the cost of the assets. The total cost of such spares is depreciated over a period not exceeding the useful life of the asset to which they relate.

### Depreciation/Amortisation methods, estimated useful lives and residual value

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

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

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

## N. Intangible assets

### a) Recognition

Intangible assets are recognised only when future economic benefits arising out of the assets flow to the enterprise and are amortised over their useful life.

### b) Amortization methods and periods

The Company amortizes intangible assets on a straight line method over their estimated useful life not exceeding 5 years. Software is amortised over a period of five years.

## O. Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

## P. Borrowings

Borrowings are initially recognized at fair value, net of transaction cost incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognized in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instrument issued.



## **Q. Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

Other borrowings costs are expensed in the period in which they are incurred.

## **R. Provisions**

Provisions for legal claims and returns are recognised when the company has a present legal or constructive obligation as a result of past event, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provisions due to the passage of time is recognized as interest expense.

## **S. Employee benefits**

### **i. Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### **ii. Other long-term employee benefit obligations**

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured at the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligations. Re-measurements as a result of the experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

### **iii. Post-employment obligations**

The Company operates the following post-employment schemes:

- (a) Defined benefit plans such as gratuity; and
- (b) Defined contribution plans such as provident fund and superannuation fund.

#### **Gratuity obligations**

The liability or assets recognized in the balance sheet in respect of gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually with the assistance of independent actuaries.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss.

## Defined contribution plans

The company pays provident fund contributions to publicly administered funds as per local regulations and superannuation fund to LIC. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due.

### iv. Bonus plans

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

### v. Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## T. Earning per share

### i. Basic earnings per share

Basic earnings per share are calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

### ii. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

## U. Changes in Accounting Standard and other recent accounting pronouncements

i. Ind AS 116, Leases: The Ministry of Corporate Affairs has notified the Ind AS 116, Leases which will be effective from April 1, 2019. Ind AS 116 would replace the existing leases standard Ind AS 17. The standard sets out the principles for the recognition, measurement, presentation and disclosures for both parties to a contract, i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The Company is currently evaluating the requirements of Ind AS 116 on the financial statements. The Company believes that the definition of lease under Ind AS 116 would not significantly change the scope of contracts that meet the definition of a lease.

ii. Amendment to Ind AS 12 'Income Taxes': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 12 'Income Taxes'. The amendments require an entity to recognise the income tax consequences of dividends as defined in Ind AS 109 when it recognises a liability to pay a dividend. The income tax consequences of dividends are linked more directly to past transactions or events that generated distributable profits than to distributions to owners. Therefore, an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 containing Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognized and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined by applying this appendix. The amendment is effective for annual periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

iii. Amendment to Ind AS 19 'Employee Benefits': On March 30, 2019, the Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or



loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. The amendment will come into force for accounting periods beginning on or after April 1, 2019. The Company is evaluating the effect of the above in the financial statements.

**I. NOTES TO ACCOUNTS:**

1. In the opinion of the 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:**

(INR in Lakhs)

Particulars	31.03.19	31.03.18
a) Unutilized Letters of Credit with Bankers	73.57	141.41
b) Bank Guarantee	3.03	1.00
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.	7.45	11.09
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 INR 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
Interest on Central Excise loan (Operated through ICICI). In 1995-96, company has taken interest free loan under the Excise relief scheme as approved by the Government of India and said loan was disbursed by designated financial institutions. ICICI, the Operating Agency raised certain demands towards the installments repaid with delay. The Company has provided simple interest on repayment of these delayed installments, which may be reversible if the Central Government doesn't demand during settlement. Additional interest if claimed by the government, will be payable. However the management does not expect any liability on that account. Company had approached ministry of finance, government of India for instruction of settlement of account as one time settlement, and as per information, same is under consideration. Disbursing agency ICICI, has also forwarded Settlement proposal to the ministry on 30 <sup>th</sup> July, 2013 vide letter bearing reference no SSG/NA/2013-14/324 for seeking the directions.	1413.97	1413.97
e) 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.	3.78	10.75

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

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

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

Amount deposited of INR 19,05,179/-with court is shown in Balance sheet under Current Assets.

Company has recognized INR 12,95,305/- as expenses in this financial year and same has been shown under Other Liabilities.

# PERMANENT MAGNETS LIMITED

4. 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. Confirmation letters have been issued to parties for confirmation of balances with the request to confirm or send / comments by the stipulated date failing which the balances as appearing in the letter would be taken as confirmed. Confirmation letters have been received in very few cases; however no adverse communication has been received from the parties.
5. During the year INR 74.25 Lakh (P. Y. INR 15.77 Lakh credit) has been credited to the Statement of Profit and Loss in respect of the Foreign Exchange Differences.

## 6. Segment reporting

The Chief Operational Decision Maker identifies and monitors the operating results of its business segments separately for purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. The Operating segments have been identified on the basis of the nature of products/services

## 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.

During the year the Company has recognized following rental expenses (INR In Lakh)

Particulars	2018-19	2017-18
Premises Rent	131.00	109.76

## 8. Related Party Disclosure:

As per the Ind AS 24 details of related parties & transactions with them are given below:

Sr. No.	Name of Related Party	Relationship
1	Jyotsna Plantation Ltd.	Associates & Enterprises over which Key Managerial Personnel are able to exercise significant Influence
2	Varij Plantation Pvt Ltd.	
3	Shri Sharad Taparia	Key Managerial Personnel
4	Shri. Sukhamal Jain	
5	Smt. Rachana Rane	
6	Shri. Rajiv Mundra	Independent Director
7	Shri. Kamal Binani	
8	Smt. Sunaina Taparia	Director and Relatives of Key Managerial Person.
9	Shri. Mukul Taparia	

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

(INR in Lakhs)

Particulars	Directors / Key Management Personnel and their relatives	Companies / firms Controlled by the Directors'	Outstanding Balance
Directors' /KMP Remuneration & Fees	116.19 <i>70.61</i>	Nil <i>Nil</i>	Nil <i>Nil</i>
ICD taken/Given	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>
Advance Given	Nil <i>Nil</i>	Nil <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*



9. Disclosure as required by Ind AS-19, Employee Benefits

I. Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The company contribution “on the basis of actuarially ascertained by the Independent Actuaries” is charged to profit and loss account. The amount debited to profit and loss account is INR 10.87 Lakhs

Other long-term employee benefits:

II. Leave encashment

The Company provides for the expected cost of accumulating paid leave which can be carried forward and used in future periods by the employees. The obligation for accumulating paid leaves has been recognised at the end of the reporting period.

In respect of Gratuity & Leave Encashment, provision is made based on the actuarial valuation by an independent actuary. The following information as required under Ind AS-19 is based on the report of the Actuary:

Particulars	2018-19		2017-18	
	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)
A) Actuarial assumption				
i) Discounting rate	7.78%	7.78%	7.87%	7.87%
ii) Future salary increase	5.00%	5.00%	5.00%	5.00%
iii) Expected rate of return on plan assets	-	-	-	-
iv) Retirement age (in Years)	60	60	60	60
v) Mortality rates (% of IALM 2006-08)	100%	100%	100%	100%
B) Expenses recognised in the statement of profit and loss				
i) Current service cost	11.28	8.30	11.15	8.01
ii) Net interest cost	2.48	2.57	1.90	2.66
iii) Expected return on plan assets	-	-	-	-
iv) Net actuarial (gain) / loss recognized in the period	(05.87)	-	(1.70)	-
v) Expenses recognized in the statement of Profit & Loss	7.89	10.87	11.35	10.67
C) Recognised in other comprehensive income				
i) Actuarial (gain) / loss arising on assets	-	-	-	-
ii) Actuarial (gain) / loss on PBO arising from:	-	-	-	-
Change in demographic assumptions	-	(0.02)	-	-
Change in financial assumptions	0.15	0.28	-	2.23
Change in experience assumptions	(6.02)	(5.24)	-	(4.72)
iii) Net (gain)/ loss recognised in other comprehensive income	7.89	(4.98)	-	(2.50)
D) Change in present value of obligation				
i) Present value of obligation as at year beginning	33.37	34.48	26.30	41.31
ii) Interest cost	2.48	2.57	1.90	2.66
iii) Current service cost	11.28	8.29	11.15	8.01
iv) Past service cost incl. Curtailment gains and loss	-	-	-	-
v) Benefits paid	(2.96)	(2.79)	(4.28)	(14.99)
Actuarial (gain) / loss on PBO arising from:				
Change in demographic assumptions	-	(0.02)	-	-
Change in financial assumptions	0.15	0.28	1.12	2.23
Change in experience assumptions	(6.02)	(5.24)	(2.82)	(4.72)
vi) Present value of obligation as at year end	38.28	37.59	33.37	34.49
E) Change in fair value of plan assets				
i) Fair value of plan assets at year beginning	-	-	-	-

# PERMANENT MAGNETS LIMITED

Particulars	2018-19		2017-18	
	Leave encashment (Unfunded)	Gratuity (Funded)	Leave encashment (Unfunded)	Gratuity (Funded)
ii) Actual return on plan assets	-	-	-	-
iii) Contributions	2.96	2.79	(4.28)	(14.99)
iv) Fund management charges (FMC)	-	-	-	-
v) Benefits paid	(2.96)	(2.79)	(4.28)	(14.99)
vi) Actuarial gain / (loss) on plan assets	-	-	-	-
vii) Fair value of plan assets at year end	-	-	-	-
F) Liability /(Assets) recognised in Balance Sheet (E-F)	38.28	37.59	33.37	34.49
i) Within the next 12 months (next annual reporting period)	9.03	1.03	7.89	2.77
ii) Between 1 and 5 years	13.99	18.01	12.16	18.43
iii) Beyond 5 years	2.20	4.32	3.82	11.38
iv) Total Expected Payments	25.22	23.36	23.87	32.58

## 10. Component Accounting for Fixed Assets

In the opinion of the management, based on internal verification of the assets of the company, there is no major part, in case of any asset, which is significant to the total cost of the asset and whose useful life is different from the useful life of the asset. Hence, there is no change in accounting of fixed assets and depreciation thereon as required under Ind AS 16: Property, Plant and Equipment.

## 11. Segment Reporting:

The company is operating in single segment i.e. manufacturing of Cast Magnets & part and accessories of electricity meters. There have been no other reportable segments identified by Chief Operating Decision Maker and hence no segment reporting is presented under IND AS 108.

## 12. Impairment of Assets:

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

## 13. Disclosure as per Listing Regulation:

(INR in Lakhs)

Sr. No.	Name of the Parties	Maximum balance outstanding during the year ended		Outstanding Balance as on	
		31.03.19	31.03.18	31.03.19	31.03.18
1.	Loans to Subsidiary Co.	NIL	NIL	NIL	NIL
2.	Unsecured Loans given where there are no Repayment Schedule	NIL	NIL	NIL	NIL

14. a) Purchases of Finished Goods:

NIL

(P.Y. NIL)

## b) Expenditure and Earning in Foreign Currencies:

### A. CIF Value of Imports:

Particulars	Amount (INR In Lakhs)	
	2018-19	2017-18
Raw Materials & component	3549.12	3287.24

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

Particulars	2018-19		2017-18	
	Amount (INR In Lakhs)	%	Amount (INR In Lakhs)	%
<b>Raw Materials</b>				
Imported	3355.26	51.93	2992.20	52.77
Indigenous	3105.79	48.07	2677.60	47.23
<b>Total</b>	<b>6461.05</b>	<b>100.00</b>	<b>5669.80</b>	<b>100.00</b>



C. Expenditure in foreign currencies incurred during the year:

Particulars	Amount (INR In Lakhs)	
	2018-19	2017-18
1. Travelling Expenses	17.44	29.55
2. Others	7.24	9.84
3. Financial Charges	31.32	21.43

D. Earnings in foreign currencies during the year:

Particulars	Amount (INR In Lakhs)	
	2018-19	2017-18
1. FOB Value of Exports	6994.78	5668.67

15. Micro, Small and Medium Enterprises Development Act, 2006:

As per requirement of Section 22 of Micro, Small & Medium Enterprises Development Act, 2006 following information is disclosed to the extent identifiable:

Amount (INR in Lakhs)

Sr. No	Particulars	2018-19	2017-18
a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	300.13	300.54
	(ii) The interest due on above	-	-
	Total of (i) & (ii) above	300.13	300.54
b)	Amount of interest paid by the buyer in terms of Section 18 of the Act	-	-
c)	The amounts of payment made to the supplier beyond the due date	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	-	-

The information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises on the basis of information available with the company.

16. Financial instruments and risk management

Fair values

- The carrying amounts of trade payables, other financial liabilities (current), borrowings (current), trade receivables, cash and cash equivalents, other bank balances and loans are considered to be the same as fair value due to their short term nature.
- Borrowings (non-current) consists of loans from banks and government authorities, other financial liabilities (non-current) consists of interest accrued but not due on deposits other financial assets consists of employee advances where the fair value is considered based on the discounted cash flow.

The fair value of financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximation of fair values:

(i) Categories of financial instruments

Particulars	As at		As at	
	31.03.2019		31.03.2018	
	Carrying Amount	*Fair Value	Carrying Amount	*Fair Value
<b>Financial Assets</b>				
<b>Measure at amortised cost:</b>				
<b>Non-Current</b>				
Financial Assets				
(i) Loans	62.16	62.16	47.16	47.16

# PERMANENT MAGNETS LIMITED

Particulars	As at		As at	
	31.03.2019		31.03.2018	
	Carrying Amount	*Fair Value	Carrying Amount	*Fair Value
<b>Current</b>				
Financial Assets				
(i) Trade Receivables	3,183.30	3,183.30	2,893.80	2,893.80
(ii) Cash and Cash Equivalents	80.58	80.58	5.23	5.23
(iii) Bank Balances	195.30	195.30	332.02	332.02
(iv) Loans	64.92	64.92	9.31	9.31
Measured at fair value through profit and loss				
<b>Non - current</b>				
(i) Investments	-	-	-	-
<b>Total</b>	<b>3,586.26</b>	<b>3,586.26</b>	<b>3,287.52</b>	<b>3,287.52</b>
Financial Liabilities				
<b>Measured at amortised cost</b>				
Non Current				
Borrowings	224.14	224.14	251.54	251.54
Provisions	75.88	75.88	67.86	67.86
Other Non - Current Liabilities	-	-	-	-
Current				
Financial Liabilities				
Borrowings	583.55	583.55	1,124.52	1,124.52
Trade Payables	1,962.28	1,962.28	2,389.37	2,389.37
Other Financial Liabilities	158.79	158.79	101.65	101.65
<b>Total</b>	<b>3,004.64</b>	<b>3,004.64</b>	<b>3,934.94</b>	<b>3,934.94</b>

\*Fair value of instruments is classified in various fair value hierarchies based on the following three levels:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity specific estimates. If significant inputs required to fair value an instruments are observable, the instrument is included in Level 2.

Level 3: If one or more of the significant inputs are not based on observable market data, the instruments is included in Level 3.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date. In respect of investments as at the transaction date, the Company has assessed the fair value to be the carrying value of the investments as these companies are in their initial years of operations obtaining necessary regulatory approvals to commence their business.

## 17. Financial risk management

The Company is exposed to market risk (fluctuation in foreign currency exchange rates, price and interest rate), liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company assesses the unpredictability of the financial environment and seeks to mitigate potential adverse effects on the financial performance of the Company.

### (A) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and price risk. Financial instruments affected by market risk include loans and borrowings, trade receivables and trade payables involving foreign currency exposure. The sensitivity analyses in the following sections relate to the position as at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.





The analysis excludes the impact of movements in market variables on the carrying values of financial assets and liabilities.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March, 2019 and 31<sup>st</sup> March, 2018.

**(i) Foreign currency exchange rate risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the trade/other payables, trade/other receivables assets/liabilities. The risks primarily relate to fluctuations in US Dollar & EURO against the functional currencies of the Company. To mitigate the Group's exposure to foreign currency risk, cash flows are monitored and natural hedge is used. Amounts to be paid and received in a specific currency are expected to largely offset one another. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

**(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates. As the Company has certain debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are dependent of changes in market interest rates. Management monitors the movement in interest rate and, wherever possible, reacts to material movements in such rates by restructuring its financing arrangement.

As the Company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

**(B) Credit Risk**

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

With respect to credit exposure from customers, the Company has a procedure in place aiming to minimise collection losses. Credit Control team assesses the credit quality of the customers, their financial position, past experience in payments and other relevant factors. Cash and other collaterals are obtained from customers when considered necessary under the circumstances.

The carrying amount of trade receivables, loans, advances, deposits, cash and bank balances, bank deposits and interest receivable on deposits represents company's maximum exposure to the credit risk. No other financial asset carry a significant exposure with respect to the credit risk. Bank deposits and cash balances are placed with reputable banks and deposits are with reputable government, public bodies and others.

The credit quality of financial assets is satisfactory, taking into account the allowance for credit losses.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including default risk associate with the industry and country in which customers operate. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment.

An impairment analysis is performed at each reporting date on an individual basis for major receivables. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company also holds deposits as security from certain customers to mitigate credit risk.

18. The previous year's figures have been regrouped, rearranged and reclassified wherever necessary to confirm to the current year presentation.

**For Ramanand & Associates**

Chartered Accountants  
ICAI Firm Reg. No. 117776W

**CA Karan Verma**  
Partner  
M. No. 161335

Mumbai, 29<sup>th</sup> May, 2019

**For & on behalf of the Board**

**Sharad Taparia**  
Managing Director

**Sukhmal Jain**  
Sr. Vice President-Finance

**Mukul Taparia**  
Director

**Rachana Rane**  
Company Secretary

## PERMANENT MAGNETS LIMITED

**Regd Off. :** Harsh Avenue, 302, 3<sup>rd</sup> 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/We hereby record my/our presence at the 58<sup>th</sup> Annual General Meeting of the Company held at the Raj Regency Hotel, Khanvel Road, Opp. Silvassa Civil Court, Near Anand Nagar, Tokarkhada, Silvassa – 396230, Dadra and Nagar Haveli (U.T.) on Saturday, 28<sup>th</sup> September, 2019 at 11.00 A.M.

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

\_\_\_\_\_  
Name of the Member / Proxy

\_\_\_\_\_  
Signature of the Member / Proxy

(In BLOCK letters)

Note: Kindly fill this attendance slip and hand it over at the entrance of the meeting.

\* Applicable for investors holding shares in electronics form.

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**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, 3<sup>rd</sup> Floor, Opp. Silvassa Police Station, Silvassa Vapi Main Road Silvassa- 396230. Dadra and Nagar Haveli(U.T.)  
CIN: L27100DN1960PLC000371 WEBSITE: www.pmlindia.com

**Name of the Member (s):** \_\_\_\_\_

**Registered address:** \_\_\_\_\_

**E – mail Id:** \_\_\_\_\_

**Folio No / Client Id:** \_\_\_\_\_ **DP Id:** \_\_\_\_\_

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

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 58<sup>th</sup> **Annual General Meeting** of the company, to be held on the Saturday, September 28, 2019 At 11.00 a.m. at The Raj Regency Hotel, Khanvel Road, Opp. Silvassa Civil Court, Near Anand Nagar, Tokarkhada, Silvassa – 396230, Dadra and Nagar Haveli (U.T.)and at any adjournment thereof in respect of such resolutions as are indicated behind:

Resolutions	For	Against
Ordinary Business:		
1. To receive, consider and adopt the Audited Balance Sheet as at 31 <sup>st</sup> March, 2019 and the Statement of Profit and Loss for the year ended 31 <sup>st</sup> March, 2019 along with Directors' Report and Auditors' Report thereon.		
2. To appoint a director in place of Shri. Mukul Taparia (DIN: 00318434), who retires by rotation and being eligible, offers himself for re-appointment		
Special Business:		
3. Re-appointment of Shri. Rajeev Mundra (DIN: 00139886) as an Independent Director.		

Signed this ..... day of ..... 2019

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

Affix a  
revenue  
stamp

\_\_\_\_\_  
Signature of first Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note:**

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered and Corporate Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A proxy need not be a member.
- (3) For the Resolutions Explanatory Statement and Notes, please refer to the Notice of the 58<sup>th</sup> 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.

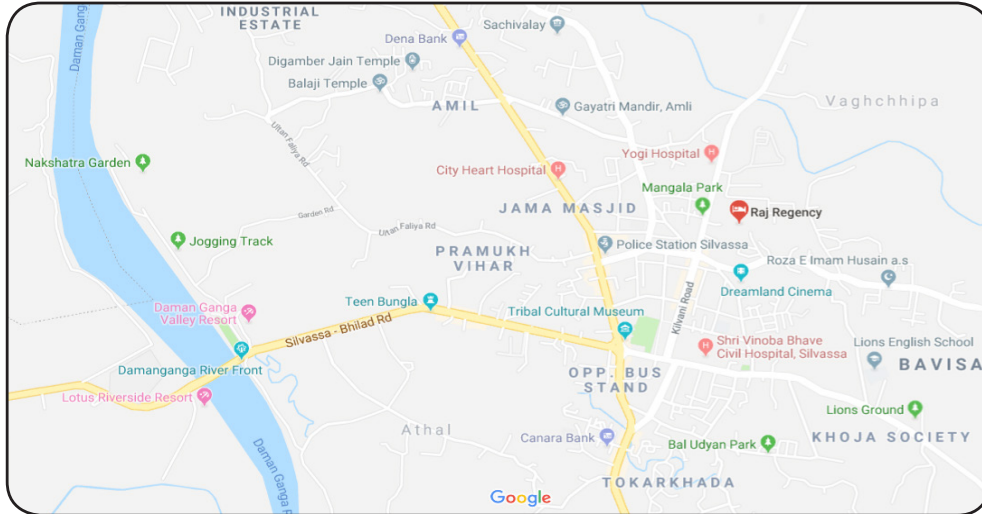
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## ROUTE MAP TO THE AGM VENUE

Venue : The Raj Regency Hotel, Khanvel Road, Opp. Silvassa Civil Court, Near Anand Nagar, Tokarkhada, Silvassa – 396230, Dadra and Nagar Haveli (U.T.)



**Landmark : Near Mangala park**

**Distance From Silvassa Bus Station: 1.4 Km (approx)**

*If undelivered return to :*

**Corporate Office :**

**PERMANENT MAGNETS LIMITED**

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