

PERMANENT MAGNETS LIMITED



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Date : August 10, 2022

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

Subject : Annual Report FY 2021-2022 and Notice of 61st Annual General Meeting

Scrip Code : 504132

Dear Sir,

Pursuant to Regulation 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 2021-2022 along with the Notice convening the 61st Annual General Meeting of the Company.

The Annual Report containing the Notice of AGM has also been uploaded on the Company's website at – www.pmlindia.com

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, 3rd 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





Permanent Magnets Ltd.

P M M L

Annual Report 2021-22



Trust.

**Reliability.
Quality.**

Inside the document

Strategic Review

- 02 Company Overview
- 06 Value Proposition & Capabilities
- 08 Product Platform
- 12 Product Applications
- 14 Strategic Priorities
- 16 Board of Directors & Senior Leadership
- 18 Letter to Shareholders
- 20 Key Performance Indicators
- 22 Management Discussion and Analysis

Statutory Reports

- 31 Notice of Annual General Meeting
- 40 Director's Report
- 54 Report on Corporate Governance

Financial Statements

- 69 Independent Auditor's Report
- 77 Balance Sheet
- 78 Statement of Profit and Loss
- 79 Cash Flow Statement
- 81 Notes on Accounts



Trust. Reliability. Quality.

The three core values that define Permanent Magnets Limited (PML), and which have been the bedrock of the Company's spirit are, Trust, Reliability and Quality.

From the way it conducts its business to the values that guide its people, PML holds these principles central to its work and the same is reflected in everything that the organisation does.

Trust is earned by the Company through its pursuit of transparent and ethical business practices. It ensures that its solutions are well-suited to the needs of its customers and also that its services are provided with punctuality and commitment. This has enabled the Company to become a trusted partner for the doyens of the global industry across various sectors, from automobiles to smart meters.

Reliability is an attribute that the customers of PML have come to associate closely with the Company. Its dependability ensures that the supply chains of its clients are augmented and supported to the fullest. The reliability of the Company and its solutions have paved the way for it to emerge as the supplier of choice for the product categories in which it is involved. In fact, in many instances, the Company has been entrusted by its clients to be their sole suppliers, thereby providing further testament to its consistent performance.

Quality differentiates PML from its competition, and time and again, the Company has proved its mettle by staying ahead of the curve. The notable quality of the solutions offered by the Company works towards not only increasing its goodwill but also forms the basis for long-lasting relationships with its clientele.

These values have aided the Company to remain steadfast in its journey of growth and transformation for the past six decades. It believes that these qualities, which have illuminated its way throughout its history, will also enable it to reach newer heights and establish itself as a leading solution provider in the global marketplace, while also allowing it to maximise the value that it creates for its various stakeholders.

Safe Harbour

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and make informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

COMPANY OVERVIEW

The world of PML

PML is a respected solution provider of electrical components and assemblies based on certain core technologies that find application in the automobile, energy meter, renewable energy, aerospace & defence, food & beverage, and many other industries. The Company has strong expertise in 5 core product platforms, wherein it designs and delivers innumerable customer-specific solutions. These include magnetic sensing, current sensing, magnetic assemblies, alloys and ZAMAK die-casting.



Established industry positioning

60+

Years of expertise in magnets, magnetic assemblies, and shunts

5

Expertise in 5 core technologies & product platforms with n-number of product possibilities

- Magnetic sensing
- Current sensing
- Magnetic assemblies
- Alloys
- ZAMAK Die-Casting

At the center of emergin technological trends such as **electric vehicles and smart meters & smart grids**



Superior infrastructure & product portfolio

3

fully-equipped manufacturing facilities

AEC-Q²⁰⁰

lab for qualifications & type testS

~350

Actively manufactured SKU's with applications across multiple industries

The production facilities and QMS are certified by IATF, AS, EMS and OSHAS



14001:2015
ISO 14001:2015



17025
ISO 17025:2017



AS9100D:2016



9001:2015
ISO 9001:2015



OHSMS 45001:2018



IATF 16949:2016



Capable team & knowledge base

460+

Committed members

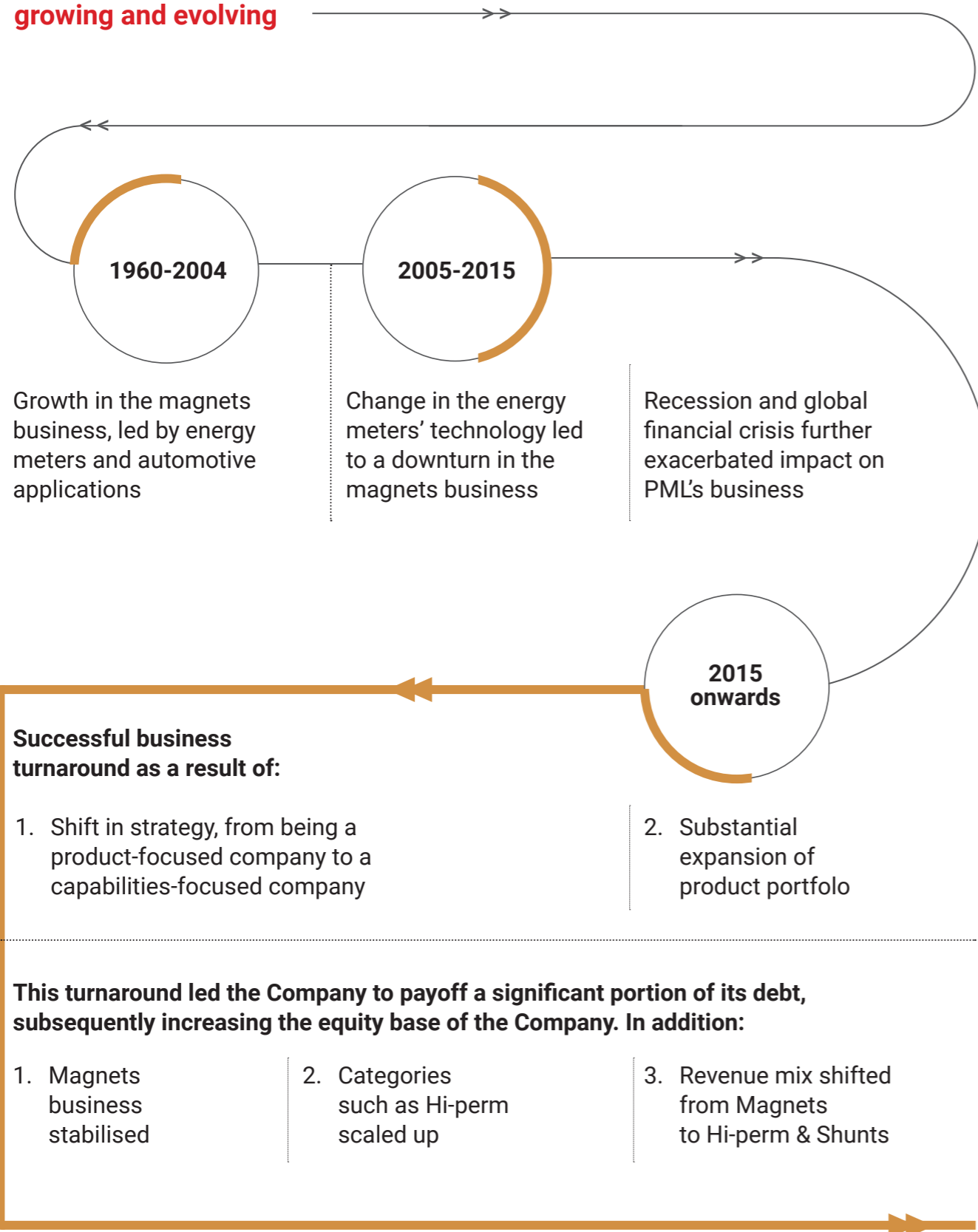
50+

Dedicated engineers

A history of various **technical & commercial collaborations** with globally relevant companies such as:

- magLab AG, Switzerland
- Sumitomo
- Dowa Mining
- Centro Magneti Permanenti

COMPANY OVERVIEW (CONTINUED)

A journey of learning,
growing and evolving

Recent milestones



2000

Commenced exports of magnetic assemblies



2005

Hi-perm division started: Soft magnetic parts



2007

Shunts division started: Copper manganese shunt assemblies



2016

ZAMAK die-casting capabilities added



2017

CT-Division started: Nano crystalline and amorphous components



2018

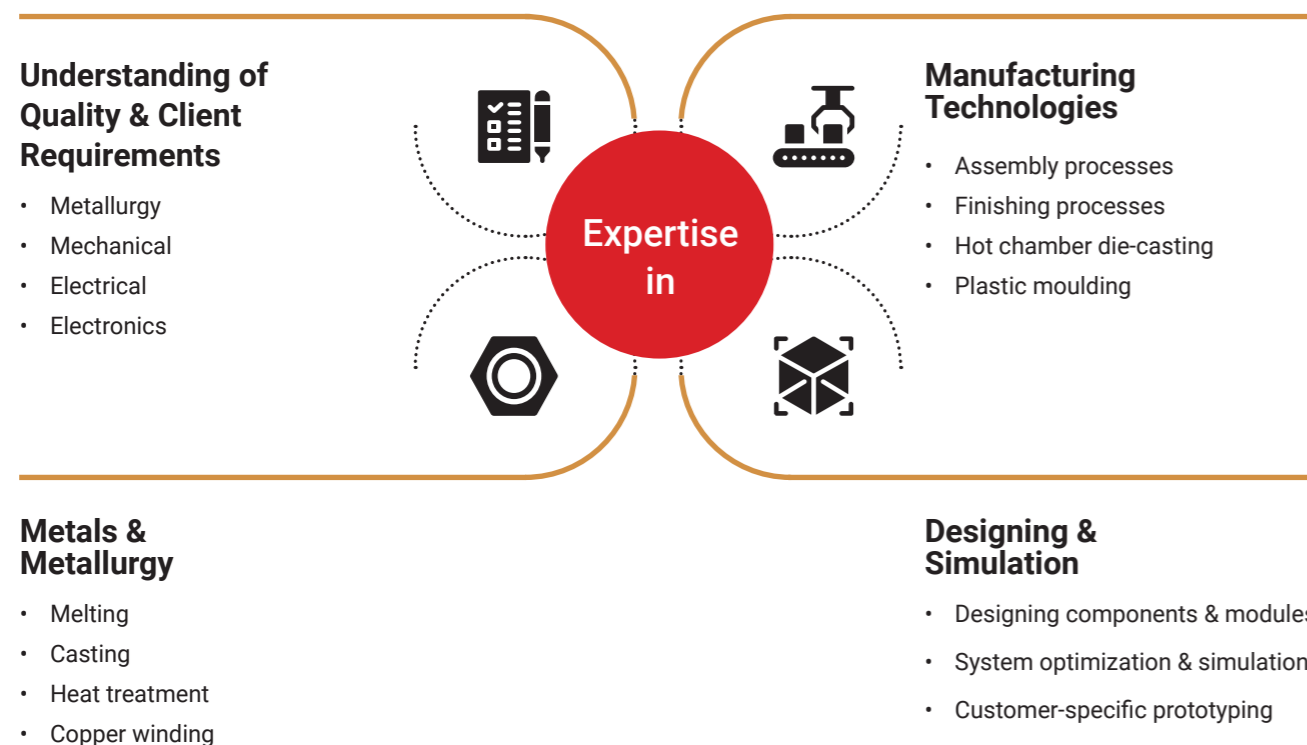
Plastic moulding capabilities added

VALUE PROPOSITION & CAPABILITIES

Adding mileage to our clients' businesses

PML, recognised for its excellent customer satisfaction, is a one-stop solution provider with expertise in the design, prototype and production of electrical components and assemblies that find application in automobiles, energy meters, renewable energy, aerospace & defence, food & beverage and robotics sectors, among others. Delivering quality products and customer satisfaction is paramount to PML, and the Company's solid understanding of its client's requirements enables it to deliver precise and effective solutions while also helping them optimise their designs. The Company's values drive it towards success and differentiate it from its peers, and it is therefore at the core of everything it does.

PML's Robust Capabilities



Our customer satisfaction mantra



Knowledge

PML's team of experts, carrying expertise in domains such as Metallurgy, Mechanical, Electrical and Electronics, have a good understanding of our customer requirements. In addition, PML's production managers are well-versed with the latest manufacturing trends and their collective knowledge helps unlock the Company's true potential.



Capability

Over the years, the Company has developed its capabilities to conceptualise and execute customised designs and solutions for each customer. PML has also helped its customers optimise their designs and products many times in the past.



Cost

PML provides cost-effective manufacturing solutions through its facilities equipped with reliable equipment. Its production facilities and quality systems are certified by IATF, AS, EMS and OHSAS and are regularly audited by customers. In addition, PML's indigenously designed and developed high-tech technologies, such as the annealing furnaces complying with NADCAP requirements, puts the Company in a distinctly favourable position.



Quality

Quality is paramount to PML, as is customer satisfaction. To that extent, the Company strictly adheres to the customers' required quality standards. It has housed renowned and acclaimed measurement equipment such as Koerzimat, BH Loop Plotter, etcetera for magnetic performance and physical attributes tests. Moreover, PML's AEC-Q200 lab is equipped for various qualification and type tests, and the Company has also developed indigenous specific application test setups to monitor the quality parameters of its products.

PML aims to become a comprehensive solution provider with scalable manufacturing capabilities

PRODUCT PLATFORM

Expertise in critical technologies

PML prioritises the development of technologies and capabilities over specific products, due to the relatively shorter life cycles of specific products, which often go through changes with further technological advancement. Thus, the product platforms developed by PML give it the flexibility to design and deliver umpteen number of solutions from within the Company's core technologies while also allowing it to provide customised solutions specific to each of its customer requirements.

These product platforms are as follows:

Magnetic Sensing

The magnetic sensing technology is used to observe miniscule changes in the magnetic field. High quality shields and magnetic sensors are commonly used devices to measure the same.



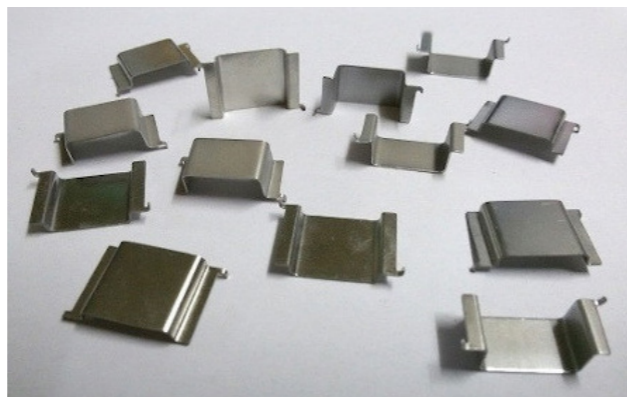
Speed Sensing

Speedometers are the most commonly used speed sensing devices, and Alnico magnets are used in the application of speedometers.



Torque and Angular Sensing

Torque and angle sensors measure the steering wheel position and the torque applied by the driver on the steering wheel. In modern vehicles, the typical EPAS system (Electric Power Assisted Steering) also known as EPS (Electric Power Steering) uses torque and angle sensing assemblies.



Application Industry

Magnetic sensing based components are extensively used in the Automobile industry.

Key Products

C-Shield, SMD Shields, U-Shields, MuMETAL- Stress Annealed Sheet, Foil, Fabricated Shield, U-shields, Rotator, Flux Collectors, Stator and many more.

Through meticulous research and development over the past few decades, the Company has developed its expertise in these 5 product platforms, which are currently at the centre of emerging technological advancements, such as electric vehicles, smart meters and smart grids.

Current Sensing

Current sensing or measurement is required for revenue generation, feedback control mechanism and monitoring, wherein the current can be measured by a Hall Sensor with Flux concentrator logic, Shunt logic, Current Transformer or Rogowski Coil. Current sensing modules are integrated assemblies incorporating flux concentrators, Shunts, Hall Sensors, Temperature sensors, CAN and IoT.

PML mainly focuses on 3 main technologies of current sensing - Shunt Current Sensors, Hall Effect Sensors and CT based Sensors.



Shunt Current Sensors

Shunts are precision components for the energy meter to measure power. The Shunt Resistor is used as a key part of the measuring device inside the electronic ammeter.



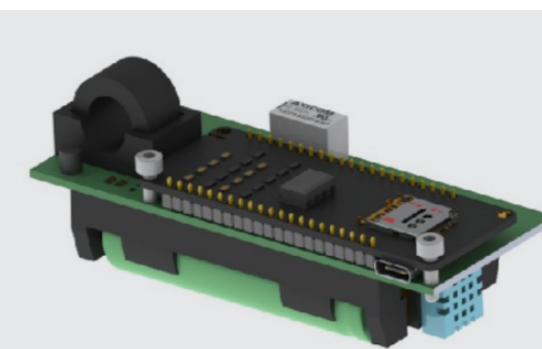
Hall Effect Sensors

When a current-carrying conductor is placed into a magnetic field, a voltage will be generated perpendicular to both the current and the field. This principle is known as the Hall effect. Hall effect sensors with a combination of flux concentrators are used to measure the change in magnetic field in the conductor.



CT-based Sensors

Current Transformers or CT Sensors are used for measuring alternative electric current for energy meters. A current transformer produces a reduced current accurately proportional to the current in the circuit, which can be conveniently connected to measuring and recording equipment. Current transformers are commonly used in metering (3-phase meters) and protective relays in the electrical power industry.

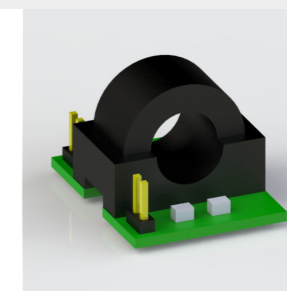


Application Industry

Current sensing has a wide area of application across several industries like Automobile, Energy meters, Renewable Energy. PML has a strong presence in the Automotive and Energy Meter industries for various parts and components.

Key Products

Shunts, Various types of Flux Concentrators & Current Transformers, various types of Ferromagnetic Shields and different modules like Hall Shunt Module, Clamp-on Current Sensor, IOT System and Smart Battery Clamp.



PRODUCT PLATFORM (CONTINUED)

Magnetic Assemblies

Magnetic assemblies are components, devices and systems that use permanent magnets and electropermanent magnets for broadly performing three kinds of functions, which are, holding, lifting and separation of metals and other components.



Holding

Magnetic holding has multiple usages including, to keep metal instruments intact at one place, hold objects to do light-duty operations, pick and place applications in robotics and collect/segregate scattered metal parts among others.



Separation

Magnetic separation is a process that is used to remove ferrous metal contaminants from other materials such as dry particulates, liquids, chemicals, minerals, food, pharmaceuticals, and recycled products, among others.



Lifting

Lifting magnets are the solution for safely transporting, lifting or securing steel products. These are widely used in workshops, manufacturing units, garages, for fabrication, forging and casting.



Application Industry

Magnetic assemblies have a broad spectrum of application including in Warehouses, pharmaceuticals, Food & Beverage, Garages and many other industries.

Key Products

Magnetic Lifters, Toucher Magnets, Sheet Transporter, Magnetic Sweepers, Touch Magnet, Magnetic Tray, Hand Magnet, and many more.



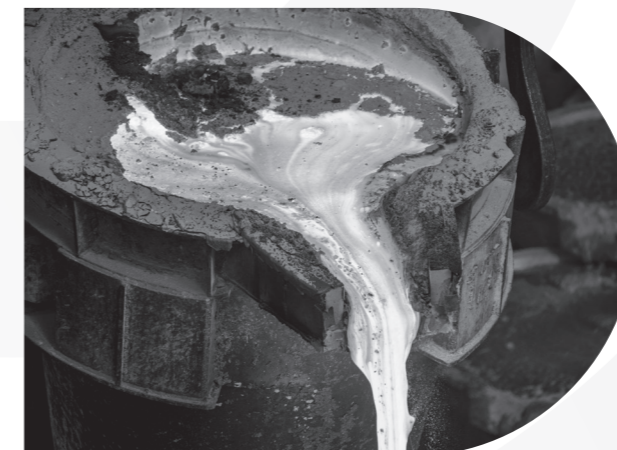
Alloys

Alloys are either a mixture of two or more metals; PML's metallurgical expertise in melting, casting and heat treatment is used to produce alloys such as Nickel-Iron, Cobalt, Manganese, Nickel-based alloys and other casting-based technologies for its applications.



ZAMAK Die-Casting

This is a die-casting technology using ZAMAK (Zinc-Aluminium-Manganese-Copper) alloys, especially suitable for high volume manufacturing of small parts. The key advantages of this technology include faster production rate, versatility and complex and articulated shapes that can easily be moulded using ZAMAK. ZAMAK material has several advantages over Aluminum alloys and hence is used for die casted parts.



Application Industry

ZAMAK Die-Casting has significant applications in various industries like Automobiles, LED lighting, connectors, etcetera.

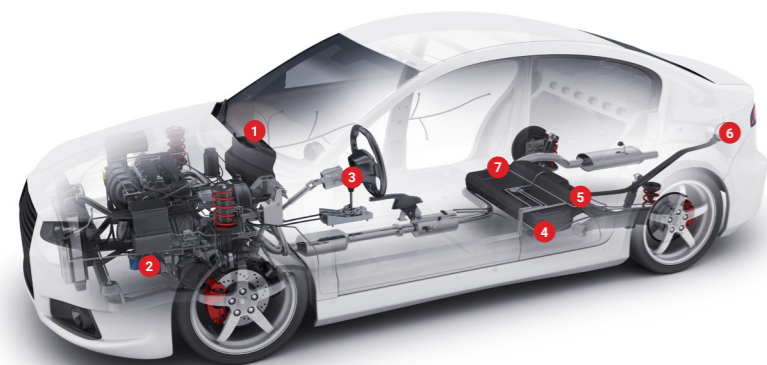
PRODUCT APPLICATIONS


Critical product applications

PML supplies essential electrical components and assemblies to its customers in various industries. These components and assemblies have very critical applications; thus, the Company adheres to the highest quality requirements and customer standards to deliver these products.

Automobiles

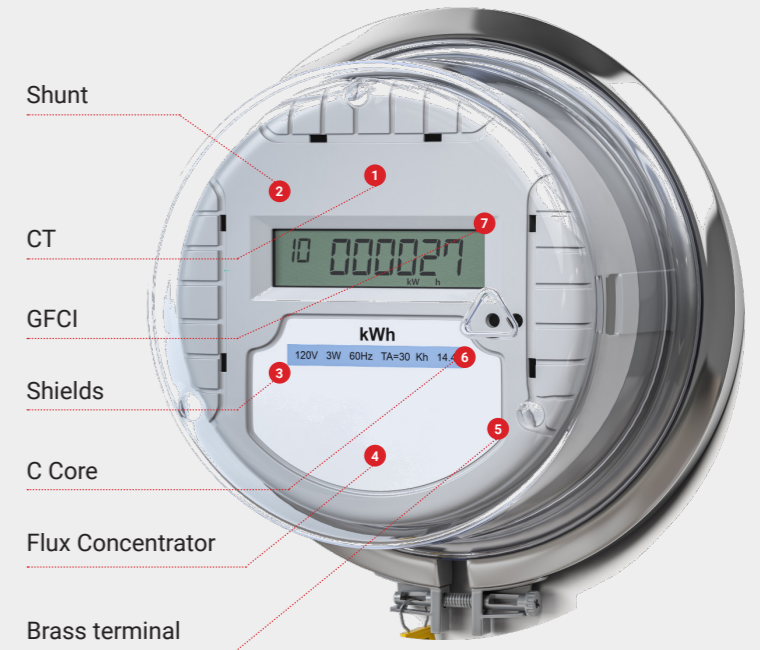
In the automobile industry, PML supplies components and systems for current measurement, battery management, motors & generators, charging systems, torque and angle measurement systems, safety and automation. PML has also developed modules and assemblies for various applications, such as intelligent battery sensors and battery monitoring systems.



-  Laminations
-  Permanent Magnets
-  Rotor Laminations
-  EPS
-  Shields
-  Shunt
-  Flux Concentrator
-  Clamp On
-  HSM 800
-  Smart Battery Clamp
-  Toroidal Cut Core
-  BMS

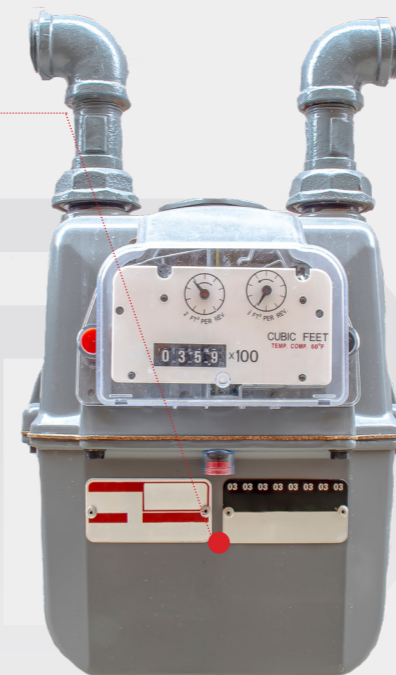
Electricity Meter

For the metering industry, PML develops parts that are used for current sensing, such as flux concentrators, cores and shields, among others. The meter measures current with an assembly inclusive of hall sensors or shunt, or CT. PML provides the necessary parts for current sensing, which includes laminated flux concentrators, shields, shunts, CTs, etcetera.



Gas Meter

Diaphragm Assembly



Other Application Industries

Renewable energy



Aerospace & defence



Food & beverage



Robotics



STRATEGIC PRIORITIES

Strategies deployed for accelerated growth

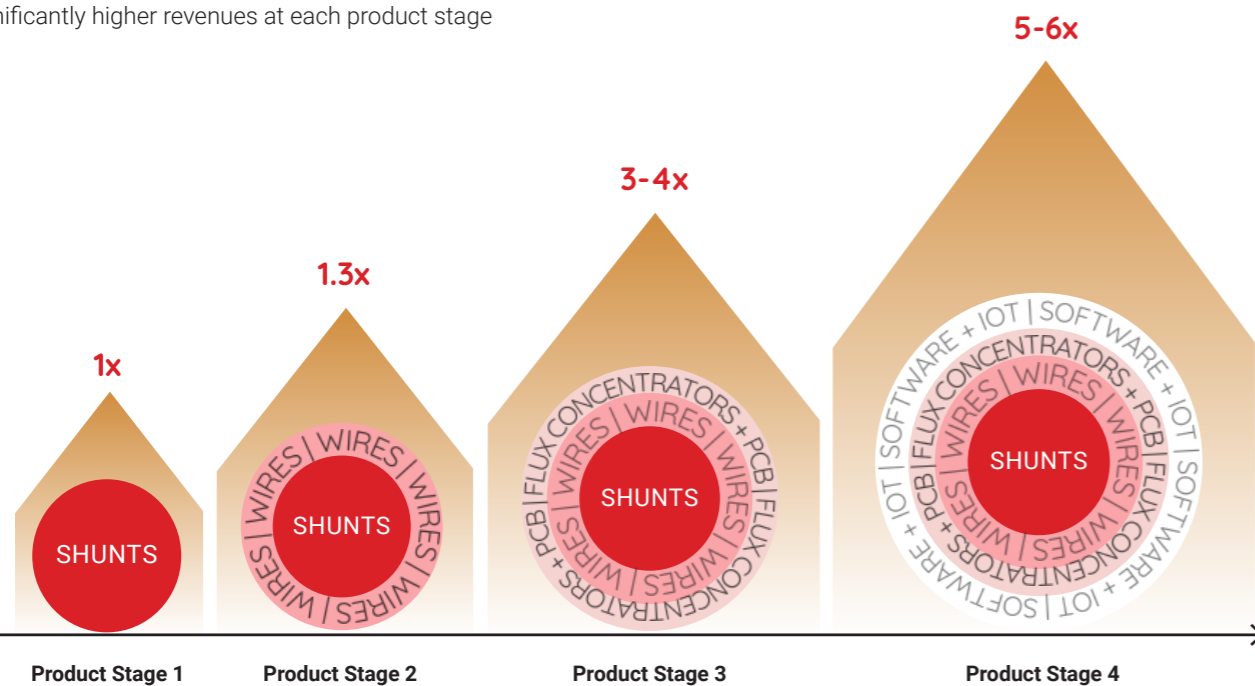
Growing Presence in Value-Chain: Components to Modules

PML is cognizant of the fact that, in order to ensure sustained growth and garner a more significant chunk of the value chain, it is imperative to shift its focus from components to modules in certain product categories. The Company estimates that such a transition can enable a five-to-sixfold increase in the value of products.

In this light, to consolidate and grow its presence in the value chain, the Company is increasingly focussing on product categories such as shunts and soft magnetic compounds, which would act as the basis for a future push towards developing complete modules.

Components to modules Value Chain - Illustration for Shunts

Value addition in components can generate significantly higher revenues at each product stage



Addition of Components & Modules

The Company is working towards adding newer components & modules to deliver business growth.

Integrating Manufacturing Facilities

The Company is also mindful that consolidating its manufacturing operations would optimise costs and increase efficiencies, thus translating to better profitability while adding levers for future growth. Towards this, PML is endeavouring to integrate its three existing manufacturing facilities into one composite unit. Through its efforts, the Company has already successfully acquired a significant portion of the land required for this project and is on track to secure the balance in the coming months. In addition, the Company has also planned CAPEX to the tune of ₹ 20 to 25 crores, which will be used in land, building and machinery to boost capacity and capabilities at this new integrated site.



Adding Technologies & Capabilities

The Company is cognizant that its industry is one which is fuelled by technical expertise, which in turn translates to greater capabilities. These enhanced proficiencies enable servicing the growing needs of customers. Thus, at PML, priority and significance are duly accorded to augmenting capabilities by leveraging technology, which allows the Company to meet the expectations of its clients and stay ahead of the curve.

In this vein, the Company is working on adding competencies in the domains of Smart Modules, Alloy Making, Casting and Heat Treatment. Further, efforts are also being made to explore yet more advanced applications of ZAMAK die-casting, high-volume sheet metal forming and wire winding.

BOARD OF DIRECTORS & SENIOR LEADERSHIP

Guiding PML's thought-leadership

An experienced and diverse Board of Directors, headed by a Non-Executive Chairman, and consisting of an optimal mix of Independent, Executive and Non-Executive Directors. PML's leadership, with their expertise across multiple subject areas, has helped shape the Company and has steered it in the direction of success.

BOD Committee Key

Audit Committee (A) | Nomination & Remuneration (N) | Stakeholder Relationship Committee (S) | Corporate Social Responsibility Committee (C)

● Chairman ● Member



Shri. Rajeev Mundra
Chairman, Independent and Non-Executive Director

A S C N

Shri. Rajeev Mundra has over 25 years of experience in functions such as management, finance, accounting and taxation. His qualifications include B.com, CA, Grad CWA, CISA (USA) and DIFA (ICA).



Shri. Sharad Taparia
Managing Director

A C

Shri. Sharad Taparia has over 25 years of experience in the manufacturing industry. He is the managing director and is responsible for the overall management of the company. His qualifications include BE and MBA in Finance.



Shri. Mukul Taparia
Non-Executive director

N S C

Shri. Mukul Taparia has over 24 years of experience in functions such as international marketing and finance. His qualifications include Bachelors in Computer Science from the University of Texas, Austin and a Diploma in Business Engineering from Warwick University, UK.



Shri. Kamal Binani
Independent, Non-Executive Director

N A S

Shri. Kamal Binani has over 39 years of experience in finance, accounting, and taxation. His qualifications include B.Com & CA.

Driving Execution at PML

A balanced and driven management team, composed of seasoned business executives, and a young and dynamic team of around 15 second-level managers. With strong expertise and experience, PML's senior management is tasked with executing strategies and catering to the emerging needs of its clients.



Shri. Sharad Taparia
Managing Director

Shri. Sharad Taparia has over 25 years of experience in the manufacturing industry. He is the managing director and is responsible for the overall management of the company. He has been associated with PML for 23 years now. His qualifications include BE and MBA in Finance.



Shri. Prabhakar Kamath
President- Division Head

Shri. Prabhakar Kamath has over 40 years of work experience in Manufacturing & Operations, Marketing/Sales. He is divisional head for Shunts Division, Copper and Brass Parts, Magnets & Magnetic Assembly, CT Division, and Gas Meters and looks after related operations. He has been associated with PML for 19 years.



Shri. Sukhmal Jain
Senior Vice President, CFO

Shri. Sukhmal Jain has over 37 years of work experience in Accounts and Finance .. He is the divisional head of the Finance Department and looks after related operations. He has been associated with PML for 34 years.



Shri. Girish Mahajan
Vice President

Shri. Girish Mahajan has over 37 years of work experience in Magnetic Materials (designing, manufacturing, R&D, QA, Marketing, etc) and Software Systems Development and looks after related activities. He has been associated with PML for 28+ years.



Smt. Sunaina Taparia
Non-Executive Director

Her qualifications include Bachelors in Fine Arts.



Shri. Girish Desai
Non-Executive Director

Shri. Girish Desai has over 49 years of experience in functions such as management, finance, taxation, corporate and security laws, HR and industrial relations. His qualifications include M.Com, Grad-CWA, ACA, PGDSM, and PGDSL.

LETTER TO SHAREHOLDERS

MD's Communique

Dear Shareholders,

I am happy to be addressing you through our annual report. This is such a great pleasure and a good opportunity for me to share more insights about our Company, Permanent Magnets Limited.

As you can see, we have expanded the scope of our annual report this year to give our investors a deeper understanding of our Company's business model, industry positioning and strategies, both long and short term. I believe this will also be an excellent opportunity for me to connect with you better, and strengthen our relationship further.

FY22 Performance Review

I would first like to take you through our performance this year, and give you an overview and help you understand the Company's financial standing. To begin with, our topline for the last two years has not grown the way we expected it to, and a combination of factors is responsible for this. Firstly, our business was impacted significantly due to the pandemic-induced supply chain disruptions, which were closely linked to some of our end-use industries facing the same issue. For instance, the energy meter sector faced severe heat on account of semiconductor shortages that led them to reduce production, thereby making the demand for our product lesser or deferred. The second factor that impacted our topline growth is the downturn in one of our product categories – gas meters. This product was already nearing the end of its lifecycle, and these headwinds changed our revenue mix as well. Earlier in FY20, the contribution of gas meters to our top line stood at roughly 18%, which in FY22 declined to a mere 6%. Product life cycles coming to an end certainly is not an unknown phenomenon in the industry, but this particular one did catch us off guard a little bit.

₹ 133 Crore

Revenue from Operations witnessed a modest 13% Year-On-Year growth in FY22

21%

Operating profit margin in FY22



The other issue that we faced during the pandemic was a slowdown of our geographic expansion plan on account of travel restrictions. As most of you would be aware, Europe and the Americas continue to be a stronghold for PML, but our efforts to embark on our Asian geographic expansion were dampened by the multi-year pandemic. However, we are certain about picking up on these plans and making progress in these markets as well in the near future. While all of these headwinds and concerns made the year slightly challenging for us, it indeed didn't impact us negatively – we were able to demonstrate resilience through our financial performance. Our Revenue from Operations witnessed a modest 13% year-on-year growth and stood at ₹133.26 Crore in FY22, while our PAT stood at ₹19.04 Crores, recording an 18% increase year-on-year. Our operating profit margin stood at 21% this year compared to 22% in FY21. Further, the size of our balance sheet has certainly increased in the last two years on account of the increasing working capital needs of the Company. Moreover, as a part of our risk management strategy, we now have a higher buffer inventories for imported raw materials such as special steels and nickel alloys, among others.

Focused on technology development over product development

A fundamental lesson that we have learnt in the past as well as in recent times is that product life cycles can be unpredictable, and if not planned for properly, they can have a significant impact on business growth. We have witnessed this recently with our calibration assembly product for gas meters, and faced a similar concern for our magnets business due to a change in the energy meters' technology, back in 2005. Essentially pointing to us that changing end-product technologies may many times make our products obsolete. What we have acknowledged and understood from these trends is that, in order to maintain our growth trajectory, we must consistently add newer products at a faster pace to counter the effects of products approaching the end of their lifecycle. This learning has empowered us to realize that it is much more advisable to focus on technology and capabilities rather than products.

Since technologies and capabilities tend to have a higher lifecycle than specific products, it will ensure that we thrive in an increasingly fast-evolving future while also allowing us to design and deliver innumerable customer-specific solutions.

At present, our technological strongholds include Magnetic Sensing, Current Sensing, Magnetic Assemblies, Alloys and ZAMAK Die Casting, and the products we manufacture based on these technologies find varied applications in the automobile, energy meter, renewable energy, aerospace & defence, food & beverage and robotics sectors, among others.

Our goal is to develop more products leveraging these technologies and capabilities as we advance, all the while making efforts to gain domain expertise in other technologies as well. The new projects we are currently exploring include, in the casting space, ZAMAK die casting, high-volume sheet metal forming, and wire winding. Simultaneously, we are working on introducing new modules and components.

Increased presence in value-chain

PML has also strategized to expand its presence in the value chain - from being an only component manufacturer, the Company is now exploring projects in modules to capture a wider space in the value chain. In many product categories, a shift from components to modules can render an increase in the value of the product to a factor of up to 5-6X on the initial component. At present, we are exploring projects in the shunts and soft magnet material product categories for different product stages. This move will help take us a step ahead in our journey and create more significant avenues for growth in the near future.

PML is preparing for the long haul and focusing on making its business model more robust than ever before. We are confident that our focus on technology & capabilities over specific products, increasing presence in the value chain and upgrading infrastructure in accordance with future growth aspirations, will surely aid the Company in achieving its long-term goals. In that direction, we have also decided to integrate our three manufacturing facilities into one site, giving us enough headroom to grow in the future.

We sincerely believe that the best of our years are ahead of us, and PML is geared to harness potential opportunities and leverage its strengths to make itself an indispensable part of its ecosystem. In closing, I would like to share my sincere gratitude to all the shareholders, team members and stakeholders of PML. Your faith and trust in us have got us this far, and I am sure that it will take us to greater heights in the years to come. Thank you for all your support.

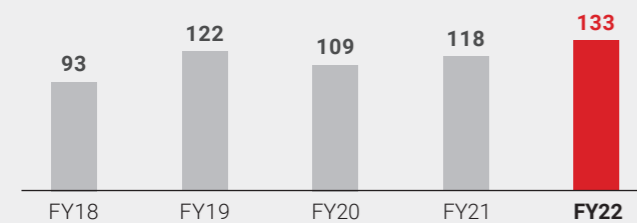
Sincerely,
Sharad Taparia
Managing Director

KEY PERFORMANCE INDICATORS

A successful turnaround story

Total Revenue

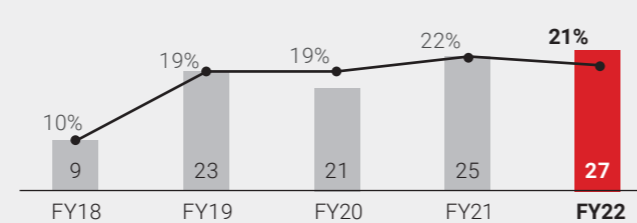
₹ in Crores



9%
CAGR

Operating Profit

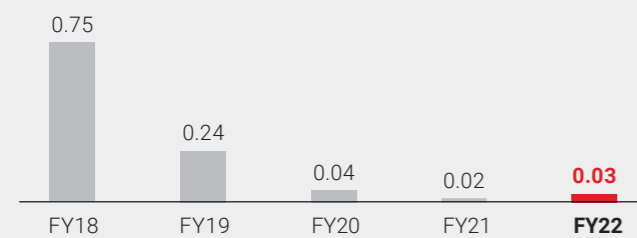
₹ in Crores



30%
CAGR

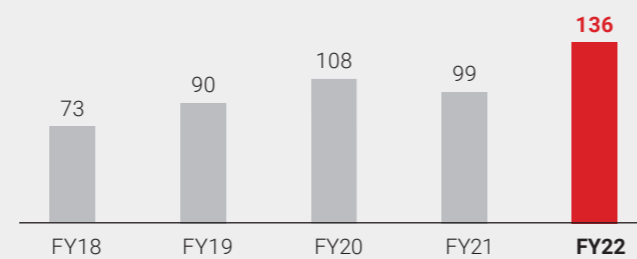
Total Debt to Equity

In Times



Working Capital Days

In days

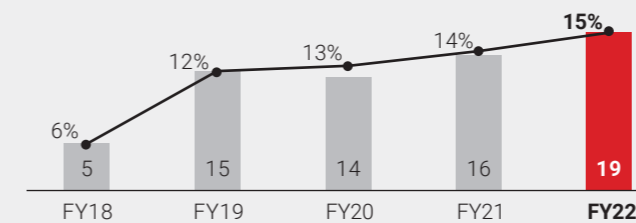


37 days
Increased

Over the last half a decade, PML has successfully turned around its business and made solid progress, both in terms of the scale of operations and financial results. The Company's strategies have been fructified to deliver increased profitability and reduced debt through the scaling of profitable product categories & businesses. The Company's growth trajectory is driven by passionate leaders on a mission to take the Company forward. As we advance, the Company will work towards maintaining its track record of delivering excellence while also adding further opportunities to grow and develop the business sustainably.

Profit After Tax

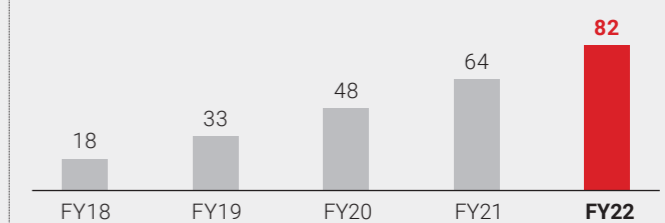
₹ in Crores



37%
CAGR

Equity

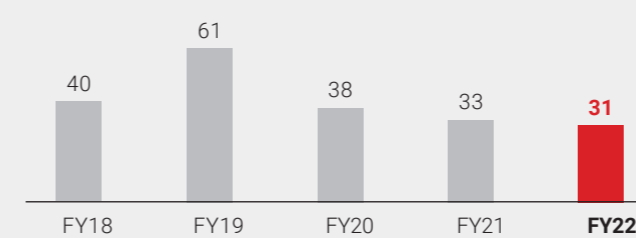
₹ in Crores



45%
CAGR

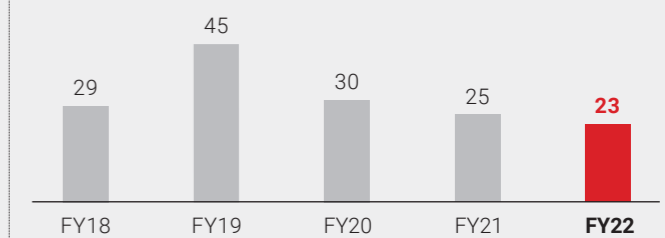
RETURN ON CAPITAL EMPLOYED

In %



RETURN ON EQUITY

In %



Management Discussion and Analysis



Global Electric Vehicle (EV) Car Market

Overview

The global EV car sales stood at 6.6 million units in 2021 compared to 3.3 million units in 2020, and the total number of EV cars on the world's roads at the end of 2021 stood at 16.4 million, marking a 60% increase in EV cars in the electric car cumulative stock in 2021. This trend seems to be irreversible as it continues to grow in 2022 as well, wherein global sales of electric cars have kept rising strongly, with around 2 million EV cars sold in the first quarter which is up by 75% from the same period in 2021. The EV market is expanding rapidly as EV sales accounted for 9% of the global car sales in 2021, which is four times the share in 2019. In fact, all the net growth that was seen in global car sales in 2021 was primarily driven by EVs.

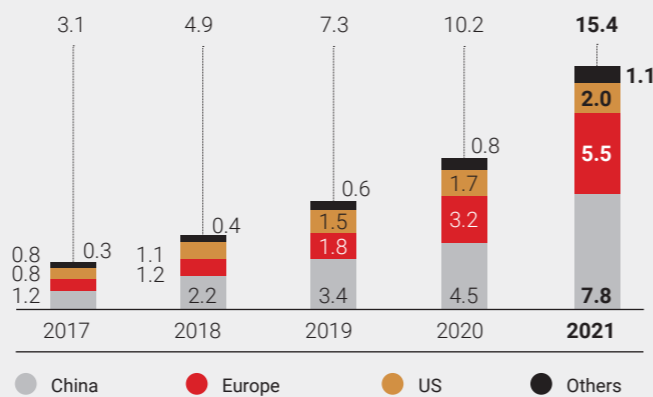
The sales in the largest market i.e. China has nearly tripled in 2021 as compared to 3 years ago in 2018. China's fleet of electric cars remained the world's largest at 7.8 million units in 2021 with 3.3 million cars being sold in 2021. Electric cars accounted for 16% of domestic car sales in China in 2021. When China and Europe are combined, it accounted for 85% of the global electric car sales in 2021. Car Sales across Europe witnessed an increase of 65% year-on-year, with 2.3 million units sold, and it accounted for 17% of total auto sales in Europe in 2021.

Source: IEA

The total number of EV cars in Europe as of 2021 stood at 5.5 million. Following China and Europe was the United States of America where over 6,30,000 cars were sold, bringing the total share of Electric cars in the United States to 4.5% in 2021. United States car sales accounted for 10% of the global electric car sales in 2021.

Global Electric Car Stock by Region

Stock Units in Millions



Trend in Consumer and Government Spending on Electric Cars

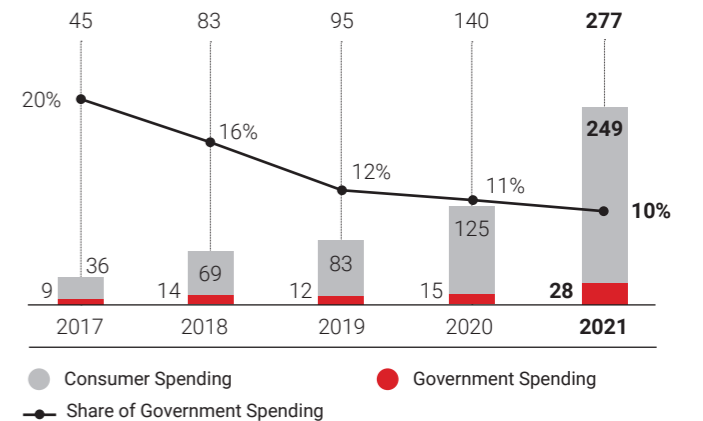
The total spending on Electric cars was near USD 280 billion in 2021 which included both Government and consumer spending. The global consumer spending on electric cars increased to USD 249 billion in 2021, which is almost 100% increase year-on-year, while Government spending on electric car sales stood at USD 28 billion globally, which is up by 87% year-on-year. When compared to the last 5 years, the spending has gone up by 6x increasing from USD 36 Billion in 2017 to USD 249 Billion in 2021, while at the same time government spending increased from USD 9 billion in 2017 to USD 28 billion in 2021.

What is interesting to note is that the overall share of government spending is going down, as it has reduced from 20% in 2017 to 10% in 2021, thus signifying a consumer driven increase in spending on EV. In fact, it is expected that going forward the demand for EV is only going to increase, and what will drive the demand further will be consumer optimism for this segment.

Source: IEA

Share of Consumer and Government Spending on Electric Cars

In USD Billion



As per an IEA report, under a net-zero scenario, the global EV stock is projected to reach over 100 million by 2025 and over 350 million by 2030 (excluding two/three-wheelers).

Global Electric Light Commercial Vehicle Market

Overview

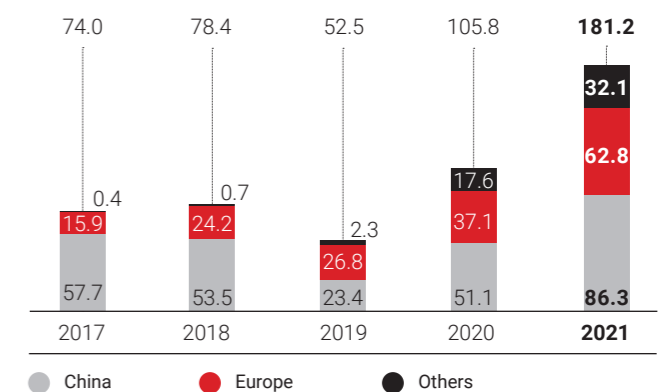
While Electric Light Commercial Vehicles (Electric LCVs) enjoyed a market share of roughly 2% globally in 2021, even in advanced markets the share of LCV barely exceeded 12%. However, the sales for electric LCVs in the same period saw increases of 70% worldwide. This indicates that this is a segment which, though currently has limited market penetration, possesses the potential for exponential growth.

China emerged as one of the hottest markets for Electric LCVs worldwide with the year accounting for 86,000 registrations, and with Europe following it with 62,800 registrations. Korea has also been one of the fastest growing markets in this segment as the total number of LCVs reached 28,000, compared to a mere 1,500 just two years ago. This increase was attributable to an innovative policy in Korea that incentivises the EV for commercial use.

Source: IEA

Electric LCV Registrations

In Thousands



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Global Electric Two/Three-Wheeler Market

Overview

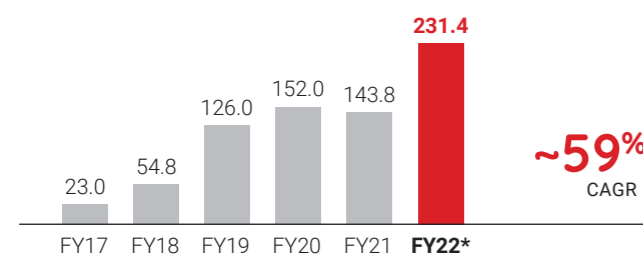
Asia Pacific has the highest market share in electric two/three wheelers, and in general, electric two/three wheelers have the highest market share when compared to other EVs. China dominates Asia Pacific's two-wheel segment, with about the lion's share of the market in terms of total EV two-wheelers' production and registrations. In 2020 China produced ~34 million electric two-wheelers produced by over 100 different OEMs. Furthermore, 95% of China's 34 million production units were sold domestically, with a meagre 5% exports. In China, the electric two-wheeler bicycle market is remarkably mature, since the ban of traditional ICE vehicles from major urban centres since the 1990s and its mass production in the 2000s, and thus a majority of the consumers have upgraded to electric two-wheeler bicycles and motorcycles. Following China are other high-volume markets which include Vietnam and then Europe.

India's electric two-wheeler market is nascent, with only 2,31,400 units in FY22*, thus representing less than 2% of the total two-wheeler sales. Nevertheless, India's electric two-wheeler fleet's growth over the last five years has been robust, with a 59% CAGR, albeit on a smaller base. The Indian e2W market is highly biased in favour of scooters. While electric motorcycles are available, the more prominent electric 2W makers are still targeting to convert the scooter market from ICE to EVs. Some of the possible drivers of this skew towards scooters include an urban-centric customer base, low daily riding distance, and better-charging facilities due to the power supply being more dependable in larger cities.

Source: PR Newswire, Citi, SMEV

India Electric 2W sales

Units in Thousand



Source: PR Newswire, Citi, SMEV

*FY22 data excludes Low Speed 2W and 3 States (Madhya Pradesh, Telangana & Andhra Pradesh)

Growth Drivers for EV adoption

What seems to be driving the growth in this segment is certainly the need to find vehicles which use an alternate source of energy, but there are also other factors that have combined to give mileage to this segment. Firstly, global OEMs have outlined more ambitious electrification plans going forward. In fact, 18 of the top 20 vehicle manufacturers in the world, which accounted for over 90% of the new car registrations in 2020, indicated plans to expand their model range and swiftly scale up the production of light-duty electric cars. As of 2021 the total number of EV models available in the market stood at 450, which is 5 times more than what it was in 2015, as the idea of owning EVs is an extremely exciting and attractive option for vehicle owners today.

To add to this, governmental impetus in terms of purchase subsidies, and/or vehicle purchase and registration tax rebates, which is aimed at reducing price gaps with conventional vehicles, makes for a compelling case for many vehicle owners to consider EVs as their choice. It is indeed no surprise that governments across the world have played a pivotal role in pushing EVs, as the public spending on subsidies and incentives for EVs nearly doubled in 2021 and stood at USD 30 billion, and even going forward such schemes and incentives will prove to be the driving force for EV penetration in many countries. In that regard, Canada has outlined an Emission Reduction Plan Significant (ERP) which aims to achieve 100% zero-emission LDV sales targets by 2035. Also, China aims to increase the total number of charging stations by a factor of 12 by 2025 (13 million slow charging stations and 0.8 million fast charging stations). In the USA, California has already proposed a ZEV (Zero Emission Vehicle) sales requirement for heavy-duty trucks, and the Netherlands and a host of other countries are pioneering development efforts by implementing zero-emission commercial vehicle zones. It can therefore be said with some certainty that the world in general is moving towards adopting emission free vehicles and is on the path to reducing its emissions. While nations are making headway in adopting sustainable vehicles, companies don't stand far behind either. Apart from automakers and government organizations, there are several companies that have pledged for clean operations. Companies like DHL have made an ambitious pledge to reach 70% clean operations of last-mile pick-ups and deliveries by 2025. Another company named DB Schenker, a German retail logistics operations company, wants to make its transport activities in European cities emission-free by 2030. These interests and commitments bode really well for the EV segment, as it not only provides an alternate solution, but also provides the best solution for a world free of pollution.

Now in India, several state governments such as Delhi, Uttarakhand and Tamil Nadu, have already set and announced

certain EV conversion targets. For instance, the Delhi EV policy mandates the conversion of a two-wheeler fleet of delivery service providers to 50% by FY23 and 100% by FY25. Similarly, Uttarakhand targets 100% electrification of public transport (e-buses) by 2030. Interestingly, India is moving towards making itself one of the most important commercial vehicle manufacturing hubs, and its initiatives such as the National Electric Mobility Mission Plan (NEMMP), Make in India and Automotive Mission Plan are enabling the development of that.

In other parts of the world, ambitious plans and initiatives are also being undertaken, which will prove to be very important in determining the scope of the EV segment. For instance, Europe's Energy Efficient Directive (EED) underlines the EU's ambition to reduce energy consumption by as much as 32% by 2030. This announcement has pushed the paddle on adoption of more efficient EVs in the EU, and is also making companies revisit their existing electric vehicles to dial up their efficiencies further. Similarly, in March 2022, Canada announced a whopping CAD 1.7 billion investment towards Zero Emission Vehicles as a part of its Emission Reduction Plan (ERP). While in the East, Japan's government in November 2021 announced a staggering JPY 37.5 billion (USD 342 million) investment for e-mobility in its supplementary budget for 2021.

These multiple initiatives by the governments, companies and individuals alike are bringing in a sea of opportunities for EVs and are making it an interesting space to watch out for.

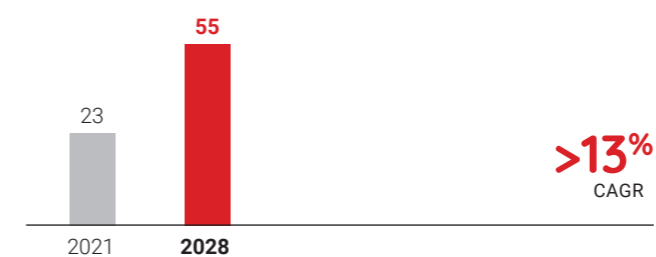
Source: IEA

Global Smart Meters

A smart meter is an electronic device that records information such as electric energy consumption, voltage levels, current, and power factor. Smart meters communicate the information to the consumer for greater clarity of consumption behaviour, and electricity suppliers for system monitoring and customer billing. The global smart meters market is estimated to be around USD 23 billion by 2021, and is expected to grow at a CAGR of 13%, which would take its size to USD 55 billion by 2028.

Global Smart Meters Opportunity

In USD Billion



Source: GMI

Global Smart Meters Penetration

Smart meters have steadily started percolating into metering systems around the world. For instance, almost 68% of the metering systems in the USA have transitioned to smart meters. Similarly, such systems in the EU and Canada account for about 50% of the market. In Australia, around 25% of metering systems have adopted smart meters. While on the other hand, in India smart meters account for only 1.5% of the market, indicating a large scope of improvement.

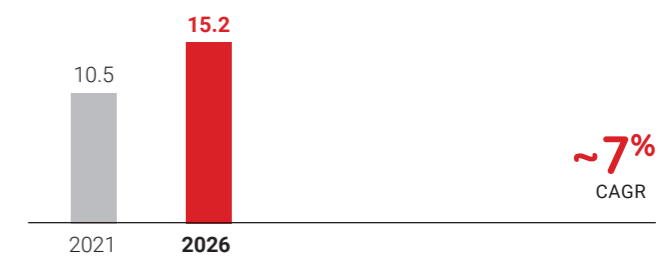
With government policies globally providing significant impetus to AMIs in order to promote automation and technological advancement, it becomes clear that this is a segment which presents exceptional opportunities for growth especially in those markets where penetration has been limited till now.

Smart Electricity Meters

Within the smart meters markets, electricity meters account for the largest sub-category, followed by gas and water. Worldwide, the electricity smart meters market was pegged at about USD 10.5 billion in 2021 and is expected to grow at a CAGR of 7%, which would take the market size to USD 15.2 billion by 2026. Smart electricity meters not only enable the customer to pick a supplier of their choice, it also allows the power supply and distribution companies to modernise and automate their systems, reduce their reliance on human intervention in matters of metering, invoicing and dues collection, while also helping prevent power theft.

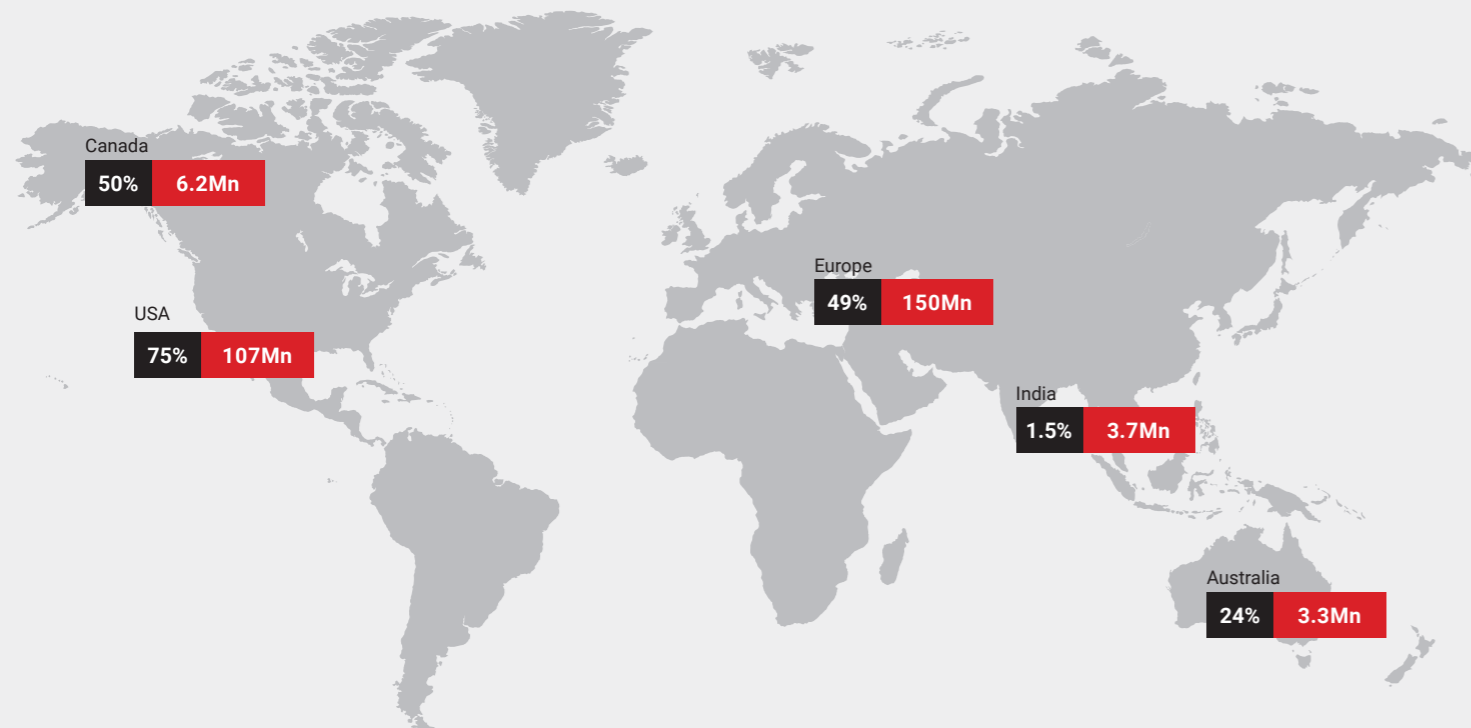
Global Smart Electricity Opportunity

In USD Billion



Source: GLOBE NEWSWIRE

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)



↑ India still largely a underpenetrated market for Smart Electricity Meters

Source:

1. Australia's installed smart electricity meters base at 3.3 million out of a total 13.6 million meters - SMI
2. USA's estimated installed household smart electricity meters base at 107 million, representing 75% of US households - SMI
3. Europe's installed smart electricity meters base at 150 million, representing a 49% penetration rate - SMI
4. India's smart meters base at 3.7 million, out of the Government of India's mission to install 250 million meters by 2025 - Powerline
5. Canada's installed smart electricity meters base is estimated to be 6.2 million out of 12.4 million households, indicating about 50% penetration - Energyrates

Growth Drivers for Smart Electricity Meters

One of the persistent issues plaguing the power distribution and supply industry is the challenge of matching demand with supply. Smart electricity meters are expected to bridge this gap and increase the efficiency of this industry multifold. From the point of view of physical infrastructures, these smart meters would allow consumers to detect failures in a timely manner, accommodate faster service and ensure accurate billing. From the point of view of the power companies, this infrastructure would reduce its dependence on human intervention for meter readings while also limiting equipment and maintenance costs and enabling faster restoration and maintenance works. These systems would not only increase efficiency but would also enable these companies to effectively track and eliminate power loss and theft.

Further, these smart meters would enable integration of distributed energy resources, energy storage and supply management for specified uses, such as EV charging in residential units. With such automation, greater efficiencies in operations can also be achieved, with better grid resilience and accurate meter readings. Going forward, it can be expected that smart grid networks and regulatory directions towards smart metering systems will further fuel the growth of this industry. These steps would not only increase adoption of modern technologies in metering to replace outdated systems, but would also make energy supply and consumption efficient. In the long run, consumers can modulate their energy usage based on timewise pricing models while the supply and distribution companies can maximise capacity utilisation, both of which would lead to rationalisation of rates and better management of resources.

Company Overview

Incorporated in 1960, Permanent Magnets has a rich experience of over 60 years in the magnets, magnetic assemblies and shunts domain. The Company is a leading solution provider of electrical components and assemblies based on certain core technologies which find application in the automobile, energy meter, renewable energy, aerospace & defence, food & beverage and many other such industries. The Company has strong expertise in 5 core product platforms, wherein it designs and delivers innumerable customer-specific solutions, and these product platforms include magnetic sensing, current sensing, magnetic assemblies, alloys and ZAMAK die-casting.

PML's exceptional expertise in the fields of metallurgy, mechanical engineering, electrical engineering and electronics, enable it to offer comprehensive solutions to its clients. Due to its long-standing presence in the industry, the Company has an excellent understanding of client's quality requirements.

Apart from this the Company possesses superior capabilities in design & simulation of components & modules including customer-specific prototyping; various metals & metallurgical processes; and manufacturing technologies such as assembly processes, finishing processes, hot chamber die-casting and plastic moulding.

PML works closely with its distinguished clientele from across industries, many of whom are global leaders in their respective industries. While in some cases PML is one of the two-three suppliers for specific products, it is also the only supplier for many of its clients. PML is a preferred supplier of electrical components and assemblies to about 50% of the tier-1 automobile companies globally, in both traditional ICE vehicles and emerging technologies like EV. It is also a supplier to the top 3 electricity meter companies globally, and the Company holds a strong position in this segment with long-standing client relationships.

Risks and Concerns



Product Life Cycle Risk

The Company manufactures products that find application in smart metering systems, automobiles, telecom, gas meters and many such other application industries. Due to the constant underlying changes in these industries, some faster than the others, there is always a possibility of products (modules and components) witnessing maturing or declining trends in revenues. The Company must be cognizant of such trends and must prepare itself in accordance, as it has the potential to affect its performance in the future.



Technological Risk

Newer technologies are continuously emerging in our application industries. Changing technological trends might render electrical components and modules manufactured by the Company obsolete in the future. Thus, technological obsolescence, in its own industry or application industry, may affect the Company's performance in the future.



Policy & Regulation Change Risk

Products manufactured by the Company are used in multiple industries and in multiple jurisdictions, thus the Company must comply with multiple product and quality standards. If there are any adverse regulatory or policy changes in the jurisdiction to which the Company has exposure to, it may affect its performance in the future.



Macroeconomic Risk

Macroeconomic risks emerge from adverse economic conditions affecting the market, credit, liquidity, financial and capital market. Any volatility in the money and capital markets may affect interest rate and borrowing costs and have an impact on the Company's business activities and exposure.



Competition Risk

If the competition offers better pricing and superior quality, technology, services, facilities and variety, it may impact sales revenue and profitability of the Company.



Exchange Rate

As the Company exports its products and imports some of its raw materials, volatility in the exchange rate might have an impact on the Company's business.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Internal Controls and Systems

There are established procedures for internal control on a Company-wide basis. Policies and procedures have been laid down to provide reasonable assurances that assets are safeguarded from risks of unauthorized use/disposition, and transactions are recorded and reported with proprietary accuracy and speed. These aspects are regularly reviewed during internal audits and statutory audits. In addition, the Company has also laid down adequate internal controls for financial reporting. During the year, such controls were tested, and no material weakness in their operating effectiveness was observed. The Finance and Accounts function is well-staffed with experienced and qualified personnel, and this team participates in the preparation and monitoring of budgets. The Audit Committee of the Board reviews internal Audit Reports periodically.

Performance Review: FY22

Our Revenue from Operations witnessed a modest 13% year-on-year growth and stood at ₹133.26 Crores in FY22, while our PAT stood at ₹19.04 Crores, recording an 18% increase year-on-year. Our operating profit margin stood at 21% this year compared to 22% in FY21. Further, the size of our balance sheet has certainly increased in the last two years on account of the increasing working capital needs of the Company. Moreover, as a part of our risk management strategy, we now have a higher buffer inventories for imported raw materials such as special steels and nickel alloys, among others.

Outlook

The outlook for the coming few years remains good, supported by a couple of factors such as a good product pipeline, a higher number of projects and a larger size of projects. The Company is working on projects in existing as well as newer technologies & capabilities. Furthermore, efforts to expand presence in the value chain for existing products and success in moving from components to modules for a couple of product categories can also provide a meaningful growth driver for the future. Geographically, while the Company continues to do well in Europe and the Americas, it is working on expanding its business in markets such as Asia.

Considering the favourable growth opportunities, supported by industry trends such as higher adoption of EV & smart meters, and Company's growth ambitions, it is working on integrating its manufacturing facilities into one site. A considerable portion of the land required for this expansion has already been acquired, and the balance is expected to be acquired within FY23. The Company will also be making additional plant & machinery investments in this facility to augment manufacturing capacity further.

Financial Ratios

Ratios	FY21	FY22	% Change	Remarks
Total Debt to Equity (Times)	0.02	0.03	-	-
Current Ratio (Times)	3.23	3.49	26%	Due to increase in Debtors & increase Inventory
Interest Coverage (Times)	22.39	30.84	38%	Due to increase in Earnings
Debtors Turnover (Times)	3.88	3.79	-2%	-
Inventory Turnover (Times)	22.80	19.06	-16%	Due to an increase in inventories due to higher buffers
Operating Profit Margin (%)	22	21	-5	-
Net Profit Margin (%)	14	15	7	-
Return on Net Worth (%)	25	23	-8	-

Industrial Relations and Human Resource Management

The Company believes that the motivation of employees is the key to its success. It is committed to equipping them with the required training and skills, enabling them to evolve with technological advancements and achieve financial goals. Considering the health and safety of employees and advisories, orders, and directions issued by the State and Central Governments to restrict the novel coronavirus, the Company implemented a work from home policy to ensure employee safety. The Company's HR department was consistently in touch with the employees to guide and solve their problems. The Company's permanent employee strength stood at 114 as of 31st March, 2022.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, estimates, expectations, or projections may constitute "forward-looking statements" within applicable laws and regulations. However, actual results may differ materially from those either expressed or implied in the statements. Important factors that would influence the Company's operations include raw materials prices, product and application industry's performance, tax laws, interest rates, power cost, economic developments, and other factors within the country and the global economics domain.



Corporate Information

BOARD OF DIRECTORS

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

Shri. Sharad Taparia
(Managing Director)

Shri. Kamal Binani
(Non-Executive, Independent Director)

Shri. Mukul Taparia
(Non-Executive Director)

Shri. Girish Desai
(Non-Executive Director)

Smt. Sunaina Taparia
(Non-Executive Director)

CHIEF FINANCIAL OFFICER

Shri. Sukhmal Jain
(Sr. Vice President - Finance & CFO)

COMPANY SECRETARY

Smt. Rachana Rane

STATUTORY 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, 3rd Fl., Opp Silvassa Police station,
Silvassa Vapi Main Road, Silvassa, DN-396230
(CIN) L27100DN1960PLC000371
Website : www.pmlindia.com

CORPORATE OFFICE

Plot No. B-3, MIDC Industrial Area,
Village Mira, Mira Road (East),
Thane - 401107.

FACTORIES

- 1) Plot No. B-3, MIDC Industrial Area, Village Mira, Mira Road (East), Thane - 401107.
- 2) Plot No. 22, Mira Co-op. Industrial Estate, Mira Road (East), Thane - 401107.
- 3) Plot Nos. A-8, A-9, A-13, MIDC Industrial Area, Village Mira, Mira Road (East), Thane – 401107.

REGISTRAR & TRANSFER AGENT

Adroit Corporate Services Private Limited
17/20, 1st Floor, Jafferbhoy Industrial Estate, Makhwana Road,
Marol Naka, Andheri (East), Mumbai - 400059.
Ph. 022 - 42270400
E-mail : rtaclientservice@adroitcorporate.com

BOARD COMMITTEES

Audit Committee

Shri. Rajeev Mundra - Chairman
Shri. Sharad Taparia - Member
Shri. Kamal Binani - Member

Nomination and Remuneration Committee

Shri. Kamal Binani - Chairman
Shri. Rajeev Mundra - Member
Shri. Mukul Taparia - Member

Stakeholders' Relationship Committee

Shri. Rajeev Mundra - Chairman
Shri. Kamal Binani - Member
Shri. Mukul Taparia - Member

Corporate Social Responsibility Committee

Shri. Rajeev Mundra - Chairman
Shri. Sharad Taparia - Member
Shri. Mukul Taparia - Member

Notice

NOTICE is hereby given that the 61st Annual General Meeting of the Members of Permanent Magnets Limited will be held on Tuesday, September 06, 2022 at 11.30 A.M through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following items of business:

ORDINARY BUSINESS:

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 along with notes and schedules thereon as on that date and the reports of the Board of Directors and Auditors' thereon.
2. To declare a final dividend of ₹1.20/- per equity shares, for the financial year ended March 31, 2022.
3. To appoint a director in place of Shri. Girish Desai (DIN: 01056763), who retires by rotation and being eligible, offers himself for re-appointment.

4. Appointment of Statutory Auditors

To consider and, if thought fit, to pass the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification(s) or re-enactment(s) thereof for the time being in force and pursuant to recommendation of the Audit Committee and the Board of Directors, be and are to appointed M/s. Jayesh Sangharajka & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 104184W/W100075) as a Statutory Auditor of the company in place of retiring auditor M/s. Ramanand & Associates, Chartered Accountants ((ICAI Firm Registration No. 117776W) for a term of five (5) years commencing from the conclusion of the 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting of the Company to be held in the Financial Year 2026-2027 on such remuneration as shall be decided by the Audit Committee or Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors and Smt. Rachana Rane Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution."

SPECIAL BUSINESS:

5. Re-appointment of Shri. Kamal Binani (DIN: 00340348) 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 Section 149, 150 and 152 and other applicable provisions, if any, of the Companies Act, 2013 ('the Act') (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended from time to time, and pursuant to recommendation of the Nomination & Remuneration Committee and the Board of Directors, be and are re-appointed Shri. Kamal Binani (DIN: 00340348), who has submitted a declaration that he meets the criteria for independence as provided in 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, and who is eligible for re-appointment, be and is hereby re-appointed as an Independent Non-Executive Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company with effect from December 26, 2022 up to December 25, 2027.

RESOLVED FURTHER THAT the Board of Directors and Smt. Rachana Rane Company Secretary of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable and expedient to give effect to this Resolution."

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

Sd/-

Rachana Rane
Company Secretary

Place: Thane

Date: May 30, 2022

Corporate Office:

Plot No. B-3, MIDC Industrial Area, Village Mira, Mira Road – 401107, Dist. Thane

Notes:

1. In view of the COVID-19 pandemic, social distancing norms and pursuant to the General Circular Nos. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020, General Circular No. 21/2021 dated December 14, 2021 and General Circular No. 2/2022 dated May 05, 2022 issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as ('MCA Circulars'), the Company is convening the Annual General Meeting ('AGM') through VC/OAVM without the physical presence of the Members.
2. The relative Explanatory Statement pursuant to Section 102 of the Act, is annexed hereto. The relevant details, pursuant to Regulations 26(4) and 36(3) of the Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/re-appointment at this AGM are also annexed.
3. In compliance with the aforesaid circulars, this Notice together with annual report 2021-22 is being sent only through electronic mode to those members whose email addresses are registered with the company / depositories. Copies of the Notice and annual report 2021-22 will also be uploaded on the company's website at www.pmlindia.com, website of stock exchange i.e., BSE Ltd at www.bseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Attendance Slip and Proxy Form are not annexed to this Notice.
5. Register of Members and Share Transfer Register shall remain closed from August 30, 2022 to September 06, 2022(both days inclusive) in terms of the provision of Section 91 the Companies Act, 2013.
6. Members may note that the Board of Directors, in its meeting held on May 30, 2022 has recommended a final dividend of ₹1.20/- per share for fiscal year 2021-2022. The record date for the purpose of final dividend will be August 29, 2022. The final dividend, once approved by the members in the ensuing AGM will be paid within 30 days from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants/ demand drafts/ cheques will be sent out to their registered address. To avoid delay in receiving the dividend, members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar and Transfer Agent (RTA) (where shares held in physical mode) to receive the dividend directly into their bank account on the pay out date.
7. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of the Members w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to Members at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company / Adroit Corporate Services Private Limited - RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
8. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No.15G/15H, to avail the benefit of non-deduction of tax at source by email to rachana.rane@pmlindia.com by 5.00 p.m. IST on August 25, 2022. Members are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to rachana.rane@pmlindia.com. The aforesaid declarations and documents need to be submitted by the shareholders by 5.00 p.m. IST on August 25, 2022.
9. To support the "Green Initiative", Members who have not registered their email addresses are requested to register the same with the Company's Registrar and Share Transfer Agent/their Depository Participants, in respect of shares held in physical/ electronic mode, respectively.
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their Depository Participant in case the shares are held in electronic form and to M/s. Adroit Corporate Services Private Limited, in case the shares are held in physical form.
11. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

12. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
13. SEBI has mandated that securities of listed companies can be transferred only in dematerialised form with effect from April 01, 2019. Accordingly, members holding shares in physical form are advised to avail the facility of dematerialisation and the company / RTA has stopped accepting any fresh lodgment of transfer of shares in physical form.
14. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
16. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
17. Members are requested to note that, dividends if not encashed for a period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). Further, all the shares in respect of which dividend has remained unclaimed for 7 consecutive years or more from the date of transfer to unpaid dividend account shall also be transferred to IEPF Authority. In view of this, Members are requested

to claim their dividends from the Company, within the stipulated timeline.

THE INSTRUCTIONS TO SHAREHOLDERS FOR REMOTE E-VOTING AND E-VOTING DURING AGM AND JOINING MEETING THROUGH VC/OAVM ARE AS UNDER:

- (i) The voting period begins on Friday, September 02, 2022 at 10.00 a.m and ends on Monday, September 05, 2022 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 29, 2022 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) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.

- (iv) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility. Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat

mode CDSL/NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL Depository	<p>1) Users of who have opted for CDSL's Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URLs for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings alongwith links of the respective e-Voting service provider i.e. CDSL/NSDL/ KARVY/ LINK INTIME as per information provided by Issuer / Company. Additionally, we are providing links to e-Voting Service Providers, so that the user can visit the e-Voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the voting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>
Individual Shareholders holding securities in demat mode with NSDL Depository	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsd.com. Select "Register Online for IDeAS "Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants (DP)	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider's website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

HELPPDESK FOR INDIVIDUAL SHAREHOLDERS HOLDING SECURITIES IN DEMAT MODE FOR ANY TECHNICAL ISSUES RELATED TO LOGIN THROUGH DEPOSITORY I.E. CDSL AND NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

- (v) Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.
- (i) The shareholders should log on to the e-voting website www.evotingindia.com.
 - (ii) Click on "Shareholders" module.
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vi) If you are a first time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ol style="list-style-type: none"> 1. Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ol style="list-style-type: none"> 1. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field.

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders 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.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) 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.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.
- (xviii) Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to 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 will be mapped automatically & can be delink in case of any wrong mapping.
 - It is mandatory that, 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.
 - Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz, investors@pmlindia.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

The Company has appointed Shri. Arun Dash of M/s. Arun Dash & Associates, Company Secretaries (Membership No. FCS 9765) as the Scrutinizer to scrutinize the voting at the meeting and remote e-voting process, in a fair and transparent manner.

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/lpads for better experience.
5. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at rachana.rane@pmlindia.com or investors@pmlindia.com. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 15 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at rachana.rane@pmlindia.com or investors@pmlindia.com. These queries will be replied to by the company suitably by email.
8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
11. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to rtaclientservice@adroitcorporate.com / investors@pmlindia.com.
2. For Demat shareholders -Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact attoll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

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

Sd/-

Rachana Rane
Company Secretary

Place: Thane

Date: May 30, 2022

Corporate Office:

Plot No. B-3, MIDC Industrial Area, Village Mira, Mira Road –
401107, Dist. Thane

Explanatory Statement Pursuant To Section 102 Of The Companies Act, 2013 And / Or Regulation 36(3) Of The Sebi (Listing Obligations And Disclosure Requirements) Regulations, 2015

ITEM : 4

The Members of the Company at the 56th Annual General Meeting (AGM) held on September 28, 2017 approved the appointment of M/s. Ramanand & Associates, Chartered Accountants ((ICAI Firm Registration No. 117776W) as the Statutory Auditors of the Company for a period of Five (5) years from the conclusion of the said AGM. Accordingly, The Statutory auditors will complete their present term on conclusion of this AGM.

M/s. Ramanand & Associates, Chartered Accountants express his unwillingness to re-appoint as a Statutory auditor of the company for a second term and therefore pursuant to Section 139 of the Companies Act 2013, the Board of Directors based on the recommendation of the Audit Committee proposes the appointment of M/s. Jayesh Sangharajka & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 104184W/ W100075) as a Statutory Auditor of the company in place of retiring auditor M/s. Ramanand & Associates, Chartered Accountants ((ICAI Firm Registration No. 117776W) subject to approval by the members.

The appointment of M/s. Jayesh Sangharajka & Co. LLP, as the Statutory Auditors will be for a period of Five (5) years commencing from the conclusion of this 61st Annual General Meeting till the conclusion of the 66th Annual General Meeting. The Board of Directors in consultation with the Audit Committee may alter and vary the terms and conditions of appointment, including remuneration, in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

The Company has received consent letter and eligibility certificate from M/s. Jayesh Sangharajka & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 104184W/ W100075), to act as Statutory Auditors of the Company along with a confirmation that, their appointment, if made, would be within the limits prescribed under the Companies Act, 2013.

M/s. Jayesh Sangharajka & Co. LLP ("the Audit Firm"), is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India (ICAI) since 1985, with Firm Registration Number 104184W/ W100075. The Firm has obtained Peer Review certificate from ICAI. The firm specializes in Audit, Taxation Services and other professional services.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way concerned or interested, financially or otherwise, in the Resolution as set out at Item No. 4 of the Notice.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in Item No. 4 of the Notice, for appointment and payment of remuneration to the Statutory Auditors.

ITEM : 5

The Members of the Company at the Annual General Meeting held on September 28, 2018, had appointed Shri. Kamal Binani (DIN: 00340348) as an Independent Director of the Company, to hold office for a term of five consecutive years, i.e up to December 25, 2022 ("first term").

The Nomination and Remuneration Committee (the "NRC Committee") of the Board of Directors, on the basis of the report of performance evaluation, has recommended re-appointment of Shri. Kamal Binani as an Independent Director, for a second term of 5 (five) consecutive years, on the Board of the Company.

The Board, based on the performance evaluation and as per the recommendation of the NRC Committee, considers that, given his professional background with experience and contributions made by him during his tenure, the continued association of Shri. Kamal Binani would be beneficial to the Company and it is desirable to continue to avail his services as an Independent Director.

Accordingly, it is proposed to re-appoint Shri. Kamal Binani as an Independent Director of the Company, not liable to retire by rotation, for a second term of 5 (five) consecutive years on the Board of the Company.

Shri. Kamal Binani is not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 ("the Act"), and has given his consent to act as a director.

The Company has also received declaration from Shri. Kamal Binani that he meets the criteria of independence as prescribed, both, under Section 149(6) of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Details of Shri. Kamal Binani are provided in the "Annexure" to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

He shall be paid remuneration by way of fee for attending meetings of the Board or Committees.

Shri. Kamal Binani is interested in the resolution set out at Item No. 5 of the Notice with regard to his reappointment. Relatives of Shri. Kamal Binani may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

Information in respect of the directors retiring by rotation/ seeking appointment/ re-appointment pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards:

Name of Director	Shri. Girish Desai	Shri. Kamal Binani
Date of Birth	January 21,1950	August 30,1960
Date of first Appointment on the Board	June 01, 2020	December 26, 2017
Qualifications	M.Com., Grad-CWA, ACA, PGDSM, PGDSL	B.Com, Chartered Accountant
Expertise in specific Functional area	49 years of Experience in Management, Finance, Taxation, Corporate and Security Laws, HR and Industrial Relations.	39 years of Experience in Finance, Accounting and Taxation.
Directorship held in other public companies (excluding foreign/Private companies/LLP)	Abhinav Capital Services Limited.	-
Memberships / Chairmanships of committees of other Public companies (includes only Audit and Shareholders / Investors Grievance Committee)	Member – Audit Committee Member – Nomination & Remuneration Committee Member – Stakeholder Relationship Committee	-
Number of shares held in the company	2300 in the names Girish Ramanlal Desai jointly with Ansuya Ramanlal Desai 750 in the names of Ansuya Ramanlal Desai jointly with Girish Ramanlal Desai	-
Relationship with other Directors / Key Managerial Personnel	Not related to any other Director / Key Managerial Personnel	Not related to any other Director / Key Managerial Personnel

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

Sd/-

Rachana Rane
Company Secretary

Place: Thane

Date: May 30, 2022

Corporate Office:

Plot No. B-3, MIDC Industrial Area, Village Mira, Mira Road – 401107, Dist. Thane

Directors' Report

To,
The Members,
PERMANENT MAGNETS LIMITED

Your Board of Director's have pleasure in presenting the 61st Annual Report on the operational and business performance of the Company together with the Audited Financial Statements for the Financial Year ended March 31, 2022.

FINANCIAL HIGHLIGHTS:

The Company's Financial Performance for the Financial Year ended March 31, 2022 is summarized below

(₹ In Lakhs)

Particulars	31.03.2022	31.03.2021
Sales	12951.07	11667.93
Other Income	374.83	88.58
Total Income	13325.90	11756.51
PBIDT & Extra Ordinary Items	3047.92	2613.48
Interest	85.68	102.10
Depreciation	405.67	329.29
Profit before Extra Ordinary Items & tax	2556.57	2182.09
Extra Ordinary Items	-	-
Profit before Tax	2556.57	2182.09
Current Tax	665.18	574.75
Deferred Tax	(13.04)	(6.46)
Profit/(Loss) for the year	1904.43	1613.79
Other Comprehensive Income	1.02	1.59
Total Comprehensive Income for the period (Comprising Profit (Loss) and Other Comprehensive Income for the period)	1905.45	1615.38

1. COMPANY'S PERFORMANCE:

Your Company's total revenue during the year under review was ₹ 12951.07 Lakhs as compared to ₹ 11667.93 Lakhs in the previous year. The Profit before Tax for the year 2021-22 was ₹ 2556.57 Lakhs as against ₹ 2182.09 Lakhs in the previous year. Profit after Tax in 2021-22 stood at ₹ 1904.43 Lakhs as against ₹ 1613.79 Lakhs in the previous year.

2. DIVIDEND :

Your Directors have recommend a final dividend of ₹1.20/- (Rupees One and twenty paise only) per share (viz 12%) per equity share of the face value of ₹ 10/- (Rupees Ten only) each for the financial year ended March 31, 2022. The dividend payout is subject to the approval of the members at the ensuing Annual General Meeting. The Dividend will be paid to members whose names appear in the register of members as on record date.

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 Board of Directors of the Company has not recommended transfer of any amount to the General Reserve for the Financial Year ended March 31, 2022.

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 comprises of adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The Directors are persons of eminence in areas such as business,

industry, finance, law, administration etc. and bring with them experience and skills which add value to the performance of the Board.

In accordance with the provisions of Section 152(6) of the Act, Shri. Girish Desai (DIN: 01056763), retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The Board recommends his re-appointment.

The Board recommends the reappointment of Shri. Girish Desai (DIN: 01056763), for the consideration of the members of the company at the ensuing annual general meeting. Brief details of Shri. Girish Desai has been mentioned in the notice convening the Annual General Meeting at Information in respect of the directors seeking appointment/ re-appointment pursuant to the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Secretarial Standards.

None of the Directors, Key Managerial Personnel and their relatives are interested in the said resolution.

The tenure of Shri. Kamal Binani, Independent Director (DIN : 00340348) expired on December 25, 2022. Taking into consideration, his rich experience and contribution to the Company, and pursuant to the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company, subject to the approval of the members at the ensuing AGM, passed a resolution on May 30, 2022, approving the re-appointment of Shri. Kamal Binani, Independent Director of the Company for the further period of 5 Consecutive years with effect from December 26, 2022 to December 25, 2027.

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 fulfill 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 :

- I. that in the preparation of the annual financial statements for the year ended March 31, 2022, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

- II. 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, 2022 and of the profit of the Company for the year ended on that date;

- III. 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;

- IV. that the annual financial statements have been prepared on a going concern basis;

- V. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively;

- VI. 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 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. A separate section on corporate governance along with a certificate from the auditors confirming compliance is annexed and forms part of the Annual 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:

Statutory auditors

M/s. Ramanand & Associates, Chartered Accountants Statutory Auditor of the Company hold office till the conclusion of 61st Annual General Meeting of the Company and express his unwillingness to re-appoint for the second term of 5 consecutive years. The Board places on record, its appreciation for the contribution of M/s. Ramanand & Associates, Chartered Accountants, during his tenure as the Statutory Auditors of the Company.

M/s. Ramanand & Associates, Chartered Accountants have issued an unmodified opinion on the Financial Statements, for the financial year ended March 31, 2022. The observations made in the Auditors Report are self-explanatory.

The Board of Directors has recommended the appointment of M/s. Jayesh Sangharajka & Co. LLP, Chartered Accountants (ICAI Firm Registration No. 104184W/ W100075) as

Statutory Auditors for a First term of 5 (Five) years, from the conclusion of the 61st Annual General Meeting till the conclusion of 66th Annual General Meeting to be held in the year 2027 for approval of shareholders of the Company based on the recommendation of Audit Committee.

The Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) from M/s. Jayesh Sangharajka & Co. LLP and have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India as required under the Listing Regulations.

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 March 31, 2022. The Secretarial Audit Report issued in this regard is annexed as **"Annexure A"**. The observations made in the Secretarial Audit Report are self-explanatory.

Internal Auditors

Pursuant to the provisions of Section 139 of the Companies Act, 2013 and The Companies (Accounts) Rules, 2014, during the year under review the Internal Audit of the Company was undertaken on quarterly basis by M/S. G S Nayak & Co., Chartered Accountants. There were no adverse remarks or qualification on accounts of the Company from the Internal Auditors. Internal Audit 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:

With reference to para IX of the Annexure B 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:

A detailed review of operations, performance and future outlook of your Company and its businesses is given in the Management Discussion and Analysis, which forms part of this Report as stipulated under Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

14. PARTICULARS OF EMPLOYEES:

The information required pursuant to Section 197 (12) read with Rule 5 (1) & (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, in respect of employees of the Company is herewith annexed as **"Annexure B"**.

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

Hon'ble 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 ₹ 19,05,179/- including interest as per direction of Hon'ble 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:

Related party transactions entered during the financial year under review are disclosed in Note No. 8 of Notes to Accounts of the Company for the financial year ended March 31, 2022. These transactions entered were at an arm's length basis and in the ordinary course of business. There were no material significant related party transactions with the Company's Promoters, Directors, Management or their relatives, which could have had a potential conflict with the interests of the Company. 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.

The Policy on the Related Party Transactions as approved by the Board is uploaded on the website of the Company.

17. CORPORATE SOCIAL RESPONSIBILITY:

As part of the Corporate Social Responsibility initiative the Company has spent an amount of ₹ 41,03,456/- (Rupees Forty One Lakhs Three Thousand Four Hundred Fifty Six Only) towards the various CSR activities during the financial year 2021-22. A report on CSR Activities as required under Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014 is enclosed herewith as **"Annexure D"**.

The Company has adopted Corporate Social Responsibility Policy in line with Schedule-VII of Companies Act 2013. The CSR Policy is disclosed on the website of the Company www.pmlindia.com.

18. VIGIL MECHANISM/ WHISTLE BLOWER POLICY:

The Company has a robust vigil mechanism through its Whistle Blower Policy approved and adopted by the Board of Directors of the Company in compliance with the provisions

of Section 177(10) of the Act and Regulation 22 of the Listing Regulations.

The Whistle Blower Policy has been uploaded on the website of the Company under investors tab at 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 which 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:

During the year under review, your Company did not give any loans or guarantees, provide any security or make any investments as covered under Section 186 of the Companies Act, 2013.

22. BOARD AND COMMITTEE MEETINGS:

The Board has the following Committees:-

1. Audit Committee
2. Nomination and Remuneration Committee
3. Stakeholders Relationship Committee
4. Corporate Social Responsibility Committee

A detailed disclosure on the Board, its Committees, its composition, the detailed charter and brief terms of reference, number of Board and Committee meetings held, and attendance of the Directors at each meeting is provided in the Report on Corporate Governance 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. During the financial year under review, the Company has not received any complaint of Sexual Harassment of Women at Workplace.

24. ANNUAL RETURN:

The Annual Return of the Company as on March 31, 2022 in Form MGT - 7 is in accordance with Section 92(3) of the Act read with the Companies (Management and Administration) Rules, 2014, and is available on the website of the Company in investor tab at www.pmlindia.com.

25. ADEQUACY OF INTERNAL FINANCIAL CONTROLS:

The current system of internal financial control is aligned with the statutory requirements. Effectiveness of internal financial control is ensured through management reviews and controlled self-assessment. The Company's internal auditors carry out regular checks on the adequacy of the internal financial controls. The Internal Audit Reports are submitted periodically to the Audit Committee. The Audit Committee reviews these reports with the executive management and requisite corrective actions are taken by the process owners in their respective areas and thereby strengthen the controls.

26. SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2022 was ₹ 8,59,84,530/-. There was no change in the Share Capital during the year under review. Authorised Capital of the Company is ₹ 16,00,00,000/-.

27. PERFORMANCE EVALUATION :

Your Company believes that it is the collective effectiveness of the Board that impacts the Company's performance and thus, the primary evaluation platform is that of collective performance of the Board. The parameters for evaluation of Board performance, as laid under evaluation criteria adopted by the Company, have been derived from the Board's core role of trusteeship to protect and enhance shareholder value as well as fulfill expectations of other stakeholders through strategic supervision of the Company. The questionnaire of the evaluation criteria is a key part of the process of reviewing the functioning and effectiveness of the Board and for identifying possible paths for improvement. Each Board member is requested to evaluate the effectiveness of the Board dynamics and relationships, information flow, decision-making of the directors, relationship to stakeholders, company performance, company strategy and the effectiveness of the whole Board and its various committees on a scale of one to five. Feedback on each director is encouraged to be provided as part of the survey.

The said criteria also contemplate evaluation of Directors based on their performance as directors apart from their specific role as independent, non-executive and executive directors as mentioned below:

- a. Every director will be evaluated on discharging their duties and responsibilities as enshrined under various statutes and regulatory facet, participation in discussions and deliberations in achieving an optimum balance between the interest of company's business and its stakeholders.

- b. Executive Directors will also be evaluated based on targets/criteria given to Executive Directors by the Board from time to time in addition to their terms of appointment.
- c. Independent Directors will also be evaluated on discharging their obligations in connection with their independence criteria as well as adherence with the requirements of professional conduct, roles, functions and duties, specifically applicable to Independent Directors as contained in Schedule IV to the Companies Act, 2013.

The Board of Directors of your Company has made annual evaluation of its performance and directors for the financial year 2021- 22 based on aforesaid criteria.

28. REPORTING OF FRAUDS:

During the year under review, neither the Statutory Auditor nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of the fraud committed by the Company, its officers and employees, the details of which would need to be mentioned in the Board Report.

29. APPRECIATION:

The Board of Directors place on record sincere gratitude and appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. The Board conveys its appreciation for its customers, shareholders, suppliers as well as vendors, bankers, business associates, regulatory and government authorities for their continued support.

FOR AND ON BEHALF OF THE BOARD,

Place: Thane
Date: May 30, 2022

Sd/-
Sharad Taparia
Managing Director

Sd/-
Mukul Taparia
Director

Corporate Office:
Plot No. B-3, MIDC Industrial Area, Village Mira, Mira
Road – 401107, Dist. Thane

Annexure A

FORM No. MR-3

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members

Permanent Magnets Limited

Harsh Avenue, 302, 3rd Floor, Opp.Silvassa Police Station, 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 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 March 31, 2022 ('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 March 31, 2022 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;(Not applicable to the Company during the audit period)
- (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, 1998 (Not applicable to the Company during the audit period)
- (i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
- (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
 6. The Workmen's Compensation Act, 1923
 7. The Environment (Protection) Act, 1986
 8. Contract Labour (Regulation & Abolition) Act, 1970
 9. Payment of Bonus Act, 1965
 10. Payment of Gratuity Act, 1972

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. There was no changes in the composition of the Board of Directors during the period under review.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on 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 ₹ 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.

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

Place: Mumbai
Date: May 30, 2022

UDIN: F009765D000423301
Peer Review No.: 928/2020

Sd/-
Arun Dash
(Proprietor)
M. No. FCS 9765
C.P. No. 9309

This report is to be read with our letter of even date which is annexed as Annexure 1 and forms an integral part of the report.

'Annexure 1'

To,
The Members

Permanent Magnets Limited

Harsh Avenue, 302, 3rd 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 test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

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

Sd/-

Arun Dash
(Proprietor)

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

Place: Mumbai
Date: May 30, 2022

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 – 18 x
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Shri. Sharad Taparia (MD) – 17% Shri. Sukhmal Jain (CFO) – 2% Smt. Rachana Rane (CS) – 20%
3.	The percentage increase in the median remuneration of employees in the financial year	Median Increase - 17.06 %.
4.	The number of permanent employees on the rolls of the Company	114 as on March 31, 2022
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 annual increase in remuneration of employees other than Key Managerial Personnel was 15%.The average annual increase in the remuneration of Key Managerial Personnel was 13%. The increments given to employees are based on their potential, performance, and contribution, which are benchmarked against applicable Industry norms.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration paid is as per the Remuneration Policy.

DETAILS OF TOP 10 EMPLOYEES

Sr No	Employee Name	Age	Designations	Nature of employment	Date of commencement of employment	Relation with Director/ Manager	% of Shareholding
1	Shri. Sharad Taparia	49	Managing Director	Permanent	01-08-1999	Self	12.5%
2	Shri. Prabhakar Kamath	61	President - Operations	Contractual	01-10-2003	No	-
3	Shri. Sukhmal Jain	61	Senior Vice President - Finance, CFO	Contractual	03-09-1988	No	-
4.	Shri. Girish Mahajan	58	Vice President	Permanent	01-01-2011	No	-
5.	Shri. Hemant Kore	47	Sr. General Manager	Permanent	01-10-1995	No	-
6.	Shri. Allen D'cunha	42	Deputy General Manager	Permanent	01-01-2007	No	-
7.	Shri. Raghav Garg	32	Sr. Manager -Business Development	Permanent	01-08-2016	No	-
8	Shri. Ajit Vanjare	38	Sr. Manager-Business Development	Permanent	15-01-2010	No	-
9	Shri. Manish Kale	35	Sr. Manager-Business Development	Permanent	06-05-2021	No	-
10.	Shri. Sunil Verma	47	Sr. Manager-Operations	Permanent	11-06-2007	No	-

Annexure C

RELATED PARTY TRANSACTIONS

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 2020-2021. 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: May 30, 2022

Sd/-
Sharad Taparua
Managing Director

Annexure D

REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021]

1. Brief outline on CSR Policy of the Company :

As a socially responsible corporate citizen, the Company will continue to enhance value creation in the society and community in which it operates. Through its conduct, services, and CSR initiatives it will strive to promote sustained growth in the surrounding environment. The objective of the policy is to actively contribute to the social, environmental and economic development of the society in which we operate.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Shri. Rajeev Mundra	Chairman (Independent Non-Executive Director)	1	1
2.	Shri. Sharad Taparia	Managing Director	1	1
3.	Shri. Mukul Taparia	Non-Executive Director	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

www.pmlindia.com

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
-----	-----	-----NA-----	-----

6. Average net profit of the company as per section 135(5)

₹ 20,51,72,802/-

7. (a) Two percent of average net profit of the company as per section 135(5)

₹ 41,03,456 /-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.

-

(c) Amount required to be set off for the financial year

-

(d) Total CSR obligation for the financial year (7a+7b- 7c)

₹ 41,03,456 /-

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).			Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).	
	Name of the				
	Amount.	Date of transfer.	Fund	Amount.	Date of transfer.
₹ 41,03,456 /-	NIL	NIL	NIL	NIL	NIL

(b) Details of CSR amount spent against ongoing projects for the financial year: NOT APPLICABLE

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration.	(7) Amount allocated for the project (in ₹).	(8) Amount spent in the current financial Year (in ₹).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	(10) Mode of Implementation Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State.	District.						Name	CSR Registration number.
TOTAL												

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area Yes/No.	(5) Location of the project.		(6) Amount spent for the project (in ₹).	(7) Mode of implementation on Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency		
				State.	District.			Name	CSR Registration number.	
1	Promoting health care	Clause I of Schedule VII	Yes	Maharashtra	Mumbai	2,00,000/-	No	Lata Mangeshkar Medical Foundation	CSR00001393	
2	Education	Clause II of Schedule VII	No	Rajasthan	Jaswantgarh	34,50,000/-	No	Rajdularidevi Harnarayan Taparia Charitable Trust	CSR00011759	
3	Rural Development	Clause X of Schedule VII	No	Rajasthan	Nagur	1,36,500/-	No	Surjudevi Laduram Taparia Charitable Trust	CSR00011707	
4	Education	Clause II of Schedule VII	Yes	Maharashtra	Mumbai	1,50,000/-	No	Seeds of Awareness and Research Foundation	CSR00018671	
5	Covid - 19	Clause XII of Schedule VII	Yes	Maharashtra	Palghar	1,66,956/-	No	Dr. M L Dhawale Memorial Trust	CSR00002539	
TOTAL						41,03,456/-				

(d) Amount spent in Administrative Overheads - NA

(e) Amount spent on Impact Assessment, if applicable - NA

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - ₹ 41,03,456/-

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	₹ 41,03,456/-
(ii)	Total amount spent for the Financial Year	₹ 41,03,456/-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NA
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NA

9. (a) Details of Unspent CSR amount for the preceding three financial years: NOT APPLICABLE

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer.	
TOTAL							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): NOT APPLICABLE

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in ₹).	Amount spent on the project in the reporting Financial Year (in ₹).	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
TOTAL								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details) – NOT APPLICABLE

(a)	Date of creation or acquisition of the capital asset(s).	-
(b)	Amount of CSR spent for creation or acquisition of capital asset.	-
(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	-
(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	-

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - NOT APPLICABLE

Sd/-
Rajeev Mundra
 Chairman CSR Committee

Sd/-
Sharad Taparia
 Managing Director

This is to certify that the funds allocated for CSR Projects during F.Y. 2021-22 have been utilized for the specified purpose

Sd/-
Sukhmal Jain
 CFO

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. Magnetic / Electrical Simulation
- II. Brazing technology
- III. Die casting and plating technology
- IV. Automotive Electronics Council Qualification based test Laboratory
- V. Current sensing modules
- VI. DC immunity testing of magnetic cores
- VII. Clad metal applications
- VIII. Magnetic cores based on Nickel Iron / Nano / Amorphous materials.
- IX. Applications using the insert plastic moulding process.
- X. GFCl assemblies
- XI. Folded terminals using multi slide machine.
- XII. Joining material using ultrasonic welding.
- XIII. Die casting tooling using 3D printing technique.
- XIV. Camera based inspection systems.
- XV. Standalone Plastic molding.

2. Benefits derived as a result of above R & D.

- I. New capability created for increased scope of Business
- II. New product lines developed.
- III. Introduction of new technology
- IV. Cost saving
- V. Ensure the delivery of quality products to customers.

3. Future plan of action.

- I. Value added products in current sensing technology including IOT
- II. Substitution of lower cost alloys for magnetic cores.
- III. Assemblies related to electronic components & assemblies e.g. shunt assemblies with terminal & cable, customized relay assemblies.
- IV. New components related to Copper alloys, Iron

nickel alloys, Iron silicon alloys , Iron Cobalt alloys, Bimetals

- V. Components for Defense and Aerospace
- VI. NADCAP approved Dry Hydrogen Heat Treatments
- VII. New products - wire harness or wire+brazed terminals.
- VIII. Develop Zamak parts that are currently made up of brass material.
- IX. Develop EV motor sub components.

4. Expenditure on R & D (₹ In Lakhs)

- I. Capital - ₹ 43.69
- II. Recurring - ₹ 86.73
- II. Total - ₹ 130.42

Total R & D expenditure as a percentage of total turnover is 1.02%.

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.
 - New product line development in progress for a company.

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 payback of a Solar power is when it is installed in its own premises. Company plans to install solar power in a new location.

- III. The capital investment on energy conservation equipment- Not done.

Corporate Governance Report

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

Corporate Governance is based on the principles of equity, fairness, integrity, transparency, accountability and commitment to values. Permanent Magnets Limited (PML) adopts a business process which is aimed at enhancing an organization's wealth while being committed to high ethical values and conduct. At PML, we believe in complying with the spirit of the law and not just the letter of the law. We follow the policy of continual disclosure of accurate financial and governance information on our website to ensure investors awareness and protection. Our Board consists of experienced and participative independent directors, which ensure independent and unbiased decision-making process. At PML, we ensure application of best governance practices, adherence to high ethical values, healthy stakeholder relations and achievement of our objectives while meeting the stakeholder's needs.

The Company has also adopted Code of Conduct for the Board of Directors and other Senior Level Management and also Whistle Blower Policy to enable the employees and directors to report their concerns directly to the Chairman of the Audit Committee. At PML, we have always sought to be a value driven organization, where our growth and success is directed by our values. A report on Corporate Governance as required by the SEBI (Listing Obligations and Disclosure requirements) Regulations, 2015 is as under:

2. BOARD OF DIRECTORS BOARD COMPOSITION

The Board of Permanent Magnets Limited consists of eminent persons with optimum balance of Executive Director, Non-Executive Directors and Independent Directors, having professional expertise from different fields such as finance, business strategy and management, marketing, governance and thus meets the requirements of the Board diversity. The composition of Board of directors of the company is in consonance with the requirements of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board further confirms that in its opinion, the independent directors fulfill the conditions specified in SEBI Listing Regulations and are independent from management.

While appointing new Directors on the Board, the Nomination and Remuneration Committee of the Board considers the qualifications, positive attributes and independence as per the criteria laid down in that behalf and makes its recommendation to the Board for its consideration.

As on March 31, 2022, the Board comprised of 6 Directors.

Board Meetings

The Board of Directors of the Company met five times during the year on May 28, 2021, June 25, 2021, August 11, 2021, November 11, 2021 and February 11, 2022.

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	5	5	Yes	-	-	-	-
Shri. Rajeev Mundra	Independent and Non Executive Director, Chairman	5	5	Yes	4	2	1	Taparia Tools Ltd. - Independent Director
Shri. Kamal Binani	Independent and Non Executive Director	5	5	Yes	2	-	-	-
Shri. Mukul Taparia	Non Executive Director, Promoter	5	5	Yes	3	-	-	-

Smt. Sunaina Taparia	Non Executive Director, Promoter	5	5	Yes	-	-	-	-
Shri. Girish Desai	Non Executive Director	5	5	Yes	1	-	3	Abhinav Capital Services Limited - Independent Director

During the year, one meeting of the Independent Directors was held on February 11, 2022. The Independent Directors, inter-alia, reviewed the performance of non-independent directors and the Board as a whole.

Relationship Between Directors

Out of 6 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 interse.

Equity shareholding of the Non-Executive directors in the company as on March 31, 2022

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	996744
4.	Smt. Sunaina Taparia	76800
5.	Shri. Girish Desai	3050

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 'Familiarization programme for independent directors' which is available on the company's website, 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:

- 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.
- 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.

Pursuant to section 150 read with of Rule 6 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 of the Companies Act, 2013, your Company's Independent Directors have registered themselves on the portal of "Indian Institute of Corporate Affairs" as Independent Director within the prescribed timelines.

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

3. AUDIT COMMITTEE

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 177 of the Companies Act, 2013, as applicable along with other terms as referred by the Board of Directors.

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:

The composition of the Audit Committee as on March 31, 2022 and particulars of meetings attended by the members are as follows:

Composition and Attendance of Members at the Meetings of the Audit Committee held during 2021-2022

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

The Chairman is a fellow member of the Institute of Chartered Accountants of India. All the members of the committee are financially literate. Accordingly, the Composition of the Audit Committee is in conformity with Section 177 of the Companies Act, 2013 and Listing Regulations.

Four (4) Audit Committee Meetings were held during the year ended March 31, 2022, i.e., May 28, 2021, August 11, 2021, November 11, 2021 and February 11, 2022. The gap between any two meetings did not exceed one hundred and twenty days and necessary quorum was present at all meetings. Chief Financial Officer, Internal Auditor and Statutory Auditors are invited to attend and participate at the meetings of the Audit Committee. The Company Secretary acts as the Secretary of the Audit Committee.

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

4. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee of the Company is constituted in line with the provisions of Regulation 19 of the Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013.

This Committee has been vested with authority to inter alia recommend nominations for Board Membership, develop and recommend policies with respect to the composition of the Board Commensurate with the size, nature of the business and operations of the Company, establish criteria for selection to the Board with respect to the competencies, qualifications, experiences, track record and integrity and determining overall remuneration policies of the Company.

The principal scope / role also includes review of market practices and decide on remuneration packages applicable to Executive Directors, Senior Management Personnel, etc. and review the same. The Nomination and Remuneration Committee will lay the foundation to the effective functioning of the Board.

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 said Committee and details of meetings attended by the Directors are given below

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

The Committee during the financial year 2021-22, met on May 28, 2021.

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.

Details of remuneration/sitting fees paid during the financial year 2021-22:

(amount in ₹.)

Sr. No.	Names	Category	Sitting Fees	Salary	Perquisites	Stock Options	Total
1.	Shri. Sharad Taparia	Managing Director	-	84,00,000/-	21,600/-	-	84,21,600/-
2.	Shri. Rajeev Mundra	Independent Director	70,000/-	-	-	-	70,000/-
3.	Shri. Kamal Binani	Independent Director	67,500/-	-	-	-	67,500/-
4.	Shri. Mukul Taparia	Non Executive Director	57,500/-	-	-	-	57,500/-
5.	Smt. Sunaina Taparia	Non Executive Director	50,000/-	-	-	-	50,000/-
6.	Shri. Girish Desai	Non Executive Director	50,000/-	-	-	-	50,000/-

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:

The Stakeholders Relationship Committee of the Company is constituted in line with the provisions of Regulation 20 of the Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013. The Stakeholders Relationship Committee is responsible for the satisfactory redressal of investor complaints and recommends measures for overall improvement in the quality of investor services.

The primary responsibilities of this Committee includes:

1. Monitor and review any investor complaints received by the Company or through SEBI, SCORES and ensure its timely and speedy resolution, in consultation with the Company Secretary, Compliance officer and Registrar and Share Transfer Agent of the Company.
2. Monitor implementation and compliance with the Company's Code of Conduct for Prohibition of Insider Trading.
3. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/ transmission of shares, non - receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
4. Review of measures taken for effective exercise of voting rights by shareholders.

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 November 11, 2021.

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

Details of complaints received and attended to during the financial year 2021-22 are given below:

No. of complaints pending as on April 01, 2021	0
No. of complaints received during the year	1
No. of complaints resolved during the year	1
No. of complaints pending as on March 31, 2022	0

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of corporate social responsibility policy, observe practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary. The Board has also empowered.

The Committee to look into matters related to sustainability and overall governance.

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.
- To identify the areas of CSR activities and recommend the amount of expenditure to be incurred on such activities.
- 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. The details of CSR activities for the financial year 2021-22 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 March 31, 2022 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 2021-22 Corporate Social Responsibility Committee meeting was held on March 30, 2022.

8. BOARD AND COMMITTEE MINUTES :

Minutes of all the Board and Committee Meetings are prepared by the Secretary of the Meeting, approved by the Chairman of the Meeting, entered in their respective Minutes Book within stipulate time frame, circulated to the Board in the Agenda for the succeeding meeting and adopted and taken on record.

9. GENERAL BODY MEETINGS :

a) Details of previous three Annual General Meetings:

Financial Year	Date of Meeting	Time	Location
2020-21	17.08.2021	11.30 a.m	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2019-20	29.09.2020	11.00 a.m	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)
2018-19	28.09.2019	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

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

2020-21	Nil
2019-20	Nil
2018-19	Re-appointment of Shri. Rajeev Mundra (DIN: 00139886) as an Independent Director

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.

During the year under review, no Extraordinary General Meeting of the members of the Company was convened.

10. MEANS OF COMMUNICATION:

Unaudited/ Audited financial results of the Company (Quarterly, Half yearly and annual) are immediately, after the Board's approval uploaded / displayed on the company's website www.pmlindia.com under investors tab (a separate sections for investors information) in addition to submitting the same to BSE Limited.

Quarterly results are published in, Financial Express (Ahmedabad Edition) and Daman ganga Times (Vapi Edition).

The Company has designated the following email-id exclusively for investor servicing – investors@pmlindia.com

11. GENERAL SHAREHOLDER INFORMATION:

i. Annual General Meeting	
Date	September 06, 2022
Time	11.30 A.M
Venue	The Company is conducting the AGM through Video Conference / Other Audio-Visual Mode (VC/OAVM) pursuant to the MCA Circular dated May 05, 2022 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.
ii. Company's Financial Year	
First quarter ending June 30, 2022	Within 45 days from the end of quarter
Second quarter and half year ending September 30, 2022	Within 45 days from the end of quarter
Third quarter and nine months ending December 31, 2022	Within 45 days from the end of quarter
Year ending on March 31, 2023	Within 60 days from the end of the year
iii. Date of Book Closure	As mentioned in the Notice of this AGM.
iv. Dividend Payment Date	On or before September 30, 2022 after making adjustments of TDS in the dividend of members as per Income Tax Act 1961, if final dividend is approved by the members.
iv. Listing on Stock Exchanges	Bombay Stock Exchange (BSE) Ltd. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai - 400 001
v. Listing Fees	The Company has paid Listing Fees for the financial year 2022 - 23 to the Stock Exchanges, where the equity shares of the Company are listed.
vi. Stock Codes	504132 PERMAGN ISIN : INE418E01018
vii. Corporate Identity Number (CIN)	L27100DN1960PLC000371

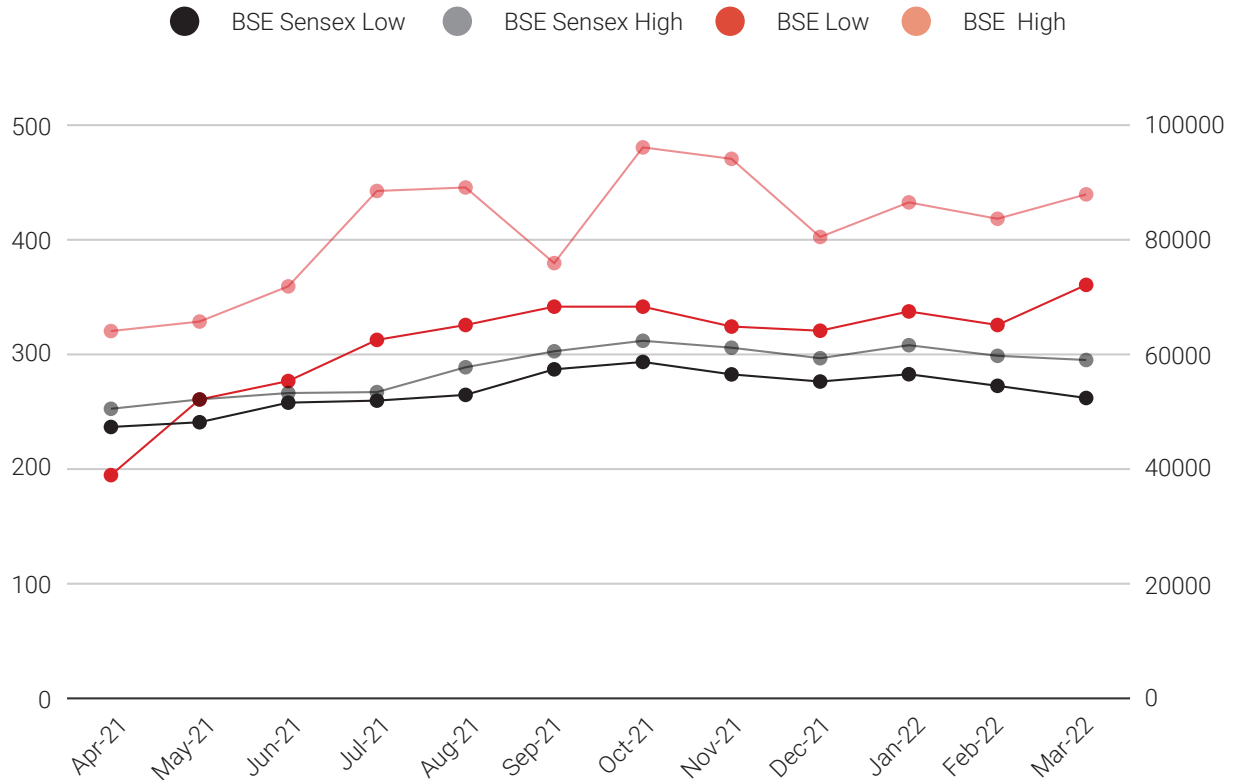
Market price data

Share Price Performance

Month	BSE		BSE SENSEX	
	High	Low	High	Low
Apr-21	319.70	194.00	50,375.77	47,204.50
May-21	328.00	260.00	52,013.22	48,028.07
Jun-21	358.70	276.10	53,126.73	51,450.58
Jul-21	441.95	312.00	53,290.81	51,802.73
Aug-21	445.00	325.00	57,625.26	52,804.08
Sep-21	379.00	341.00	60,412.32	57,263.90

Oct-21	480.00	341.00	62,245.43	58,551.14
Nov-21	470.00	323.65	61,036.56	56,382.93
Dec-21	401.80	320.00	59,203.37	55,132.68
Jan -22	432.00	336.85	61,475.15	56,409.63
Feb -22	417.70	325.00	59,618.51	54,383.20
Mar -22	439.00	360.00	58,890.92	52,260.82

Performance of the Company's equity shares during the financial year 2021-22



Registrar to an issue and share transfer agent :

Adroit Corporate Services Private Limited

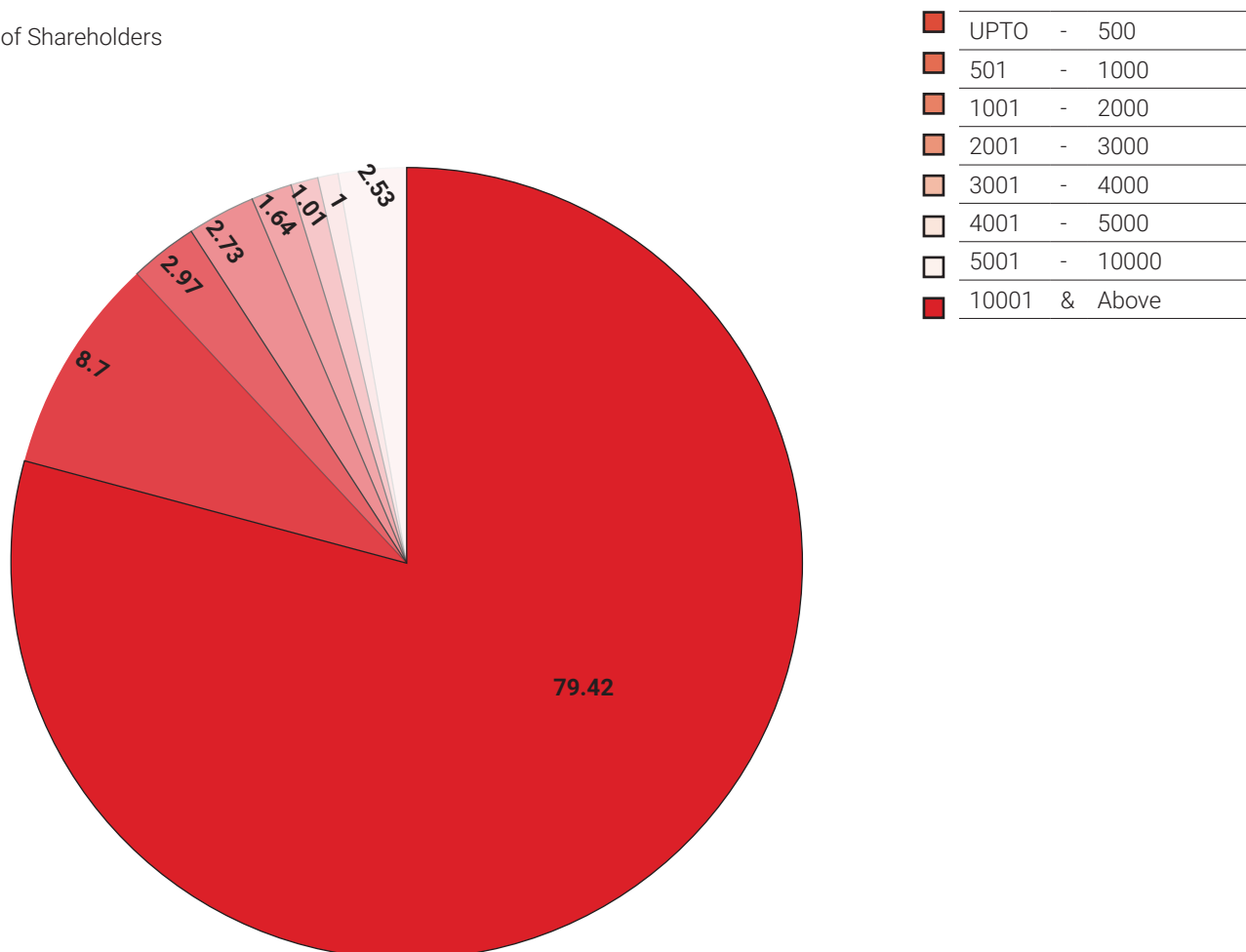
17/20, 1st Floor, Jafferbhoy Industrial Estate, Makhwana Road, Marol Naka, Andheri (East), Mumbai - 400 059
Ph. 022 - 42270400

Share Transfer System : The Company's shares are traded in the stock exchanges compulsorily in Demat form. The Company's Registrar and Transfer agent is the common agency to look after physical and demat registry work. Shares lodged for transfer with the registrar are processed and returned to shareholders within the stipulated time. The Company has been obtaining half yearly certificates as to the compliances made by the Company with regard to transfer and transmissions of shares lodged with the company during the financial year ended March 31, 2022 from practicing company secretary.

Distribution of shares and shareholding as on March 31, 2022

Shares slab	Shareholders	% of Shareholders	Total Shares	Amount (₹)	% of Share holding
UPTO - 500	8655	92.69	747774	74,77,740	8.70
501 - 1000	329	3.52	255430	25,54,300	2.97
1001 - 2000	158	1.69	235054	23,50,540	2.73
2001 - 3000	55	0.59	140881	14,08,810	1.64
3001 - 4000	25	0.27	86912	8,69,120	1.01
4001 - 5000	18	0.19	85743	8,57,430	1.00
5001 - 10000	31	0.33	217564	21,75,640	2.53
10001 & Above	66	0.71	6829095	6,82,90,950	79.42
	9337	100.00	8598453	8,59,84,530	100.00

% of Shareholders



Shareholding Pattern as on March 31, 2022

Sr. No.	Category of Shareholders	No. of Shares	Percentage
A.	Promoter and Promoter Group	4988675	58.02
B.	Non-Promoter shareholding		
1.	Financial Institutions/Banks	690	0.01
2.	Individual Holding nominal share capital upto ₹ 2L	1755833	20.42
3.	Individual Holding nominal share capital in excess of ₹ 2L	1005813	11.70
4.	Bodies Corporate	268771	3.13
5.	Clearing member	3800	0.04
6.	NRIs	83334	0.97
7.	NRI Corp Bodies	66600	0.77
8.	Trusts	100	0.00
9.	HUF Controlling	424337	4.94
10.	Corporate Body - Broker	500	0.00
	TOTAL	8598453	100.00

Physical / NSDL / CDSL / Summary Report as on March 31, 2022

CATEGORY	SHAREHOLDERS	SHARES	PERCENTAGE
PHYSICAL	2606	553497	6.44
NSDL	2612	4204678	48.90
CDSL	4119	3840278	44.66

Dematerialization of Shares and Liquidity as on March 31, 2022

The Company's shares are compulsorily traded in dematerialized form on BSE. Equity shares of the Company representing 93.56 percent of the Company's equity share capital are dematerialized as on March 31, 2022. 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 March 31, 2022, 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 March 31, 2022, the Company had managed the foreign exchange risk to the extent considered necessary.

Credit Ratings:**Total Bank Facilities****Long Term Rating**

ACUITE C - (Reaffirmed)

Short Term Rating

ACUITE A4 - (Reaffirmed)

Plant Location:

- Plot No. B-3, MIDC Industrial Area, Village Mira, Mira Road (East), Thane - 401107.
- Plot No. 22, Mira Co-op. Industrial Estate, Mira Road (East), Thane - 401107.
- Plot Nos. A-8, A-9, A-13, MIDC Industrial Area, Village Mira, Mira Road (East), Thane - 401107.

Corporate office address for correspondence:

Permanent Magnets Limited
 Plot No. B-3, MIDC Industrial Area, Village Mira, Mira Road (East), Thane - 401107 Contact : 022 - 68285454
 Fax : 022 - 29452128
 Website : www.pmlindia.com
 E-mail Id : investors@pmlindia.com / rachana.rane@pmlindia.com

12. OTHER DISCLOSURE : RELATED PARTY TRANSACTIONS

There are no material related party transactions during the year under review that have conflict with the interest of the Company. Transactions entered into with related parties during FY 2021-22 were in the ordinary course of business and at arms' length basis.

As required under Regulation 23 of Listing Regulations, the Company has adopted a policy on dealing with and materiality of Related Party Transactions has been placed on the Company's website and can be accessed at the following link: 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.

Prohibition of Insider Trading:

The Company has a policy i.e., code of conduct prohibiting insider trading in conformity with SEBI (Prohibition of Insider Trading) Regulations, 2015. The said policy contains necessary procedures applicable to Directors, officers and designated persons for trading in the securities of the Company. The trading window closure are intimated in advance to all the concerned during which period, the Board of Directors and designated persons are not permitted to trade in the securities of the company.

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 2021-22. 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 March 31, 2022.

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.

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 2021-22
Audit Fees	₹ 4,00,000/-
Tax Audit Fees	-
Other Services	-
Reimbursement of expenses	-
Total	₹ 4,00,000/-

The Company has followed all relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015 while preparing Financial Statements for 2021-22.

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 | NA |
| c. Number of complaints pending as on end of the financial year | NA |

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

There is no non-compliance with any requirement of Corporate Governance Report of sub-para (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.

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 of the Company have certified positively to the Board on the matters specified under Regulation 17(8) of the Listing Regulations for the year ended March 31, 2022. The said certificate is attached in this Annual Report.

14. EQUITY SHARES IN SUSPENSE ACCOUNT:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of Listing Regulations, 2015 the Company reports the following details in respect of equity shares lying in the Unclaimed suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	16	2650
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	0	0
Number of shareholders to whom shares were transferred from suspense account during the year;	0	0
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	16	2650

15. 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. 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 March 31, 2022, is annexed to this Report on Corporate Governance.

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, 2022

For and on behalf of the Board,

Place: Thane
Date: May 30, 2022

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, 3rd Floor, Opp. Silvassa Police Station, Silvassa Vapi Main Road, Silvassa, Dadra Nagar Haveli– 396230.

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, 3rd 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 Director Identification Number (DIN) status at the portal 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 March 31, 2022 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	Designation	Date of Appointment in the Company
1.	Shri Sharad Jaiprakash Taparia	00293739	Managing Director	15/05/2008
2.	Shri Rajeev Jugalkishor Mundra	00139886	Independent Director & Chairman	16/04/2007
3.	Shri Kamal Binani	00340348	Independent Director	26/12/2017
4.	Shri Mukul Taparia	00318434	Non-Executive Director	22/09/2014
5.	Smt. Sunaina Taparia	07139610	Non-Executive Director	01/04/2015
6.	Shri Girish Ramanlal Desai	01056763	Non-Executive Director	01/06/2020

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.

M/s Arun Dash & Associates
Company Secretaries

Place: Mumbai
Date: May 30, 2022

UDIN: F009765D000423354
Peer Review No.: 928/2020

Sd/-
Arun Dash
(Proprietor)
M. No. FCS 9765
C.P. No. 9309

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, 2022 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, 2022;
 - b) Significant changes in accounting policies during the year ended March 31, 2022 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: May 30, 2022

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.

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 it is neither an audit nor an expression of opinion on the financial statements of the Company and 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.

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

Place: Mumbai
Date: May 30, 2022

UDIN: F009765D000423387
Peer Review No.: 928/2020

Sd/-
**Arun Dash
(Proprietor)**
M. No. FCS 9765
C.P. No. 9309

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 Ind AS financial statements of **PERMANENT MAGNETS LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2022, 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 Ind AS 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 March 31, 2022, 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 Ind AS 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 Ind AS 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, 2022. 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. There are no significant key audit matters observed by us except the matters reported in the notes to accounts.

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 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 ₹ 19,05,179/- Lakhs with interest as per direction of honorable Bombay High Court. Matter is pending before 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, Loans and advances receivable though company has issued letters to the Trade receivables and Trade Payables 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, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, applicable from April 01, 2021, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 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 March 31, 2022, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**".
- 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 March 31, 2022 on its financial position in its standalone financial statements - Refer Note No. 2 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. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place: Thane
Date: May 30, 2022

Sd/-
CA Karan Verma
Partner
M. No. 161335
UDIN: 22161335AJXTZD2223

Annexure “A” 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 March 31, 2022]

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, 2022 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 requirement 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’s.

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, 2022, 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: Thane
Date: May 30, 2022

Sd/-
CA Karan Verma
Partner
M. No. 161335
UDIN: 22161335AJXTZD2223

Annexure “B” to the Independent Auditor’s Report

(Referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Permanent Magnets Limited of even date)

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

- i. In respect of the Company’s Property, Plant and Equipment and Intangible Assets:
 - (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and relevant details of right-of-use assets.
 - (B) The Company has maintained proper records showing full particulars of intangible assets.
 - (b) The Company has a regular program of physical verification of its fixed assets and right-of-use assets so to cover all the assets once every two years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) Based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that Company did not have any immovable property except 15% share of Borivali (Mumbai) property sold to Builder. In respect of immovable and movable properties that have been taken on lease and disclosed in the financial statements as right-of-use asset as at the balance sheet date, the lease agreements are duly executed in favour of the Company.
 - (d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
 - (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii. (a) The inventories were physically verified “except goods in transit” during the year by the Management at reasonable intervals. For goods in transit, subsequent evidence of delivery has been verified. In our opinion and according to the information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. No material discrepancies were noticed on such physical verification.
- (b) As disclosed in note 18 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹ five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are in agreement with the books of account of the Company to the extent as shown in **annexure A**.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, limited liability partnership or any other parties during the year. The Company has not made any investments in firms, limited liability partnership or any other parties. Accordingly, clause 3(iii)(a) to clause 3(iii)(f) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Companies Act, 2013. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186 of the Act.
- v. The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. According to the information and explanations given to us, the maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii. In respect of statutory dues:
 - (a) In our opinion and according to the information and explanations given to us and based on audit procedures performed by us, the Company has generally been regular in depositing undisputed

statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.

According to the information and explanations given to us and based on audit procedures performed by us, there were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and based on audit procedures performed by us, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Nature of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹ in Lakhs)
Central Excise Act, 1944	Excise Duty	CESTAT - Mumbai	FY 2003-04	63.18

viii. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income during the year in the tax assessments under the IncomeTax Act, 1961 (43 of 1961).

- ix. (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year except as mentioned below.

Bank	Nature	Amount (₹ 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 till the last repayment of the loan

- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority. (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable. (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis has, prima facie, not been used during the year for long-term purposes by the Company. xi. (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures. (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company. (c) As represented to us by the Management, there were no whistle blower complaints received by the Company during the year and up to the date of this report.
- x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

- xiii. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) & (b) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a) and (b) of the Order is not applicable.
- (c) & (d) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) of the Order is not applicable.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 18 to the notes to accounts of financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 18 to the notes to accounts of financial statements.

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

Place: Thane
Date: May 30, 2022

Sd/-
CA Karan Verma
Partner
M. No. 161335
UDIN: 22161335AJXTZD2223

Standalone Balance Sheet

as at March 31, 2022

		(₹ In lakhs)	
Particulars	Note No	As at 31.03.2022	As at 31.03.2021
ASSET			
(1) Non Current Assets			
(a) Property, Plant and Equipment	2	677.36	512.80
(b) Other Intangible assets	2	14.03	20.31
(c) Right-of-use Assets	2	320.52	273.21
(d) Financial Assets			
(i) Bank Balances	3	60.31	-
(ii) Loans	4	77.17	77.64
(e) Deferred Tax Assets (Net)	5	169.63	156.59
(f) Other Non-Current Assets	6	535.87	95.78
		1854.89	1136.33
(2) Current Assets			
(a) Inventories	7	3728.95	2100.54
(b) Financial Assets			
(i) Trade Receivables	8	3545.13	3286.97
(ii) Cash and Cash Equivalents	9	66.82	343.17
(iii) Bank Balances	10	1456.14	1934.36
(iv) Loans	11	99.42	79.31
(c) Other Current Assets	12	845.78	518.52
		9742.23	8262.86
Total Assets		11597.13	9399.19
EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity Share Capital	13	859.85	859.85
(b) Other Equity	14	7362.32	5542.85
		8222.16	6402.70
Liabilities			
(2) Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	175.85	180.75
(ii) Lease Liabilities	16	152.55	187.40
(b) Provisions	17	62.12	76.24
		390.52	444.40
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	18	100.96	4.49
(ii) Trade Payables (Current)	19	2460.04	2215.34
(iii) Lease Liabilities	20	202.60	133.75
(iv) Other Financial Liabilities	20	89.06	98.17
(b) Other Current Liabilities	21	78.48	46.43
(c) Provisions	22	0.91	4.04
(d) Current Tax Liabilities	23	52.41	49.87
		2984.45	2552.09
Total Equity and Liabilities		11597.13	9399.19

Significant Accounting Policies

The Notes are an integral part of these financial statements

As per our Report of even date attached

For **Ramanand & Associates**

Chartered Accountants

ICAI Firm Reg. No. 117776W

CA Karan Verma

Partner

M. No. 161335

UDIN: 22161335AJXTZD2223

Place : Thane

Date : May 30, 2022

Sharad Taparia

Managing Director

DIN:00293739

Sukhmal Jain

Chief Financial Officer

Mukul Taparia

Director

DIN: 00318434

Rachana Rane

Company Secretary

For & on behalf of the Board

Statement of Profit and Loss

for the year ended March 31, 2022

(₹ In lakhs)

Particulars	Note No	For the year ended 31.03.2022	For the year ended 31.03.2021
I Revenue From Operations	24	12951.07	11667.93
II Other Income	25	374.83	88.58
III Total Income (I+II)		13325.90	11756.51
IV EXPENSES			
Cost of materials consumed	26	6418.35	5387.94
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	27	(543.43)	208.11
Employee benefits expense	28	795.33	744.64
Finance costs	29	85.68	102.10
Depreciation and amortization expense	30	405.67	329.29
Other expenses	31	3607.73	2802.35
Total expenses (IV)		10769.33	9574.43
V Profit/(loss) before exceptional items and tax (III- IV)		2556.57	2182.09
VI Exceptional Items			
VII Profit/(loss) before tax (V-VI)		2556.57	2182.09
VIII Tax expense:			
(1) Current tax		664.90	561.06
(2) Deferred tax		(13.04)	(6.46)
(3) Short /Excess provision of earlier years		0.28	13.69
IX Profit for the period from continuing operations (VII-VIII)		1904.43	1613.79
X Profit/(loss) from discontinued operations		-	-
XI Tax expense of discontinued operations		-	-
XII Profit/(loss) from Discontinued operations (after tax) (X-XI)		-	-
XIII Profit for the period (IX+XII)		1904.43	1613.79
XIV Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss	32	1.02	1.59
(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		-	-
XV Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit and Other Comprehensive Income for the period)		1905.45	1615.38
XVI Earnings per equity share (for continuing operation):	33		
(1) Basic		22.16	18.79
(2) Diluted		22.16	18.79
XVII Earnings per equity share (for discontinued operation):	33		
(1) Basic		-	-
(2) Diluted		-	-
XVIII Earnings per equity share (for discontinued & continuing operations)	33		
(1) Basic		22.16	18.79
(2) Diluted		22.16	18.79

Significant Accounting Policies
The Notes are an integral part of these financial statements

1

As per our Report of even date attached
For **Ramanand & Associates**
Chartered Accountants
ICAI Firm Reg. No. 117776W

For & on behalf of the Board

CA Karan Verma
Partner
M. No. 161335
UDIN: 22161335AJXTZD2223

Sharad Taparia
Managing Director
DIN:00293739

Mukul Taparia
Director
DIN: 00318434

Place : Thane
Date : May 30, 2022

Sukhmal Jain
Chief Financial Officer

Rachana Rane
Company Secretary

Cash Flow Statement

for the year ended March 31, 2022

(₹ In lakhs)

Particulars	For the year ended 31.03.2022	For the year ended 31.03.2021
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items (PAT)	2557.58	2183.67
Adjustment for :		
Depreciation & Amortization		
Depreciation for PPE	227.35	186.28
Depreciation for Leased assets	178.31	143.01
Loss/(Profit) on Sale of Assets	(5.64)	(0.45)
Finance Charges	36.61	45.61
Financial Charges under lease agreement	49.07	56.49
Interest income on security deposit	(9.00)	(11.37)
Miscellaneous balance written off	42.04	(0.35)
Short /Excess provision of earlier years	(0.28)	(13.69)
Unrealised Foreign Exchange Gain	(4.64)	(7.64)
Operating Profit before working Capital Changes	3071.42	2581.58
Adjustment for:		
Inventories	(1628.41)	(175.76)
Trade Receivables	(298.51)	(543.29)
Other Assets	(369.09)	(1372.26)
Trade Payables	247.65	716.86
Other Liabilities	(44.19)	(59.76)
	978.87	1147.36
Direct Taxes Paid	612.49	511.19
Net cash flow from Operating Activities	366.38	636.17
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets	(379.99)	(205.51)
Net cash used in investing activities	(379.99)	(205.51)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividend and Tax on Dividend Paid	(85.98)	-
Proceeds from Long Term Borrowings (Net)	(4.90)	(4.49)
Proceeds from Short Term Borrowings (Net)	96.47	(16.56)
Finance Charges paid (Net)	(36.61)	(45.61)
Payment of Lease liabilities	(231.71)	(219.05)
Net cash from Financing Activities	(262.74)	(285.71)
NET INCREASE IN CASH AND CASH EQUIVALENTS	(276.35)	144.94
Opening Cash and Cash Equivalents	343.17	198.23
Closing Cash and Cash Equivalents	66.82	343.17

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

(₹ In lakhs)

Cash and Cash Equivalent	For the year ended 31.03.2022	For the year ended 31.03.2021
Cash in hand	1.09	4.22
Balance with Banks	65.72	338.95
Total	66.82	343.17

As per our Report of even date attached

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

CA Karan Verma
Partner
M. No. 161335
UDIN: 22161335AJXTZD2223

Place : Thane
Date : May 30, 2022

For & on behalf of the Board

Sharad Taparia
Managing Director
DIN:00293739

Mukul Taparia
Director
DIN: 00318434

Sukhmal Jain
Chief Financial Officer

Rachana Rane
Company Secretary

2 FIXED ASSETS

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION			NETBLOCK		
		01.04.2021	Additions	Deductions Adjustments Impairment	31.03.2022	01.04.2021	During the year	Deductions / Adjustments	Upto 31.03.2022	As at 31.03.2022	As at 31.03.2021
A	Tangible Assets										
1	Freehold Land	0.15	-	-	0.15	-	-	-	-	0.15	0.15
2	Building	61.94	-	-	61.94	24.83	3.61	-	28.45	33.49	37.10
3	Plant & Machinery*	1006.17	342.06	1.50	1346.73	599.88	199.23	-	799.11	547.62	406.28
4	Electric Installation	1.39	-	-	1.39	0.67	0.03	-	0.70	0.69	0.72
5	Laboratory Equipments	0.04	-	-	0.04	0.01	-	-	0.01	0.04	0.04
6	Automobiles & Vehicles	114.37	26.46	36.32	104.51	66.01	2.20	33.17	35.03	69.48	48.36
7	Furniture & Fixtures	10.85	0.56	-	11.42	6.58	0.69	-	7.27	4.15	4.28
8	Office Equipments	57.94	21.18	-	79.12	42.07	15.31	-	57.38	21.74	15.86
	TOTAL A	1252.85	390.27	37.82	1605.30	740.05	221.07	33.17	927.94	677.36	512.80
B	Intangible Assets										
1	Computer Software	34.66	-	-	34.66	14.34	6.29	-	20.63	14.03	20.31
	TOTAL B	34.66	-	-	34.66	14.34	6.29	-	20.63	14.03	20.31
	TOTAL (A+B)	1287.51	390.27	37.82	1639.96	754.39	227.35	33.17	948.57	691.39	533.12
	Previous Year	1082.49	210.54	5.53	1287.51	569.06	186.28	0.95	754.39	533.12	513.43
C											
	Particulars										
	Cost										
	Recognition on Initial application of Ind AS 116 as at April 01, 2019										
	Reclassified on account of adoption of Ind AS 116										
	Addition during the year										579.57
	Deletion during period										225.63
	As at 31.03.2022										805.20
	Accumulated Depreciation 01.04.2021										306.36
	Depreciation for the year										178.31
	Deletion during period										-
	As at 31.03.2022										484.68
	Net Block										-
	As at 31.03.2022										320.52

(Amount in ₹)

Building

NOTE 3: BANK BALANCES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Term Deposits*	56.90	-
Bank - Dividend a/c	3.41	-
Total	60.31	-

* Bank deposits of ₹ 56.90 Lacs (P.Y. ₹ Nil) held as colletral security for various banks limit

NOTE 4: LOANS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Security Deposits	77.17	77.64
Total	77.17	77.64
Secured, considered good	-	-
Unsecured, considered good	77.17	77.64
Doubtful	-	-

NOTE 5: DEFERRED TAX ASSET

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Deferred Tax Asset		
- On account of Depreciation difference	61.37	38.75
- On account of Depreciation difference ROU	12.07	28.24
- On account of Depreciation diff. (ROU diff in Retained earning)	20.32	20.32
- On account of Disallowance of expenses	62.82	62.82
	156.59	150.13
Add/Less:		
- On account of Depreciation diff.	16.40	22.63
- On account of Depreciation diff. (ROU)	(3.35)	(16.17)
	13.04	6.46
Total	169.63	156.59

NOTE 6: OTHER NON-CURRENT ASSETS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Security Deposits with Govt Dept	30.14	30.14
Capital Advances*	505.74	65.65
Total	535.87	95.78
Secured, considered good	-	-
Unsecured, considered good	535.87	95.78
Doubtful	-	-

*Including Land advances of ₹ 3.97 Crores

NOTE 7: INVENTORIES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Raw materials	2746.29	1668.06
Work-in-progress	609.69	244.85
Stores and spares	31.57	24.82
Finished goods	341.40	162.81
Total	3728.95	2100.54

NOTE 8: TRADE RECEIVABLES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Secured, considered good	-	-
Unsecured, considered good	3545.13	3286.97
Doubtful	-	-
Less: Provision for Doubtful Debts	-	-
Total	3545.13	3286.97

*Refer note no. 17 of notes to accounts for ageing

NOTE 9: CASH AND CASH EQUIVALENTS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Balances with Banks*	65.72	338.95
Cash on hand	1.09	4.22
Total	66.82	343.17

NOTE 10: BANK BALANCES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Term Deposits*	1456.14	1934.36
Total	1456.14	1934.36

* Bank deposits of ₹ 686.41 Lacs (P.Y. ₹ 658.00 Lacs) held as collateral security for various banks limit and ₹ 194.30 Lac (P.Y. ₹ 189.83 Lac) held as margin money against bank guarantee/LC.

NOTE 11: LOANS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Advances recoverable in cash or kind	99.27	78.75
Loans & Advances to Employees	0.15	0.56
Total	99.42	79.31
Secured, considered good	-	-
Unsecured, considered good	99.42	79.31
Doubtful	-	-

NOTE 12: OTHER CURRENT ASSETS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Advance to Suppliers	261.41	72.81
Balance with statutory/ Government Authorities	549.25	423.49
Prepaid Expenses	35.12	22.22
Total	845.78	518.52

NOTE 13: EQUITY SHARE CAPITAL

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
AUTHORIZED CAPITAL		
1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of ₹ 10/- each	1,000.00	1,000.00
60,00,000 (P.Y. 60,00,000) Redeemable Cumulative/ Non-Cumulative Preference Shares of ₹ 10/- each	600.00	600.00
	1,600.00	1,600.00
ISSUED, SUBSCRIBED & PAID UP CAPITAL:		
85,98,453 (P.Y. 85,98,453) Equity Shares of ₹ 10/- each, Fully Paid-Up	859.85	859.85
Total	859.85	859.85

13.1 Reconciliation of shares outstanding at the beginning and at the end of the reporting period
Equity Shares

Particulars	March 31, 2022		March 31, 2021	
	No of Shares	₹ In lakhs	No of Shares	₹ In lakhs
Number of Shares at the beginning	85,98,453	859.85	85,98,453	859.85
Add:- Number of Shares Issued	-	-	-	-
Number of Equity Shares at the end	85,98,453	859.85	85,98,453	859.85

13.2 Terms/Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Amount ₹ 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.

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

Particulars	March 31, 2022		March 31, 2021	
	No of Shares held	% of Holding	No of Shares held	% of Holding
Equity shares of ₹ 10 each fully paid				
Sharad Jaiprakash Taparia	10,35,688	12.05	10,02,560	11.66
Mukul Taparia	9,96,744	11.59	9,71,872	11.30
Shyamsunder Taparia	8,48,989	9.87	8,48,989	9.87
Kamla Anil Taparia, hold in the capacity of Partner of Shri Orient Corporation	5,77,860	6.72	7,12,695	8.29
Jaiprakash Hanumanbux Taparia	4,65,694	5.42	4,65,719	5.42

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.

Shareholding of Promoters

Shares held by promoters at the end of the year			% Change during the year
Promoter name	No. of Shares	% of total shares	
Anupkumar Taparia, HUF#	-	0.00%	(1.00)
Anilkumar Taparia, HUF#	39,750	0.46%	-
Sunilkumar Taparia, HUF#	5,450	0.06%	-
Rashi Mittal#	1,000	0.01%	-
Jai prakash Taparia, HUF#	2,02,770	2.36%	-
Kamala Anil Taparia#	1,34,835	1.57%	-
Kamala Anil Taparia, Partner Of Shri Orient Corporation#	5,77,860	6.72%	-
Sunaina Taparia*	76,800	0.89%	1.21
Divya Anil Taparia#	16,040	0.19%	3.47
Rishi Taparia#	41,000	0.48%	-
Sima Taparia#	-	0.00%	(1.00)
Manmohan Taparia#	50,000	0.58%	-
Anilkumar Taparia#	1,18,430	1.38%	-
Sunilkumar Taparia#	57,890	0.67%	-
Shyamsunder Taparia#	8,48,989	9.87%	-
Anupkumar Taparia#	-	0.00%	(1.00)
Bank Of Rajasthan Limited#	31,290	0.36%	-
Nymph Properties Private Limited#	1,60,000	1.86%	-
Sharad Taparia*	10,35,688	12.05%	0.03
Mukul Taparia*	9,96,744	11.59%	0.03
Yamini Taparia#	78,130	0.91%	0.66
Shriniwas Company Pvt. Ltd.	-	-	-
Megh Exim LLP	-	-	-
Jaiprakash Hanumanbux Taparia#	4,65,694	5.42%	-
Anju Toshniwal#	25	0.00%	-
Sunitadevi Taparia#	25,290	0.29%	-
Nandini Taparia#	25,000	0.29%	-

* Promoter # Promoter Group

The above details are as certified by the Registrar and Share transfer Agents

B. OTHER EQUITY**Other Equity as at 31.03.2022**

(₹ In lakhs)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the reporting period	-	280.20	-	5262.66	5542.85
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	1905.45	1905.45

Dividends	-	-	-	(85.98)	(85.98)
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the reporting period	-	280.20	-	7082.12	7362.32

Other Equity as at 31.03.2021

(₹ In lakhs)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the reporting period	-	280.20	-	3647.28	3927.47
Changes in accounting policy or prior period errors	-	-	-	-	-
Restated balance at the beginning of the reporting period	-	-	-	-	-
Total Comprehensive Income for the current year	-	-	-	1615.38	1615.38
Dividends	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	-
Any other change (to be specified)	-	-	-	-	-
Balance at the end of the reporting period	-	280.20	-	5262.66	5542.85

NOTE 14: OTHER EQUITY

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Securities Premium Reserve		
Opening Balance	280.20	280.20
Add/Less:	-	-
Closing Balance	280.20	280.20
General Reserve		
Opening Balance	-	-
Add/Less: Transferred to Surplus in Statement of Profit & Loss	-	-
Closing Balance	-	-
Retained Earnings		
Opening Surplus in the Statement of Profit and Loss	5262.66	3647.28
Add: Profit / (Loss) of the year	1905.45	1615.38
Less: Dividend for FY 2020-21	(85.98)	-
Closing Balance	7082.12	5262.66
Total Equity	7362.32	5542.85

Notes: The Board of Directors, in their meeting on May 28, 2021, have proposed a final dividend of ₹ 1/- per equity share for the financial year ended March 31, 2021 and same was approved by shareholders at the Annual General Meeting held on August 17, 2021

NOTE 15: BORROWINGS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Term Loan		
Rupee Loan from Bank (Long Term)	-	2.62
Rupee Loan from Financial Institutions	-	2.28
Central Excise loan*	175.85	175.85
Total	175.85	180.75
The above amount includes		
Secured Borrowings	175.85	180.75
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Director relative's (see note below)	-	4.90

15.1 Rupee Loans from banks are repayable in 3 to 5 years from the date of loan and interest ranging from 9% to 12%. 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.

15.2 Details of defaults as at year end in repayment of Term Loans are as follows :

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Name of Bank		
Central Excise Loan - ICICI Bank *	-	-

* During FY 2017-18 Company repaid entire principal amount of Central Excise loan of ICICI Bank but Interest is not paid so default persist to the extent of interest amount till the last payment of principal of loan.

NOTE 16: OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Lease Liability*	152.55	187.40
VRS Compensation	-	-
Total	152.55	187.40

* Building have been taken on lease by the Company . The terms of lease rent are for the period ranging from 3 years to 5 years depending on the lease agreement with the lessor. Such leases are renewable by mutual consent . There is no contingent rent, no sub -leases and no restrictions imposed by the lease agreements

NOTE 17: PROVISIONS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Provision for Gratuity	38.79	42.49
Provision for Leave Encashment	23.34	33.76
VRS Compensation	-	-
Total	62.12	76.24

NOTE 18: BORROWINGS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Foreign Currency Loan from Banks*	-	-
Rupee Loan from Banks (Short Term)	100.96	-
Current maturities of long term debts	-	4.49
Total	100.96	4.49
The above amount includes		
Secured Borrowings	100.96	4.49
Unsecured Borrowings	-	-
Secured by Personal Guarantee by Promoters/ Directors	100.96	4.49

18.1 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 against Fixed deposit of ₹ 8.62 Crore plus interest accrued thereon and first /second pari passu charge on entire fixed assets of the company (excluding Borivali property). Further these facilities are secured by personal guarantees of Director's relatives

NOTE 19: TRADE PAYABLES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Micro Small & Medium Enterprises*	350.88	384.34
Others Trade Payables	2109.16	1831.00
Total	2460.04	2215.34

*Refer note no. 16 of notes to accounts for ageing

NOTE 20: OTHER FINANCIAL LIABILITIES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Lease Liabilities*	202.60	133.75
Other Liabilities	84.84	98.17
Dividend Payable	4.22	-
Total	291.65	231.92

* Building have been taken on lease by the Company . The terms of lease rent are for the period ranging from 3 years to 5 years depending on the lease agreement with the lessor. Such leases are renewable by mutual consent . There is no contingent rent, no sub -leases and no restrictions imposed by the lease agreements

NOTE 21: OTHER CURRENT LIABILITIES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Withholding & Other taxes payable	17.74	15.55
Advances received from Customers	60.74	30.88
Total	78.48	46.43

NOTE 22: PROVISIONS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Provision for Gratuity	0.68	0.74
Provision for Leave Encashment	0.22	3.30
Total	0.91	4.04

NOTE 23: CURRENT TAX LIABILITY (NET)

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Provision for Income Tax *	52.41	49.87
Total	52.41	49.87

* Provision for income tax is net of advance taxes paid

NOTE 24: REVENUE FROM OPERATIONS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Sale of Products		
Cast Magnets & Magnetic Assembly	1943.15	1639.18
Parts & Accessories of Electricity Meter	10277.67	9549.05
Sale of services		
Job work Sale	24.69	20.52
Total A	12245.51	11208.75
Other Operational Income		
Export Benefits	89.61	161.83
Sale of Residue	615.95	297.35
Total B	705.56	459.18
Revenue from Operations (Gross)	12951.07	11667.93

NOTE 25: OTHER INCOME

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Other Miscellaneous Income	24.31	13.48
Profit / (Loss) on Sale of Assets	5.64	0.45
Interest Income	85.01	51.09
Interest on Security Deposit	9.00	11.37
Exchange differences (net)	250.88	12.19
Total	374.83	88.58

NOTE 26: COST OF MATERIAL CONSUMED

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Inventory at the beginning of the year	1668.06	1286.69
Add: Purchases (net)	7496.58	5769.31
	9164.64	7056.00
Less : Inventory at the end of the year	2746.29	1668.06
Cost of raw material & components consumed	6418.35	5387.94

NOTE 27: CHANGE IN INVENTORIES OF WIP & FINISHED GOODS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Inventory at the end of the year		
Work-in-progress	609.69	244.85
Finished goods	341.40	162.81
	951.08	407.65

Less:		
Inventory at the beginning of the year		
Work-in-progress	244.85	459.50
Finished goods	162.81	156.26
	407.65	615.76
Total	(543.43)	208.11

NOTE 28: EMPLOYEE BENEFIT EXPENSES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Contribution to PF & Other Fund	30.65	29.24
Gratuity Expenses	6.84	6.96
Salaries, Wages & Bonus	733.75	693.41
Staff Welfare Expenses	23.84	14.58
VRS Compensation	0.26	0.45
Total	795.33	744.64

NOTE 29: FINANCIAL COST

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Interest	1.43	1.26
Other Borrowing cost*	24.48	23.41
Exchange difference on borrowings (net)	(10.87)	5.83
Interest on Lease Liabilities	49.07	56.49
LC & Bill Discounting Charges	21.57	15.11
Total	85.68	102.10

*includes Bank charges & BG Commission

NOTE 30: DEPRECIATION & AMORTISED COST

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Depreciation	221.07	179.75
Amortisation	6.29	6.53
Depreciation on Right of use assets	178.31	143.01
Total	405.67	329.29

NOTE 31: OTHER EXPENSES

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Manufacturing Expenses		
Consumption of Stores, Spares & Consumables	417.29	287.85
Freight Inward	52.23	42.96
Sub-Contract Charges & Labour Charges	1295.71	1081.00
Repairs & Maintenance - Machinery	40.73	49.60
Tool Cost expenses	30.78	-
Power & Fuel Charges	245.39	200.27

A	2082.14	1661.68
Selling & Distribution Expenses		
Advertising & Sales Promotion Expenses	14.20	11.85
Commission to Selling Agents	391.18	332.54
Freight Outward & Transportation	466.51	336.94
Hiring charges	1.86	1.81
B	873.75	683.13
Administrative & Other Expenses		
Advertisement	1.38	2.67
Auditors Remuneration	4.00	4.00
Bank Charges	4.54	2.16
Computer & Software Expenses	22.92	14.49
Directors' Sitting Fees	2.95	2.65
Travelling & Conveyance	49.31	39.29
Insurance	24.46	23.51
Printing & Stationery Expenses	7.28	7.75
Legal & Professional Charges	256.90	175.12
Miscellaneous Exp	10.29	10.59
Rates & Taxes	50.32	25.19
Rent Exp	1.06	0.96
Security Service Charges	32.18	31.46
Communication Cost	11.00	19.39
Vehicle Running exp	10.28	18.53
Repairs - Building	48.28	23.43
Repairs - Others	6.06	4.04
Office Expense	16.43	11.24
Misc-Balance written off	48.16	7.03
Listing and membership fee	3.00	3.00
Corporate Social Responsibility	41.03	31.04
C	651.84	457.54
Total A+B+C	3607.73	2802.35

Payment to Auditor

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
As Auditor		
- Audit Fee	4.00	4.00
- Tax Audit Fee	-	-
- Others	-	-
Certifications	-	-
Others Services	-	-

(Note: Above Figures are Excluding Service Tax)

NOTE 32: ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
Remeasurements of the defined benefit plans	1.02	1.59
Others	-	-
Total	1.02	1.59

NOTE 33: EARNING PER SHARE

(₹ In lakhs)

Particulars	31.03.2022	31.03.2021
For Continued Operations		
Profit/(Loss) attributable to Equity shareholders	1905.45	1615.38
Weighted Average Number of Shares for Basic and Diluted EPS	8598453	8598453
Basic EPS (Amount in ₹)	22.16	18.79
Diluted EPS (Amount in ₹)	22.16	18.79

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 Cast alloy Permanent Magnets, Parts and accessories of electricity and electric vehicle parts in the world. PML also supplies 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 and nickel 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 statement complies 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 (₹), 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 01, 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 01, 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

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

Initial measurement

Lease Liability: At the commencement date, a Company measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using incremental borrowing rate.

Right-of-use assets: initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives.

Subsequent measurement

Lease Liability: Company measure the lease liability by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications.

Right-of-use assets: subsequently measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated from the commencement date on a WDV basis over the shorter of the lease term and useful life of the underlying asset.

Impairment

Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

Short term Lease

Short term lease is that, at the commencement date, has a lease term of 12 months or less. A lease that contains a purchase option is not a short-term lease. If the company elected to apply short term lease, the lessee shall recognise the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis. The lessee shall apply another systematic basis if that basis is more representative of the pattern of the lessee's benefit.

As a lessor

Leases for which the company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Lease income is recognised in the statement of profit and loss on straight line basis over the lease term.

Transition to Ind AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116, effective annual reporting period beginning April 01, 2019 and applied the standard prospectively to its leases.

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 through 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 amortised 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 recognised 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.

Spare parts 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 and 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.

I. NOTES TO ACCOUNTS:

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

2. Contingent Liabilities:

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
a) Unutilized Letters of Credit with Bankers	391.11	148.90
b) Bank Guarantee	2.00	3.84
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	7.45
d) Excise Department has rejected the appeal filed by the company and has raised demand as regards inter-unit transfers. The Company has filed appeal against the said order in CESTAT and has made payment of ₹ 5 Lakh for stay order. Stay order against recovery of the dues has been granted. In the opinion of Company's Consultant, since there is no suppression of facts by the Company, penalty imposed will be quashed. In case, if the case is decided against the Company, there will be no actual outflow to the Company due to availability of Cenvat credit. Further, in similar cases, the Commissioner of Central Excise has ruled in favour of the company and has set aside the show cause notices.		
Duty Demanded	31.59	31.59
Penalty	31.59	31.59
e) 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.	2200.64*	2200.64*
<p>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.</p> <p>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 July 30, 2013 vide letter bearing reference no. SSG/NA/2013-14/324 for seeking the directions.</p> <p>In view of the above situation, management does not feel any extra liability towards interest on the interest free excise loan. Management of PML is providing simple interest on outstanding dues of above loan even though this was interest free. Loan Principal Amount repaid on during FY 17-18.</p>		

*Management has tried to resolve the issues of Central Excise Loan with higher authorities of Ministry of Finance, Government of India and made various representations, but did not get proper response as above scheme has been over and no proper documents are available with ministry of finance, Government of India. Management of PML is providing simple interest on outstanding dues of above loan even though this was interest free. The Company has been repaid balance Principal Amount of the loan during FY 17-18.

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 ₹ 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 ₹ 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 ₹ 19,05,179/-with court is shown in Balance sheet under Current Assets. Company has recognized ₹ 12,95,305/- as expenses in this financial year and same has been shown under Other Liabilities.

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 ₹ 252.73 Lakh (P. Y. ₹ 12.19 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:- Effective date and transition

Effective April 01, 2019, the Company has adopted Ind As 116 Leases. Company applies retrospectively with the cumulative effect of initially applying the Standard recognised at the date of initial application. Company measure lease liability at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application, and measure that right-of-use asset an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet immediately before the date of initial application. Company is following SLM method for depreciation on Right of use assets over lease terms.

A) The following is the movement in lease liabilities

Particulars	₹ In lakhs	
	31.03.2022	31.03.2021
Opening Balance as on 1 st day of year	321.15	475.84
Additions	217.00	-
Finance cost accrued during the period	49.07	56.49
Payment of lease liabilities	232.08	211.18
Closing Balance as on last day of year	355.14	321.15

B) Maturity Analysis of Lease Liabilities

Maturity analysis-Contractual undiscounted cashflows	₹ in Lakhs	
	31.03.2022	31.03.2021
Less than one year	234.99	162.98
One year to five year	166.30	213.58
More than five years	-	-
Total Undiscounted lease liabilities	401.29	376.56
Lease liabilities included in the statement of Financial position		
Non Current	152.55	187.50
Current	202.60	133.75
Total	355.14	321.15

C) Amount Recognised in the Statement of profit and loss

(₹ in Lakhs)

Particulars	31.03.2022	31.03.2021
Interest on Lease Liabilities	49.07	56.48
Depreciation on Lease Asset	178.31	143.01
Rent Expenses -short term leases and leases of low value assets	0.96	0.96

8. Related Party Disclosure:

As per the Ind AS 24 details of related parties and nature of relationships:

Sr. No.	Name of the Related Parties	Nature of Relationship
Key Managerial Personnel		
1	Shri. Sharad Taparia	Managing Director
2	Shri. Sukhamal Jain	Chief Financial Officer
3	Smt. Rachana Rane	Company Secretary
Non-Executive Directors		
4	Shri. Rajeev Mundra	Independent Director
5	Shri. Kamal Binani	Independent Director
6	Smt. Sunaina Taparia	Director
7	Shri. Mukul Taparia	Director
8	Shri. Girish Desai	Director
Enterprises in which key managerial personnel and/or their relatives are able to exercise significant influence:		
1	Varij Plantation Pvt Ltd.	
2	Pregna International Limited	
3	Megh Exim LLP	
4	NYMPH Properties Private Limited	

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

(₹ in Lakhs)

Names of Related Parties	Nature of Transactions	Year ended March 31, 2022		Year ended March 31, 2021	
		Transaction during year	Closing balance	Transaction during year	Closing balance
Shri. Sharad Taparia	Remuneration	84.21	-	71.06	-
Shri. Sukhamal Jain	Remuneration	46.10	-	44.96	-
Smt. Rachana Rane	Remuneration	6.80	-	5.65	-
Shri. Rajeev Mundra	Sitting fees	0.70	-	0.70	-
Shri. Kamal Binani	Sitting fees	0.68	-	0.67	-
Smt. Sunaina Taparia	Sitting fees	0.50	-	0.40	-
Shri. Mukul Taparia	Sitting fees	0.58	-	0.47	-
Shri. Girish Desai	Sitting fees	0.50	-	0.40	-

Note: Reimbursement of expenses incurred by the related parties for and on behalf of the company and vice-versa has not been included above.

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 ₹ 6.84 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	2021-22		2020-21	
	Leave Encashment (unfunded)	Gratuity (Funded)	Leave Encashment (unfunded)	Gratuity (Funded)
(₹ in Lakhs)				
A) Actuarial assumption				
i) Discounting rate	7.30%	7.30%	6.90%	6.90%
ii) Future salary increases	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) Moratility rates upto Retirement age	IALM 2012-14 Uit	IALM 2012-14 Uit	IALM 2012-14 Uit	IALM 2012-14 Uit
B) Expenses recognised in the statement of profit and loss				
i) Current service cost	9.59	3.85	9.70	3.79
ii) Net interest cost	2.55	2.98	2.72	3.17
iii) Expected return on plan assets	-	-	-	-
iv) Net actuarial (gain) / loss recognized in the period	(8.84)	(1.01)	(6.40)	(1.58)
v) Expenses recognized in the statement of Profit & Loss	(3.29)	(6.84)	(6.02)	6.96
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	-	-	-	-
Change in financial assumptions	(0.67)	(1.81)	(0.04)	(0.08)
Change in experience assumptions	(8.17)	0.80	(6.36)	(1.50)
iii) Net (gain)/ loss recognised in other comprehensive income	(8.84)	(1.01)	(6.40)	(1.58)
D) Change in present value of obligation				
i) Present value of obligation as at year beginning	37.05	43.22	39.63	46.08
ii) Interest cost	2.55	2.98	2.72	3.17
iii) Current service cost	9.59	3.85	9.70	3.79
iv) Past service cost incl. Curtailment gains and loss	-	-	-	-
v) Benefits paid	(16.80)	(9.57)	(8.60)	(8.24)
Actuarial (gain) / loss on PBO arising from:				
Change in demographic assumptions	-	-	-	-
Change in financial assumptions	(0.67)	(1.81)	(0.04)	(0.08)
Change in experience assumptions	(8.17)	(0.80)	(6.36)	(1.50)
vi) Present value of obligation as at year end	23.56	39.47	37.05	43.22
E) Change in fair value of plan assets				
i) Fair value of plan assets at year beginning	-	-	-	-
ii) Actual return on plan assets	-	-	-	-
iii) Contributions	-	-	-	-

iv) Fund management charges (FMC)	-	-	-	-
v) Benefits paid	-	-	-	-
vi) Actuarial gain / (loss) on plan assets	-	-	-	-
vii) Fair value of plan assets at year end	-	-	-	-
F) Liability /(Assets) recognised in Balance Sheet	23.56	39.47	37.05	43.22
i) Within the next 12 months (next annual reporting period)	0.22	0.68	3.30	0.73
ii) Between 1 and 5 years	2.90	9.78	3.97	17.00
iii) Beyond 5 years -	2.93	10.68	2.88	9.26
iv) Total Expected Payments	6.08	21.12	10.15	26.99

10. Component Accounting for Fixed Assets:

In 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 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:

As the Company operates mainly in one Business Segment i.e Engineering and Current Sensing applications hence are considered to be a single primary business segment. 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, company has not impaired any fixed assets

13. Disclosure as per amendment to Listing Regulation :

(₹ in Lakhs)

Sr.No.	Name of the Parties	Maximum balance outstanding during the year ended		Outstanding Balance as on	
		31.03.22	31.03.21	31.03.22	31.03.21
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 (₹ in Lakhs)	
	2021-22	2020-21
Raw Materials & component	3720.63	2790.10

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

Particulars	2021-22		2020-21	
	Amount (₹ in Lakhs)	%	Amount (₹ in Lakhs)	%
Raw Materials				
Imported	3014.29	46.95	2514.99	46.68
Indigenous	3404.05	53.05	2872.95	53.32
Total	6418.34	100.00	5387.94	100.00

C. Expenditure in foreign currencies incurred during the year:

Particulars	Amount (₹ in Lakhs)	
	2021-22	2020-21
1. Travelling Expenses	2.69	-
2. Others	2.00	8.43
3. Financial Charges	2.78	4.29

D. Earnings in foreign currencies during the year:

Particulars	Amount (₹ in Lakhs)	
	2021-22	2020-21
1. FOB Value of Exports	8279.39	7551.78

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:

SI No	Particulars	Amount (₹ in Lakhs)	
		2021-22	2020-21
a)	(i) The principal amount remaining unpaid to any supplier at the end of accounting year	350.88	384.34
	(ii) The interest due on above	-	-
	Total of (i) & (ii) above	350.88	384.34
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. Trade Payables ageing Schedule for the year ending March 31, 2022 & March 31, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment					Total O/s
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31-03-2022						
MSME	282.35	68.52	-	-	-	350.87
Others	1723.97	283.15	0.54	-	101.48	2109.14
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-
31-03-2021						
MSME	345.48	28.75	10.00	0.01	0.09	384.33
Others	626.99	1101.82	(0.24)	0.95	101.48	1831.00
Disputed dues- MSME	-	-	-	-	-	-
Disputed dues- Others	-	-	-	-	-	-

17. Trade Receivable ageing Schedule for the year ending March 31, 2022 & March 31, 2021

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 Months	6 Months to 1 Year	1-2 Years	2-3 Years	More than 3 Years	
31.03.2022							
Undisputed Trade Receivable - Considered Good	2230.67	1286.40	5.90	9.03	12.23	0.89	3545.12
Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable - Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable - Considered Good	-	-	-	-	-	-	-
Undisputed Trade Receivable - Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
31.03.2021							
Undisputed Trade Receivable – Considered Goods	1842.60	1389.23	26.97	17.89	7.32	2.95	3286.97
Undisputed Trade Receivable – Which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-
Disputed Trade Receivable – Considered Good	-	-	-	-	-	-	-
Disputed Trade Receivable – Which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade Receivable – Credit Impaired	-	-	-	-	-	-	-

18. Corporate Social Responsibility (CSR)

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities are eradication of hunger and malnutrition, promoting education, healthcare, women empowerment, measures for the benefit of war widows and contributions to incubators has been formed by the company as per the Act. The funds were primarily allocated to a corpus and utilised through the year on these activities which are specified in schedule VII of the Companies Act, 2013.

The amount of expenditure to be spent on CSR activities and financial details as per the Companies Act, 2013 for the F.Y 2021-22 are as under:

Particulars	₹ in Lakhs	
	2021-22	2020-21
(i) Amount required to be spent by the Company during the year	41.03	31.04
(ii) Amount spent towards CSR Activities	41.03	31.04
(iii) Shortfall at the end of the year	Nil	Nil
(iv) total of previous years shortfall,	Nil	Nil
(v) reason for shortfall,	NA	NA
(vi) nature of CSR activities, Promoting Education, Healthcare, rural development and other key allied social initiatives.		
(vii) details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	NA	NA
(viii) where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA

19. 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) consist 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

(₹ in Lakhs)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Carrying Amount	*Fair Value	Carrying Amount	*Fair Value
Financial Assets				
Measure at amortised cost:				
Non-Current				
Financial Assets				
(i) Loans	77.17	77.17	77.64	77.64
Current				
Financial Assets				
(i) Trade Receivables	3545.13	3545.13	3286.97	3286.97
(ii) Cash and Cash Equivalents	66.82	66.82	343.17	343.17
(iii) Bank Balances	1456.14	1456.14	1934.36	1934.36
(iv) Loans	99.42	99.42	79.31	79.31
Measured at fair value through profit and loss				
Non - current				
(i) Investments	-	-	-	-
Total	5244.68	5244.68	5721.45	5721.45
Financial Liabilities				
Measured at amortised cost				
Non-Current				
Borrowings	175.85	175.85	180.75	180.75
Provisions	62.12	62.12	76.24	76.24
Other Non - Current Liabilities	-	-	-	-
Current				
Financial Liabilities	-	-	-	-
Borrowings	100.96	100.96	4.49	4.49
Trade Payables	2460.04	2460.04	2215.34	2215.34
Other Financial Liabilities	89.06	89.06	102.66	102.66
Total	2888.03	2888.03	2574.99	2574.99

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 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.

20. 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 March 31, 2022 and March 31, 2021.

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 March 31, 2022 and March 31, 2021.

(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 carries 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.

21. Event occurring after the balance sheet date

The Board of Directors has recommended an Equity dividend of ₹ 1.20/- per share on face value of ₹ 10/- each, for the financial year 2021-22. The proposal is subject to the approval of shareholders at the Annual General Meeting.

For **Ramanand & Associates**

Chartered Accountants

ICAI Firm Reg. No. 117776W

CA Karan Verma

Partner

M. No. 161335

UDIN: 22161335AJXTZD2223

Place : Thane

Date : May 30, 2022

22. The MCA wide notification dated March 24, 2021 has amended Schedule III to the Companies Act, 2013 in respect of certain disclosures. Amendments are applicable from April 01, 2021. The Company has incorporated the changes as per the said amendment in the above results and has also changed comparative numbers wherever it is applicable.

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

For & on behalf of the Board

Sharad Taparia

Managing Director

DIN:00293739

Mukul Taparia

Director

DIN: 00318434

Sukhmal Jain

Chief Financial Officer

Rachana Rane

Company Secretary



Permanent Magnets Ltd.

Corporate Office :

PERMANENT MAGNETS LIMITED

Plot No. B-3, MIDC Industrial Area,
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Dist. Thane.