Transcript of AGM Dated 07.08.2025

Mr. Sharad Taparia, Managing Director

Dear Shareholders,

Good Afternoon and welcome.
I am Sharad Taparia, joining you today from our Corporate Office in Mumbai. It is my pleasure to welcome you all to the 64th Annual General Meeting of Permanent Magnets Limited. I hope you and your families are safe and in good health.
In line with the circulars issued by the Ministry of Corporate Affairs, this meeting is being conducted through video conferencing.
Before we proceed with the formal agenda, I would like to take a moment to introduce the esteemed members of our Board and senior officials who have joined us virtually today:
Mr. Nirmal Kumar Jain, Independent Director and Chairman of the Company and Chairman of the Audit Committee
Mr. Kamal Binani, Independent Director and Chairman of the Nomination and Remuneration Committee
Mr. Girish Desai, Non-Executive Director
Mr. Mukul Taparia, Non-Executive Director
Mr. Suniana Taparia, Non-Executive Director
Mr. Sukhmal Jain, Chief Financial Officer
Mr. Hemant Agrawal, Statutory Auditor
Mr. Arun Dash, Secretarial Auditor and Scrutinizer
Ms. Rachana Sawant, Company Secretary

The Company Secretary has confirmed that the requisite quorum is present, in compliance with Section 103 of the Companies Act, 2013.

Accordingly, I declare the 64th Annual General Meeting of the Company duly convened and open for proceedings.
I now invite Rachana, our Company Secretary, to apprise the members of the arrangements made to ensure the smooth and seamless conduct of this meeting.

Rachana, over to you.

Mrs. Rachana Sawant, Company Secretary

Thank You Sir.

Good Afternoon to all Board Members, Auditors and Shareholders.

I am Rachana, Company Secretary of the Company, joining you from our Corporate Office in Mumbai.

It is my pleasure to extend a warm welcome to each of you to the 64th Annual General Meeting of the Company, being conducted through video conferencing, in accordance with the guidelines issued by the Ministry of Corporate Affairs.

Before we proceed, I would like to inform you that in compliance with the provisions of the Companies Act, 2013, the Company has enabled electronic voting on all the resolutions set forth in the Notice of the AGM.

Members who have not yet exercised their votes through remote e-voting may do so during the meeting using the e-voting facility provided by CDSL.

We have also received requests from a few members who have registered themselves as speakers. They will be invited to share their views or raise queries during the Q&A session. The moderator will facilitate and coordinate this interaction.

With this, I now invite our Chairman Mr. Nirmal Kumar Jain, to kindly address the shareholders.

Thank you. Over to you, Chairman Sir.

Mr. Nirmal Kumar Jain, Chairman

Thank you Rachana, I am Nirmal Kumar Jain, Independent Director and chairman of your Company.

Chairman’s Speech

Dear Shareholders,

It is my pleasure to welcome you all to the Annual General Meeting for the financial year 2024-25.With the consent of the Members present the notice of the 64th AGM and the Report thereon were taken as read.

The past year has been one of both consolidation and transition for Permanent Magnets Limited. We faced some challenges in the global market, particularly in the Electric Vehicle (EV) segment and the domestic smart meters business, which led to a moderation in our revenue growth. Our total income saw a modest 2% increase, and our profitability margins were affected, resulting in a decline in Profit After Tax.

Despite these headwinds, we have been focused on strengthening our foundation for future growth. In the EV business, we are working to diversify our customer base and increase our presence with Indian EV manufacturers. For smart meters, we have expanded our product offerings by adding Latching Relays through a new licensing agreement. This is an important step as relays are significantly higher in value and open up a larger market for us. We are preparing to begin manufacturing these relays in the second half of the current financial year.

Our alloys business, while slower than expected in FY25, is showing encouraging signs with recent orders. We also achieved AS certification for our alloys facility, which creates opportunities in various sectors like Defense. We are investing in a new furnace to increase our capacity in this area.

Our subsidiary, Quantum Magnetics, is moving towards production of rare earth magnets in India. Global supply challenges have highlighted the need for domestic manufacturing in this space, and we are in discussions with Govt agencies for related incentive schemes.

We believe the strategic actions we have taken this year – including new products, capacity expansions, and customer diversification – will help us return to a growth path. We are committed to creating value for all our stakeholders and building a resilient organization ready for future opportunities.

Thank you for your continued trust and support.

Mrs. Rachana Sawant, Company Secretary

Dear Members,

In line with the Companies Act, 2013, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, shareholders were given the opportunity to cast their votes electronically on the resolutions outlined in the Notice dated 23rd May, 2025.
Please be informed that there are seven Agenda Items requiring your approval.

For shareholders who have joined this AGM and have not yet cast their votes, you will have the opportunity to do so during this meeting. Before we proceed to the voting on the resolutions, I will provide a brief overview of each resolution.

Three items of Ordinary Business to be passed as ORDINARY RESOLUTIONS which are:

1. To receive, consider and adopt the Audited (Standalone & Consolidated) financial statements for the Financial Year ended March 31, 2025 together with the reports of the Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs. 2/- per equity shares, for the financial year ended March 31, 2025.
3. To appoint a director in place of Girish Desai (DIN: 01056763), who retires by rotation and being eligible, offers himself for re-appointment.

One items of SPECIAL BUSINESS to be passed as SPECIAL RESOLUTION which is :

4. To revise the terms of remuneration w.e.f. April 01, 2025 of Sharad Taparia (DIN: 00293739) as Managing Director.

Two items of SPECIAL BUSINESS to be passed as ORDINARY RESOLUTION which are :

5. Re-appointment of Sharad Taparia (DIN: 00293739),as the Managing Director of the Company w.e.f April 01, 2026 for 5 years.

6. To Increase the Authorised Share Capital of the Company and Alteration of the capital clause of the Memorandum of Association of the Company.
7. To appoint Dash Dwivedi & Associates LLP, Company Secretaries as the Secretarial Auditors of the Company and to fix their remuneration.

The text of the resolutions, along with the explanatory statement, was included in the Notice circulated to all members. With this, we have covered all the Agenda Items.

M/s. Arun Dash & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to oversee the e-voting process with fairness and transparency.

The results of the voting will be declared within two working days from the conclusion of this meeting. The Scrutinizer's report, will be available on the Company's website, as well as on the websites of CDSL and the stock exchanges where the Company's shares are listed.

We will now proceed with the Registered Speakers. I kindly request that members keep their questions brief and specific. Responses to all questions will be provided after the speakers have finished their remarks.

I now invite Mr. Himanshu Trivedi to share his views.

Mr. Himanshu Trivedi, Shareholder

Can you hear me? Good afternoon, good afternoon everybody. Respected chairman Nirmal Jain and other director sitting on dies.

1st of all I am thankful to our company secretary for sending me a soft copy of the AGM report well in advance, which is the full of information and in place, which is easy to follow and easy to understand. So I'm thankful to the entire secretary team. Report is nicely prepared with a beautiful information of full of retaining. I don't want to have more questions because I have full faith on board and their resolution. I serve, I support all the resolutions. I have sent my all questions and query through the emails, which is the save the time of I give the opportunity to speak my other.

Sir, still I have few questions my question is my, what new technology is developed by our company? What is market share? We have a domestic and as well as international market share. And what would be effort a small or organized center? Sir, our company planning for launching any plant and machinery during current FY.

I have no more question. I wish good luck and bright future for coming financial. Thank you to allowing me to speak.

Mr. Sharad Taparia, Managing Director

Your 1st question was regarding the technology and what new technology are we implementing? So these are based on our directions of the new products that we are introducing in this year, particularly in the space of relay and alloys. These are the two big projects.

In in the last, I mean in the last financial year 24-25, there are ongoing technological improvements that we are implementing in this space to, relay business to start and alloy business to expand. So these two particular areas I can point out.

The rest of the businesses are also having a lot of customized products for which various operations, manufacturing operations we need to add. So those on specific case by case basis we are adding.

So I hope this answers your questions regarding technology as far as your question for local and export business. In last financial year, our export was 52 % and local was 48 %.

Right, and I think your 3rd question was regarding plant and machinery. So, you are adding equipment to the again in the relay manufacturing and we are adding a new furnace in the Alloy business. These are two important steps that we are taking and in the subsidiary, we are adding new equipment towards going towards manufacturing of the rare earth magnets. These three things that we are doing. Yes sir.

Mr. Himanshu Trivedi, Shareholder

Sir, excuse me, if possible, please conduct the plant visits sir. So many years pass when the meeting is conducted at Baroda at that time physically present and two times.

Mr. Sharad Taparia, Managing Director

Yeah, we note down your request, we will consider this. Thank you. Okay, thank you sir.

Mrs. Rachana Sawant, Company Secretary

Thank you, sir. Our next speaker will be Dnyaneshwar K Bhagwat.

Mr. Dnyaneshwar K Bhagwat, Shareholder

Respected Chairman, board of director. 1st of all, I should say thanks to the company secretary for sending me the soft copy and as well hard copy of the AGM very full of information and easy to understand.

Mrs. Rachana Sawant, Company Secretary

Okay, so our next speaker will be Mr. Keshav Garg.

Mr. Keshav Garg, Shareholder

Yeah, can you hear me now? Yes, thank you for registering me as a speaker shareholder for this meeting. I actually had a list of questions that I'll just ask you. So firstly, why have a EBIDA margins declined in.

By 25 and going forward what could be a steady state a EBIDA margin? Do we expect any margin improvements in the coming year? And what could be the incremental margins that we could earn from.

Higher value latching relays, what is the current situation around import of rare earth elements? Have we found any alternate solution for the same? And.

What is the current demand scenario in the EV segment? Are we seeing any green shoots and also what percentage of our revenue would come from EV? So, we are adding a new furnace.

In the alloy segment and we've also gotten a new certification AS certification for alloy segment. What could be the peak revenue potential from these two improvements that we are making to alloy segment?

Also, are we any, are we exclusive suppliers to any OEM's and have we added any new domestic EV OEM customers? Our exports have also declined in FY 25, what was the reason behind that and what would be our Future export prospects. What is our market share in magnetic sensors and smart meters respectively and also our working capital days have increased, so what would be the optimal level of working capital going forward? Thank you. These were my questions.

Mr. Sharad Taparia, Managing Director

Okay, thank you. I think your 1st question, we can take one by one, the 1st question regarding EBIDA margins and you see our business is divided into multiple product categories.

So, and within each product category, there are different customized products. Most of our products are customized products. So depending on the cost of each product, the margins are completely different.

For each of these products. So the combined EBIDA margin when you see is actually a result of which product gets sold more in that particular financial year. So, when you say when this year the margins have reduced is a result Of lesser export sales of EV related products. The main reason is that because we are comparing this with the earlier years where the margins are higher and that happened due to the EV related export sales which were growing very much at that time, which have got down. So that situation continues as it is. And now in going forward in future, the EBIDA margins will depend more and more.

On the, on the new businesses which will grow, and my expectation is that they will grow faster and so it will depend on those businesses, particularly Alloy and then maybe in the later part of the next year relay businesses.

I think this I've answered your question on the EBIDA margins. Your next question was related to relay margins?

Latching relay, we are expecting a margin because the major content of the latching relay is silver and copper. These are the major costs of the latching relay. But we expect the margin to be somewhere there is also customization. We expect it to be Between about 15 to 20 % and then your question was regarding peak revenue potential of Alloy.

We had the earlier Furnace was is 80 kilo Furnace. Now we are getting the 600 kilo Furnace. I think in total in totality, the total potential with virgin.

Alloys in metals if when we do, total potential can be about 200 to 250 croes from this capacity itself based on certain type of nickel based alloy.

Now depending on which alloy we get, the range can be, let's say between hundred to 300 crore or something like that based on how much nickel cobalt or maybe, value of the alloy.

And if we are and if we are doing more of job work then that turnover level goes down. So I think that is what I've explained on this. In rare earth I can give you an update that right now there is a crisis going on where.

Everybody knows that imports are the China is restricting the exports. So we are going towards manufacturing of this rare earth magnets in India in our subsidiary company. We have already ordered machines.

From block cutting onwards, we are going into three phases. 1st phase was assembly phase, which we already implemented. Second phase is the block cutting onwards all the processes, those machines we have already ordered.

3rd phase will be producing the block itself from alloy. Those we will decide after our second phase is implemented. So our expectation is in 2026, we will have 2nd phase implemented.

We will take a decision for the 3rd phase during second half, second half of 2026. This is our plan on the rare earth magnets. We are already in discussions with some customers, international and domestic. They have shown a lot of interest.

In long term procurement agreements, we are also in discussion with government of India for related incentive schemes, so both these fronts we are working on.

I think this the revenue percentage was your one of your other questions. So in the last year, 43 % was from Electricity meters and 27 % was from automotive business. This is broadly the mix. The rest was CT.

7 %, and gas meter was about 3 % and alloy was about 3 %, others were 17 %. This is the broad product mix, application percentage.

I think I've answered all these questions, anything else? Working capitalized you will ask for working capital days, our optimal cycle of working capital days is 120 to 150 days Since we have many important which is very which is having very long lead time and.

We need to keep some inventory to take care of uncertainty and import conditions. Customer we have added some customer which are for which we have supplied some sample and they can be a potential customer 8 customer we have added.

In last year so I hope we have answered your question Mr. Garg. Yes sir. So are you there?

Mr. Nirmal Kumar Jain, Chairman

Yeah, you can go to the next speaker.

Mrs. Rachana Sawant, Company Secretary

Yes, so our next speaker will be Ms. Celestine Elizabeth.

Ms. Celestine Elizabeth Mascarenhas, Shareholder

Hello? Yes ma'am. I'm just trying to start my video. Okay, you can see me?

Mr. Nirmal Kumar Jain, Chairman

Okay. Yeah, we can see you.

Ms. Celestine Elizabeth Mascarenhas, Shareholder

Okay yes. Good afternoon.

I'm so happy to see you after Jindal Holding. My photo didn't come here the photo is come. So nice. How are you keeping so.

Mr. Nirmal Kumar Jain, Chairman

I'm fine, thank you. How are you ma'am?

Ms. Celestine Elizabeth Mascarenhas, Shareholder

Good, good, so far good. Yeah. I enjoyed now. Today our IPO is there cement. Yeah, that's right. So anyway, I go to the formal.

Ms. Celestine Elizabeth Mascarenhas, Shareholder

Mr. Nirmal Kumar Jain, Chairman, MD Mr. Sharad Taparia, other members of the board, my dear fellow shareholders, I am madam CE Mascarinas speaking from Mumbai. 1st of all, I thank the company's secretary, Madam Rachana Sawant, and her team for sending me an Annual report and also registering me as a speaker at my, at my request and also giving me this platform which was very easy to operate. The working, the annual report is full of information, facts and figures and pictures of our products, self explanatory adhering to all.

All the norms of corporate governance. Now our working is good. I mean ok but we are dividend is Rupees two is really appreciated. Congratulations for all ours, also very good CSR work. ESG is also being taken care. Now my queries.

1st one is we are in electricity meters which are used in renewable energy, robotics, aerospace, and defense, food and beverages. Among these in which of these our electrometers you use will, where we will get good both along with margins, which among them. Our global smart meter is exported to many countries. Is it exported also to US? And if it is, how much is the total compared to the other exports?

Second, we are in automation sector, which vertical we are catering and who are our customers and who our competitors in domestic domestic as well as international.

Next one we are manufacturing of the rare earth magnets in our subsidiary, who is the collaborator or from whom we are getting the technical support and are we talking of the same thing with China is supplying.

Rare earth magnets to USA. Are we in the same line? I am trying to understand from you all because there's so much talked about the rare earth magnets and US, so I, can you throw some light on this aspect? Any challenges , we will face due to.

Trumps tariff of 50 % and what interior solutions we are working on. Lastly but not the least, future roadmap for the next five years CapEx requirements, which vertical will be the growth engine along with good margin. With this I support all the resolution, I wish my company all the best made grow from strength to strength, and here I wish the entire team very good health sir, everyone you and all the team so that health will be the wealth which you will create for us. With this, thank you and wish all the festive seasons starting with the Rakshabandhan. Thank you so much. God bless you.

Mr. Sharad Taparia, Managing Director

Thank you Mascarenhas. Thank you for your kind words and the encouragement now I can answer your questions. So your 1st question was which applications what we are doing have a better growth prospect. So you as you know that we started our business with the magnets, our name is.

Permanent magnets, but magnets itself today actually is a very small part of the business, only about 10 %. And this change has happened. The change what has happened is we have positioned our company as a capability, we are selling our capabilities and, and not.

Our products to customers, as a result, so many different areas we have been able to enter into. E.g., the EV space, the electricity meter smart energy meter space.

And now the alloyed business and now the relay business all has happened because we position ourselves as a capability we are selling our capability, that is what we are doing. Amongst the applications, particularly today we are seeing big growth in the energy meter business, which is about to come because to in the Indian market out of which only 30 million approximately have been installed and this is going ahead this in the coming years will be quite accelerated I believe, and therefore it opens up a big opportunity. The energy meter market mainly, we are seeing for the Indian producers are mainly now supplying to Indian utilities.

They are also doing some exports, but I believe the export quantities are much lesser what they are doing as compared to the domestic business that they are doing. Our company also has exports for products that we are selling for exports for energy meter business to some of the major, the, the biggest producers of energy meters worldwide. We are supplied to all three, all three of those companies.

Now regarding your next question was about automation customers, we can't name any specific customers, but we are doing some devices for automation which are related to current sensing application. So where they measure the current, we provide the current sensors for such application and these are customized sensors which the automation companies they need. Now your next question was regarding rare earth permanent magnets which ok we are moving towards that direction. Yes, it is the same magnet that we are talking worldwide.

Where there is a crisis, we are going to go ahead and produce those magnets in India. we have ordered equipment from block cutting onwards, which I already explained we are in the process of finalizing our collaborator. Right now we have not done it, but we are going to do it soon. At this stage I cannot even give you any names, but that will be announced as and when we finalize it. Then your question was about US So today USA business for us is about 20 % of our business is USA market. Export, which is all fully export business and this right now is not impacted for two reasons. One There is it's a customized product, so it is not easy for the customer to change over so easily. The raw material sources is specified by them and for them to change over, they have to do a lot of trials and approvals. And second we are checking really what is the applicable tariff for our product, how are they classifying that in some of the product categories are exempted from such tariffs.

So we are checking that point right now what exactly is the is the level but we have not been impacted till now. The sales are going on as it is. Yeah, our terms with the customers are X works and not delivered so our prices are based on export. Customer pays for all the duties and transportation and the duties. Your next question was regarding the next five years look in CapEx. As you see in the past years, our CapEx levels are increasing year by year. We expect higher and higher CapEx based on growth than we will get due to this mainly due to Alloy and relays business.

In the immediate term that we are seeing, other businesses also we are developing, but those are all in the trial stages. E.g., there is a current sensor business we are developing some modules that was in the module space we have been talking about Modules for a few years now that is materializing soon and we will launch a range of products, current sensors, which will be a standardized standard current sensor models we are going to launch and then expand those models.So that also will in the coming years have some CapEx and some good business opportunities. I think broadly these are, these are the points that you had asked and I hope I've given you a satisfactory reply. Thank you. Thank you.

Mrs. Rachana Sawant, Company Secretary

Thank you ma'am. With this we complete our registered speaker list. Thank you to all registered speakers. Please note that the voting on CDSL platform will remain open for an additional 15 min after the conclusion of this meeting.
Members who have not yet cast their votes are encouraged to do so. Resolution as outlined in the notice will be deemed past today subject to receiving the requisite numbers of votes. We appreciate the participation of all the shareholders who joined us via video conference.
With this we declare the proceedings of the meeting closed. Thank you to all board members, auditors, and shareholders for your presence and contribution.

Mr. Sharad Taparia, Managing Director

Thank You all for attending our meeting and wishing you all the best and thank you for the wishes and thank you very much. Goodbye.

Mr. Nirmal Kumar Jain, Chairman

Goodbye, Thank you. Thank you.