

56TH
ANNUAL REPORT
2016-2017



PERMANENT MAGNETS LIMITED

PERMANENT MAGNETS LIMITED

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BOARD OF DIRECTORS

Shri. Arun Binani	<i>Independent Non Executive Director & Chairman</i>
Shri. Sharad Taparia	<i>Managing Director</i>
Shri. Rajeev Mundra	<i>Independent Non Executive Director</i>
Shri. Mukul Taparia	<i>Non Executive Director</i>
Smt. Sunaina Taparia	<i>Non Executive Director</i>

COMPANY SECRETARY

Ku. Rachana Rane

AUDITORS

M/s. Jayesh Sangharajka & Co. LLP
Chartered Accountants
405-407, Hind Rajasthan Centre,
D.S. Phalke Road, Dadar (East)
Mumbai - 400 014, Maharashtra

BANKERS

Central Bank of India
State Bank of India

REGISTERED OFFICE

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

CORPORATE OFFICE

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

FACTORIES

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

REGISTRAR 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 - 28594060 / 6060
E-mail : adroits@vsnl.net

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NOTICE

NOTICE is hereby given that the **56th Annual General Meeting** of the members of **Permanent Magnets Limited** will be held on Thursday, the 28th day of September, 2017 at 11.00 a.m. at the Registered Office of the Company at Harsh Avenue, 302, 3rd Floor, Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa – 396230, Union Territory of Dadra and Nagar Haveli, India, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 along with notes and schedules thereon as on that date and the reports of Board of Directors and Auditors thereon.
2. To appoint a director in place of Shri. Mukul Taparia (DIN: 00318434), who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of Statutory Auditors of the Company

To consider and, if thought fit, to pass with or without modification(s), as an Ordinary Resolution the following:

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, M/s. Ramanand & Associates, Chartered Accountants (Firm Registration No. 117776W), be and is hereby appointed as Auditors of the Company in place of the retiring auditors M/s Jayesh Sanghrajka & Co., LLP Chartered Accountants, (Firm Registration No. 104184W/ W100075), to hold office from the conclusion of this Annual General Meeting (“AGM”) till the conclusion of the Sixty - First AGM to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. Revision in terms of remuneration of Shri. Sharad Taparia (DIN : 00293739), Managing Director of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution :

“RESOLVED THAT in partial modification of the resolution passed by the members at the 55th Annual General Meeting of the Company held on 28th September, 2016 and the resolution passed by the Board of Directors at its meeting held on 30th March, 2017 for the appointment and the terms of remuneration payable to Shri. Sharad Taparia as the Managing Director of the Company pursuant to Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013 (“Act”) and the Rules made thereunder, as amended from time to time, read with Section II of part II of Schedule V and other applicable provisions, if any of the Companies Act, 2013 on the recommendation of the Board and the Nomination and Remuneration Committee, and subject to such other necessary approval(s), consent(s), or permission(s) as may be required, with further liberty to the Board of Directors of the Company (hereinafter referred to as “the Board”) which term shall be deemed to include any Committee constituted/ to be constituted by the Board from time to time to alter the said terms and conditions of appointment and remuneration of Shri. Sharad Taparia in the best interests of the Company and as may be permissible at law, the consent of the members of the Company be and is hereby accorded, the revision in the salary scale applicable to Shri. Sharad Taparia, as detailed below :

Salary & Perquisites:

1.	Basic Salary: Rs. 3,00,000/- per month w.e.f. April 01, 2017.
2.	In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like club fees and leave travel concession for himself and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
3.	Cars, Telephone, Cell Phone, laptop, desktop shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites.
4.	Other benefits like Gratuity, Provident Fund, Superannuation Fund and /or Annuity Fund etc. as applicable to Senior Executives of the Company.
5.	The Managing Director shall not paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof
6.	The above terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendment hereafter in that regard.

RESOLVED FURTHER THAT the Board be and is hereby authorised to determine the salary of Shri. Sharad Taparia, the Managing Director of the Company, within the approved remuneration, increasing thereby, proportionately, all benefits associated therewith.



RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

By Order of the Board of Directors
For **Permanent Magnets Limited**
Sd/-

Dated: 14th August, 2017

Place: Mumbai

Corporate Office:

B-3, MIDC Industrial Area,

Village Mira, Mira Road - 401104 Dist. Thane.

Rachana Rane
Company Secretary

NOTES:

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

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

2. Register of Members and Share Transfer Register shall remain closed from Wednesday, 20th September 2017 to Thursday, 28th September, 2017 (both days inclusive).
3. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) setting out material facts concerning the business under Item No. 4 of the Notice, is annexed hereto.
4. The Company has appointed a SEBI approved Registrar and Share Transfer Agent M/s. Adroit Corporate Services Private Limited having their office 17/20, Jafferbhoy Ind. Estate, 1st Floor, Makhwana Road, Marol Naka, Andheri (E), Mumbai-400059. Members are requested to send all communication such as relating to Change of Address, Transfer/Demat of shares etc. to M/s. Adroit Corporate Services Private Limited.
5. Trading of equity shares of the company in demat form has been made in the CDSL system on 31st October, 2001 and in the NSDL system on 29th November, 2001 under ISIN No. INE418E01018.
6. The shares of the company are in Demat category for all the investors. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or RTA for assistance in this regard.
7. Corporate Members are requested to send a duly certified copy of the Board resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members/Proxies are requested to bring their admission slips along with the copies of the Annual Report to the Meeting.
9. Members having any queries in relation to the accounts are requested to send details of their queries at least ten days in advance to enable the Company to collect the relevant information.
10. Members who have not registered their e-mail address so far are requested to register their e-mail address, by sending an email stating clearly your name, folio no. if you are holding shares in physical form then DP Id & Client Id if you are holding shares in dematerialized form to:- **investors@pmlindia.com**.
11. The Notice of the AGM along with the Annual Report 2016-17 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode. Members may note that this Notice and the Annual Report 2016-17 will also be available on the Company's website viz. **www.pmlindia.com**

12. The route map showing directions to reach the venue of the Fifty Sixth AGM is annexed.
13. In compliance with the provisions of Section 108 of the Act read with Rule 20 & 21 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM. The Board of Directors has appointed Shri. Arun Dash, Practicing Company Secretary, as a Scrutinizer.

Voting through electronic means:

The procedure and instructions for the same are as follows:

- (i) The voting period begins on 23rd September, 2017 at 10.00 a.m and ends on 27th September, 2017 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 21st September, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website **www.evotingindia.com**.
- (iv) Click on Shareholders/Members.
- (v) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) 1. Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. 2. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
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. 1. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

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



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

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

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

The 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.

By Order of the Board of Directors
For **Permanent Magnets Limited**
Sd/-

Rachana Rane
Company Secretary

Dated: 14th August, 2017

Place: Mumbai

Corporate Office:

B-3, MIDC Industrial Area,

Village Mira, Mira Road - 401104 Dist. Thane.

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

As required by section 102 of the Companies Act, 2013 (Act), the following explanatory statement sets out all material facts relating to the business mentioned under Item No. 4 of the accompanying Notice:

Item No. 4

The members of the Company at the 55th Annual General Meeting of the Company held on 28th September, 2016, had approved the appointment of Shri. Sharad Taparia (DIN:00293739) as a Managing Director of the Company and the terms of remuneration payable to him.

Taking into consideration his present salary and future revisions, if any, and based on the recommendation of Nomination and Remuneration Committee, the Board of Directors on its meeting held on 30th March, 2017 decided to revise the salary scale applicable to Shri. Sharad Taparia with effect from 1st April, 2017.

In case of no profits or inadequacy of profits in any financial year, the terms of appointment of Managing Director provide for payment of Minimum Remuneration during the currency of his tenure as per details mentioned herein below, subject to the approval of members.

The terms of remuneration are mentioned below

1.	Basic Salary: Rs. 3,00,000/- per month w.e.f. April 01, 2017.
2.	In addition to the salary payable, the Managing Director shall also be entitled to perquisites and allowances like club fees and leave travel concession, for himself and his family and such other perquisites and allowances in accordance with the rules of the Company or as may be agreed to by the Board of Directors.
3.	Cars, Telephone, Cell Phone, laptop, desktop shall be provided and their maintenance and running expenses shall be met by the Company. The use of above at residence for official purpose shall not be treated as perquisites.
4.	Other benefits like Gratuity, Provident Fund, Superannuation Fund and /or Annuity Fund etc. as applicable to Senior Executives of the Company.
5.	The Managing Director shall not paid any sitting fees for attending the meetings of the Board of Directors or Committee thereof.
6.	The above terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion, deem fit so as not to exceed the limits specified in Schedule V of the Companies Act, 2013 or any amendment hereafter in that regard.

Except Shri. Sharad Taparia and his relatives, None of the Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the resolution set out at item no. 4 of the notice.

The Board recommends this resolution for the approval of the Members.

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

Sd/-

Rachana Rane
Company Secretary

Dated: 14th August, 2017

Place: Mumbai

Corporate Office:

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



DIRECTORS' REPORT

To,
The Members,

PERMANENT MAGNETS LIMITED

Your Directors have pleasure in presenting the 56th Annual Report of the Company together with the Audited Statements of the Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

(₹ In Lakhs)

Particulars	31/03/2017	31/03/2016
Sales	7193.37	6744.56
Other Income	26.50	26.58
PBIDT & Extra Ordinary Items	447.89	381.11
Interest	165.88	160.10
Depreciation	140.04	137.16
Profit before Extra Ordinary Items & tax	141.97	83.84
Extra Ordinary Items	-	-
Profit before Tax	141.97	83.84
Current Tax /Deferred Tax (excess prov of IT)	23.29	(9.44)
Profit/(Loss) for the year	118.68	93.28

1. COMPANY'S PERFORMANCE:

The Sales for the financial year under review increased by appx. 7% as compared to previous year. Profitability also improved due to foreign exchange gain and operational efficiency during the year. The Company's total Revenue from operation stood at Rs. 7193.37 lakhs and the revenue for previous year was Rs. 6744.56 lakhs. The revenue from operation comprises of export Rs. 4390.11 lakhs. The Company earned Profit before Extra Ordinary Items & tax of Rs. 141.97 lakhs and profit after tax of Rs. 118.68 lakhs as compared to profit of Rs. 93.28 lakhs.

2. DIVIDEND :

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

3. CHANGE IN THE NATURE OF THE BUSINESS:

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

4. TRANSFER TO RESERVE:

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

5. DEPOSITS:

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

6. LISTING:

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

7. DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted the declaration of Independence as required under Section 149(7) of the Act confirming that they meet the criteria of independence as provided under the Act and the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations).

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

In accordance with the provisions of the Act and Articles of Association of the Company, Shri. Mukul Tappar, non-executive director retires by rotation and being eligible offers himself for reappointment.

The Board of Directors comprises of five directors of which two are Independent. The Chairman is an Independent and Non Executive Director. There were no director appointed or resigned during the year.

Smt. Bhavana Shah, the Company Secretary and Compliance officer of the Company has expressed her unwillingness to continue with the position and ceased to be associated with the Company w. e.f March 30, 2017.

On the recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company at their meeting held on March 30, 2017 has appointed Ku.Rachana Rane as the Company Secretary and Compliance Officer of the Company.

Shri Sukhmal Jain, Senior Vice President Finance acts as the CFO of the Company.

9. DIRECTORS RESPONSIBILITY STATEMENT:

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

- a) that in the preparation of the annual financial statements for the year ended March 31, 2017, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b) that such accounting policies as mentioned in Notes to the Financial Statements have been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and of the profit of the Company for the year ended on that date;
- c) that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) that the annual financial statements have been prepared on a going concern basis;
- e) that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f) that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

10. CORPORATE GOVERNANCE:

In terms of Regulation 27(2) read with Regulation 15(2) of Chapter IV of Listing Regulations, compliance with the provisions of clauses relating to corporate governance is not mandatory, for the time being, in respect of the companies having paid up equity share capital not exceeding Rs. 10 Crore and net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year. As our Company fits in these criteria, it is not required to provide details on corporate governance.

11. 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. During the year under review, no Companies have become or ceased to be Company's Subsidiaries, Joint Ventures or associate companies. As the Company do 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.

12. AUDITORS:

12.1 STATUTORY AUDITORS

As per the provisions of the Companies Act, 2013 (the Act), the period of office of M/s Jayesh Sanghrajka & Co. LLP, Chartered Accountants (Firm Registration No. 104184W/W100075), Statutory Auditors of the Company, expires at the conclusion of the ensuing Annual General Meeting. As per the recommendation of Audit Committee, it is proposed to appoint M/s Ramanand & Associates, Chartered Accountants (Firm Registration No. 117776W) as Auditors of the Company, for a term of 5 (five) consecutive years. M/s Ramanand & Associates, Chartered Accountants have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

12.2 SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Shri Arun Dash (COP No.:9309) of M/s. Arun Dash & Associates, Company Secretaries to undertake the secretarial audit of the company. The Secretarial Audit Report is annexed herewith as "Annexure B". The observations made in the Secretarial Audit Report are self-explanatory.

12.3 INTERNAL AUDITORS

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

13. EXPLANATION ON AUDITOR'S COMMENT

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

- a) With reference to para VII(a) and para VII(c) of the Annexure to the Auditor's Report the Income tax item i.e 0.54 lakhs relates to a company that has merged in the company and 9.36 lakhs pertaining to late filing fees & interest which are showing payable as per Income Tax Department. The matter is being looked into and shall soon be appropriately dealt with.
- b) With reference to para VIII of the Annexure to the Auditor's Report, the Central Excise Loan has remained unpaid as the matter is pending for the Clarification from Government of India and implementing agency i.e ICICI Bank for claiming compound interest on an interest free excise loan under a scheme of incentives. Matter with relevant agencies will be sorted out in due course of time. No material liability is expected in this regard.

14. MANAGEMENT DISCUSSION AND ANALYSIS.

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

15. PARTICULARS OF EMPLOYEES:

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

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

16. SIGNIFICANT AND MATERIAL ORDER PASSED BY THE REGULATORS OR COURTS

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

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

18. CORPORATE SOCIAL RESPONSIBILITY

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

19. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Vigil Mechanism Policy for directors and employees to report genuine concerns and to provide for adequate safeguards against victimization of persons who may use such mechanism. The said policy is posted on the Company's website - www.pmlindia.com.

20. RELATED PARTY TRANSACTIONS

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arms' length basis.

During the year, the Company had not entered into any contract/arrangement/transaction with related parties which could be considered material.

Members may refer to Note 8 of Notes to Account of the standalone financial statement which sets out related party disclosures.

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

21. FOREIGN EXCHANGE EARNING AND OUTGO:

Please refer to paragraph No. 12 (b) 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.

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

There was no loans made, guarantees given or securities provided during the year pursuant to Section 186 of the Companies Act, 2013.

23. MEETINGS, COMPOSITION OF THE BOARD AND COMMITTEES:

The Board of Directors of the Company met five times during the year on 28th May, 2016; 10th August, 2016 ; 5th November, 2016; 10th February, 2017 and 30th March, 2017.

Board of Directors Composition:

The composition is as under:

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

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

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

The details of the meetings attended by the Board during the year are given below.

Date of Board Meetings	Shri. Arun Binani	Shri. Sharad Taparia	Shri. Rajeev Mundra	Shri. Mukul Taparia	Smt. Sunaina Taparia
28 th May, 2016	√	√	√	√	√
10 th August, 2016	√	√	√	√	-
5 th November, 2016	√	√	√	√	-
10 th February, 2017	√	√	√	√	-
30 th March, 2017	√	√	√	√	√

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

AUDIT COMMITTEE

Constitution

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

Composition, names of members and chairman

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

*Smt. Bhavana Shah, Company Secretary acts as the Secretary of the Committee Ceased to be associated with the Company w. e. f March 30, 2017

* Ku. Rachana Rane, Company Secretary acts as the Secretary of the Committee w.e.f March 30, 2017

Audit Committee Meetings during the year and attendance -

Date of the Meeting	Attendance of Directors for Meetings held during the year 2016-2017			
	Shri. Rajeev Mundra	Shri. Sharad Taparia	Shri. Arun Binani	Shri. Mukul Taparia
28 th May, 2016	√	√	√	√
10 th August, 2016	√	√	√	√
5 th November, 2016	√	√	√	√

Date of the Meeting	Attendance of Directors for Meetings held during the year 2016-2017			
	Shri. Rajeev Mundra	Shri. Sharad Taparia	Shri. Arun Binani	Shri. Mukul Taparia
10 th February, 2017	√	√	√	√
30 th March, 2017	√	√	√	√

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial Information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Management & the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, changes in accounting policies & practices and major accounting entries involving estimates, compliances with accounting standards and Listing Regulations and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's Financial and Risk Management Policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half yearly and Annual Financial Statements before they are submitted to the Board of Directors.

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

NOMINATION AND REMUNERATION COMMITTEE (NRC)

During the year under review, the committee consisted of three directors viz Shri. Rajeev Mundra Chairman, Shri. Arun Binani, Shri. Mukul Taparia. During the year, the committee met twice, 28th May, 2016 and 30th March, 2017 the meeting was attended by all members.

The Committee was mandated with the following terms of reference:

- Determination and approval of the remuneration, commission and special allowance, if any, payable to the Managing Director.
- Finalisation and approval of the annual increments, if any, to the Managing Director.

Further on the recommendation of the Board and the Nomination and Remuneration Committee and subject to such other necessary approval(s), consent(s), or permission(s) as may be required, the consent of the members of the Company be and is hereby approves with effect from this Annual general meeting, the revision in the salary scale applicable to Shri. Sharad Taparia, as detailed in the statement forming part of the notice.

The company does not have any stock option scheme.

STAKEHOLDER RELATIONSHIP COMMITTEE

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

Stakeholder Relationship Committee consists of Shri. Rajeev Mundra, Chairman of the Committee, Shri. Mukul Taparia and Shri. Arun Binani. The Company Secretary, Smt. Bhavana Shah, is the compliance officer for this purpose. The committee meeting was held on 10th February, 2017 and 30th March, 2017 and was attended by all three members.

During the year the Company received NIL complaints.

The Committee reviews the system of dealing with and responding to correspondence from all investors. Every complaint letter received from stock exchanges, SEBI, Dept. of Company Affairs etc. and the responses thereto are reviewed by this committee. The committee also reviews the feedback from the investors and approves initiatives for further improvements in investor servicing. The Committee also ensures the expeditious share transfers.

24. REMUNERATION POLICY

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

25. ANTI SEXUAL HARASSMENT POLICY

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

26. EXTRACT OF ANNUAL RETURN

An extract of Annual Return in the prescribed Form No. MGT 9 as referred to in section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as "Annexure C".

27. ADEQUACY OF INTERNAL FINANCIAL CONTROLS

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

28. SHARE CAPITAL

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

29. COST RECORDS AND AUDIT

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

30. EQUITY SHARES IN THE 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 suspense account which were issued in dematerialised form pursuant to the public issue of the Company: **NA**

Particulars	Number of shareholders	Number of equity shares
Aggregate number of shareholders and the outstanding shares in the suspense account	NIL	NIL

31. PERFORMANCE EVALUATION :

The Board of Directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations'). The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings etc. The reports on performance evaluation of the Individual Directors were reviewed by the Chairman of the Board. In a separate meeting of independent directors performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors.

32. APPRECIATION:

Your Directors wish to thank all the shareholders, bankers and clients for lending their support in various activities of the Company. Your Directors would like to place on record their appreciation to all the employees who have continued their support during the year.

FOR AND ON BEHALF OF THE BOARD,

Sd/-

Sd/-

Date: 14th August, 2017

Place: Mumbai.

Corporate Office:

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

Sharad Taparia
Managing Director

Arun Binani
Chairman

ANNEXURE – A

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

Research and development (R & D):

1. Specific areas in which R & D carried out by the company.
 - I. Components for electrical car
 - II. Circuit Breaker Components and customized relay assemblies
 - III. Current Transformer (CT)
 - IV. Shielding Magnetic field
 - V. Gas Meter components
 - VI. Customized alloy ingot of soft magnetic material e.g. Fe-Ni alloys, Fe-Si alloys, Fe-Co Alloys
 - VII. Shunt assembly for energy meters as well as other applications
 - VIII. Zinc pressure die cast components (Hot Chamber) for all application (precision parts)
 - IX. Netutral assemblies with Brass Terminal
 - X. Clamp on Current Sensor
 - XI. Nano & Amorphous iron based ribbon parts
2. Benefits derived as a result of above R & D.
 - I. New product line development for future increase in Business.
 - II. New Market segments with new components like Circuit Breakers, current transformer, shielding components, Flux Concentrator, gas meter components, customized alloy ingot.
 - III. New magnetic measurement equipment for open loop components (all soft materials)
3. Future plan of action.
 - I. Alloy developments & modifications for cost reductions & New alloy development e.g. Fe-Ni, Fe-Si (soft magnetic alloys) as well as new market
 - II. Assemblies related to electronic components & assemblies e.g. shunt assemblies with terminal & cable, customized relay assemblies
 - III. New components related to Copper alloys, Iron nickel alloys, Iron silicon alloys , Iron Cobalt alloys
 - IV. Aero space components
 - V. Development of assemblies using soft magnetic materials
4. Expenditure on R & D (in Rs.)

I. Capital	-	Nil
II. Recurring	-	Rs. 67,74,672
III. Total	-	Rs. 67,74,672

Total R & D expenditure as a percentage of total turnover is 0.94%.

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 above efforts e.g. product improvement, cost and in process cost reduction, product developments, import.
 - New product line development in progress for company with good potential for future.

Conservation of energy:

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

“ANNEXURE B” TO DIRECTORS’ REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2017

**[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 Rd,

Silvassa, Dadar Nagar Haveli– 396230.

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Permanent Magnets Limited (“the Company”) for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (‘SEBI Act’):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not applicable to the Company during the audit period)
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the audit period)
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period)
 - and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)
- (vi) Other laws specifically applicable to the Company:
 - 1. The Factories Act, 1948
 - 2. The Employee’s State Insurance Act, 1948
 - 3. The Employee’s Provident Funds and Miscellaneous Provisions Act, 1952
 - 4. The Maternity Benefit Act, 1961



5. The Child Labour (Prohibition & Regulation) Act, 1986
6. The Workmen's Compensation Act, 1923
7. The Environment Protection Act, 1986

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

- (i) Secretarial Standards 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.

We further report that:

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

Adequate notice was 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 Rs. 19,05,179/- with interest as per direction of the Hon'ble Court. Matter is pending before the Hon'ble Court and next hearing in this matter shall come up as per listing of the court.

For M/s Arun Dash & Associates
Company Secretaries

Sd/-

CS. Arun Dash
(Proprietor)

Place: Mumbai

Date: 12th August, 2017

M. No. ACS 18701

C.P. No. 9309

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

‘Annexure A’

**To,
The Members
Permanent Magnets Limited
Harsh Avenue, 302, 3rd Floor,
Opp Silvassa Police Station,
Silvassa Vapi Main Rd,
Silvassa, Dadar Nagar Haveli– 396230.**

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

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

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

Sd/-

**CS. Arun Dash
(Proprietor)**

**M. No. ACS 18701
C.P. No. 9309**

**Place: Mumbai
Date: 12th August, 2017**



ANNEXURE C

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	L27100DN1960PLC000371
ii) Registration Date	26/11/1960
iii) Name of the Company	PERMANENT MAGNETS LIMITED
iv) Category / Sub-Category of the Company	PUBLIC COMPANY / LIMITED BY SHARES
v) Address of the Registered office and contact details	HARSH AVENUE, 302, 3 RD FLOOR., OPP SILVASSA POLICE STATION, SILVASSA VAPI MAIN RD., SILVASSA - 396230, DNH
vi) Whether listed company	YES
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any-	ADROIT CORPORATE SERVICES PRIVATE LIMITED 17-20, JAFFERBHOY IND. ESTATE, 1 ST FLOOR, MAKHWANA ROAD, MAROL NAKA, ANDHERI (E), MUMBAI - 400059. TEL/DIRECT: +91 (0)022 - 28594060 / 6060

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sr. No.	Name and Description of main products / services	ITC Code of the Product/ service	% to total turnover of the company
1.	The Company has been operating in single business Segment i.e. Magnetism and its applications.	85059000	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

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

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	2815638	0	2815638	32.75	3222728	0	3222728	37.48	4.73
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	1206179	0	1206179	14.03	423377	0	423377	4.93	-9.1
e) Banks /FI	0	31290	31290	0.36	0	31290	31290	0.36	0.00
f) Any other									
f-1) HUF Controlling	489375	0	489375	5.69	515457	0	515457	5.99	0.3
f-2) Directors	1125401	0	1125401	13.09	1468711	0	1468711	17.08	3.99
f-3) Directors Relatives	506529	0	506529	5.89	512849	0	512849	5.97	0.08
Total Shareholding of promoter (A)	6143122	31290	6174412	71.81	6143122	31290	6174412	71.81	0.00

PERMANENT MAGNETS LIMITED

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
B. Public Shareholding									
(1) Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	70	620	690	0.01	70	620	690	0.01	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B) (1)	70	620	690	0.01	70	620	690	0.01	0.00
(2) Non - Institutions									
a) Bodies Corp.									
i) Indian	101037	7540	108577	1.26	84789	7540	92329	1.07	-0.19
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	973483	531560	1505043	17.50	921108	525064	1446172	16.82	-0.68
ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	701486	0	701486	8.16	771973	0	771973	8.98	0.82
c) Others (Specify)									
c-1) Non Resident Indians (Individuals)	7635	32160	39795	0.46	12667	32160	44827	0.52	0.06
c-2) Non Resident Indian Corporate Bodies	0	66600	66600	0.77	0	66600	66600	0.77	0.00
c-3) Trusts	1850	0	1850	0.02	1250	0	1250	0.01	-0.01
c-4) Clearing Member	0	0	0	0.00	200	0	200	0.002	0.002
Sub-total (B)(2)	1785491	637860	2423351	28.18	1791987	631364	2423351	28.18	0.00
Total Public Shareholding (B) = (B)(1)+(B)(2)	1785561	638480	2424041	28.19	1792057	631984	2424041	28.19	0.00
C. Shares held by Custodian for GDRs & ADRs.									
Promoter and Promoter Group	0	0	0	0.00	0	0	0	0	0.00
Public -	0	0	0	0.00	0	0	0	0	0.00
Sub-total (C)	0	0	0	0.00	0	0	0	0	0.00
Grand Total (A+B+C)	7928683	669770	8598453	100	7935179	663274	8598453	100	0.00



(ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			% Change during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Rashi Taparia	1000	0.01	0.00	1000	0.01	0.00	0.00
2	Yamini Taparia	10410	0.12	0.00	47130	0.55	0.00	0.43
3	Jaiprakash Taparia, HUF	202770	2.36	0.00	202770	2.36	0.00	0.00
4	Sunilkumar Taparia	97890	1.14	0.00	97890	1.14	0.00	0.00
5	Sunaina S. Taparia	1500	0.02	0.00	34800	0.40	0.00	0.38
6	Ritu Taparia	1520	0.02	0.00	1520	0.02	0.00	0.00
7	Divya Taparia	3590	0.04	0.00	3590	0.04	0.00	0.00
8	Pregna International Limited	782802	9.10	0.00	0	0.00	0.00	-9.10
9	Sharad Kumar Taparia	522857	6.09	0.00	742857	8.64	0.00	2.55
10	Rameshchandra Taparia, HUF	71925	0.84	0.00	134727	1.57	0.00	0.73
11	Poornimadevi Rameshchandra Taparia	120654	1.40	0.00	270654	3.15	0.00	1.75
12	Rameshchandra Madanlal Taparia	468890	5.45	0.00	618890	7.20	0.00	1.75
13	Mukul Taparia	601044	6.99	0.00	691054	8.04	0.00	1.05
14	Kamladevi Taparia	695295	8.09	0.00	725695	8.44	0.00	0.35
15	Anupkumar Taparia	185040	2.15	0.00	185040	2.15	0.00	0.00
16	Anupkumar Taparia, HUF	153110	1.78	0.00	113360	1.32	0.00	-0.46
17	Rukmanidevi Taparia	40110	0.47	0.00	0	0	0.00	-0.47
18	Sunitadevi Taparia	217130	2.53	0.00	206530	2.40	0.00	-0.13
19	Anil Kumar Taparia	118430	1.38	0.00	118430	1.38	0.00	0.00
20	Anil Kumar Taparia, HUF	36720	0.43	0.00	39750	0.46	0.00	0.03
21	Megh Exim Pvt Ltd	88077	1.02	0.00	88077	1.02	0.00	0.00
22	Seemadevi Taparia	126100	1.47	0.00	53500	0.62	0.00	-0.85
23	NYMPH Properties Private Limited	160000	1.86	0.00	160000	1.86	0.00	0.00
24	Jaiprakash Taparia	496119	5.77	0.00	465719	5.42	0.00	-0.35
25	Bank of Rajasthan Limited	31290	0.36	100.00	31290	0.36	100.00	0.00
26	Sunilkumar Taparia, HUF	5450	0.06	0.00	5450	0.06	0.00	0.00
27	Shyamsunder Taparia, HUF	19400	0.23	0.00	19400	0.23	0.00	0.00
28	Shrinivas Company Pvt. Ltd.	175300	2.04	0.00	175300	2.04	0.00	0.00
29	Shyamsunder Taparia	648989	7.55	0.00	848989	9.87	0.00	2.32
30	Rishi Taparia	41000	0.48	0.00	41000	0.48	0.00	0.00
31	Manmohan Taparia	50000	0.58	0.00	50000	0.58	0.00	0.00
	TOTAL	6174412	71.81	0.51	6174412	71.81	0.51	

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

Sr No.	Name of Promoter's	Shareholding at the beginning of the year (April 01, 2016)					Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of Shares	% of total shares of the company
1	Megh Exim Private Limited	88077	1.02	NIL	NIL	NA	0	0.00
	At the End of the year						88077	1.02
2	Nymph Properties Private Limited	160000	1.86	NIL	NIL	NA	0	0.00
	At the End of the year						160000	1.86
3	Shrinivas Company Private Limited	175300	2.04	NIL	NIL	NA	0	0.00
	At the End of the year						175300	2.04
4	Anupkumar Taparia, HUF	153110	1.78				153110	1.78
				27/03/2017	(39750)	Interse Transfer	113360	1.32
	At the End of the year						113360	1.32
5	Jaiprakash Taparia, HUF	202770	2.36	NIL	NIL	NA	0	0.00
	At the End of the year						202770	2.36
6	Shyamsunder Taparia, HUF	19400	0.23	NIL	NIL	NA	0	0.00
	At the End of the year						19400	0.23
7	Sunilkumar Taparia, HUF	5450	0.06	NIL	NIL	NA	0	0.00
	At the End of the year						5450	0.06
8	Anil Kumar Taparia, HUF	36720	0.43				36720	0.43
				27/03/2017	3030	Interse Transfer	39750	0.46
	At the End of the year						39750	0.46
9	Divya Taparia	3590	0.04	NIL	NIL	NA	0	0.00
	At the End of the year						3590	0.04
10	Anil Kumar Taparia	118430	1.38	NIL	NIL	NA	0	0.00
	At the End of the year						118430	1.38
11	Pregna International Limited	782802	9.10				782802	9.10
				27/03/2017	(782802)	Interse Transfer	0	0.00
	At the End of the year						0	0.00
12	Sunitadevi Taparia	217130	2.53				217130	2.53
				27/03/2017	(10600)	Interse Transfer	206530	2.40
	At the End of the year						206530	2.40
13	Seemadevi Taparia	126100	1.47				126100	1.47
				27/03/2017	(72600)	Interse Transfer	53500	0.62
	At the End of the year						53500	0.62
14	Anupkumar Taparia	185040	2.15	NIL	NIL	NA	0	0.00
	At the End of the year						185040	2.15

15	Poornimadevi Rameshchandra Taparia	120654	1.40				120654	1.40
				27/03/2017	150000	Interse Transfer	270654	3.15
	At the End of the year						270654	3.15
16	Jaiprakash Taparia	496119	5.77				496119	5.77
				27/03/2017	(30400)	Interse Transfer	465719	5.42
	At the End of the year						465719	5.42
17	Sunilkumar Taparia	97890	1.14	NIL	NIL	NA	0	0.00
	At the End of the year						97890	1.14
18	Rameshchandra Madanlal Taparia	468890	5.45				468890	5.45
				27/03/2017	150000	Interse Transfer	618890	7.20
	At the End of the year						618890	7.20
19	Sharad kumar Taparia	522857	6.09				522857	6.09
				27/03/2017	220000	Interse Transfer	742857	8.64
	At the End of the year						742857	8.64
20	Rukmanidevi Taparia	40110	0.47				40110	0.47
				27/03/2017	(40110)	Interse Transfer	0	0.00
	At the End of the year						0	0.00
21	Rameshchandra Taparia, HUF	71925	0.84				71925	0.84
				27/03/2017	62802	Interse Transfer	134727	1.57
	At the End of the year						134727	1.57
22	Sunaina Taparia	1500	0.02				1500	0.02
				27/03/2017	33300	Interse Transfer	34800	0.40
	At the End of the year						34800	0.40
23	Kamladevi Taparia	695295	8.09				695295	8.09
				27/03/2017	30400	Interse Transfer	725695	8.44
	At the End of the year						725695	8.44
24	Shyamsunder Taparia	648989	7.55				648989	7.55
				27/03/2017	200000	Interse Transfer	848989	9.87
	At the End of the year						848989	9.87
25	Mukul Taparia	601044	6.99				601044	6.99
				27/03/2017	90010	Interse Transfer	691054	8.04
	At the End of the year						691054	8.04
26	Yamini Taparia	10410	0.12				10410	0.12
				27/03/2017	36720	Interse Transfer	47130	0.55
	At the End of the year						47130	0.55
27	Ritu Taparia	1520	0.02	NIL	NIL	NA	0	0.00
	At the End of the year						1520	0.02

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28	Manmohan Taparia	50000	0.58	NIL	NIL	NA	0	0.00
	At the End of the year						50000	0.58
29	Rishi Taparia	41000	0.48	NIL	NIL	NA	0	0.00
	At the End of the year						41000	0.48
30	Bank of Rajasthan Limited	31290	0.36	NIL	NIL	NA	0	0.00
	At the End of the year						31290	0.36
31	Rashi Taparia	1000	0.01	NIL	NIL	NA	0	0.00
	At the End of the year						1000	0.01

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

Sr. No.	* Name of the Top 10 Shareholders	Shareholding at the beginning of the year (April 01, 2016)		Cumulative Shareholding during the year (March 31, 2017)	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total shares of the company
1	Hitesh Ramji Javeri	275000	3.20	275000	3.20
2	Dipak Kanayalal Shah	165000	1.92	177073	2.06
3	Harsha Hitesh Javeri	150000	1.74	150000	1.74
4	Sangeetha S	36876	0.43	95290	1.11
5	Centro Magneti Permanenti S P A	66600	0.77	66600	0.77
6	Cesare Giuseppe Rossi	36660	0.43	36660	0.43
7	Saraiya Bhavin Ramakant	30743	0.36	30743	0.36
8	Rajendra Kumar Maliwal	23711	0.28	23711	0.28
9	VSL Securities Private Limited	37865	0.44	37865	0.44
10	Jyotindra Mansukhlal Mehta	20156	0.23	20156	0.23

*** The shares of the Company are traded on a daily basis and hence the date wise increase/decrease in shareholding is not indicated.**

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Directors & Key Managerial Personnel	Shareholding at the beginning of the year (April 01, 2016)					Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of shares	% of total shares of the company
1	Sharad kumar Taparia	522857	6.09				522857	6.09
				27/03/2017	220000	Interse Transfer	742857	8.64
	At the End of the year						742857	8.64
2	Sunaina Taparia	1500	0.02				1500	0.02
				27/03/2017	33300	Interse Transfer	34800	0.40
	At the End of the year						34800	0.40
3	Mukul Taparia	601044	6.99				601044	6.99
				27/03/2017	90010	Interse Transfer	691054	8.04
	At the End of the year						691054	8.04
4	Arun Binani	0	0.00	NIL	NIL	NA	0	0.00
	At the End of the year						0	0.00
5	Rajeev Mundra	0	0.00	NIL	NIL	NA	0	0.00
	At the End of the year						0	0.00



Sr. No.	Name of Directors & Key Managerial Personnel	Shareholding at the beginning of the year (April 01, 2016)					Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	Date	Increase/ decrease in Shareholding	Reason	No. of shares	% of total shares of the company
6	Sukhmal Jain	10	0.0001	NIL	NIL	NA	0	0.00
	At the End of the year						10	0.0001
7	Bhavana Shah	0	0.00	NIL	NIL	NA	0	0.00
	At the End of the year						0	0.00

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	17,61,19,555	25,00,000	-	17,86,19,555
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,46,114	-	-	2,46,114
Total (i+ii+iii)	17,63,65,669	25,00,000	-	17,88,65,669
Change in Indebtedness during the financial year				
· Addition	1,12,46,42,152	-	-	1,12,46,42,152
· Reduction	1,18,31,65,782			1,18,31,65,782
Net Change	(5,85,23,630)	-	-	(5,85,23,630)
Indebtedness at the end of the financial year				
i) Principal Amount	10,06,59,474	2,500,000	-	10,31,59,474
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1,71,82,566	-	-	1,71,82,566
Total (i+ii+iii)	11,78,42,040	2,500,000	-	12,03,42,040

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	Name of MD/WTM/ Manager	Total Amount
		Sharad Taparia	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,75,000	12,75,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	32,400	32,400
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit		
	- others, specify...		
5.	Others, please specify	-	-
	Total (A)	13,07,400	13,07,400
	Ceiling as per the Act		5,93,404

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B. Remuneration to other directors:

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Arun Binani	Rajeev Mundra	Mukul Taparia	Sharad Taparia	Sunaina Taparia	
1.	Independent Directors						
	· Fee for attending board committee meetings	14,500	14,500	-	-	-	29,000
	· Commission	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-
	Total (1)	14,500	14,500	-	-	-	29,000
2.	Other Non-Executive Directors						
	· Fee for attending board committee meetings	-	-	14,500	-	4,000	18,500
	· Commission	-	-	-	-	-	-
	· Others, please specify	-	-	-	-	-	-
	Total (2)	-	-	14,500	-	4,000	18,500
	Total (B)=(1+2)	14,500	14,500	14,500	-	4,000	47,500
3.	Total Managerial Remuneration						13,54,900
4.	Overall Ceiling as per the Act						1,18,681

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

Sr. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	7,81,980	24,45,200	32,27,180
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	21,600	21,600
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	-	-	-	-
	Total	-	7,81,980	24,66,800	32,48,780

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

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



ANNEXURE D

Ratio of director remuneration to employee median remuneration

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

Sr. No.	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 - 4.45x
2.	The percentage increase in remuneration of each Director, CFO, CEO, CS in the financial year	Shri. Sharad Taparia (MD) - 0% Shri. Sukhmal Jain (CFO) - 23.80% Smt. Bhavana Shah (CS) - 10%
3.	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in FY 16-17 was increased by 8.79%
4.	The number of permanent employees on the rolls of the Company	85 as on March 31, 2017
5.	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the remuneration of employees compared to increase in remuneration of Key Managerial Personnel is in line with bench mark study and the performance of the Company over a period of time. There is no exceptional increase in the Managerial Remuneration.
6.	Affirmation that the remuneration is as per the remuneration policy of the Company	We confirm the same.

ANNEXURE - E

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 2017. 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,

Sd/-

Place: Mumbai
Date: 14th August, 2017

Sharad Taparia
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS ENVIRONMENT, INDUSTRY STRUCTURE AND DEVELOPMENT:

Smart Meters:

Smart Metering Systems Market size is poised to cross USD 38 billion by 2024.

Increasing need for accurate billing and consumption pattern mapping coupled with rising prices of resources including water, electricity and gas will drive the global smart metering systems market size by 2024. Scarcity of available resources has laid emphasis on reducing wastage and controlling emission levels.

Stringent regulations towards energy management coupled with measures towards effective resource utilization will propel demand. The Energy Independence Act (EISA) of 2007 mandates the modernization of the U.S. electric grids, installation of smart electric systems in every household and grants government funding for grid development projects.

Smart metering systems market size for 2015 from residential applications was over USD 5 billion and is set to witness strong growth owing to its reasonable pricing and increasing awareness among customers. Commercial applications in terms of volume are predicted to surpass 250 million units over the forecast time frame due to rising prices of available energy resources.

Electric applications were valued over USD 4 billion in 2015 and is predicted to witness handsome growth owing to stringent government regulation to curb electricity theft.

AMI is set to exceed USD 19 billion by 2024. Adoption of AMI are low subject to its high acquisition and installation costs. AMR is predicted to grow over 13% over the forecast timeline owing to its wide adoption and mature technology.

The 2015 U.S. smart metering systems market size was valued over USD 5 billion and is set to witness high gain on account of strict norms towards energy management and accurate billing. Growing measures towards energy conservation and efficiency will further boost the industry growth.

For Europe, UK smart metering systems market share is predicted to grow over 16% by 2024. Government of United Kingdom initiated the National Smart Meter Roll Out programme which aims at installing smart systems in every home in England, Scotland and Wales by 2020. Recommendation 2012/148/EU mandates increasing adoption of these products coupled with large-scale roll out in regions with positive cost benefit results.

China smart metering systems market size is forecast to exceed USD 9 billion by 2024. The State Grid Corporation of China has aimed to install more than 380 million smart systems by 2020 in line with the government plan. – source global news wire.

SUPERALLOYS:

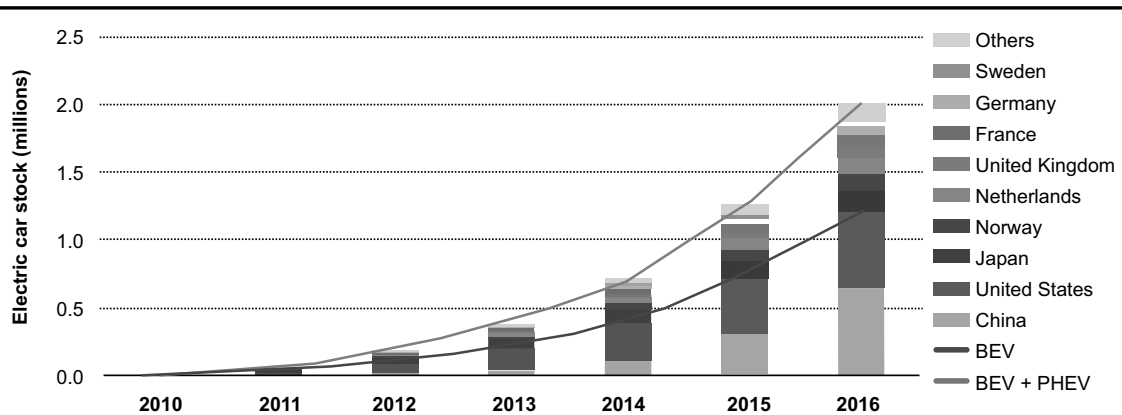
According to Statistics MRC, the Global Super alloys Market is valued at \$4,170.5 million in 2016 and is expected to reach \$7,957.4 million by 2023 growing at a CAGR of 9.7% from 2016 to 2023. Increasing demand for high performance, lightweight materials in aerospace, automotive, industrial gas turbines (IGT) and industrial applications is expected to have a positive impact on super alloys market growth over the forecast period. Growing demand for highly durable materials, rising demand from power industries, increasing government expenditure in emerging economies are the factors enhancing the market growth. However, high cost of base alloys is expected to hamper the super alloys market. The Nickel base segment is estimated to account for the largest share in the global super alloys market throughout the forecast period as this material possess high temperature resistant properties and oxidation resistance. Among applications, aerospace segment is expected to dominate the global market due to increasing need for lightweight and high strength materials that can withstand high temperatures. North America and Europe are the key regions for super alloys market. US, Germany, UK, and France are the market leaders in this regions contributing to the demand for super alloys. Asia Pacific is expected to emerge as the fastest growing region due to increasing demand for super alloys in emerging economies such as China and India. – source report buyer

Electric Vehicles (EV):

New registrations of electric cars¹ hit a new record in 2016, with over 750 thousand sales worldwide. With a 29% market share,² Norway has incontestably achieved the most successful deployment of electric cars in terms of market share, globally. It is followed by the Netherlands, with a 6.4% electric car market share, and Sweden with 3.4%. The People's Republic of China (hereafter, "China"), France and the United Kingdom all have electric car market shares close to 1.5%. In 2016, China was by far the largest electric car market, accounting for more than 40% of the electric cars sold in the world and more than double the amount sold in the United States.

The global electric car stock surpassed 2 million vehicles in 2016 after crossing the 1 million threshold in 2015 (Figure 1). Figure 1

Figure 1. Evolution of the global electric car stock, 2010-16



Key point: The electric car stock has been growing since 2010 and surpassed the 2 million-vehicle threshold in 2016. So far, battery electric vehicle (BEV) uptake has been consistently ahead of the uptake of plug-in hybrid electric vehicles (PHEVs).

Until 2015, the United States accounted for the largest portion of the global electric car stock. In 2016, China became the country with the largest electric car stock, with about a third of the global total. With more than 200 million electric two-wheelers, 3 to 4 million low-speed electric vehicles (LSEVs) and more than 300 thousand electric buses, China is also by far the global leader in the electrification of other transport modes.

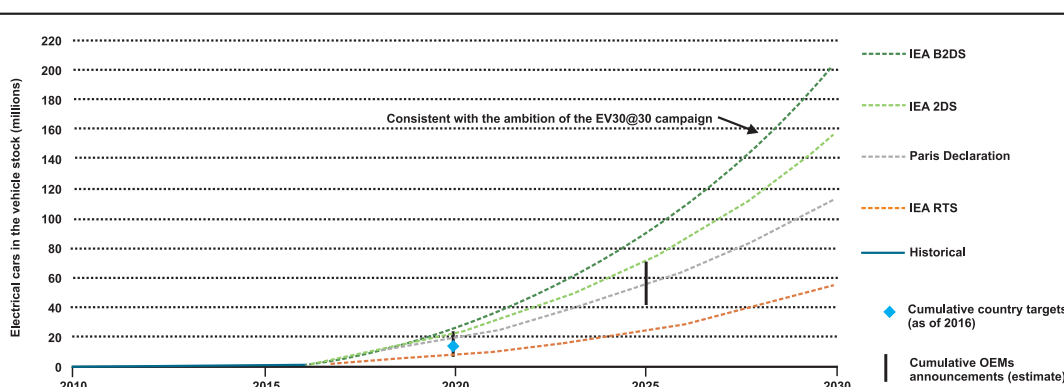
As the number of electric cars on the road has continued to increase, private and publicly accessible charging infrastructure has also continued to grow. In 2016, the annual growth rate of publicly available charging (72%) was higher, but of a similar magnitude, than the electric car stock growth rate in the same year (60%).

Despite a continuous and impressive increase in the electric car stock, electric vehicle supply equipment (EVSE) deployment and electric car sales in the past five years, annual growth rates have been declining. In 2016, the electric car stock growth was 60%, down from 77% in 2015 and 85% in 2014. The year 2016 was also the first time year-on-year electric car sales growth had fallen below 50% since 2010.

Declining year-on-year increments are consistent with a growing electric car market and stock size, but the scale achieved so far is still small: the global electric car stock currently corresponds to just 0.2% of the total number of passenger light-duty vehicles (PLDVs)⁴ in circulation. Electric vehicles (EVs) still have a long way to go before reaching deployment scales capable of making a significant dent in the development of global oil demand and greenhouse gas (GHG) emissions.

Research, development and deployment (RD&D) and mass production prospects are leading to rapid battery cost declines and increases in energy density. Signs of continuous improvements from technologies currently being researched confirm that this trend will continue, narrowing the cost competitiveness gap between EVs and internal combustion engines (ICEs). Assessments of country targets, original equipment manufacturer (OEM) announcements and scenarios on electric car deployment seem to confirm these positive signals, indicating a good chance that the electric car stock will range between 9 million and 20 million by 2020 and between 40 million and 70 million by 2025 (Figure 2)

Figure 2. Deployment scenarios for the stock of electric cars to 2030



Key point: The level of ambition resulting from the OEM announcements assessed here shows a fairly good alignment with country targets to 2020. To 2025, the range estimated suggests that OEM ambitions lie within the range corresponding to the Reference Technology Scenario (RTS) and 2DS projections from the IEA, broadly matching the Paris Declaration on Electro-Mobility and Climate Change and Call to Action (Paris Declaration).

Despite this positive outlook, it is undeniable that the current electric car market uptake is largely influenced by the policy environment. Key support mechanisms currently adopted in leading electric car markets target both the deployment of electric cars and charging infrastructure:

- EV support typically takes the form of RD&D on innovative technologies, mandates and regulations, financial incentives and other instruments (primarily enforced in cities) that increase the value proposition of driving electric. Public procurement (leading by example) is also well suited to facilitating early EV uptake.
- EVSE deployment is supported by the development of standards ensuring interoperability, financial incentives, regulations (including building codes) and permits.

A number of cities have been at the forefront of stimulating EV deployment, whether in the two wheeler, PLDV or bus segments, and municipalities are important players in helping accelerate the transition to electric driving. By testing and demonstrating best-practice EV and EVSE support policies, cities can not only act as models for other cities that seek to accelerate their transition to electric driving but also provide an example for a wide application of best practices (e.g. at the national or global level), helping to improve the cost efficiency of the policy development process. The demand-based approach adopted by the metropolitan area of Amsterdam to deploy its EVSE network by providing publicly accessible chargers to electric car owners who request them, under certain conditions, is one of the most interesting examples in this respect.

Urban areas are also excellent platforms for the experimentation of novel passenger and freight transport services based on vehicle and ride-sharing concepts or autonomous driving capabilities. Given the high mileage of shared vehicles, these concepts have strong synergies with transport electrification.

Policy support will remain indispensable at least in the medium term for lowering barriers to electric car adoption. As electric car sales keep growing, governments will need to reconsider their policy tools. Even if differentiated taxes based on environmental performance, fuel economy regulations and local measures (such as differentiated access to urban areas) are likely to remain important, the need for vehicle purchase incentives will diminish, and subsidies for electric cars will not be economically sustainable with large sales volumes. Revenues collected from conventional fuel taxes will also shrink, requiring a transition in the way revenues aiming to develop the road transport infrastructure are collected.

EV charging could also have a sizeable impact on the loads applied to the grid at certain times and locations, with consequences for adequacy and quality of power supply, the risk of cost increases for consumers and negative feedback on transport electrification prospects. EVSE deployment needs to be conceived in a way that handles these risks and takes advantage of the options available for mitigating these impacts. Large-scale electric car charging and demand response will require the joint optimisation of the timing and duration of recharging events, the modulation of power delivered by charging outlets (defining the speed of charge) and may involve a reliance on vehicle-to-grid solutions. For fast chargers, managing power demand is also likely to require the deployment and use of stationary storage at the local or grid level.

STRATEGIC INITIATIVE

PML will develop more scalable products which have large market potential. Preferably, these products will be PML designed products.

PML will add new products for EV market and aerospace.

PML plants are already certified for ISO9001:2008, ISO 14001, TS 16949:2009 and for AS9100.

Existing growth will continue for Smart meters.

PML will grow in other areas like parts for gas meters, switch assembly.

OPPORTUNITIES & CHALLENGES

Increase in demand for EVs worldwide represents good opportunity for PML. Challenge is to quickly develop products as per needs of customer.

New installations of smart meters is an ongoing opportunity. PML is already established supplier to this market.

Indian market growth is an opportunity to develop and sell scalable products. It will be a challenge to face existing suppliers and innovate new product features which will distinguish PML and put it in a dominating position.



RISK AND CONCERN

Risk is an important element of corporate functioning and governance. Your Company has established the process of identifying, analyzing and treating risks, which could prevent the Company from effectively achieving its objectives. It ensures that all the risks are timely defined and mitigated in accordance with the well structured risk management Process.

OUTLOOK

The overall outlook is positive for the company.

INTERNAL CONTROLS AND SYSTEMS

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well. The Company's internal control systems governed by well framed policies and guidelines is supplemented by well-established audit processes that assists management in identifying issues and associated risks and ensure that all assets are safeguarded and protected against any loss. Internal audit, an independent appraisal function, examines and evaluates the adequacy and effectiveness of the internal control systems, appraises periodically about activities and audit findings to the Audit Committee, statutory auditors and the management.

FINANCIAL PERFORMANCE

The financial of the company has been prepared by ensuring the objectivity, credibility and correctness through proper financial reporting and disclosure processes, internal control, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

INDUSTRIAL RELATION AND HUMAN RESOURCE MANAGEMENT

Your Company's Human Resource agenda for the year was focused on strengthening four key areas: building a robust and diverse talent pipeline, enhancing individual and organizational capabilities for future readiness, driving greater employee engagement and strengthening employee relations further through progressive people practices at the shop floor. Your Company appreciates the human values and believes in developing people through work. Pools of talented people in all functions are in place to discharge their duties effectively & efficiently. Training & evaluation system is in place to enhance & hone skills at all levels. External Trainers are also invited for imparting training. Good HR practices are put in place to boost the morale of the people.

CAUTIONARY STATEMENT

The statements made in this report describe the Company's objectives, expectations and projections that may be forward looking statements. The actual results might differ materially from those expressed or implied depending on the economic conditions, government policies and other incidental factors, which are beyond the control of the Company and Management.

CEO/CFO CERTIFICATION

To,
The Board of Directors,
Permanent Magnets Limited

We, Sharad Tapria, Managing Director (CEO) and Sukhmal Jain, Senior Vice President Finance of the company do hereby certify that :

- (a) We have reviewed financial statements and the cash flow statement of Permanent Magnets Limited for the year ended 31st March, 2017 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- (e) We affirm that no personnel has been denied access to the Audit Committee of the Company.

For Permanent Magnets Limited

Sd/-

Sharad Taparia (Managing Director)

For Permanent Magnets Limited

Sd/-

Sukhmal Jain (Senior Vice President Finance)

Place: Mumbai

Date: 29/05/2017



MANAGING DIRECTOR DECLARATION

I, Sharad Taparia, Managing Director of the company hereby declare that all Board Members and senior management personnel have affirmed compliance with the code on an annual basis.

For Permanent Magnets Limited

Sd/-

Place : Mumbai

Date: 29/05/2017

Sharad Taparia

Managing Director

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

PERMANENT MAGNETS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **PERMANENT MAGNETS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditors Responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2017 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

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



- b. We draw attention to Note no. 5 of notes to accounts of the financial statement regarding non receipts of confirmation in respect of balances due under Trade receivables and Trade payables though company has issued letters to the debtors to that effect, adjustments, if any, required upon such confirmation is not ascertainable.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors report) Order, 2017 ("The Order") issued by the central government of India in terms of sub-section 11 of section 143 of the Act, We give in the Annexure A statement on the matters specified in paragraphs 3 & 4 of the order.
2. As required by section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
 - e. on the basis of written representations received from the directors as on March 31, 2017, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
 - g. with respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The company has disclosed the impact of pending litigation on its financial position in its financial statements - Refer to Note 2 of notes to accounts
 - II. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - III. The provisions relating to transferring any amounts to the investor's education and protection fund is not applicable to the Company during the year.
 - IV. The company had provided requisite disclosures (Refer note no. 15) in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and same are in accordance with the books of accounts maintained by the company.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 104184W/ W100075

Sd/-

Hemant Kumar Agrawal

Designated Partner

(M. No. 403143)

Date: 29th May, 2017

Place: Mumbai

Annexure “A” to the Independent Auditor’s Report

The referred to in Independent Auditors’ Report to the members of the Company on the standalone financial statements for the year ended 31 March 2017, we report that:

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

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, professional tax and other material statutory dues were in arrears as at 31 March 2017 for a period of more than six months from the date they became payable, *except the following*:

Nature of Dues	Amount (INR in Lakhs)	Due date
Income Tax	0.54	30 th Oct, 2007
TDS	9.36	-

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

c.

Nature of Dues	Amount (INR in Lakhs)	Period to which the amount relates	Forum where dispute is pending
Excise Duty	63.18	F.Y. 2003-04	Commissioner of Central Excise - Mumbai
Income Tax	02.06	F.Y. 2006-07	CIT (A) – Mumbai
Income Tax	03.94	F.Y. 2008-09	CIT(A) – 21 Mumbai
TDS	0.89	F.Y. 2014-15	CIT (A) - Thane 2

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

Bank	Nature	Amount (INR in Lakhs)	Due on	Paid on
ICICI	Central Excise Loan	229.33*	Between October 2002 to October 2004	Not yet paid

*including simple interest @ 12%



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

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration No. 104184W/ W100075

Sd/-

Hemant Kumar Agrawal

Designated Partner

M. No. 403143

Place: Mumbai

Date: 29th May, 2017

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

[Referred to in Para 2(f) ‘Report on Other Legal and Regulatory Requirements’ in our Independent Auditor’s Report of even date to the members of Company for the year ended 31st March 2017]

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, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 reportings 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, 2017, 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 Jayesh Sanghrajka & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 104184W/ W100075

Place: Mumbai
Date: 29th May, 2017

Sd/-
Hemant Kumar Agrawal
Designated Partner
M. No. 403143



BALANCE SHEET AS AT 31ST MARCH, 2017

Particulars	Notes	31.03.2017 ₹	31.03.2016 ₹
I. EQUITY AND LIABILITIES			
(1) Shareholder's Funds			
(a) Share Capital	2	8,59,84,530	8,59,84,530
(b) Reserves and Surplus	3	4,38,45,813	3,19,77,729
		12,98,30,343	11,79,62,259
(2) Non-Current Liabilities			
(a) Long-term borrowings	4	3,51,23,257	3,71,40,381
(b) Other Long Term liabilities	5	53,517	16,61,717
(c) Long-term provisions	6	67,60,246	62,36,320
		4,19,37,020	4,50,38,418
(3) Current Liabilities			
(a) Short-term borrowings	7	8,18,11,700	13,82,02,032
(b) Trade payables	8	20,67,64,417	17,83,27,302
(c) Other current liabilities	9	96,90,977	1,81,16,353
(d) Short-term provisions	10	32,31,956	8,02,153
		30,14,99,050	33,54,47,840
Total		47,32,66,413	49,84,48,517
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	4,44,29,389	3,98,38,998
(ii) Intangible assets	11	2,13,880	1,96,300
(b) Non-current investments	12	10,000	10,000
(c) Deferred tax assets (net)	13	1,00,45,576	1,00,45,576
(d) Long term loans and advances	14	1,67,54,395	1,98,23,659
		7,14,53,240	6,99,14,533
(2) Current assets			
(a) Inventories	15	15,04,04,451	19,59,71,330
(b) Trade receivables	16	20,09,32,656	17,74,60,842
(c) Cash and cash equivalents	17	2,33,31,950	2,06,42,088
(d) Short-term loans and advances	18	2,71,44,116	3,44,59,724
		40,18,13,173	42,85,33,984
Total		47,32,66,413	49,84,48,517
Significant Accounting Policies	1		

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

As per our Report of even date attached.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 104184W/W100075

For & on behalf of the Board

Hemant Kumar Agrawal

Designated Partner

Membership No. : 403143

Arun Binani

Chairperson

Sharad Taparia

Managing Director

Place: Mumbai

Date: 29/05/2017

Sukhmal Jain

Vice President-Finance

Rachana Rane

Company Secretary

PERMANENT MAGNETS LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2017

Sr No.	Particulars	Note	31.03.2017 ₹	31.03.2016 ₹
I	Revenue from operations (gross)	19	74,99,19,033	69,39,45,883
	Less: Excise Duty		3,05,81,605	1,94,89,520
	Revenue from operations (net)		71,93,37,428	67,44,56,363
II	Other Income	20	26,49,602	26,58,425
III	Total Revenue (I+II)		72,19,87,030	67,71,14,788
IV	Expenses:			
	Cost of materials consumed	21	42,53,43,965	36,80,93,547
	Changes in Inventories of Work-in-Progress & Finished Goods	22	2,41,31,576	4,11,16,605
	Employee benefit expenses	23	4,93,39,446	4,64,13,752
	Finance costs	24	1,65,88,212	1,60,10,942
	Depreciation and amortization expense	25	1,40,04,065	1,37,16,661
	Other expenses	26	17,83,82,587	18,33,79,189
	Total Expenses		70,77,89,850	66,87,30,696
V	Profit/(Loss) before exceptional items and tax (III-IV)		1,41,97,179	83,84,092
VI	Exceptional items (Net)		-	-
VII	Profit/(Loss) before tax (V-VI)		1,41,97,179	83,84,092
VIII	Tax expense:			
	(1) Current tax		23,29,094	-
	(2) Deferred tax		-	-
	(3) Excess Provision of Income Tax of earlier year		-	(9,44,079)
IX	Profit/(Loss) for the year (VII-VIII)		1,18,68,085	93,28,171
X	Earnings per equity share of Rs. 10 each	27		
	Basic and Diluted		1.38	1.08

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

As per our Report of even date attached.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 104184W/W100075

For & on behalf of the Board

Hemant Kumar Agrawal

Designated Partner

Membership No. : 403143

Arun Binani

Chairperson

Sharad Taparia

Managing Director

Place: Mumbai

Date: 29/05/2017

Sukhmal Jain

Vice President-Finance

Rachana Rane

Company Secretary



Annexure forming part of Financial Statements

2 Share Capital

Sr No.	Particulars	31.03.2017	31.03.2016
1	AUTHORIZED CAPITAL		
(a)	1,00,00,000 (P.Y. 1,00,00,000) Equity Shares of Rs. 10/- each	10,00,00,000	10,00,00,000
(b)	60,00,000 (P.Y. 60,00,000) Redeemable Cumulative/ Non-Cumulative Preference Shares of Rs. 10/- each	6,00,00,000	6,00,00,000
		16,00,00,000	16,00,00,000
2	ISSUED, SUBSCRIBED & PAID UP CAPITAL:		
	85,98,453 (P.Y. 85,98,453) Equity Shares of Rs. 10/- each, Fully Paid-Up	8,59,84,530	8,59,84,530
	Total	8,59,84,530	8,59,84,530

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

Equity Shares

Particulars	31 st March 2017		31 st March 2016	
	No of Shares held	In Rs.	No of Shares held	In Rs.
Number of Shares at the beginning	85,98,453	8,59,84,530	85,98,453	8,59,84,530
Add:- Number of Shares Issued	-	-	-	-
Number of Equity Shares at the end	85,98,453	8,59,84,530	85,98,453	8,59,84,530

b. Terms/Rights attached to Equity Shares

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

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

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

Sr No.	Particulars	31 st March 2017		31 st March 2016	
		No of Shares held	% of Holding	No of Shares held	% of Holding
	Equity shares of Rs. 10 each fully paid				
1	Mukul Taparia	6,91,054	8.04%	6,01,044	6.99%
2	Pregna International Ltd	-	-	7,82,802	9.10%
3	Sharad Kumar Taparia	7,42,857	8.64%	5,15,487	6.00%
4	Kamladevi Taparia	7,25,695	8.44%	6,95,295	8.09%
5	Shyamsunder Taparia	8,48,989	9.87%	6,48,989	7.55%
6	Jai Prakash Taparia	4,65,719	5.42%	4,96,119	5.77%
7	Rameshchandra Madanlal Taparia	6,18,890	7.20%	4,68,890	5.45%

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

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

PERMANENT MAGNETS LIMITED

3 Reserves & Surplus

Sr No.	Particulars	31.03.2017 ₹	31.03.2016 ₹
	Securities Premium Reserve		
	Balance as per last financial statement	2,80,19,668	2,80,19,668
	(A)	2,80,19,668	2,80,19,668
	General Reserve		
	Balance as per last financial statement	25,24,570	25,24,570
	(B)	25,24,570	25,24,570
	Surplus in the Statement of Profit and Loss		
	Balance as per last financial statement	14,33,491	(78,94,680)
	Add: Profit for the year	1,18,68,085	93,28,171
	(C)	1,33,01,576	14,33,491
	Total Reserves & Surplus (A)+(B)+(C)	4,38,45,814	3,19,77,729

4 Long Term Borrowings

a)	Term Loan		
	Rupee Loan from Bank	94,12,907	1,14,21,046
	Rupee Loan from Financial Institutions	2,77,784	9,76,769
b)	Central Excise loan*	2,29,32,566	2,22,42,566
c)	Intercompany Deposits	25,00,000	25,00,000
		3,51,23,257	3,71,40,381
	The above amount includes		
	Secured borrowings	3,26,23,257	3,46,40,381
	Unsecured Borrowings	25,00,000	25,00,000

*Including Interest accrued & due on Central Excise Loan (at simple interest rate 12%) Rs. 171.83 Lacs (P.Y. Rs. 164.93 Lacs)

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

Sr No.	Name of Bank	Amount including Interest (In ₹)	Amount including Interest (In ₹)
	Central Excise Loan - ICICI Bank	2,29,32,566	2,22,42,566
	Total	2,29,32,566	2,22,42,566



5 Other Long Term liabilities

Sr No.	Particulars	31.03.2017 ₹	31.03.2016 ₹
1	Income Tax payable	53,517	16,61,717
	Total	53,517	16,61,717

6 Long Term Provisions

1	Provision for Gratuity	41,30,687	39,05,073
2	Provision for Leave Encashment	26,29,559	23,31,247
	Total	67,60,246	62,36,320

7 Short Term Borrowings

	Loan Repayable on Demand		
1	Foreign Currency Loan from Banks*	5,63,71,629	9,47,03,590
2	Rupee Loan from Banks	2,54,40,071	4,34,98,442
	Total	8,18,11,700	13,82,02,032
	The above amount includes		
	Secured Borrowings	8,18,11,700	13,82,02,032
	Unsecured Borrowings		

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

8 Trade Payables

1	Micro Small & Medium Enterprises*	2,68,78,592	1,94,03,214
2	Others	17,98,85,825	15,89,24,088
	Total	20,67,64,417	17,83,27,302

* for details, please refer note no 13

9 Other Current Liabilities

1	Current maturities of long term debts	34,07,083	33,92,142
2	Withholding & Other taxes payable	4,60,778	27,35,211
3	Interest accrued but not due	-	1,31,114
4	Expenses Payables	29,19,744	67,71,466
5	Advances received from Customers	29,03,372	50,86,420
	Total	96,90,977	1,81,16,353

10 Short Term Provisions

1	Other Provision	9,02,862	8,02,153
2	Provision for Income Tax	23,29,094	-
	Total	32,31,956	8,02,153

11 Fixed Assets

Sr No.	Particulars	GROSS BLOCK				DEPRECIATION			NETBOOK		
		01.04.2016	Additions	Deductions Adjustments	31.03.2017	01.04.2016	During the year	Deductions Adjustments	Upto 31.03.2017	As At 31.03.2017	As At 31.03.2016
		₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
A	Tangible Assets										
1	Freehold Land	15,253			15,253	-			-	15,253	15,253
2	Building	1,58,68,940			1,58,68,940	96,75,184	6,03,301		1,02,78,485	55,90,455	61,93,756
3	Plant & Machinery*	11,83,33,264	1,73,21,424		13,56,54,688	8,98,22,303	1,13,77,716		10,12,00,019	3,44,54,669	2,85,10,961
4	Electric Installation	22,03,982			22,03,982	20,58,016	39,866		20,97,882	1,06,100	1,45,966
5	Laboratory Equipments	1,98,020			1,98,020	1,91,483	519		1,92,002	6,018	6,537
6	Automobiles & Vehicles	85,12,818	8,00,000		93,12,818	50,52,545	13,45,291		63,97,836	29,14,982	34,60,273
7	Furniture & Fixtures	71,81,967	1,35,474		73,17,441	63,64,335	2,31,655		65,95,990	7,21,451	8,17,632
8	Office Equipments	1,21,47,116	2,26,910		1,23,74,026	1,14,56,896	2,96,669		1,17,53,565	6,20,461	6,90,220
	TOTAL A	16,44,61,360	1,84,83,808	-	18,29,45,168	12,46,20,762	1,38,95,017	-	13,85,15,779	4,44,29,389	3,98,40,598
B	Intangible Assets										
1	Computer Software	8,41,269	1,26,628		9,67,897	6,44,969	1,09,048	-	7,54,017	2,13,880	1,96,300
	TOTAL B	8,41,269	1,26,628	-	9,67,897	6,44,969	1,09,048	-	7,54,017	2,13,880	1,96,300
	TOTAL (A+B)	16,53,02,629	1,86,10,436	-	18,39,13,065	12,52,65,731	1,40,04,065	-	13,92,69,796	4,46,43,269	4,00,36,898
	Previous Year	14,27,28,645	26,30,197	37,27,314	16,53,02,628	11,44,20,943	1,37,18,259	28,73,471	12,52,65,731	4,00,36,897	2,83,06,103

*Plant & Machinery includes Misc Factory Equipments Rs.6133719 /- (P.Y. Rs. 5901727/-)



12 Non Current Investments

Sr No.	Particulars	31.03.2017 ₹	31.03.2016 ₹
1	Non Trade Investments		
	Unquoted		
	National Saving Certificates (Hypothecated with Sales Tax Authorities)	10,000	10,000
	Total	10,000	10,000
	Aggregate Value of		
	Quoted Investments	-	-
	Market Value - Quoted Investments	-	-
	Un Quoted Investments	10,000	10,000

13 Deferred Tax Assets (Net)

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

14 Long Term Loans and Advances*

1	Security Deposits	76,91,379	75,92,179
2	Loans & Advances to Employees	35,900	3,700
3	Other Advances	55,07,786	55,07,786
4	Balance with Statutory/ Government Authorities	18,04,164	50,16,812
5	Capital Advances	17,15,166	17,03,182
	Total	1,67,54,395	1,98,23,659

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

15 Inventories

1	Raw Material	11,17,86,821	13,20,59,642
2	Stock -in-Progress	2,94,89,615	5,45,83,547
3	Stores, Spares & Others	9,46,283	21,08,765
4	Finished Goods (As taken, valued and certified by the management)	81,81,732	72,19,376
	Total	15,04,04,451	19,59,71,330

16 Trade Receivables*

1	Outstanding for more than six months	14,06,957	26,61,815
2	Others	19,95,25,699	17,47,99,026
	Total	20,09,32,656	17,74,60,842

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

17 Cash & Bank Balances

	Cash and cash equivalents		
	Cash on hand	3,89,996	3,44,949
	Balances with banks:		
	In current accounts	41,13,026	20,66,062
	Others		
	Term Deposits	1,88,28,928	1,82,31,077
	Total	2,33,31,950	2,06,42,088

* Bank deposits of Rs. 188.28 Lacs (P.Y. Rs. 182.31 Lacs) held as margin money against bank guarantee/LC

PERMANENT MAGNETS LIMITED

18 Short Term Loans and Advances

Sr No.	Particulars	31.03.2017 ₹	31.03.2016 ₹
	Unsecured and considered good		
1	Security Deposit	5,50,000	6,25,000
2	Inter- Corporate Deposits	-	50,00,000
3	Advances recoverable in cash or kind	25,58,102	34,18,552
4	Advance to Suppliers	8,29,704	6,64,703
5	Loans & Advances to Staff/ Empolyees	4,850	33,500
6	Balance with statutory/ Government Authorities	2,21,11,609	2,39,31,797
7	Prepaid Expenses	10,89,852	7,86,173
	Total	2,71,44,116	3,44,59,724

19 Revenue From Operations

	Revenue from Operations		
1	Sale of Products		
	Cast Magnets & Magnetic Assembly	13,53,85,137	13,40,32,660
	Parts & Accessories of Electricity Meter	57,06,68,054	51,68,63,358
	Sales Others	-	-
2	Sale of services		
	Job work Sale	55,43,496	32,45,210
	Total A	71,15,96,687	65,41,41,227
3	Other Operational Income		
	Scrap Sale	2,79,51,780	2,07,61,971
	Export Benefits	1,03,70,566	1,90,42,685
	Total B	3,83,22,346	3,98,04,656
	Revenue from Operations (Gross)	74,99,19,033	69,39,45,883
	Less : Excise Duty	3,05,81,605	1,94,89,520
	Total (A+B)	71,93,37,428	67,44,56,363

20 Other Income

1	Other Miscellaneous Income	11,21,777	12,88,597
2	Profit /(Loss) on Sale of Assets	-	85,927
3	Interest Income	15,27,825	12,83,901
	Total	26,49,602	26,58,425

21 Cost of Material Consumed

	Inventory at the beginning of the year	13,20,59,642	12,92,89,127
	Add: Purchases (net)	40,50,71,144	37,08,64,062
		53,71,30,786	50,01,53,189
	Less : Inventory at the end of the year	11,17,86,821	13,20,59,642
	Cost of raw material & components Consumed	42,53,43,965	36,80,93,547
	Particulars of Materials Consumed		
	Cobalt	34,37,633	64,66,752
	Nickel	19,36,105	69,25,894
	Copper Strip	6,80,10,655	5,39,50,315
	Nickel Strip	17,77,17,740	16,43,36,698
	Semi-finished Magnet	6,84,35,375	5,88,59,643
	Zinc	83,10,182	71,62,862
	Brass	8,50,23,025	6,31,52,609
	Mazak	25,74,530	-
	Others	98,98,720	72,38,774
	Total	42,53,43,965	36,80,93,547



22 Change in Inventories of WIP & Finished Goods

Sr No.	Particulars	31.03.2017 ₹	31.03.2016 ₹
	Inventory at the end of the year		
	Work-in-progress	2,94,89,615	5,45,83,547
	Finished goods	81,81,732	72,19,376
		3,76,71,347	6,18,02,923
	Inventory at the beginning of the year		
	Work-in-progress	5,45,83,547	9,52,13,107
	Finished goods	72,19,376	77,06,421
		6,18,02,923	10,29,19,528
	Total	2,41,31,576	4,11,16,605

23 Employee Benefit Expenses

1	Contribution to PF & Other Fund	16,08,578	12,68,896
2	Gratuity Expenses	10,46,780	7,10,426
3	Salaries, Wages & Bonus	4,46,44,270	4,24,75,729
4	Staff Welfare Expenses	20,39,818	19,58,701
	Total	4,93,39,446	4,64,13,752

24 Financial Cost

1	Borrowing cost	95,02,611	93,93,606
2	Other Borrowing cost*	84,55,123	84,40,687
3	Exchange difference on borrowings (net)	(13,69,523)	(18,23,351)
	Total	1,65,88,212	1,60,10,942

*includes Bank charges & Commission paid on BG & LC

25 Depreciation & Amortised Cost

1	Depreciation	1,38,95,017	1,35,78,070
2	Amortisation	1,09,048	1,38,591
	Total	1,40,04,065	1,37,16,661

26 Other Expenses

	<u>Manufacturing Expenses</u>		
1	Consumption of Stores, Spares & Consumables	2,71,45,553	2,46,13,838
2	Freight Inward	43,88,695	39,27,825
3	Sub-Contract Charges & Labour Charges	5,93,23,329	5,36,37,130
4	Repairs & Maintenance - Machinery	21,30,385	16,97,512
5	Excise Duty on Finished Goods	1,00,709	(43,784)
6	Power & Fuel Charges	1,62,52,793	1,47,86,844
	A	10,93,41,464	9,86,19,364
	<u>Selling & Distribution Expenses</u>		
1	Advertising & Sales Promotion Expenses	20,94,047	18,92,550
2	Commission to Selling Agents	1,29,90,739	1,77,39,538
3	Freight Outward & Transportation	1,64,07,500	1,64,66,131
	B	3,14,92,287	3,60,98,220
	<u>Administrative & Other Expenses</u>		
1	Advertisement	2,31,300	2,02,100
2	Auditors Remuneration	6,70,000	5,63,500
3	Computer & Software Expenses	5,39,114	4,89,446
4	Directors' Sitting Fees	47,500	35,000
5	Exchange differences (net)	(90,70,656)	61,94,090
6	Travelling & Conveyance	39,13,406	37,70,875
7	Insurance	4,52,999	3,75,411
8	Printing & Stationery Expenses	9,04,624	8,26,007
9	Legal & Professional Charges	1,22,70,044	1,17,60,456

PERMANENT MAGNETS LIMITED

Sr No.	Particulars	31.03.2017 ₹	31.03.2016 ₹
10	Miscl Exp	73,80,092	43,62,240
11	Rates & Taxes	23,48,784	40,65,090
12	Rent Exp	92,80,868	84,86,564
13	Security Service Charges	23,37,925	20,38,559
14	Communication Cost	19,09,147	18,47,135
15	Vehicle Running exp	24,79,690	21,47,747
16	Repairs - Building	14,88,179	11,12,364
17	Repairs - Others	5,85,820	3,85,022
	C	3,75,48,836	4,86,61,605
	Total A+B+C	17,83,82,587	18,33,79,189

Payment to Auditor

- Audit Fee	3,50,000	3,50,000
- Tax Audit Fee	1,00,000	1,00,000
In other Capacity		
- Certifications	70,000	34,500
- Other Services	1,50,000	79,000
	6,70,000	5,63,500

(Note: Above Figures are Excluding Service Tax)

27 Earning per Share

1	Net Profit before Extra Ordinary Items attributable to Equity Share Holders	1,18,68,085	93,28,171
2	Extra Ordinary Items (Deferred Revenue Expense W/Off)	-	
3	Net Profit after Extra Ordinary Items attributable to Equity Share Holders	1,18,68,085	93,28,171
4	Weighted Average Number of Equity Shares in calculating Basic EPS	85,98,453	85,98,453
5	Basic & Diluted Earning per share before Extra Ordinary Items (In Rs.)	1.38	1.08
6	Basic & Diluted Earning per share after Extra Ordinary Items (In Rs.)	1.38	1.08
7	Face value per Equity Shares	10	10



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2017

Particulars	31.03.2017 ₹	31.03.2016 ₹
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax and extraordinary items	1,41,97,179	83,84,092
Adjustment for :		
Depreciation & Amortization	1,40,04,065	1,37,16,661
Loss/(Profit) on Sale of Assets	-	(85,927)
Loss/(Profit) on Sale of Mutual Fund/Investments	-	(48,050)
Finance Charges	1,65,88,212	1,60,10,942
Earlier year tax provision	-	9,44,079
Unrealised Foreign Exchange Gain	(44,15,632)	17,10,338
Operating Profit before working Capital Changes	4,03,73,824	4,06,32,136
Adjustment for:		
Inventories	4,55,66,879	3,86,08,952
Trade Receivables	(2,61,37,705)	(1,18,18,655)
Other Assets	1,03,84,872	(58,59,823)
Trade Payables	3,41,49,115	(1,18,12,994)
Other Liabilities	(94,23,882)	9,64,485
	9,49,13,103	5,07,14,101
Direct Taxes Paid	-	-
Net cash flow from Operating Activities	9,49,13,103	5,07,14,101
CASH FLOW FROM INVESTMENT ACTIVITIES		
Sale of/ (Additions to) Fixed Assets	(1,86,12,036)	(2,53,59,929)
Sale of/ (Additions to) investments (net)	-	1,07,050
Net cash used in investing activities	(1,86,12,036)	(2,52,52,879)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long Term Borrowings (Net)	(20,17,124)	79,67,269
Proceeds from Short Term Borrowings (Net)	(5,50,05,869)	(1,53,25,344)
Finance Charges paid (Net)	(1,65,88,212)	(1,60,10,942)
Net cash from Financing Activities	(7,36,11,205)	(2,33,69,017)
NET INCREASE IN CASH AND CASH EQUIVALENTS	26,89,862	20,92,205
Opening Cash and Cash Equivalents	2,06,42,089	1,85,49,884
Closing Cash and Cash Equivalents	2,33,31,950	2,06,42,089

Notes :

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

Cash and Cash Equivalent	31.03.2017	31.03.2016
Cash in hand	3,89,996	3,44,949
Balance with Banks	2,29,41,954	2,02,97,139
Total	2,33,31,950	2,06,42,088

As per our Report of even date.

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 104184W/W100075

For & on behalf of the Board

Hemant Kumar Agrawal

Designated Partner

Membership No. : 403143

Arun Binani

Chairperson

Sharad Taparia

Managing Director

Place: Mumbai

Date: 29/05/2017

Sukhmal Jain

Vice President-Finance

Rachana Rane

Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

Company Overview

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

1. Significant Accounting Policies:

a. Basis of Preparation of Financial Statements:

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

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

b. Use of Accounting Estimates:

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

c. Fixed Assets:

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

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

d. Intangible Assets

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

e. Depreciation and Amortisation:

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

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

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

Computer Software is amortized in 5 years

f. Impairment of Assets

The carrying amount of assets or cash generating units are reviewed at each balance sheet date, if there is any indication of impairment based on internal or external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

g. Revenue Recognition:

- I. Revenue in respect of sale of goods as well as scrap is recognized on dispatch of goods from the factory on the basis of excise invoice. Sales are accounted net of Excise Duty, Sales Tax, Discounts, Returns and Rejections. Materials returned/rejected are accounted for in the year of return/rejection.
- II. Income from services rendered is recognized as per the agreed terms/completion of the services.
- III. Export Sales are recognized on dispatch of material from the premises of the Company irrespective of the date of shipping document.

- IV. According to Maharashtra Value Added Tax Act, dealer is required to pay Value added tax (VAT) on entire sales and is allowed credit of entire Value added tax (VAT) suffered on purchases. Accordingly, the balance of Value added tax suffered on purchases not utilised against current year Sales is available for either refund or set-off in future. Therefore, all the transaction are accounted net of Value added tax and the balance in Value added tax account is included under the head recoverable from Tax department under Loans and Advances in case of refund and Other Current Liabilities, if any liability arises.
- V. Export incentives, interest and other incomes are accounted on accrual basis except Dividend which is accounted in the year of receipt.
- VI. Dividend income is recognized when the right to receive payment is established.
- VII. Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

h. Export Benefits:

Export benefits receivable at the end of the year are estimated based on the applicable Export benefits entitlement as per the prevailing EXIM Policy and reviewed for excess /short provision on realization and are written off/provided. The Export benefits, net of write off/write back is shown in the Statement of Profit & Loss.

i. Excise Duty:

1. The Company has provided for Excise Duty on excisable stock of finished goods at the end of the year.
2. Excise Duty recovered is not included in sales and is recorded separately and any excess payment thereof is treated as an expense during the year.

j. Retirement Benefits:

Defined contribution plans

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

Defined benefit plans

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

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

k. Foreign Currency Transactions:

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

l. Inventories:

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

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

m. Investments:

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

n. Taxation:

i. Current Tax

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

ii. Deferred tax

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

o. Borrowing Costs:

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

p. Provisions, Contingent Liabilities & Contingent Assets:

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

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

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

q. Leases:

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

r. Cash flow Statement

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

s. Cash and cash equivalents

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

t. Earnings per share

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

u. Contingencies and Event Occurring after the Balance Sheet Date:

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

1. **NOTES TO ACCOUNTS:**

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

2. **Contingent Liabilities:**

(₹ in Lakhs)

Particulars	31.03.17	31.03.16
a) Unutilized Letters of Credit with Bankers	14.66	138.07
b) Bank Guarantee	5.91	0.43
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.	14.79	9.85
d) Excise Department has rejected the appeal filed by the company and has raised demand as regards inter-unit transfers. The Company has filed appeal against the said order in CESTAT and has made payment of INR 5 Lakh for stay order. Stay order against recovery of the dues has been granted. CESTAT in their order dated 24/03/2017, set aside the order of Excise Department and instructed for re-examine the earlier order. Duty Demanded Penalty	31.59 31.59	31.59 31.59
e) Interest on Central Excise loan (Operated through ICICI). According to the management, Central Excise loan is interest free. However ICICI, the Operating Agency raises certain demands towards the overdue installments. The Company has provided simple interest as demanded by ICICI. Total interest provided by the company is INR 171.83 lakhs, which may be reversible if the Central Government finally doesn't demand. <u>The ICICI had also demanding Compounded interest other than simple interest, which is not provided in the account as according to the Company, the same is not payable and the same is shown as contingent here.</u> Additional interest if claimed by the department will be payable. However the management does not expect any liability on that account.	1199.14	963.79
f) During the year, credit balances had been written back under the head "Misc. Balances Written back". According to the company those amounts are not payable since all have become time barred.	7.77	12.42
g) Income tax Department has raised a demand of INR 2,59,318/- in respect of Suyog Agency Ltd. (Company merged with PML) for the A. Y. 07-08 of which INR 53,517/- is recognized in the books and for the balance amount the company has filed an appeal with CIT (A).	2.06	2.06

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

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

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

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

4. The Company has provided for Excise Duty on excisable stock of finished goods at the end of the year. The amount of Excise Duty on such Finished Goods is INR 9.03 Lakhs (P. Y. INR 08.02 Lakhs). The same amount has been included in the calculation of Cost for valuation of finished goods.
5. Balance under the head 'Trade Receivables', 'Trade Payables', 'Loan and Advances Receivable and Payable' are shown as per books of accounts subject to confirmation by concerned parties and adjustment if any, on reconciliation thereof. 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.
6. During the year INR 104.40 Lakh (P. Y. INR 43.71 Lakh credit) has been credited to the Statement of Profit and Loss in respect of the Foreign Exchange Differences.

7. **Leases:**

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

PERMANENT MAGNETS LIMITED

8. Related Party Disclosure:

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

Sr No.	Name of Related Party	Relationship
1 2 3 4	Jyotsna Plantation Ltd. Varij Plantation Pvt Ltd. Panache Fashions Precision Medical Devices Corporation	Associates & Enterprises over which Key Managerial Personnel are able to exercise significant influence
5 6 7 8	Shri. Sharad Taparia Shri. Sukhamal Jain Smt. Bhavana Shah (resigned from 30/03/2017) Ku. Rachana Rane (appointed from 30/03/2017)	Key Managerial Personnel
9	Smt. Sunaina Taparia (Wife of Shri Sharad Taparia)	Director and Relatives of Key Managerial Person.

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

(₹ in Lakhs)

Particulars	Directors / Key Management Personnel and their relatives	Companies / firms Controlled by the Directors'	Outstanding Balance
Directors' / KMP Remuneration & Fees	45.60 <i>41.16</i>	Nil <i>Nil</i>	0.00 <i>2.47</i>
ICD taken/Given	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>
Advance Given	Nil <i>Nil</i>	Nil <i>Nil</i>	Nil <i>Nil</i>

Note: Reimbursement of expenses incurred by the related parties for and on behalf of the company and vice-versa has not been included above. Provision for Gratuity being on actuarial valuation, is not included as separate figure for related party is not available.

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

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

(₹ in Lakhs)

Particulars	2016-17	2015-16
KMP		
Remuneration		
Shri. Sharad Kumar Taparia	13.07	13.07
Shri. Sukhmal Jain	24.67	20.98
Smt. Bhavna D Shah	7.82	7.11

9. Segment Reporting :

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

10. Impairment of Assets:

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

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

(₹ in Lakhs)

Sr No.	Name of the Parties	Maximum balance outstanding during the year ended		Outstanding Balance as on	
		31.03.17	31.03.16	31.03.17	31.03.16
1.	Loans to Subsidiary Co.	NIL	NIL	NIL	NIL
2.	Unsecured Loans given where there are no Repayment Schedule	NIL	NIL	NIL	NIL

12. a) Purchases of Finished Goods: NIL (P.Y. NIL)

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

A. CIF Value of Imports:

Particulars	Amount (INR In Lakhs)	
	2016-17	2015-16
Raw Materials & component	2326.01	2589.76

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

Particulars	2016-17		2015-16	
	Amount (₹ In Lakhs)	%	Amount (₹ In Lakhs)	%
Raw Materials				
Imported	2616.82	61.52	2434.79	66.15
Indigenous	1636.62	38.48	1246.14	33.85
Total	4253.44	100.00	3680.93	100.00

C. Expenditure in foreign currencies incurred during the year:

Particulars	Amount (₹ In Lakhs)	
	2016-17	2015-16
1. Travelling Expenses	13.22	10.72
2. Others	66.53	19.31
3. Financial Charges	46.78	41.54

D. Earnings in foreign currencies during the year:

Particulars	Amount (₹ In Lakhs)	
	2016-17	2015-16
1. FOB Value of Exports	4390.11	4812.49

13. **Micro, Small and Medium Enterprises Development Act, 2006:**

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

Amount (₹ in Lakhs)

		2016-17	2015-16
a)	(i) The Principal amount remaining unpaid to any supplier at the end of accounting year	268.79	194.03
	(ii) The interest due on above	-	-
	Total of (i) & (ii) above	268.79	194.03
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.

14. The Company has determined the liability for Gratuity and Leave encashment in accordance with Accounting Standard 15 (Revised 2005) – Employee Benefits.

a) The following table sets out the status of the Gratuity Plan as required under AS-15.

Amount (₹ In Lakhs)

Particulars	31.03.17	31.03.16
Reconciliation of Opening and Closing Balance of Present Value of the defined benefit obligation and plan assets:		
Obligation at the beginning	39.05	42.67
Interest Cost	2.65	2.98
Current Service Cost	7.91	7.04
Actuarial (Gain)/Loss	0.00	-2.92
Benefit Paid	-8.21	-10.72
Obligation at the period end	41.31	39.05

PERMANENT MAGNETS LIMITED

Particulars	31.03.17	31.03.16
Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company :		
Change in plan assets:		
Fair Value of plan asset at the beginning	0	0
Expected return on plan assets	0	0
Actuarial Gain	0	0
Contribution	8.21	10.72
Benefit paid	-8.21	-10.72
Fair Value of plan asset at the end of the year		
Reconciliation of present value of obligation and fair value of plan asset:		
Fair Value of plan asset at the end of the year		
Present Value of defined obligation at the end of the period	41.31	39.05
Liability recognized in the balance sheet	41.31	39.05
Gratuity Cost for the period:		
Service cost	7.91	7.04
Interest cost	2.65	2.98
Expected return on plan assets	0	0
Actuarial (gain)/loss	0	-2.92
Expense recognized in Statement of Profit and Loss	10.47	7.10

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

Amount (INR in Lakhs)

Particulars	As at 31.03.17	As at 31.03.16
Reconciliation of opening and closing balance of present value of the defined benefit obligation and plan assets:		
Obligation at the beginning	23.31	11.46
Interest Cost	1.67	00.81
Current Service Cost	13.99	13.00
Actuarial (Gain)/Loss	-10.17	00.72
Benefit Paid	-2.51	-02.68
Obligation at the period end	26.30	23.31
Defined benefit obligation liability as at the Balance Sheet is wholly funded by the company:		
Change in plan assets:		
Fair Value of plan asset at the beginning		0
Expected return on plan assets		0
Actuarial Gain		0
Contribution	2.51	2.68
Benefit paid	-2.51	-2.68
Fair Value of plan asset at the end of the year		0
Reconciliation of present value of obligation and fair value of plan asset:		
Fair Value of plan asset at the end of the year	0	0
Present Value of defined obligation at the end of the period.	26.30	23.31
Liability recognized in the balance sheet	26.30	23.31
Leave Encashment Cost for the period		
Current Service cost	13.99	13.00
Interest cost	1.67	00.81
Expected return on plan assets	0	0
Actuarial (gain)/loss	-10.17	00.72
Expense recognized in Statement of Profit and Loss	5.49	14.54



b) Valuation Assumptions

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

Particulars	31.03.17	31.03.16
Mortality Rate	IALM2008	IALM2008
Discount Rate	7.65%	7.57%
Salary Escalation Rate	4%	4%
Withdrawal Rate	1% throughout	1% throughout
Retirement Age	60 Years	60 Years
Expected average remaining service	24	23

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

15. **Disclosure in respect of Specified Bank Notes (SBN) held and transacted during the period from 08th November, 2016 to 30th December, 2016 is given below-**

(Amount in ₹)

	SBNs	Other denominations notes	Total
Closing cash in hand as on 08-11-2016 (500*155)(1000*255)	3,32,500	72,376	4,04,876
(+) Permitted receipts	-	15,45,257	15,45,257
(-) Permitted payment	-	10,92,255	10,92,255
(-) Amount deposited in Banks (500*155)(1000*255)	3,32,500	-	3,32,500
Closing cash in hand as on 30-12-2016	-	5,25,378/-	5,25,378/-

For Jayesh Sanghrajka & Co. LLP

Chartered Accountants

ICAI Firm Registration Number : 104184W/W100075

For & on behalf of the Board

Hemant Kumar Agrawal

Designated Partner

Membership No. : 403143

Arun Binani

Chairperson

Sharad Taparia

Managing Director

Place: Mumbai

Date: 29/05/2017

Sukhmal Jain

Vice President-Finance

Rachana Rane

Company Secretary

PERMANENT MAGNETS LIMITED

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

ATTENDANCE SLIP

I hereby record my presence at the 56th Annual General Meeting held at Harsh Avenue, 302, 3rd Floor, Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa- 396230. Dadra and Nagar Haveli(U.T.) on Thursday, 28th September, 2017 at 11.00 A.M.

Name of Shareholders	DP ID*
RegisteredAddress	Client ID*
	Folio No.
	No. of Shares

Name of the Member / Proxy

Signature of the Member / Proxy

(In BLOCK letters)

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

* Applicable for investors holding shares in electronics form.

----- ✂ ----- TEAR HERE ----- ✂ -----

Form No. MGT-11

PROXY FORM

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

PERMANENT MAGNETS LIMITED

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

Name of the Member (s): _____

Registered address: _____

E – mail Id: _____

Folio No / Client Id: _____ **DP Id:** _____

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

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

And whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 56th Annual General Meeting of the company, to be held on the Thursday, September 28, 2017 At 11.00 a.m. at Harsh Avenue, 302, 3rd Floor Opp Silvassa Police Station, Silvassa Vapi Main Road, Silvassa - 396230, Dadra and Nagar Haveli (U.T.) and at any adjournment thereof in respect of such resolutions as are indicated behind:

Resolutions	For	Against
Ordinary Business:		
1. To receive, consider and adopt the Audited Balance Sheet as at 31 st March, 2017 and the Statement of Profit and Loss for the year ended 31 st March, 2017 along with Directors' Report and Auditors' Report thereon.		
2. To appoint a Director in place of Shri. Mukul Taparia (DIN: 00318434), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.		
3. Appointment of M/s. Ramanand & Associates as a Statutory Auditors of the Company.		
Special Business:		
4. To Consider Revision in terms of remuneration of Shri. Sharad Taparia (DIN : 00293739), Managing Director of the Company.		

Signed this day of 2017

Signature of shareholder _____

Affix a
revenue
stamp

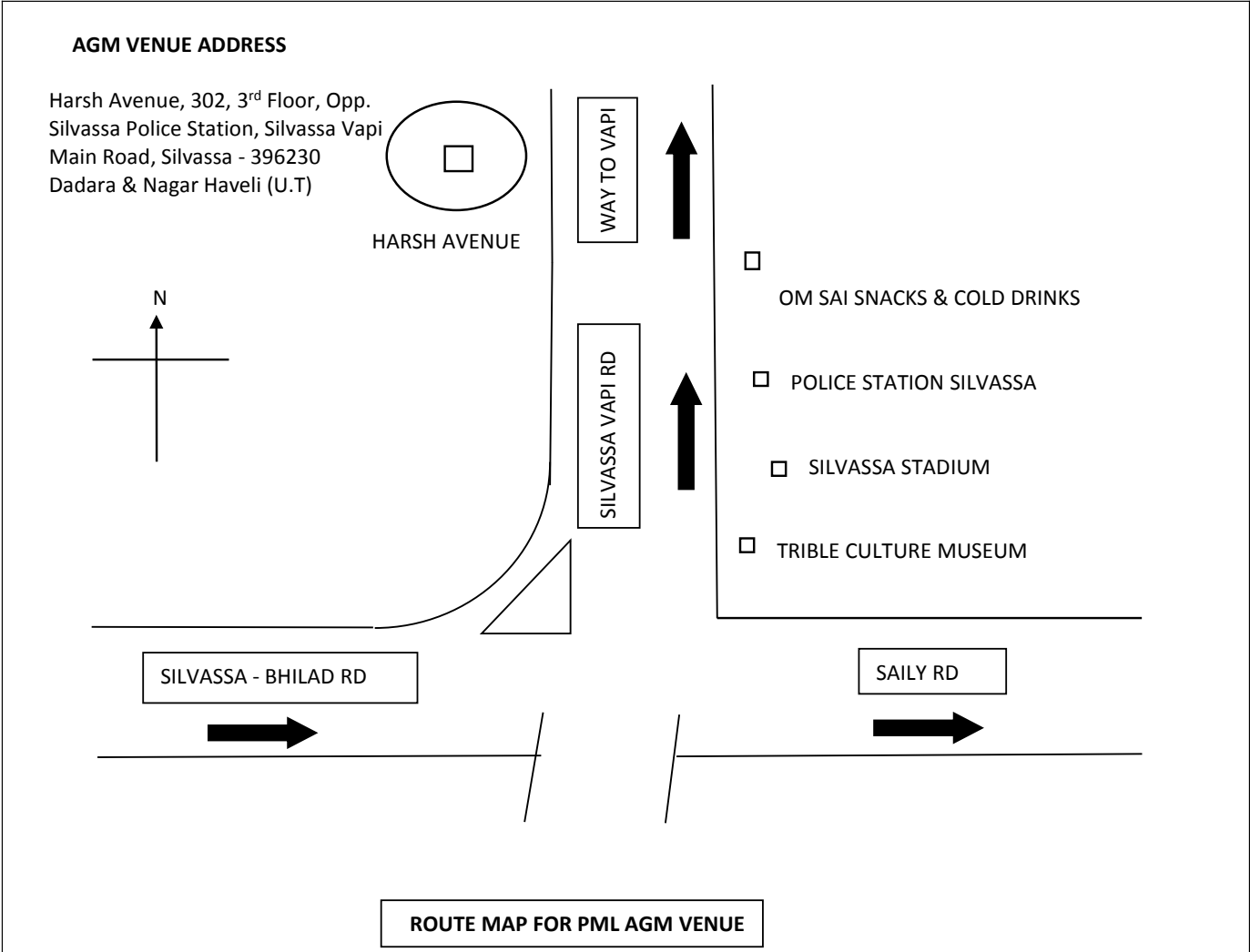
Signature of first Shareholder

Signature of Proxy holder(s)

Note:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered and cancel Corporate. Office of the Company, not less than 48 hours before the commencement of the Meeting.
- (2) A proxy need not be a member.
- (3) For the Resolutions Explanatory Statement and Notes, please refer to the Notice of the 56th Annual General Meeting.
- (4) This is only optional. Please put a "X" in the appropriate column against the resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

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If undelivered return to :

Corporate Office :

PERMANENT MAGNETS LIMITED

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