



COSMO FERRITES LIMITED

(Govt. of India Recognised Export House)

CIN : L27106HP1985PLC006378

H.O.: 517, 5th Floor, DLF Tower-A, Jasola District Centre, New Delhi-110025 (India)

Ph.: +91-11-49398800, Fax: +91-11-49398888

E-mail : sales@cosmoferrites.com Website : www.cosmoferrites.com

September 27, 2017

The Manager (Listing)
Bombay Stock Exchange limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

Sub: Submission of the Annual Report for F.Y. 2016-17

Dear Sir,

Please find enclosed herewith Annual Report for F.Y. 2016-17 of the Company as required under Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the consolidated scrutinizer report.

You are requested to take note of the same in your records.

Thanking you
For Cosmo Ferrites Limited

Neha Pawar
Company Secretary

Enclosed as above:





COSMO FERRITES LIMITED

Regd. Off: P.O. Jabli, Distt. Solan, H.P. – 173 209

CIN- L27106HP1985PLC006378

Tel: 01792-277231-32/35/36 Fax: 01792-277234

e-mail: investorservices@cosmoferrites.com

Website: www.cosmoferrites.com

NOTICE

Notice is hereby given that the Thirty first (31st) Annual General Meeting of the members of Cosmo Ferrites Limited will be held at its Registered Office at Jabli, District, Solan (Himachal Pradesh)-173209 on Monday, 25th day of September, 2017 at 03.00 P.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance sheet as at 31st March, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year ended on as at that date and the Report of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Anil Kumar Jain (DIN 00027911) who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s. S.K. Mittal & Co., Chartered Accountants, as the statutory auditors of the Company and fix their remuneration.

"RESOLVED THAT pursuant to the provisions of section 139 and other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder, as amended from time to time, M/s. S.K. Mittal & Co., Chartered Accountants (Firm Reg. No. 500063N) be and is here by appointed as statutory Auditors of the Company for a tenure of 5 years (from the conclusion of this Annual General Meeting to 36th Annual General Meeting to be held in calendar year 2022) subject to ratification by members in every general Meeting on such remuneration agreed by the Board of Directors of the Company from time to time.

RESOLVED FURTHER THAT Mr. Anil Kumar Jain, Director and Mr. Ambrish Jaipuria, Executive Director & CEO be and are hereby severally authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

SPECIAL BUSINESS

4. To approve payment of managerial remuneration in case of no profit or inadequate profit and in this regard to consider and, if thought fit, to pass, with or without modification(s), the following resolution as **Special Resolution:-**

"RESOLVED THAT in supersession of the resolutions passed earlier by the Shareholders in this regard and pursuant to the provisions section 197 and 198 read with Schedule V of the Companies Act, 2013 and all other applicable provisions, if any, of the said act, and the Companies (Appointment and Remuneration of Managerial Personnel), Rules 2014 (including any statutory modification(s) or reenactment thereof for the time being in force) and subject to such other approvals as may be necessary, the Company hereby accords its approval for payment of minimum remuneration to managerial personnel in case of no profit or inadequate profit in any financial year, during the 3 financial years commencing from April 01, 2017 up to an amount as the Board of Directors (including its Committee thereof) may approve from time to time within the overall limits specified under Section II of Part II of Schedule V of the Companies Act, 2013 or any statutory modification(s) thereof.

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

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s. Ravi Sahni & Co., Cost Accountants (Firm Registration Number 100193) appointed as the Cost Auditors of the Company by the Board for audit of the cost accounting records of the Company for the financial year ending March 31st, 2018, be paid the remuneration as set out in the Statement annexed to the Notice convening this Meeting;

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

Date: August 11, 2017

Place: New Delhi

Head Office:

517, 5th Floor, DLF Tower-A

Jasola District Centre, New Delhi- 110025

CIN:- L27106HP1985PLC006378

e-mail:- investorservices@cosmoferrites.com

By order of the Board of Directors

Cosmo Ferrites Limited

Neha Pawar

Company Secretary

Membership No. A31773

NOTES:

1. As a measure of economy, copies of Annual Report shall not be distributed at the Meeting, therefore members are requested to bring their own copy at the Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. PROXY SHALL NOT BE ENTITLED TO SPEAK AT THE MEETING. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. Proxies submitted on behalf of companies, societies, etc. must be supported by an appropriate resolution/authority, as applicable. A person shall not act as a Proxy for more than 50 members and holding in the aggregate not more than ten percent of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than ten percent of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.
4. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Businesses to be transacted at the Annual General Meeting as set out in the Notice is annexed hereto.
5. Relevant documents referred to in the proposed resolutions are available for inspection at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and Public holidays up to the date of the Annual General Meeting.
6. **Voting through electronic means**
 - (a) Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of the SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide its member the facility to exercise their right to vote on Resolutions proposed to be considered at the forthcoming Annual General Meeting by electronic means and the business may be transacted through e-voting platform provided by Central Depository Services (India) Limited (CDSL).
 - (b) That the facility for voting, through Ballot Paper shall also be made available at the Meeting & Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through Ballot Paper.
 - (c) That the Members who have cast their vote by remote e-voting prior to the Meeting may also attend the meeting but shall not be entitled to cast their vote again. The instructions for electronic voting are attached separately with the notice of Annual General Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. The Register of Members and share Transfer Books of the Company will be closed from Tuesday, September 19, 2017 to Monday, September 25, 2017 (Both days inclusive).
9. The Register of Directors and Key managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 and the Register of Contracts or arrangements in which Directors are interested under Section 189 of Companies Act, 2013 will be available for inspection by the members.
10. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
11. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
12. The Members are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents **M/s. Alankit Assignments Limited, 1E/13, Alankit Heights, Jhandewalan Extension, New Delhi 110 055.**
13. Members / Proxy holders are requested to produce at the entrance of the Meeting hall the enclosed admission slip duly completed and signed.
14. The Notice of AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address is registered with the Company or the Depository Participant(s), unless the Members have registered their request for the hard copy of the same. Physical copy of the Notice of AGM, Annual Report and Attendance Slip are

being sent to those Members who have not registered their email address with the Company or Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Registration Counter at the AGM.

15. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
16. Pursuant to Section 72 of the Companies Act, 2013, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH 13 (which will be made available on request) to the Registrar and Transfer Agents, M/s Alankit Assignments Limited.
17. Pursuant to the requirements of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the information about the Directors proposed to be appointed/ re-appointed is given in the Annexure to the Corporate Governance Report.
18. The Securities Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company's Registrar and Transfer Agent.
19. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN Card to the Company for registration of transfer of securities.

Important Communication to Members

Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars etc. from the Company electronically.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

The following Statement sets out all material facts relating to Special Business mentioned in the accompanying Notice:

ITEM No. 4

As per the provisions of Schedule V of Companies Act, 2013 remuneration payable by the Companies having no profit or inadequate profits without Central Government approval will be governed by Section II Part II of Schedule V of Companies Act, 2013. The limits specified in Part II of Schedule V of the Act are required to be approved via Special Resolution.

Board hereby accords the approval of the members to pay remuneration to Managing Personnel as per the above limits provided under Section 196 and 197 read with Schedule V of the Companies Act, 2013.

Mr. Ambrish Jaipuria is interested in the resolutions set out respectively at Item No. 4 of the Notice, which pertains to the remuneration payable to Managing Personnel.

The relatives of Mr. Ambrish Jaipuria may be deemed to be interested in the resolutions set out at Item No. 4 of the Notice, to the extent of their shareholding interest, if any, in the Company.

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

The Board accordingly recommends the resolution as set out in Item no. 4 of the accompanying notice for the approval of shareholders by way of Special Resolution.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to item no. 4 is as follows-

I. General Information :

- | | |
|--|---|
| 1) Nature of Industry | : Manufacturer and exporter of Soft Ferrites |
| 2) Date or expected date of commencement of commercial production | : Existing Company already commenced from 1986. |
| 3) In case of new Companies, Expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus | : Existing Company, Not applicable. |

4) Financial performance based on given indicators:

Particulars	2016-17	2015-16
Sales	7,053.42	6,333.16
Other Income	67.80	92.44
Profit /(Loss) before depreciation & tax	278.26	374.32
Depreciation	399.27	369.16
Exceptional Item		-
Profit/(Loss) before Tax	(121.02)	5.16
Provision for current Tax		-
Provision for earlier Year		2.44
Profit/(Loss) after current Tax	(121.02)	2.72
Provision for deferred tax	(39.45)	2.40
Profit/(Loss) After Deffered Tax	(81.57)	0.32
Add:-Mat Credit Entitlement		
Add: Balance brought forward	233.25	232.93
Less:-Transfer to Preference Share Capital		
Redemption Reserve		
Add:- Transfer from General Reserve		
Profit/(Loss) available for appropriation	151.68	233.25
Provision for arrears off Dividend on Cumulative Redeemable Preference Shares		
Proposed Dividend on Cumulative Redeemable Preference Shares		
Corporate Tax on Dividend		
Balance carried to Balance Sheet	151.68	233.25

(5) Foreign Investment of Collaborators : NIL

II. Information about the Appointee Mr. Ambrish Jaipuria, Whole Time Director

(1)	Background Details	Mr. Ambrish Jaipuria is commerce graduate in Business Administration from Ohio State University, USA.
(2)	Past Remuneration	<p>Basic salary: Rs 3200, 000/- (Rupees Thirty two lacs) Per annum with such annual increments as the board may decide.</p> <p>Performance Bonus –As per following Schedule-</p> <p>(i) EBIDTA upto Rs. 6 crores -3% of EBIDTA</p> <p>(ii) EBIDTA 6 crores and above but upto 8 crores- 4% of EBIDTA</p> <p>(iii) EBIDTA more than crores -5% EBIDTA</p> <p>Perquisites and allowance: HRA @ 60% of basic salary p.m., Medical allowances/ re-imbursements: One month's basic salary or such as may be decided by the Board, Leave Travel concession/allowance: One month's basic salary or as decided by the Board, Club fees: Fees payable subject to maximum of two clubs or as may be decided by the Board, provision for drivers/ drivers salary as per rules of the Company.</p> <p>Other Benefits: Earned/privilege leaves, Company's contribution to Provident Fund and Super Annuation fund, Gratuity, Leave encashment, Company's Car & telephone facility.</p>

(3)	Recognition or awards	-
(4)	Job Profile and his suitability	Mr. Ambrish Jaipuria has experience in Finance and Accounts and General Management functions in industrial enterprises in India.
(5)	Remuneration Proposed	No change in remuneration. same as mentioned in point 2 above.
(6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t. the country of his origin).	The remuneration proposed to be paid to Mr. Ambrish Jaipuria is in line with peers in comparable company, keeping in view his job profile, the size of operations and complexity of business of company
(7)	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Mr. Ambrish is a promoter director holding 52100 shares in the Company. Apart from receiving remuneration as stated above and dividend as a member of the Company (if any), he does not receive any emoluments form the Company.

III. Other Information

(1)	Reasons for loss or inadequate profits	Constrained demand in Europe Cheap import from China resulting into lower domestic demand Pressure on pricing High interest rates
(2)	Steps taken or proposed to be taken for	Launch of new products Better product mix Cost control Efficiency improvement
(3)	Expected increase in productivity and profits in measurable terms	The above step taken or proposed to be taken are expected to increase the productivity and profit of the Company. However, in the present scenario it's difficult to predict the impact of above in measurable term

IV. Disclosures

(1)	<p>The following disclosures shall be mentioned in the Board of Director's report under the heading "Corporate Governance", if any attached to the financial statement:-</p> <p>(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;</p> <p>(ii) Details of fixed components and performance linked incentives along with the performance criteria</p> <p>(iii) Service contracts, notice period severance fees;</p> <p>(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable;</p>	The requisite details of remuneration etc. of Directors are included in the Corporate Governance Report, forming part of the Annual Report of the Company
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ITEM NO. 5

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending March 31, 2018 as per the

following detail. In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be determined by the shareholders of the Company.

Name of the Cost Auditor	Industry	Audit fees (Rs. in lakhs)
Mr. Ravi Sahni	Electricals or Electronic Machinery	1.50 lakhs

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

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

Date: August 11, 2017

Place: New Delhi

Head Office:

517, 5th Floor, DLF Tower-A

Jasola District Centre, New Delhi- 110025

CIN:- L27106HP1985PLC006378

e-mail:- investorservices@cosmoferrites.com

By order of the Board of Directors
Cosmo Ferrites Limited

Neha Pawar
Company Secretary
Membership No. A31773

Route Map to the AGM Venue

Venue: Cosmo Ferrites Limited, Jabli, Distt Solan, H.P.-173209



Distance from **Kutaghat**, H.P. : 1.1 Km (Via NH5)

Distance from **Hotel Ratans** : 650 M (Via NH5)

Distance from **Ashiana Resorts Juice bar** : 350 M (Via NH5)

The instructions for members for voting electronically are as under:-

- (i) The remote e-voting facility begins on Friday, 22nd September, 2017 from 10:00 a.m. (IST) and ends on Sunday, 24th September, 2017 at 05:00 p.m. During the e-voting period, shareholders' of the Company holding shares either in physical form or dematerialized form, as on the cut off date i.e. 18th September, 2017, may cast their vote electronically. The remote e-voting facility 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" tab.
- (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 code / captcha code 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. (Applicable for the Members holding shares in demat form and in physical form)
- (ix) Now, fill up the following details in the appropriate boxes:

PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on Attendance Slip. 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)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> 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).

- (x) After entering these details appropriately, click on "SUBMIT" tab.
- (xi) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xii) For members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- (xiii) Click on the relevant EVSN of **"Cosmo Ferrites Limited"** on which you choose to vote.
- (xiv) 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.
- (xv) Click on the **"Resolutions File Link"** if you wish to view the entire Resolutions.

- (xvi) 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.
- (xvii) Once you **"CONFIRM"** your vote on the resolution, you will not be allowed to modify your vote.
- (xviii) You can also take print out of the voting done by you by clicking on **"Click here to print"** option on the Voting Page.
- (xix) If Demat account holder has forgotten the changed password then enter the User ID and image verification code/captcha code and click on **Forgot Password** & enter the details as prompted by the system.
- (xx) 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 the Google Play Store. Apple and Windows phone users can download the app from the App Store and Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xxi) **Note for Institutional Shareholders :**
- 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 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.
- (xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 18th September, 2017 may follow the same instructions as mentioned above for e-Voting.
- (xxiii) The voting rights of shareholders shall be in proportion to their share of the paid up equity share capital of the Company as on cut-off date of 18th September, 2017.
- (xxiv) The Board of Directors of the Company has appointed DMK & Associates, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-voting process in fair and transparent manner whose e-mail is deepak.kukreja@dmkassociates.in.
- (xxv) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.cosmoferrites.com and on the website of CDSL and simultaneously communicated to the Stock Exchanges.
- (xxvi) 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.



COSMO FERRITES LIMITED

Regd. Off: P.O. Jabli, Distt. Solan, H.P. – 173 209

CIN- L27106HP1985PLC006378

Tel: 01792-277231-32/35/36 Fax: 01792-277234

e-mail: investorservices@cosmoferrites.com, Website: www.cosmoferrites.com

ATTENDANCE SLIP

31st Annual General Meeting – 25th September, 2017

Serial No.	:	
Name & Address of the Shareholder	:	
Folio No./ *DP ID. & Client ID	:	No. of Shares
(*Applicable for investors holding shares in electronic form)	:	EVEN No.
E-Voting Sequence No.	:	User ID

I certify that I am member/ proxy/authorized representative for the member of the Company.

I hereby record my presence at the 31st Annual General Meeting of the Company held on Monday, September 25, 2017 at 3:00 P.M. at Registered Office, Jabli, Distt. Solan, (H.P.)-173209 or any adjournment thereof.

Further, please register/update my/our under mentioned E-mail Id for sending all future Company's correspondence:

Email ID:

.....

Signature of Shareholder(s)

.....

Signature of Proxy/ Authorised Representative

Notes: 1. Members/Proxy holders are requested to bring this slip with them when they come to the Meeting and hand it over at the entrance of the Meeting Hall duly signed.

2. Person attending the Meeting is requested to bring this Attendance Slip and Annual Report with him/her. Duplicate Attendance Slip and Annual Report will not be issued at the Annual General Meeting.

COSMO FERRITES LIMITED

Regd. Off: P.O. Jabli, Distt. Solan, H.P. – 173 209

CIN- L27106HP1985PLC006378

PROXY FORM [Form No. MGT-11]

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

Name of the members:	
Registered Address:	
E-mail Id:	Folio No/ *Client Id: *DP id:

I/ We, being the member(s) of shares of Cosmo Ferrites limited, hereby appoint:

- 1).....ofhaving e-mail idor failing him
- 2).....ofhaving e-mail idor failing him
- 3).....ofhaving e-mail id

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 31st Annual General Meeting of the Company, to be held on Monday, September 25, 2017 at 3:00 P.M. at Registered Office, Jabli, Distt. Solan, (H.P.)-173209 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Number	Description	For	Against
1.	Consider and adopt audited Balance Sheet, Profit & loss Account, Reports of the Board of Directors and Auditors for the year ended March 31, 2017.		
2.	Re-appointment of Mr. Anil Kumar Jain who retires by rotation.		
3.	Appointment of M/s. S.K. Mittal & Co., Chartered Accountants as Statutory Auditors of the Company and fixing their remuneration for the F.Y. 2017-18		
4.	Approval of payment of Managerial Remuneration in case of no profit or inadequate profit.		
5.	Appointment and approval of the remuneration payable to Cost Auditors for the Financial Year 2017-18.		

*Applicable to investor holding shares in electronic form.

Signed thisday of 2017 Signature of shareholder(s)

Signature of First Proxy holder(s)..... Signature of Second Proxy holder(s).....

Notes:

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) It is optional to 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 Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (3) Please complete all details including details of member(s) in above box before submission.
- (4) For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 31st Annual General Meeting.

Affix
Revenue
Stamp



COSMO FERRITES LIMITED

Annual Report 2016-17

BOARD OF DIRECTORS

Mr. Ashok Jaipuria	Chairman
Mr. Ambrish Jaipuria	Executive Director & CEO
Mr. Shreekant Somany	Non-Executive Director
Mr. Rakesh Nangia	Non-Executive Director
Mr. N. K. Gupta	Non-Executive Director
Mr. A. K. Jain	Non-Executive Director
Ms. Jyoti Dixit	Non-Executive Director
Dr. Ramakant Dwivedi	Non-Executive Director
Mr. Janardhan Gupta	Non-Executive Director

COMPANY SECRETARY

Ms. Neha Pawar

REGISTERED OFFICE

P.O. Jabli, Distt. Solan
H.P. - 173 209
Ph. : 01792-277231-32/35/36
Fax : 01792-277234
E-mail: plant@cosmoferrites.com

AUDITORS

B. K. Shroff & Co.

BANKERS

State Bank of India

CORPORATE OFFICE

517, 5th Floor, DLF Tower - A
Jasola District Centre, New Delhi - 110 025 (India)
Ph. : +91 - 11 - 49398800
Fax : +91 - 11 - 49398888
E-mail : sales@cosmoferrites.com

SALES OFFICE

517, 5th Floor, DLF Tower - A
Jasola District Centre, New Delhi - 110 025 (India)
Ph. : +91 - 11 - 49398800
Fax : +91 - 11 - 49398888
E-mail : sales@cosmoferrites.com

MFG. PLANT

P.O. Jabli, Distt. Solan
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E-mail : sales@cosmoferrites.com

Contents:-

Directors' Report	1
Management Analysis	19
Report on Corporate Governance	21
Auditors' Report	33
Balance Sheet	37
Profit and Loss account	38
Cash Flow Statement	39
Accompany Notes of the Financial Statement	40



DIRECTORS' REPORT

THE MEMBERS COSMO FERRITES LTD.

The Directors have pleasure in presenting the Annual Report on the business and operations of the company along with Audited Balance Sheet and Profit & Loss A/c for the year ended **31st March 2017**.

(Rs. in Lacs)

FINANCIAL RESULTS	2016-17	2015-16
Sales	7,053.42	6,333.16
Other Income	67.80	92.44
Profit/(Loss) before depreciation & tax	278.26	374.32
Depreciation	399.27	369.16
Exceptional item	-	-
Profit/(Loss) before Tax	(121.02)	5.16
Provision for current Tax	-	-
Provision for earlier Year	-	2.44
Profit/(Loss) after current Tax	(121.02)	2.72
Provision for deferred tax	(39.45)	2.40
Profit/(Loss) After Deferred Tax	(81.57)	0.32
Add:-Mat Credit Entitlement		
Add: Balance brought forward	233.25	232.93
Less:-Transfer to Preference Share Capital	-	-
Redemption Reserve	-	-
Add:- Transfer from General Reserve	-	-
Profit/(Loss) available for appropriation	(151.68)	233.25
Provision for arrears off Dividend on Cumulative Redeemable Preference Shares	-	-
Proposed Dividend on Cumulative Redeemable Preference Shares	-	-
Corporate Tax on Dividend	-	-
Balance carried to Balance Sheet	151.68	233.25
	151.68	233.25

2. REVIEW OF OPERATIONS

- For the year ending 31st March 2017 sales increased to Rs 7053.42 Lacs as compared to Rs. 6333.16 Lacs for previous year.
- Net loss for the year is Rs. 121.02 lacs as compared to Net Profit before tax Rs. 5 lacs in the previous year.

3. DIVIDEND

In view of the null profitability during this year, the Directors are unable to recommend any dividend on the equity shares for the year ended March 31, 2017.

4. RESEARCH & DEVELOPMENT

Continuous efforts on Research & Development activities are being made to expand the domestic and export markets.

5. CORPORATE GOVERNANCE

Company is committed to maintaining the best standards of Corporate Governance and has always tried to build the maximum trust with shareholders, employees, customers, suppliers and other stakeholders.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Auditors confirming compliance of the Corporate Governance norms as stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is included in the Annual Report in Annexure - A.

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to regulations 34 of the Listing Regulations, Management's Discussion and Analysis Report for the year is presented in a separate section forming part of the Annual Report

7. INTERNAL CONTROLS SYSTEMS

The Internal Control systems are routinely tested and certified by Statutory as well as Internal Auditors and cover all key areas of business. Independence of the internal audit and compliance is ensured by direct reporting to the Audit Committee of the Board.

A CEO and CFO Certificate, forming part of the Corporate Governance Report, further confirms the existence and effectiveness of internal controls and reiterates their responsibilities to report deficiencies to the Audit Committee and rectify the same.

8. DIRECTORS

(a) Chairman

Mr. Ashok Jaipuria, is the Non Executive-Chairman of the Company.

(b) Reappointment

Mr. Anil Kumar Jain, Non-Independent and Non-Executive Director of the Company, retires by rotation and being eligible offer himself for reappointment at the ensuing Annual General Meeting.

(c) Status of Directors

Mr. Ambrish Jaipuria is the Executive Director & CEO of the Company. Mr. Anil Kumar Jain is Non-Independent and Non-Executive Director. Mr. Shreekant Somany, Mr. Rakesh Nangia, Mr. Naresh Kumar Gupta, Ms. Jyoti Dixit, Dr. Ramakant Dwivedi and Mr. Janardhan Pralhadrao Gupta are the Independent Directors of the Company.

(d) Declaration from Independent Directors

The Company has received declarations from all



the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Regulation 16 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

9. KEY MANAGERIAL PERSONNEL'S

Mr. Ambrish Jaipuria, Executive Director & CEO, Mr. Ramesh Chand, Chief Financial Officer and Ms. Neha Pawar, Company Secretary are the Key Managerial Personnel of the Company in accordance with the provisions of Section 2(51), 203 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

During the year under review, there was no change in the KMP's of the Company.

10. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same.

The Chairman also has one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company

The details of the familiarisation programme may be accessed on the Company's website (www.cosmoferrites.com).

11. EVALUATION OF BOARD'S PERFORMANCE

In compliance with the Companies Act, 2013 and Regulation 17(10) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the performance evaluation of the Board was carried out during the year under review. More details on the same are given in the Corporate Governance Report.

12. MEETINGS

During the year four (4) Board Meetings and four (4) Audit Committee Meetings were convened and held. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under Companies Act, 2013.

Details of the composition of the Board and its Committees and of the Meetings held, attendance of the Directors at such meetings and other relevant details are provided in Corporate Governance Report.

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

14. DEPOSITS

The Company has not accepted deposit from the public within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

15. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The details of energy conservation, technology absorption and foreign exchange earnings and outgo as required under Section 134(3) of the Companies Act, 2013, read with the Rule 8 of Companies (Accounts of Companies) Rules, 2014 is annexed herewith as **Annexure - C** to this report.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy without fear of reprisal. The policy may be accessed on the Company's website.

17. DIVERSITY OF BOARD

The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In particular, a diverse Board, among others, will enhance the quality of decisions by utilizing different skills, qualifications and professional experience for achieving sustainable and balanced development.

18. REMUNERATION POLICY

Pursuant to the applicable provisions of the Companies Act, 2013 and the Listing Regulations, the Board, in consultation with its Nomination & Remuneration Committee, has formulated a framework containing, inter-alia, the criteria for performance evaluation of the entire Board of the Company, its Committees and Individual Directors, including Independent Directors.



Members can download the complete remuneration policy on the Company's website (www.cosmoferrites.com).

Disclosure of details of payment of remuneration to Managerial Personnel under Schedule V Part II, Section II (A) forms part of this Corporate Governance Report.

19. RELATED PARTY TRANSACTIONS

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered into by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. The details of the related party transactions as required under Accounting Standard-18 are set out in Note 30 to the financial statements forming part of this Annual Report.

During the year, there were no transactions with related parties which qualify as material transactions under SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Disclosure required in Form AOC-2 pursuant to Section 134 (3)(h) of the Companies Act, 2013 is Not Applicable.

The Company has developed a Policy for Consideration and Approval of Related Party Transactions which can be accessed on Company's website (www.cosmoferrites.com).

20. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as Annexure D to this Report.

21. RISK MANAGEMENT

Every organization is exposed to a number of risks that it needs to effectively identify, manage and mitigate. Company has a process in place to identify key risks across the organisation and relevant action plans to mitigate these risks. The Risk & Operations Management Committee has been entrusted with the responsibility to assist the Board members about the risk assessment and its minimization procedures.

There are no risks which in the opinion of the Board threaten the existence of your Company. However, some of the risks which may pose challenges are set out in the Management Discussion and Analysis which forms part of this Report.

22. AUDITORS

Statutory Audit:

M/s. B.K. Shroff & Co., Chartered Accountants, the existing Statutory Auditors would retire from the conclusion of ensuing Annual General Meeting of the Company and shall not eligible for reappointment as

per the provisions of rotation of Auditors under Companies Act, 2013.

The Company has received a letter from M/s. S.K Mittal & Co. Chartered Accountants, New Delhi expressing their willingness to be appointed as statutory auditors of the Company and further confirmed that their appointment, if made, will be in compliance with provisions of Section 141(3) (g) of the Companies Act, 2013. The Board has proposed to appoint M/s. S.K Mittal & Co. Chartered Accountants (Firm Reg. No. 500063N), as statutory Auditors of the Company for a tenure of 5 years (from the conclusion of forthcoming 31st Annual General Meeting to be held in calendar year 2017 to 36th Annual General Meeting to be held in calendar year 2022)

Secretarial Audit:

Pursuant to the Provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Managerial Personnel) Rules, 2014, the Company has appointed "M/s DMK Associates", a firm of Company Secretaries in Practice to undertake the Secretarial Audit of the Company.

The Report of the Secretarial Audit is annexed herewith as "Annexure B." The Report does not contain any qualification, reservation or adverse remark.

Cost Auditor:

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s Ravi Sahni & Co., Cost Accountants, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2017-18 at a remuneration of Rs. 1,50,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

23. AUDITORS' REMARKS

The Auditors' remarks on the annual accounts are self explanatory and do not require further comments from the Company.

24. CHANGE IN NATURE OF BUSINESS, IF ANY

No change in the nature of the business of the Company done during the year under review.

25. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION OF THE COMPANY

There are no material changes and commitments which have occurred subsequent to the close of the financial year of the Company to which the balance sheet relates and the date of the report that may affect the financial position of the Company.



26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

27. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year FY 2017- 18 to the Bombay Stock Exchange where the Company's equity shares are listed.

28. PROMOTION OF WOMEN'S WELL BEING AT WORKPLACE

As required by the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, the Company has formulated and implemented a policy on prevention of sexual harassment at workplace with a mechanism of lodging complaints. During the year under review, no complaints were reported to the Board.

29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also enclosed as Annexure E to this Report.

Particulars of the Employees pursuant to section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is enclosed as Annexure E to this Report.

30. DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of knowledge and belief and according to the information and explanations obtained by them, hereby confirm that:

- (i) In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.
- (ii) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2017 and of the profits of the Company for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts of the Company have been prepared on a going concern basis.
- (v) Proper Internal Financial Controls were in place and that the Financial Controls were adequate and were operating effectively.
- (vi) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

31. APPRECIATION

Your Directors wish to place on record their appreciation of continued support extended by the dealers, distributors, suppliers, investors, bankers, financial institutions. Your Directors also express their appreciation for the committed services by the employees of the Company.

For and on behalf of the Board

Ambrish Jaipuria
Chairman

New Delhi
11th August, 2017

**Annexure A****AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE**

To
The Members,
Cosmo Ferrites Limited

We have examined the compliance of conditions of Corporate Governance by Cosmo Ferrites Limited ("the Company"), for the financial year ended on 31st March 2017, as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations')

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountant of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that performs Audits & Reviews of Historical Financial information and other Assurance & related service engagements.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations, as applicable.

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

For **B.K. Shroff & Co.**
Chartered Accountants
Reg. No. : 302166E

Sanjiv Aggarwal
Partner
Membership Number : 085128

Date: 11th August, 2017
Place: New Delhi



Annexure B

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
M/s COSMO FERRITES LIMITED
CIN:L27106HP1985PLC006378
P.O. Jabli, Distt Solan, Jabli
Himachal Pradesh- 173209

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 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 along with Annexure 1 attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the Audit Period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment(FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings (ECB); **(No FDI, ODI and ECB was taken by the company during the Audit Period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act,

1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **(Not applicable to the Company during the Audit Period);**
- d) **Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(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; **(Not applicable to the Company during the Audit Period)**
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)**
- 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 AS IDENTIFIED BY THE MANAGEMENT**
 - i. The Factories Act, 1948 and rules made thereunder,
 - ii. The Payment of Wages Act, 1936 and rules made thereunder,
 - iii. Minimum Wages Act, 1948 and the rules made thereunder,
 - iv. Employees' State Insurance Act, 1948 and rules made thereunder,
 - v. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder,
 - vi. Payment of Bonus Act, 1965 and rules made thereunder,



- vii. The Payment of Gratuity Act, 1972 and rules made thereunder,
- viii. The Contract Labour (Regulation and Abolition) Act, 1970 and rules made thereunder,
- ix. The Apprentice Act, 1961 and rules made thereunder,
- x. The Industrial Dispute Act, 1947 and rules made thereunder,
- xi. The Equal Remuneration Act, 1976 and rules made thereunder,
- xii. Trade Union Act, 1926 and rules made thereunder,
- xiii. The Employees Compensation Act, 1923 and rules made thereunder,
- xiv. Maternity Benefit Act, 1961 and rules made thereunder,
- xv. The Air (Prevention and Control of Pollution) Act, 1981 and rules made thereunder,
- xvi. The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder,
- xvii. Hazardous Waste (Management and Handling) Rules, 1989 and Amendment Rules, 2003,
- xviii. Environment Protection Act, 1986 and rules made thereunder,
- xix. Legal Metrology Act, 2009 and rules made thereunder,
- xx. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder,
- xxi. Personal Injuries (Compensation Insurance) Act, 1963 and rules made thereunder,
- xxii. Custom Act, 1962 and rules made thereunder,
- xxiii. Petroleum Act, 1934 & rules framed thereunder,
- xxiv. Industrial Employment (Standing Orders) 1946,

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) 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, and Guidelines to the extent applicable, Standards, etc. as mentioned above:

Based on the information received and records maintained, we further report that

- 1. The Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive, women and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.
- 2. Adequate notice of at least seven days was given to all directors to schedule the Board Meetings along with agenda and detailed notes on agenda 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.
- 3. Majority decision is carried through and recorded in the minutes of the Meetings. Further as informed, no dissent was given by any director in respect of resolutions passed in the board and committee meetings.

Based on the compliance mechanism established by the company and on the basis of the Compliance Certificate (s) placed and taken on record by the Board of Directors at their meeting (s), 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.

We further report that during the audit period the company has not incurred any specific event / action that can have major bearing on the company's affairs in pursuance of above referred laws, rules, regulations; guidelines, standards etc. except

- 1. The board of directors in their meeting held on May 4, 2016 has accorded the proposal to set up Manufacturing unit of LED Lamps and Lightening effects including parts & components thereof at Noida in name and style of Alisha Lights & Controls.

**For DMK ASSOCIATES
COMPANY SECRETARIES**

(MONIKA KOHLI)
FCS, LL.B.
PARTNER
FCS 5480
C P 4936

Date : 11.08.2017
Place : New Delhi



ANNEXURE 1

To,
The Members,
M/s COSMO FERRITES LIMITED
CIN- L27106HP1985PLC006378
P.O. Jabli, Distt Solan, Jabli
Himachal Pradesh- 173209

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2017 of even date is to be read with 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. We believe that the processes and practices, we followed provide a reasonable basis 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 the management. Our examination was limited to the verification of the 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 DMK ASSOCIATES
COMPANY SECRETARIES

(MONIKA KOHLI)
FCS, LL.B.
PARTNER
FCS 5480
C P 4936

Date: 11.08.2017
Place: New Delhi



Annexure - C

THE INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO STIPULATED UNDER SECTION 134 (3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8 OF THE COMPANIES (ACCOUNT) RULES, 2014

A. CONSERVATION OF ENERGY

(i) Steps taken/Impact on Conservation of Energy:

Improvement in energy efficiency is a continuous process at Cosmo and conservation of energy is given a very high priority in all our plants and offices.

The energy costs saving measures carried out by the company during the year are listed below:

- Utilization of Kiln waste heat in ultrasonic cleaners in grinders for drying the ferrite cores.
- Stopping of One cooling tower and one cooling tower pump by modification in pipe lines
- Reduction in contract demand for 2 Electrical connection from 1600 KVA to 1250 KVA and 1100 KVA to 1000 KVA respectively
- Substituted LPG for HSD for firing our burners for spray drying process.

(ii) Steps taken by the Company for utilizing alternate sources of energy.

The Company is also in the process of evaluation of other sources of energy such as wind energy and solar energy. All the manufacturing units will continue to put in effort to reduce specific energy consumption.

(iii) Capital investment on energy conservation equipments during the year: NIL

B. TECHNOLOGY ABSORPTION

- (i) Efforts made towards technology absorption :
The Company's technology is developed in house,

which has helped in improving efficiency and developing new products.

- (ii) The benefits derived like product improvement, cost reduction, product development, import substitution.

- Lean model developed from Press to Pack result into reduction of input and processing cost.
- Open tools introduced instead of combined tools result huge saving of Raw Materials and consumables

- (iii) In case of imported technology (Imported during the last 3 years reckoned from the beginning of the financial year)

- (a) Details of Technology Imported
- (b) Year of Import
- (c) Whether the technology been fully absorbed
- (d) If not fully absorbed, areas where this has not taken place, and reasons thereof

N.A. (The Company has not imported any technology)

- (iv) Expenditure incurred on Research and Development

	<u>Rs. lacs.(approx)</u>
(a) Capital	0.00
(b) Recurring	<u>160.72</u>
(c) Total	160.72
(d) Total R & D expenditure as percentage of net sales	2.41%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were Rs. 2990 Lacs (Previous Year Rs. 2817 Lacs). The total foreign exchange utilized during the year amounted to Rs. 1823 Lacs (Previous Year Rs. 1642 Lacs). Details of foreign Exchange earned and utilized during the year are given in Notes to Accounts.

**Annexure - D****FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN**

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

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

I. REGISTRATION AND OTHER DETAILS:

CIN	L27106HP1985PLC006378
Registration Date	24/07/1985
Name of the Company	Cosmo Ferrites Limited
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	P.O. Jabli, Distt. Solan H.P.- 173209 Ph: 01792-277231-32/35/36
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Alankit Assignments Limited, 1E/13, Jhandewalan Extension, New Delhi- 110055 Ph: 011- 42541953

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:-

Sl. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the company
1	Soft Ferrites Part (Components)	3689	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

S. NO.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholder	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									
Individuals/ Hindu Undivided Family	195000	NIL	195000	1.62	195000	NIL	195000	1.62	0.00
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Bodies Corporate	7442500	NIL	7442500	61.87	7442500	NIL	7442500	61.87	0.00
Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub Total(A)(1)	7637500	NIL	7637500	63.49	7637500	NIL	7637500	63.49	0.00
2) Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00



Category of Shareholder	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	
Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub Total(A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7637500	NIL	7637500	63.49	7637500	NIL	7637500	63.49	0.00
B. Public shareholding									
1) Institutions									
Mutual Funds/ UTI	NIL	7100	7100	0.06	NIL	7100	7100	0.06	0.00
Financial Institutions / Banks	NIL	400	400	0.00	NIL	300	300	0.00	0.00
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub-Total (B)(1)	NIL	7500	7500	0.06	NIL	7400	7400	0.06	0.00
2) Non-institutions									
Bodies Corporate	776246	3900	780146	6.48	720943	3900	724843	6.02	(0.46)
Individuals									
i. Individual shareholders holding nominal share capital up to Rs 1 lakh	1573375	351101	1924476	16.00	1746953	346501	2093454	17.40	1.4
ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1676816	NIL	1676816	14.00	1535572	NIL	1535572	12.76	(1.24)
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Non Resident Indian	3162	400	3562	0.03	9041	400	9441	0.08	0.05
Sub-Total (B)(2)	4029599	355401	4385000	36.45	4034299	350801	4385100	36.45	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	4029599	362901	4392500	36.51	4034299	358201	4392500	36.51	0.00
TOTAL (A)+(B)	11667099	362901	12030000	100	11671799	358201	12030000	100	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub-Total (C)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
GRAND TOTAL (A)+(B)+(C)	11667099	362901	12030000	100	11671799	358201	12030000	100	0.00



(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding 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	Aanchal Jaipuria	55500	0.46	NIL	55500	0.46	NIL	NIL
2	Abha Jaipuria	7500	0.06	NIL	7500	0.06	NIL	NIL
3	Ambrish Jaipuria	52100	0.43	NIL	52100	0.43	NIL	NIL
4	Ashok Jaipuria	79900	0.66	NIL	79900	0.66	NIL	NIL
5	Andheri Properties & Finance Ltd.	3756375	31.23	NIL	3756375	31.23	NIL	NIL
6	Pravasi Enterprises Ltd.	50	0.00	NIL	50	0.00	NIL	NIL
7(a)	Sunrise Manufacturing Company Ltd.	575	0.00	NIL	575	0.00	NIL	NIL
7(b)	Sunrise Manufacturing Company Ltd. (C/o Gayatri & Annapurna)	500	0.00	NIL	500	0.00	NIL	NIL
8	Super Sadiq Enterprises Pvt. Ltd.	3685000	30.63	NIL	3685000	30.63	NIL	NIL

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	No Changes during the year.			
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/ sweat equity etc):	No Changes during the year.			
	At the End of the year	No Changes during the year.			

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

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Subramanian P	0	0	500570	4.16
2	Devyani Enterprises Private Limited	200000	1.66	200000	1.66
3	Mohd Feroz Haji Kasam Vaghani	48000	0.40	99000	0.82
4	VSL Securities Private Limited	100000	0.83	77015	0.64
5	Shashi Rani Gupta	75959	0.63	75959	0.63
6	Debashree Choudhury Chakraborty	0	0	60000	0.50
7	Manish Bhandari HUF	0	0	55000	0.46
8	Bjd Securities Private Ltd	42900	0.36	42900	0.36
9	Veena K Jagwani	107927	0.89	40000	0.33
10	Surinder Kumar Sahni	40000	0.33	40000	0.33

*The shares of the Company are traded on a daily basis and hence the datewise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.



(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
1	Mr. Ashok Jaipuria							
	At the beginning of the year	79900	0.461				79900	0.461
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	79900	0.461	-	-	-	79900	0.461
2	Mr. Anil Kumar Jain							
	At the beginning of the year	462	0.0038	-	-	-	462	0.0038
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	462	0.0038	-	-	-	462	0.0038
3	Mr. Ambrish Jaipuria							
	At the beginning of the year	52100	0.433	-	-	-	52100	0.433
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	52100	0.433	-	-	-	52100	0.433
4	Mr. Shreekanth Somany							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00				0	0.00
5	Mr. Naresh Kumar Gupta							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00				0	0.00



Sl. No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
6	Mr. Rakesh Nangia							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
7	Ms. Jyoti Dixit							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
8	Dr. Ramakant Dwivedi							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
9	Mr. Janardhan Pralhadrao Gupta							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
10	Mr. Ramesh Chand							
	At the beginning of the year	1000	0.008				1000	0.008
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1000	0.008	-	-	-	1000	0.008
11	Ms. Neha Pawar							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00



V. INDEBTEDNESS

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

(Rs in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	2783.15	50.00	2.85	2836.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	2783.15	50.00	2.85	2836.00
Change in Indebtedness during the Financial Year				
• Addition	2377.78	170.00	-	2547.78
• Reduction	(2061.13)	50.00	-	(2011.13)
Net Change	316.65	220.00	-	536.65
Indebtedness at the end of the Financial Year				
i) Principal Amount	3099.80	170.00	2.85	3272.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	3099.80	170.00	2.85	3272.65

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager WTD
		Mr. Ambrish Jaipuria
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	57.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.22
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	19.20
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as % of profit	
	- others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	79.85
	Ceiling as per the Act	Rs 84 lacs being the amount permissible under Section II Part II of Schedule V of Companies Act, 2013.

**B. Remuneration to other directors:****(1) Independent Directors****(Rs. in lakhs)**

Name of Director	Fee for attending Board/ Committee meetings	Commission	Others	Total
Mr. Shreekant Somany	0.20	-	-	0.20
Mr. Rakesh Nangia	0.80	-	-	0.80
Mr. N.K. Gupta	0.60	-	-	0.60
Ms. Jyoti Dixit	0.40	-	-	0.40
Dr. Ramakant Dwivedi	0.45	-	-	0.45
Mr. Janardhan Pralhadrao Gupta	0.30	-	-	0.30
Total (1)	2.75	-	-	2.75

(2) Non Executive Directors

Mr. Ashok Jaipuria**	NIL	-	-	NIL
Mr. Anil Jain	0.60	-	-	0.60
Total (2)	0.60	-	-	0.60
Total (B) = (1) + (2)	3.35	-	-	3.35
Ceiling as per the Act	As per the section 197 sitting fee of Rs 1 lac per meeting is allowed.			

*The above mentioned Directors only receive Sitting Fees and have no other pecuniary relationship with the Company.

**Mr. Ashok Jaipuria opted not to take any sitting fees for attending any meeting of the Board of Directors and Committee thereof.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**(Rs. in lakhs.)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	11.04
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	9.03
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as % of profit	
	- others, specify...	Nil
5.	Others, please specify	Nil
	Total*	20.07

*Figures have been rounded off.

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES (Under Companies Act, 2013)

No penalties/punishment/compounding of offences were levied under the Companies Act, 2013.



Annexure – E(i)

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

DISCLOSURE IN DIRECTORS' REPORT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the company for the Financial Year.

Name of the Director	Ratio
1. Mr. Ambrish Jaipuria	37.6
Note: For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.	

2. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Financial Year.

Name	Designation	% increase
Mr. Ambrish Jaipuria	Executive Director & CEO	0%
Mr. Ramesh Chand	Chief Financial Officer	5%
Ms. Neha Pawar	Company Secretary	19%

3. Percentage increase in the median remuneration of all employees in the Financial Year 2016-17: 16%
4. Number of Permanent employees on the rolls of Company as on 31st March, 2017: 257
5. Average percentage increase made in salary of employees other than the Managerial Personnel in the last Financial Year and its comparison with the percentage increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

Average increase in remuneration for Employees other than Managerial Personnel and for Managerial Personnel is 16% and 0% respectively.

6. Affirmation that the remuneration is as per the Remuneration Policy of the Company

It is confirmed that the remuneration paid to the Directors, Key Managerial Personnels and Senior Management is as per the Remuneration Policy of the Company

General Note :

- Managerial Personnel includes Whole-time Director.



Annexure – E(ii)

Statement containing the particulars of employees in accordance with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2016:

1. Names of the top ten employees of the Company in terms of remuneration drawn and the name of employees who were employed throughout the Financial Year 2016-17 and were paid remuneration not less than 1 Crore 2 lakhs Rupees per annum/8 lakhs 50 thousand per month:

Sl. No.	Employee Name	Age	Qualification	Designation/ Nature of Duties	Date of Employment	Remuneration Received	Experience (in years)	Last Employment	Designation
1	Mr. Ambrish Jaipuria	38	Business Administration, Ohio State University, USA	Executive Director & CEO	29/01/2004	83,85,224	11	-	-
2	Mr. Sanjeev Kumar	48	B.Tech, DME Diploma in Management	Head-Operations	01/06/1988	25,73,640	29	Kamla Dials & Devices, Dera Bassi, Punjab	Head Manufacturing
3	Mr. K. Sriram	51	B.E. Ceramic Engineering.	Sr. Manager	29/06/1991	19,54,800	25	-	-
4	Mr. Ramesh Chand	53	B.SC. (Computer Science), PGDBM (Systems)	Chief Financial Officer	23/03/1988	18,12,552	31	-	-
5	Mr. Sameer Yadav	36	M.Tech (Specialisation in Materials Science & Metallurgy)	Manager Marketing- International	02-02-2006	15,78,444	11	-	-
6	Mr. Ved Prakash Pandey	34	B.COM, CA	Manager	6/9/2015	15,76,824	10	-	-
7	Mr. P.V.V. Satyanarayana	40	Diploma in Ceramic and Glass Technology	Manager	01/01/2015	13,75,620	20	Victor Component Systems Pvt. Ltd.	Plant Head (Production)
8	Mr. Parmod Kumar Jain	49	Bachelor of Arts	Deputy Manager- Domestic marketing	01/06/1988	11,83,668	27	-	-
9	Sandeep Arora	44	Diploma in Mechanical Engineering	Head - Manufacturing	18/04/2016	10,92,519	20	Sustain Energy (Pvt) Ltd.	Production Head
10	Mr. Anil Khurana	50	Diploma (Mechanical)	Assistant Manager	01-0401987	10,10,952	30	Kamla Dials & Devices	Draftsmen (Mechanical)



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments:

The Company is in the business of manufacturing soft ferrites cores. Major applications of ferrites are inverter transformers, Domestic Lighting, Energy Meter, Mobile Charger, SMPS, Transformer Manufacturers current transformers, pulse transformers, line filters, choke, noise suppressors etc. The industry is witnessing a decent growth rate and it is expected to grow at a similar rate in the near future as well, in both Domestic and Exports industry. The rapid urbanization and increase in usage of products using soft ferrites has given this industry a big fillip to the soft ferrites industry in the recent years.

The Company in continuation of developing new products to match the latest requirement has successfully commenced the Production of LED Lamps and Lighting effects completed phase 1 of the LED Project at its manufacturing unit located at Noida.

Opportunities & threats:

The continuous shift of manufacturing facilities from high cost locations like US & European countries to low cost countries like India & China has provided a lucrative opportunity to the manufacturers in these countries.

However, unlike hard ferrite, soft ferrite is more complicated both in terms of manufacturing process and characteristic requirements. Further the continuous technological advancements pose a threat to the companies unable to cope with these changes.

Segment Wise or Product Wise Performance

The Company deals in only one product i.e. Soft Ferrites Core

Outlook

The outlook for the industry and the company looks bright and new markets in the global arena are being developed by the company. The Company is also focusing on cost cutting and increased productivity to enhance its competitiveness.

Risks & Concerns

The management cautions readers that the risks outlined below are not exhaustive and are for information purposes only. Investors are requested to exercise their own judgment in assessing various risks associated with the company.

The Competition Risk

Ferrites industry is capital intensive industry. In a free market environment, new capacities are created depending upon demand supply situation and return on investment. Industry is cyclical in nature and at times there is over supply situation leading to decline in operating margins.

We are mitigating the above risk by increasing our exports presence, developing niche products, exploring new markets

and new customers. The domestic market caters to the lower end segment of the ferrites market and poses no threat to the company. The company has a good image with local customers.

Customer Attrition Risk

All customers are sensitive to quality, delivery and price.

The above risk is mitigated by developing value added niche products, customer schedule adherence and improved quality standards. This enables us to build long term relationship with various customers by providing them good value proposition.

Raw Material Price Risk

Raw material price have a significant impact on operating margins since scope for increase in selling prices has reduced.

Since, raw materials prices are increasing continuously, especially Ferric Oxide, the company is in the process of removing lower realization products and customers, increasing sales realization and exploring new markets where realizations are high.

People Risk Management

High Quality human resources are vital to the success of our business. People are valuable assets of the company.

The company has been working towards providing challenging high growth environment for its employees. The company follows good HR practices, which include various schemes for employee welfare and motivation.

The company has strong appraisal system. It has successfully worked its compensation policy to team and individual performances. The company provides good opportunity to deserving candidates. The company believes in growth of its managers to leaders and has structured training programs to that effect.

With excellent performance track record as well as best HR practices we are able to attract and retain people for growth of our business.

Security Risk Management

Operations could be disrupted due to natural, political and economic disturbances.

Running a business exposes the company to a number of risks.

The company has taken adequate insurance cover on its insurable interests. These include:

1. Fire Risk
2. Marine risk
3. Burglary risk
4. Group Personal Accident Policy
5. Other Miscellaneous Policies.



The company has also taken steps to strengthen IT security system as well as physical security system at all our locations.

Foreign Exchange Risk

The Company is exposed to foreign exchange risk mainly due to imported raw materials and finished products.

Since we are a net foreign exchange earner on an over all basis it may be stated that there is an exposure to the risk of Indian rupee appreciating against other foreign currencies.

Operational & Financial performance

The details of the financial performance are appearing in the financial statements appearing separately. The highlights of the same are also mentioned in the Directors' Report.

Internal Control Systems & their adequacy

The Statutory Auditors assess the adequacy of internal control every quarter and report to the Board of Directors accordingly. The Company has adequate internal control procedures commensurate with size of the company and nature of its business.

Human Resources /Industrial Relations front

Human resource is considered as vital strength of the company. There was unity of purpose among all level of employees i.e. to continuously strive for the improvement in work practices & productivity.

Cautionary statement

Certain statements in the Management Discussion & Analysis describing the company's views about the Industry's expectations/ predictions objectives etc. may be forward looking within the applicable laws and regulations. Actual results may differ materially from those expressed in the statements. Company's operations may be affected with the demand and supply situations, input prices and their availability, changes in Government regulations, tax laws and other factors such as industrial relations and economic developments etc. Investors should bear the above, in mind.



CORPORATE GOVERNANCE REPORT
(Pursuant to Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Regulation, 2015)

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance implies the method or measures taken to govern the Company in such a manner so as to ensure more accountability of Board of Directors towards the Shareholders and other stakeholders. It have been drawn up defining the role of Board of Directors, establishing director's accountability to the Shareholders, investors and interest group setting out guidelines for more effective and new quality of performance, changing the face of relation between the board and executive officers. Your Company is committed to adopting the best global practices of Corporate Governance. The philosophy of Corporate Governance as manifested in the Company's functioning is to achieve business excellence by enhancing long-term shareholder's value and interest of its entire shareholders.

The Board of Directors of the company have developed and adopted Corporate Governance guidelines in addition to the compliance imposed by the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. The Board

ensures that the company has necessary regulatory mechanism so that timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is disclosed.

The Company's compliance of Corporate Governance guidelines of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 is as follows:

A. COMPOSITION OF THE BOARD AND RECORD OF OTHER DIRECTORSHIPS HELD

The Board of Directors of the company comprises of an optimum combination of Executive and Non-executive Directors headed by a Non-executive Chairman. The present strength of Board of Directors is nine (9), out of which one (1) is Executive Directors, two (2) are Non-Independent Non-Executive Directors and six (6) are Independent Non-Executive Directors. Therefore, more than half of the Board comprises of Independent Directors. The Independent Directors do not have any pecuniary relationship or transactions with the company, promoters, and management, which may affect their judgment in any manner.

The structure of the Board and record of other directorships and Committee Memberships and Chairmanships as on 31st March, 2017 is as under:

Name/ DIN	Category	Designation	No. of other Directorships held	No. of Chairmanships / Memberships of Other Board Level Committees		Shareholding (as on 31st March 2017)	Relationship with other Director
				Membership	Chairmanship		
Mr. Ashok Jaipuria (DIN- 00214707)	Non-executive – Chairman (Promoter)	Chairman	2	2	-	79900	Relative of Mr. Ambrish Jaipuria
Mr. Shreekant Somany (DIN- 00021423)	Non-executive, Independent	Director	6	4	-	NIL	NIL
Mr. Rakesh Nangia (DIN- 00147386)	Non-executive, Independent	Director	2	2	1	NIL	NIL
Mr. N. K. Gupta (DIN- 00214602)	Non-executive, Independent	Director	2	-	2	NIL	NIL
Mr. Ambrish Jaipuria (DIN- 00214687)	Executive (Promoter)	Director	-	2	-	52100	Relative of Mr. Ashok Jaipuria
Mr. A. K. Jain (DIN- 00027911)	Non-executive	Director	2	2	1	462	NIL
Dr. Ramakant Dwivedi (DIN- 06922891)	Non-executive, Independent	Director	-	1	-	NIL	NIL
Ms. Jyoti Dixit (DIN- 06953089)	Non-executive, Independent	Director	-	-	-	NIL	NIL
Mr. Janardhan Pralhadrao Gupta (DIN- 07029205)	Non-executive, Independent	Director	-	1	-	NIL	NIL

NOTE:

- (i) The Directorship held by Directors as mention above; does not include Alternate Directorship, Directorship in foreign companies, companies registered under section 8 of the Companies Act, 2013 and private limited companies.



- (ii) Membership(s) / Chairmanship(s) of any of the Audit Committee and Stakeholder Relationship Committee in all public limited companies (including Cosmo Ferrites Limited) have been considered.
- (iii) None of the Directors is a member of more than 10 Board-level committees of public Companies in which they are Directors, nor is a Chairman of more than 5 such committees.
- (iv) None of the Independent Directors of the Company serve as an Independent Director in more than seven Listed Companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

B. BOARD MEETINGS:

1. SCHEDULING AND SELECTION OF AGENDA FOR BOARD MEETINGS

The months for holding the Board Meetings in the ensuing year are usually decided in advance and mostly the Board Meetings are held at 302, "BAANI" , Corporate One Building, Jasola District Centre, New Delhi- 110 025 . The Company Secretary drafts the agenda for each meeting, along with explanatory notes, and is distributed in advance to the Directors. The Board meets at least once in a quarter to review the quarterly results and other items on the agenda.

2. BOARD MEETING HELD DURING THE F.Y. 2016-17 AND ATTENDANCE OF DIRECTORS

The Board met four times during the financial year from 1st April, 2016 to 31st March, 2017 on May 04, 2016, August 04, 2016, November 14, 2016 and February 07, 2017. The maximum time gap between any two meetings was not more than four months. The following table gives the attendance record of the Board Meetings.

DIRECTOR	No. of meetings held	No. of meetings Attended
MR. ASHOK JAIPURIA	4	3
MR. SHREEKANT SOMANY	4	2
MR. N.K.GUPTA	4	3
MR. RAKESH NANGIA	4	4
MR. AMBRISH JAIPURIA	4	4
MR. A.K. JAIN	4	4
DR. RAMAKANT DWIVEDI	4	3
MS. JYOTI DIXIT	4	4
MR. JANARDHAN PRALHADRAO GUPTA	4	2

3. ATTENDANCE AT AGM

Following Directors attended the AGM held on 19th September, 2016 , at Company's registered office at PO-Jabli, Dist-Solan, H.P. – 173 209
Mr. A. K. Jain
Ms. Jyoti Dixit

4. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

Mr. Anil Kumar Jain, Director (00027911) of the Company is liable to retire by rotation and being eligible offers himself for reappointment at the ensuing Annual General Meeting.

Pursuant Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, the brief profile of Directors eligible for re-appointment is given in Annexure I to this Report.

5. AVAILABILITY OF INFORMATION TO THE BOARD

The Board has unfettered and complete access to any information within the company and to any employee of the Company. Necessary information as mentioned in Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 has been regularly placed before the Board for its consideration.

C. FAMILIARISATION PROGRAMME FOR DIRECTORS

At the time of appointing a Director, a formal letter of appointment is given to him, which inter alia explains the role, function, duties and responsibilities expected of him as a Director of the Company. The Director is also explained in detail the Compliance required from him under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman also has one to one discussion with the newly appointed Director to familiarize him with the Company's operations. Further the Company has put in place a system to familiarize the Independent Directors about the Company, its products, business and the on-going events relating to the Company.

The web link for the Familiarisation Programmes for Independent Directors is http://www.cosmoferrites.com/Downloads/Downloads/f321b894-08f4-4719-b1e7-c8ab6f5e48b0_Familiarisation%20Programme%20for%20Independent%20Directors.pdf

D. BOARD LEVEL COMMITTEES

In accordance with the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on Corporate Governance, the following committees were in operation:

1. Audit Committee
2. Stake Holders Relationship Committee
3. Nomination and Remuneration Committee

1. AUDIT COMMITTEE

• Terms of reference

The Audit Committee acts as a link between the Statutory and the Internal Auditors and Board of Directors. The purpose of the Committee is to assist the Board in



fulfilling its oversight responsibilities of monitoring financial reporting process, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's Statutory and Internal Audit Activities. Majority of the members are Non-executive Directors and each member has rich experience in financial sector. The Committee is governed by a charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

• COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee consists of the following six members and every member of the Committee possesses a strong financial management and accounting background.

Chairman : Mr. N.K. Gupta,
Members : Mr. A.K. Jain,
 Mr. Rakesh Nangia
 Mr. Janardhan Pralhadrao Gupta
 Dr. RamaKant Dwivedi
 Mr. Ambrish Jaipuria

• MEETINGS AND ATTENDANCE DURING THE YEAR

The Audit Committee met four times during the financial year from 1st April, 2016 to 31st March, 2017 on May 04, 2016, August 04, 2016, November 14, 2016 and February 07, 2017. The attendance of Audit Committee members is as follows:-

Name of the Audit Committee Members	Number of Audit Committee Meetings	
	Held during the tenure of Directors	Attended
Mr. N. K. Gupta	4	3
Mr. Rakesh Nangia	4	4
Mr. A. K. Jain	4	4
Mr. Janardhan Gupta	4	2
Mr. Ambrish Jaipuria	4	4
Dr. Rama Kant Dwivedi	4	3

2. STAKEHOLDER RELATIONSHIP COMMITTEE (SRC)

• Terms of reference

Terms of reference of the Stakeholder Relationship Committee are as per the guidelines set out in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that inter-alia include looking into the investors complaints on transfer of shares, non receipt of declared dividends etc and redressal thereof.

To expedite the process of share transfers the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will attended to the share transfer formalities at least once in a fortnight.

• COMPOSITION OF SRC

The Stakeholders Relationship Committee is headed by an Independent Director and presently consisted of the following members as on March 31, 2017.

Chairman : Mr. N.K. Gupta
Members : Mr. Ashok Jaipuria
 Mr. Rakesh Nangia
 Mr. Ambrish Jaipuria

• MEETING AND ATTENDANCE DURING THE YEAR

The Committee met four times during the financial year from 1st April, 2016 to 31st March, 2017 on May 04, 2016, August 04, 2016, November 14, 2016 and February 07, 2017. The following table gives the attendance record of the Stakeholder Relationship Committee.

Name of the Director	Number of SRC Meetings	
	Held during the tenure of Directors	Attended
Mr. N.K. Gupta	4	3
Mr. Rakesh Nangia	4	4
Mr. Ambrish Jaipuria	4	4
Mr. Ashok Jaipuria	4	3

• COMPLIANCE OFFICER

The Compliance Officer for this committee, at present, is Ms. Neha Pawar, Company Secretary.

• SHAREHOLDER'S COMPLAINTS RECEIVED / RESOLVED

During the year from April 1, 2016 to March 31, 2017 the Company received nil complaints from various Investors / Shareholders' relating to non-receipt of Dividend / Bonus Shares / Transfer of Shares / Dematerialization of Shares / Annual Report etc. At the end of March 31, 2017, no complaint was pending for redressal and there were no pending share transfers as on March 31, 2017.

• PENDING SHARE TRANSFER

There are no pending share transfers as on 31/03/2017.

3. NOMINATION AND REMUNERATION COMMITTEE

• TERMS OF REFERENCE

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance



with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every director's performance. Committee shall also formulate the criteria for determining qualifications, positive attributes, independent of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

• COMPOSITION

In compliance with Section 178(1) of the Companies Act, 2013 and Regulation 19 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Nomination and Remuneration Committee and is headed by an Independent Director and consists of the following members:

Chairman : Mr. Shreekant Somany
Members : Mr. A.K. Jain
 Mr. Rakesh Nangia
 Dr. Ramakant Dwivedi

• MEETING AND ATTENDANCE DURING THE YEAR

No meeting of Nomination & Remuneration Committee was held during the Financial Year.

• Compliance Officer

The Compliance Officer for this committee, at present, is Ms. Neha Pawar, Company Secretary.

• REMUNERATION POLICY

Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2016-17 was 3.35 lacs. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. Payment criteria of Non-Executive directors is available on website of the Company. The web link for the same is http://www.cosmoferrites.com/Downloads/Downloads/c371a1a0-19a2-448b-a5ff-a79bc7f176cf_Criteria%20for%20making%20payment%20to%20Non%20Executive%20Directors%20.pdf

Remuneration to Executive Directors

The appointment and remuneration of Whole-time Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of

the Company. The remuneration package of Whole-time Director comprises of salary, perquisites, allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings.

The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent.

Remuneration Paid to Directors

Following tables gives the details of remuneration paid to directors, during the year from April 01, 2016 to March 31, 2017:

Remuneration to Non- Executive Directors

S. No.	Name of Directors	Sitting Fees
1	Mr. Ashok Jaipuria*	Nil
2	Mr. Anil Jain	60000
3	Mr. Shreekant Somany	20000
4	Mr. Naresh Kumar Gupta	60000
5	Mr. Rakesh Nangia	80000
6	Ms. Jyoti Dixit	40000
7	Dr. Ramakant Dwivedi	45000
8	Mr. Janardhan Pralhadr Rao Gupta	30000

* Mr. Ashok Jaipuria opted not to take any sitting fees for attending any meeting of the Board of Directors and Committee thereof.

Remuneration to Executive Director

Mr. Ambrish Jaipuria, C.E.O & Executive Director was paid following remuneration during the year 2016-17:

Particulars of Remuneration	Amount (In Rs.)
Basic Salary	32,00,004
HRA	19,20,000
Others (Provident Fund, Superannuation, Gratuity etc)	6,37,920
Medical Expenses (Actual)	56,700
Vehicle Expenses (Conveyance)	70,600
Total :	58,85,224
Performance linked incentives	25,00,000
Total:	83,85,224
Service contracts, notice period, severance fees	6 month notice period on either side with no severance fees defined
Stock Option details	Nil

E. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence as per SEBI (LODR) Regulations, 2015 and according to the Provisions of section 149(6)



Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

a) Training of Independent Directors:

Whenever new Non-Executive and Independent Directors are inducted in the Board they are introduced to our Company's culture and they are also introduced to our organization structure, our business, constitution, board procedures, etc.

The appointment letters of Independent Directors has been placed on the Company's website at www.cosmoferrites.com under

http://www.cosmoferrites.com/Downloads/AnnualReport/b56fb537-eb66-4b9d-9a47-94297b98fa0f_LOA.pdf

b) Performance Evaluation of non-executive and Independent Directors

The criteria for performance evaluation cover the areas relevant to the functioning as Independent Directors such as Knowledge, experience, commitment etc. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the Directors who are subject to evaluation had not participated.

All the Non-Executive and Independent Directors are having wide experience in the field of business, industry and administration. Their presence on the Board is advantageous and fruitful in taking business decisions.

c) Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 14th November, 2016, without the attendance of Non-Independent Directors and members of Management. Majority of the Independent Directors were present at the meeting. The following issues were discussed in detail:

- I) Reviewed the performance of non-independent directors and the Board as a whole;
- II) Reviewed the performance of the Chairperson of the Company taking in to account the views of Executive Directors and Non Executive Directors;
- III) Assessed the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

F. ANNUAL GENERAL MEETING

The date, time, venue of the next Annual General Meeting and the next Book Closure date will be as per the Notice calling the Annual General Meeting.

G. DATES AND VENUE OF PREVIOUS THREE ANNUAL GENERAL MEETINGS.

Financial Year	Place	Date	Special Resolution Passed
2013-14	Jabli, Dist Solan (H.P.), 173209	22.09.2014	Special Resolutions were Passed
2014-15	Jabli, Dist Solan (H.P.), 173209	08.09.2015	No Special Resolutions were Passed
2015-16	Jabli, Dist Solan (H.P.), 173209	19.09.2016	No Special Resolutions were Passed

No Resolution was passed through postal ballot, during the financial year 2016-17

H. AFFIRMATIONS AND DISCLOSURES:

Compliance with Mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with all the applicable mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Related Party Transactions: All transactions entered into with Related Parties as defined under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013.

All such transactions were reviewed and approved by the Audit Committee. Prior omnibus approvals are granted by the Audit Committee for related party transactions which are of repetitive nature, entered in the ordinary course of business and are on arm's length basis in accordance with the provisions of Companies Act, 2013 read with the Rules issued thereunder and the Listing Regulations.

There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. A statement in summary form of transactions with related parties in the ordinary course of business and arm's length basis is periodically placed before the Audit Committee for approval.

The Board has approved a policy for related party transactions which has been uploaded on the Company's website weblink of which is provided as below:



http://www.cosmoferrites.com/Downloads/AnnualReport/0dbca631-17ac-4d55-9ac3-353c1063a41c_Final_Policy_RPT_CFR.pdf

2. The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
3. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The Code of Conduct is displayed on the website of the Company. All the directors and the senior management personnel have affirmed compliance with the code for the financial year ended 31st March 2017. A declaration to this effect, signed by the Chief Executive Officer is annexed to this report.
4. **Vigil Mechanism/ Whistleblower Policy:** In accordance with requirement of Companies Act as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. No personnel of the company has been denied access to the Audit Committee. A link to such policy is also provided in the website of the company.
5. The necessary certificate under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report
6. The Company Secretary has a key role to play in ensuring the Board procedures and statutory compliances are properly followed. A certificate from the Company Secretary indicating the compliance of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed to this report.
7. **Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
8. Other disclosures as required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given at relevant places in the Annual Report.
9. The Company has fully complied with the applicable requirements specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46.
10. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

INFORMATION TO SHAREHOLDERS

1. REGISTERED AND CORPORATE OFFICE

Registered Office

P.O. Jabli, District Solan,
Himachal Pradesh- 173 209
Phone: 01792-277231-32/35/36
Fax: 01792-277234

Head Office

517, 5th floor, DLF Tower-A,
Jasola District Centre,
New Delhi-110025
Phone: + 91 11 49398800
Fax: + 91 11 49398801

2. FINANCIAL CALENDAR

The following is the tentative schedule for approval of financial results:

Financial reporting for the quarter ending June 30, 2017	August 2017
Financial reporting for the quarter ending September 30, 2017	November 2017
Financial reporting for the quarter ending December 31, 2017	February 2018
Financial reporting for the quarter ending March 31, 2018	May 2018

3. WEBSITE

The address of the company's website is www.cosmoferrites.com

4. DIVIDEND PAYMENT DATE

The Board has not recommended any Final Dividend for the Financial Year 2016-17

5. LISTING ON STOCK EXCHANGES

Company's shares are currently listed on the Bombay Stock Exchanges Ltd. (Stock Code 523100).

6. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

ISIN is a unique identification number of traded scrip. This number has to be quoted in each transaction relating to the dematerialized equity shares of the company. The ISIN number of the shares of Cosmo Ferrites Ltd. is INE 124B01018.

7. ANNUAL LISTING FEE

Annual Listing Fee for the year 2016-17 has been paid to Bombay Stock Exchange. There are no arrears of listing fees with the Bombay Stock Exchange Limited till date.



8. DEMAT

Your Company's equity shares can be traded on the Stock Exchanges only in dematerialized form with effect from 20th June, 2000. To trade in dematerialized form, investors are required to open a Demat account with Depository participant of their choice. Equity shares of your Company are available for trading in the depository systems, of both the Depositories viz. The National Securities Depositories Limited (NSDL) and the Central Depositories Service (India) Limited (CDSL).

97.02% (i.e. 11671799 Equity Shares) of equity share capital (120,30,000 equity shares) has been dematerialized as on 31st March, 2017.

9. SHARE TRANSFER SYSTEM

To expedite the process of share transfers the Board has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will attend to the share transfer formalities at least once in a fortnight. Share transfer in physical form and other communication regarding share certificate, change of address, etc may be addressed at:

M/s Alankit Assignments Limited,
Alankit House 1E/13 Jhandewalan Extension
New Delhi- 110055
Ph: +91 11 42541234 Fax: +9111 42541967
Contact Person: Mr. R.S. Maurya

10. ADDRESS FOR CORRESPONDENCE:

- i. Investors' Correspondence may be addressed to the Following:
Compliance Officer
Cosmo Ferrites Limited,
517, DLF Tower-A,
Jasola District Centre
New Delhi-110025
e-mail:investorservices@cosmoferrites.com
Fax: 91-1792-277234

15. SHARE PERFORMANCE CHART

Stock price on the Bombay Stock Exchange on the closing date of month of financial year 2016-17:

Month	Share Price (Rs.)	High (Rs.)	Low (Rs.)	No. of Shares traded
April 2016	17.70	18.98	11.20	111531
May 2016	17.30	21.70	15.45	250627
June 2016	17.90	19.60	14.50	68922
July 2016	17.25	23.00	16.20	160875
Aug. 2016	16.00	18.00	14.55	33281
Sept.2016	17.55	18.00	15.00	79038
Oct. 2016	20.25	23.25	16.05	151588
Nov. 2016	16.45	22.70	15.25	107118

- ii. Queries Relating to Financial Statement of the company may be addressed to the following:

Mr. Ved Parkash Pandey
Manager (Finance & Accounts)
Cosmo Ferrites Limited,
P.O. Jabli, Dist. Solan,
Himachal Pradesh-173209
e-mail: ved.prakash@cosmoferrites.com
Fax: 91-1792-277234

11. INVESTOR COMMUNICATION

The Company publishes quarterly audited results in Financial Express and Himachal Dastak (Hindi). The information relating to the company results is also available on other major financial and capital market related websites.

The Company ensures that its Financial Results are sent to the concerned Stock Exchanges immediately after the same has been considered and taken on record by the Board of Directors. The Company also ensures that these Results are promptly and prominently displayed on the Company's website www.cosmoferrites.com

12. DISCLOSURE ON LEGAL PROCEEDINGS

There is no pending case relating to any disputes with shareholders, in which the company has been made a party.

13. OUTSTANDING STOCK OPTION

There are no outstanding warrants or convertible instruments or stock options to employees as on March 31, 2017.

14. ANALYSIS OF SHAREHOLDERS' COMPLAINTS RECEIVED DURING 2016-17

The Company generally clears the investors' complaints within a period of 7 days from the date of receipt. All the complaints received during the year have been replied.

There were nil complaint received and replied/disposed off during the year 2016-17



Month	Share Price (Rs.)	High (Rs.)	Low (Rs.)	No. of Shares traded
Dec. 2016	15.00	18.95	14.30	58653
Jan. 2017	15.98	17.30	14.15	78766
Feb. 2017	22.75	23.45	14.55	471132
March 2017	24.45	28.40	18.15	1010275
TOTAL				2581806

16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2017

Following tables give the data on shareholding according to types of shareholders and class of shareholders.

Distribution of the shareholdings according to type of shareholders

Particulars	March 31, 2017		March 31, 2016	
	Number of Shares	% Holding	Number of Shares	% Holding
Promoters	7637500	63.49	7637500	63.49
Person acting in concert	Nil	Nil	Nil	Nil
Institutional Investors	7400	0.06	7500	0.06
Others	4385100	36.45	4385000	36.45
Total	12030000	100	12030000	100

Distribution of shareholding according to the number of shares held on March 31, 2017

		As on 31st March, 2017				As on 31st March, 2016			
S. No.	No. of equity shares held	No. of shareholders	% of Total holders	No. of Shares	% of share capital	No. of shareholders	% of Total holders	No. of Shares	% of share capital
1	Up to 5000	5158	97.78	1853496	15.41	4372	85.36	708224	5.88
2	5001 to 20000	82	1.56	822531	6.84	510	9.95	555091	4.61
3	20001 to 30000	14	0.26	332018	2.76	68	1.34	175535	1.46
4	30001 to 40000	8	0.15	282636	2.35	34	0.67	122393	1.02
5	40001 to 50000	1	0.02	42900	0.36	29	0.57	135044	1.12
6	50001 to 100000	8	0.152	554474	4.61	44	0.85	337813	2.81
7	100001 and Above	4	0.076	8141945	67.68	65	1.26	9995900	83.10
	Total	5275	100	12030000	100	5122	100	12030000	100

Note: - 200000 Preference Share of Rs. 100 allotted on private placement basis which is not listed on Stock exchange

**ANNEXURE**

PURSUANT TO **REGULATION 36 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENT) REGULATIONS, 2015**, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED.

Director's Profile

Name of the Director	Mr. Anil Kumar Jain
Date of Birth	18th March, 1951
Qualification	B.Com, ICWA
Nature of Expertise	Over four decades of experience in Finance and Accounts and General Management Functions
Date of Appointment	12 th August, 2011
Name of other Companies in which he/she holds Directorship	1. Cosmo Films Limited 2. Usha International Limited
Name of the Committees of the Other Companies of which he holds Membership / Chairmanship	1. Cosmo Films Limited- Stakeholders Relationship Committee 2. Usha International Limited- Audit Sub Committee
Shareholding in the Co.	462 Equity Shares

Note: Only Audit & Stakeholders Relationship Committee have been considered

**CERTIFICATE IN PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR ENDED 31ST MARCH, 2017.**

We, the undersigned hereby certify that:

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

AMBRISH JAIPURIA
C.E.O & EXECUTIVE DIRECTOR

RAMESH CHAND
CHIEF FINANCIAL OFFICER

Place: New Delhi
Date: 11th August, 2017

**CERTIFICATE FROM THE COMPLIANCE OFFICER/COMPANY SECRETARY**

I, Neha Pawar, Compliance officer confirm that the Company has:

- (i) Maintained all the statutory registers required under the Companies Act, 2013 ('the Act') and the Rules made there under.
- (ii) Filed all the forms and returns and furnished all the necessary particulars to the Registrar of Companies and/or Authorities as required by the Act.
- (iii) Issued all notices required to be given for convening of Board Meeting and General meeting, within the time limit prescribed by law.
- (iv) Conducted the Board Meetings and annual General Meeting as per the Act.
- (v) Complied with all the requirements relating to the minutes of the proceedings of the meetings of the Directors and the Shareholders.
- (vi) Made due disclosure required under the Act including those required in pursuance of the disclosures made by the Directors.
- (vii) Obtained all necessary approvals of Directors, Shareholders, Central Government and other Authorities as per the requirements.
- (viii) Paid dividend amounts to the Shareholders and unpaid dividend amounts, if applicable, have been transferred to the General Revenue Account of the Central Government or Investor Education and Protections Fund within the time limit prescribed.
- (ix) Complied with the requirements of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 entered into with the Stock Exchange in India.
- (x) The Company has also complied with other statutory requirements under the Companies Act, 2013 and other related statutes in force.

The certificate is given by the undersigned according to the best of her knowledge and belief, knowing fully well that on the faith and strength of what is stated above; full reliance will be placed on it by the Shareholders of the Company.

Neha Pawar
Company Secretary

PLACE: New Delhi
DATE: 11th August, 2017



ANNUAL DECLARATION OF COMPLIANCE OF CODE OF CONDUCT BY CEO

To,
The Board of Directors
Cosmo Ferrites Limited
517, 5th floor,
DLF tower, Jasola,
New Delhi – 110 025

1. The Code of Conduct has been laid down for all the Board members and senior management and other employees of the Company.
2. The Code of Conduct is posted on website of the Company.
3. The Board members and senior management personnel have affirmed compliance with the code of conduct for the year 2016-2017

Ambrish Jaipuria
Chief Executive Officer

PLACE: New Delhi
DATE: 11th August, 2017



Independent Auditors' Report

To
The Members of
Cosmo Ferrites Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Cosmo Ferrites Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and Cash Flow Statement for the period from 1st April, 2016 to 31st March, 2017 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 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 maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

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

We 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's 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 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 31st March, 2017, and its Loss and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in the Annexure 'A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management– Refer Note 33 to the financial statements.

For B.K.Shroff & Co.
Chartered Accountants
Firm Reg. No. : 302166E

Sanjiv Aggarwal
Partner
Membership Number 85128

Place: New Delhi
Date : 10-05-2017

ANNEXURE – A TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH (1) UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR REPORT OF EVEN DATE

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory (except material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
- (iii) 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 and as such clauses (iii) (a), (b) and (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company.
- (v) According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.



(vii) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March, 2017 for a period of more than six months from the date they became payable.

(b) According to the records of the company, dues of income-tax or Sales tax or service tax or duty of custom or duty of excise or value added tax which have not been deposited on account of any dispute are as under:-

S. No.	Name of the statute	Nature of the dues	Amount (Rs. In lacs)	Forum where dispute is pending
1.	Excise Duty	Differential Duty	15.29	CESTAT

(viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.

(ix) In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.

(x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion, and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.

(xii) The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company.

(xiii) In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year under review the company has not made any preferential allotment on private

placement of shares or fully or partly convertible debentures.

(xv) The company has not entered into any non cash transactions with directors or persons connected with him.

(xvi) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934

For B.K. Shroff & Co.
Chartered Accountants
Reg. No. : 302166E

Sanjiv Aggarwal
Partner
Membership Number 85128

Place : New Delhi
Date : 10-05-2017

ANNEXURE - B TO THE AUDITORS' REPORT

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 Cosmo Ferrites 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

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



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 ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was 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 internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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 my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) 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 authorisations of management and directors of the Company; and

- c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations 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 control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures 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 financial controls over financial reporting were operating effectively as at 31 March 2017, 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 issued by the ICAI".

For B.K. Shroff & Co.
Chartered Accountants
Reg. No. : 302166E

Sanjiv Aggarwal
Partner
Membership Number 85128

Place : New Delhi
Date : 10-05-2017


BALANCE SHEET
As at 31st March, 2017

Particulars	Note No.	As at 31.03.2017 Rs. Lacs	As at 31.03.2016 Rs. Lacs
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	2	1,403.00	1,403.00
Reserves & Surplus	3	828.98	910.55
		2,231.98	2,313.55
NON-CURRENT LIABILITIES			
Long-Term Borrowings	4	521.42	316.00
Deferred Tax Liabilities (Net)	5	381.48	420.94
Other Long Term Liabilities	6	4.18	4.15
Long Term Provisions	7	160.47	125.67
		1,067.55	866.76
CURRENT LIABILITIES			
Short-Term Borrowings	8	2,423.76	2,309.34
Trade Payables	9	912.31	680.26
Other Current Liabilities	10	642.34	589.56
Short Term Provisions	11	22.50	25.99
		4,000.91	3,605.15
		7,300.44	6,785.46
ASSETS			
NON CURRENT ASSETS			
Fixed Assets			
Tangible Assets	12	4,450.01	4,074.14
Capital work in progress		8.37	8.31
Long-Term Loans & Advances	13	67.15	50.43
		4,525.53	4,132.88
CURRENT ASSETS			
Inventories	14	1,113.94	967.34
Trade Receivables	15	1,104.61	1,171.33
Cash & Cash Equivalents	16	256.21	300.25
Short Term Loans & Advances	17	32.43	28.99
Other Current Assets	18	267.72	184.67
		2,774.91	2,652.58
		7,300.44	6,785.46

See accompanying notes to the financial statements

As per our report of even date annexed

For B.K. SHROFF & CO.,
Chartered Accountants
Firm Registration No.: 302166E

Sanjiv Aggarwal
Partner
Membership No. 85128

Ambrish Jaipuria
Director
DIN : 00214687

Naresh Kumar Gupta
Director
DIN : 00214602

Place : New Delhi
Dated : 10-05-2017

Neha Pawar
Company Secretary

Ramesh Chand
Chief Financial Officer



PROFIT & LOSS STATEMENT
For the period ended, 31st March, 2017

Particulars	Note No.	For the period from 01.04.2016 to 31.03.2017 Rs. Lacs	For the period from 01.04.2015 to 31.03.2016 Rs. Lacs
Revenue from Operations	21	6,609.85	5,946.44
Other Income	22	67.81	92.44
Total Revenue		<u>6,677.66</u>	<u>6,038.88</u>
Expenses			
Cost of Materials Consumed	23	1,962.48	1,704.84
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	24	(41.27)	(55.22)
Employee Benefits Expense	25	1,539.81	1,405.71
Finance Costs	26	336.83	261.56
Depreciation and Amortisation Expense	27	399.27	369.16
Other Expenses	28	2,601.56	2,347.67
Total Expenses		<u>6,798.68</u>	<u>6,033.72</u>
Profit/(Loss) before Tax		(121.02)	5.16
Tax Expense			
Deferred Tax		(39.45)	2.40
Earlier Year's Tax		-	2.44
Profit/(Loss) after Tax		<u>(81.57)</u>	<u>0.32</u>
Earnings per Equity Share			
Basic and Diluted	29	(0.68)	0.00

See accompanying notes to the financial statements

As per our report of even date annexed

For B.K. SHROFF & CO.,
Chartered Accountants
Firm Registration No.: 302166E

Sanjiv Aggarwal
Partner
Membership No. 85128

Ambrish Jaipuria
Director
DIN : 00214687

Naresh Kumar Gupta
Director
DIN : 00214602

Place : New Delhi
Dated : 10-05-2017

Neha Pawar
Company Secretary

Ramesh Chand
Chief Financial Officer



CASH FLOW STATEMENT
For the period ended, 31st March, 2017

Particulars	Note No.	For the period from 01.04.2016 to 31.03.2017 Rs. Lacs	For the period from 01.04.2015 to 31.03.2016 Rs. Lacs
A. Cash Flow from Operating Activities			
Net Profit/(Loss) before tax		(121.02)	5.16
Adjustments for :			
Depreciation		399.27	369.16
Interest paid		268.16	207.78
(Profit)/Loss on sale of fixed assets		0.61	(0.54)
Operating profit before working capital changes		547.02	581.56
Adjustment for :			
Trade & Other receivables		(43.13)	(340.06)
Inventories		(146.60)	(160.49)
Trade payables & other liabilities		206.07	69.73
Cash generated from operations		563.36	150.74
Interest paid		(268.16)	(207.78)
Direct Taxes paid		6.64	50.79
Net cash from operating activities		301.84	(6.25)
B. Cash Flow from Investing Activities			
Purchase of fixed assets		(778.48)	(373.16)
Sale of fixed assets		2.67	0.88
Net Cash Flow from Investing Activities		(775.81)	(372.28)
C. Cash Flow from Financing Activities			
Proceeds from long term borrowings		315.52	0.95
Proceeds from buyer's credit		(465.20)	239.45
Increase in bank borrowings		459.62	104.00
Increase in short term borrowings		120.00	50.00
Cash flow from financing activities		429.94	394.40
Net increase in cash and cash equivalents		(44.03)	15.87
Cash and Cash equivalents (Opening Balance)		300.25	284.38
Cash and Cash equivalents (Closing Balance)		256.24	300.25

NOTE: Figures in parentheses represent cash outflow
See accompanying notes to the financial statements

As per our report of even date annexed

For B.K. SHROFF & CO.,
Chartered Accountants
Firm Registration No.: 302166E

Sanjiv Aggarwal
Partner
Membership No. 85128

Ambrish Jaipuria
Director
DIN : 00214687

Naresh Kumar Gupta
Director
DIN : 00214602

Place : New Delhi
Dated : 10-05-2017

Neha Pawar
Company Secretary

Ramesh Chand
Chief Financial Officer



ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

a) Method of Accounting

- i) The accounts of the company are prepared under the historical cost convention using the accrual method of accounting unless otherwise stated hereinafter.
- ii) Accounting policies are consistent with generally accepted accounting principles.

b) Fixed Assets

Fixed Assets are stated at cost of acquisition, inclusive of inward freight, duties, taxes and incidental expenses related to acquisition and is net of modvat/cenvat wherever applicable. In respect of projects involving construction, related pre-operational expenses are capitalised and form part of the value of the assets capitalised. As per practice and on the basis of technical evaluation/report, expenses incurred on trial runs/know-how development / relocation / modernisation / debottlenecking / relining / revamping of plant and machinery are capitalised. Fixed assets taken on lease are not reflected in the accounts and the lease rent is charged to profit & loss account as and when accrued.

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the company's fixed assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is the greater of the net selling price and value in use.

c) Inventories

Inventories are valued at cost or net realisable value, whichever is lower. Cost is determined on first in first out (FIFO) basis.

d) Foreign currency transactions

All foreign currency liabilities relating to acquisition of fixed assets are restated at the rates ruling at the year end and exchange differences arising on such transactions are adjusted in the cost of assets.

Other foreign currency assets and liabilities outstanding at the close of the year are valued at

year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

e) Depreciation

Depreciation is calculated on fixed assets on straight line method in accordance with Schedule II of The Companies Act, 2013 except for machines in press section. For press section the life of the asset has been considered as 8 years instead of 25 years on technical evaluation.

Depreciation on amount of additions made to fixed assets on account of foreign exchange fluctuation is provided for over the residual life of the fixed assets.

f) Research & Development

Revenue expenditure on research and development is charged against the profit of the year in which it is incurred. Capital expenditure on research and development is shown as an addition to fixed assets.

g) Retirement benefits

i) Short Term Employee Benefits

All employee benefits payable only within twelve months of rendering the service are classified as short term employee benefits. Benefits such as salaries, wages etc. and the expected cost of bonus, exgratia, and incentives are recognized in the year during which the employee renders the related service.

ii) Post Employment Benefits

- a) State provident fund scheme is a defined contribution plan. The contribution paid /payable under the scheme is recognized in the profit & loss account during the year during which the employee renders the related service
- b) The company has a separate super annuation fund in respect of certain categories of employees. Contributions paid /payable during the year are recognized in the profit & loss account
- c) The employee gratuity fund scheme managed by a trust is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation under the project unit credit method



which recognizes each year of service as giving rise to additional unit of employee benefits entitlement each unit separately to build up the final obligation.

The obligation is measured at the present value of future cash flow. The discount rates used for determining the present value of the obligation under defined benefit plans is based on the market yields on government securities as at balance sheet date, having maturity years approximated to the returns of related obligations.

Actuarial gains and lesser are recognized immediately in the profit & loss account.

In case of funded plans the fair value of the planned assets is reduced from the gross obligation under the defined benefit plans to recognize the obligation on net basis.

- d) Other long term employee's benefits including leave encashment are recognized in the same manner as defined benefit plans.

h) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.

i) Excise & Other Duties

Excise duty in respect of finished goods lying in factory premises and custom duty on goods lying in customs bonded warehouse are provided and included in the valuation of inventory. Modvat benefit is accounted for by reducing the purchase cost of the materials/fixed assets.

j) Claims and benefits

Claims receivable and export benefits are accounted on accrual basis to the extent considered receivable.

k) Revenue recognition

Export sales are accounted on the basis of the date of bill of lading / airway bill. Other sales are accounted for ex-factory on dispatch. Sales are net of returns, excise duty and include export incentives/benefits.

l) Income from Investments/Deposits

Income is credited to revenue in the year in which it accrues. Income is stated in full with the tax thereon being accounted for under Income tax deducted at source.

m) Taxation

Provision for taxation is based on assessable profits of the company as determined under Income Tax Act, 1961.

Deferred taxation is provided using the liability method in respect of taxation effect arising from all material timing difference between accounting and tax treatment of income and expenditure which are expected with reasonable probability to crystallize in the foreseeable future.

Deferred tax benefits are recognized in the financial statements only to the extent of any deferred tax liability or when such benefits are reasonably expected to be realizable in the near future.

n) Earnings per share

Basic earning per share is calculated by dividing the net profit for the year attributable to equity shareholders (after deducting the redeemable preference share dividend) by the weighted average number of equity shares outstanding during the year.

Diluted earning per share is calculated by dividing the net profits attributable to equity shareholders (after deducting dividend on redeemable preference shares) by the weighted average number of equity shares outstanding during the year (adjusted for the effects of dilutive options).

o) Contingent Liabilities

Contingent Liabilities as defined in Accounting Standard-29 are disclosed by way of notes to accounts. Provision is made if it becomes probable that an outflow of future economic benefit will be required for an item previously dealt with as a contingent liability.



2 SHARE CAPITAL

(a) Authorised

Particulars	No. of Shares		Amount (Rs. Lacs)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Equity Shares of Rs. 10 each				
At the beginning of the period	15,000,000	15,000,000	1,500.00	1,500.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	15,000,000	15,000,000	1,500.00	1,500.00
Preference Shares of Rs. 100 each				
At the beginning of the period	800,000	800,000	800.00	800.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	800,000	800,000	800.00	800.00
Total			2,300.00	2,300.00

(b) Issued, Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs. Lacs)	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	12,030,000	12,030,000	1,203.00	1,203.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	12,030,000	12,030,000	1,203.00	1,203.00
Preference Shares of Rs. 100 each fully paid up				
At the beginning of the period	200,000	200,000	200.00	200.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	200,000	200,000	200.00	200.00
Total			1,403.00	1,403.00

Notes:-

The above preference shares are non convertible, cumulative and redeemable at end of 10 years from the date of allotment i.e. 29.01.2014 and 22.08.2014 or earlier at the option of the company. Dividend @ 10% is payable on these shares.

Details of shares in the company held by each shareholder holding more than 5% of shares is as under:

Name of the Shareholder	No. of Shares		Percentage of Holding	
	As at 31.03.2017	As at 31.03.2016	As at 31.03.2017	As at 31.03.2016
Andheri Properties & Finance Ltd	3,756,375	3,756,375	31.23	31.23
Super Sadiq Enterprises Pvt. Ltd.	3,685,000	3,685,000	30.63	30.63



3 RESERVE & SURPLUS

Amount (Rs. Lacs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Capital Reserve		
At the beginning of the period	51.88	51.88
Add: Additions during the period	-	-
Less: Reduction during the period	-	-
At the end of the period	51.88	51.88
Preference Share Capital Redemption Reserve		
At the beginning of the period	625.42	625.42
Add: Additions during the period	-	-
Less: Reduction during the period	-	-
At the end of the period	625.42	625.42
Surplus		
At the beginning of the period	233.25	232.93
Add: Profit/(Loss) for the period	(81.57)	0.32
At the end of the period	151.68	233.25
Total	828.98	910.55

4 LONG TERM BORROWINGS (Secured)

Amount (Rs. Lacs)		
Particulars	As at 31.03.2017	As at 31.03.2016
From Banks		
Term Loan *	502.66	311.29
Hire Purchase Finance**	18.76	4.71
Total	521.42	316.00

* Rupee Term Loans are secured by first equitable mortgage of immovable assets both present and future and hypothecation of moveable assets (save and except book debts) charged to rank pari-passu inter se and subject to prior charges created in favour of the company's for working capital loans and assets exclusively charged.

** Assets purchased under Hire Purchase Finance Schemes are hypothecated to the financiers.

The above loans are repayable as follows: Amount (Rs. Lacs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Payable after 1 year	305.18	208.69
Payable after 2 years	142.01	103.39
Payable after 3 years	66.19	1.85
Payable after 4 years	4.36	1.04
Payable after 5 years	3.46	1.03
Payable after 6 years	0.22	-
Total	521.42	316.00

**5 DEFERRED TAX LIABILITIES (NET)**

	Amount (Rs. Lacs)	
Particulars	As at 31.03.2017	As at 31.03.2016
Deferred Tax liability		
Fixed Assets	719.02	697.39
Total	719.02	697.39
Deferred Tax Assets		
Carry forward loss	263.18	212.58
43B items	74.36	63.87
Total	337.54	276.45
Net Deferred Tax Liability	381.48	420.94

6 OTHER LONG TERM LIABILITIES

	Amount (Rs. Lacs)	
Particulars	As at 31.03.2017	As at 31.03.2016
Security Deposits	4.18	4.15
Total	4.18	4.15

7 LONG TERM PROVISIONS

	Amount (Rs. Lacs)	
Particulars	As at 31.03.2017	As at 31.03.2016
Provisions for Employee Benefits	160.47	125.67
Total	160.47	125.67

8 SHORT TERM BORROWINGS

	Amount (Rs. Lacs)	
Particulars	As at 31.03.2017	As at 31.03.2016
Secured		
Loans repayable on Demand		
From Banks *	1,470.89	1,011.27
Other Loans & Advances		
Foreign Currency Buyers Credit *	780.02	1,245.22
Sub Total	2,250.91	2,256.49
Unsecured		
Inter Corporate loan from related party	170.00	50.00
Deposits	2.85	2.85
Sub Total	172.85	52.85
Total	2,423.76	2,309.34

* Secured by hypothecation of inventories and book debts and further secured by way of second charge on fixed assets both present and future.

Buyers credit includes liabilities of Rs. 494.78 lacs (previous period Rs. 870.83 lacs) in respect of capital goods.



9 TRADE PAYABLES

Amount (Rs. Lacs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Trade payables	912.31	680.26
Total	912.31	680.26

There are no amounts due or payable towards principal and interest to suppliers covered under Micro, Small and Medium Enterprises Development Act, 2006.

Includes liabilities of Rs. 89.84 lacs (previous period Rs. 69.33 lacs) in respect of capital goods.

Amount payable to related party Rs. 4.60 lacs (previous period Rs. 12.15 lacs).

10 OTHER CURRENT LIABILITIES

Amount (Rs. Lacs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Current Maturities of Long Term Debts	326.22	216.12
Advance from Customers	23.49	110.31
Other Payables	292.63	263.13
Total	642.34	589.56

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2017.

Amount payable to related party Nil (previous period Rs. 24.79 lacs).

11 SHORT TERM PROVISIONS

Amount (Rs. Lacs)		
Particulars	As at 31.03.2017	As at 31.03.2016
Provisions for Employee Benefits	22.50	25.99
Total	22.50	25.99

12 TANGIBLE ASSETS

Amount (Rs. Lacs)										
Particulars	Gross Block				Depreciation				Net Block	
	As at 01.04.2016	Additions	Sales/ Adjustments	Total	Upto 31.03.2016	For the year	Sales/ Adjustments	Total	As at 31.03.2017	As at 31.03.2016
Land	19.39	-	-	19.39	-	-	-	-	19.39	19.39
Buildings	522.08	7.96	-	530.04	309.26	15.50	-	324.76	205.28	212.82
Plant & Machinery	9,062.03	699.57	-	9,761.60	5,347.82	344.61	-	5,692.43	4,069.17	3,714.21
Furniture & Fixtures	146.45	45.03	-	191.48	68.76	16.09	-	84.85	106.63	77.69
Vehicles	146.06	25.86	19.24	152.68	96.03	23.07	15.96	103.14	49.54	50.03
Total	9,896.01	778.42	19.24	10,655.19	5,821.87	399.27	15.96	6,205.18	4,450.01	4,074.14
Previous year	8,943.32	959.34	6.65	9,896.01	5,459.02	369.16	6.31	5,821.87	4,074.14	

Addition to plant and machinery include exchange fluctuation Rs. 15.63 lacs (previous period Rs. 48.15 lacs)

**13 LONG TERM LOANS & ADVANCES**

(Unsecured-considered good)

		Amount (Rs. Lacs)
Particulars	As at 31.03.2017	As at 31.03.2016
Security Deposits to Related Parties	8.63	8.63
Security Deposits to Others	49.89	33.17
Loans & Advances to Related Parties	8.63	8.63
Total	67.15	50.43

14 INVENTORIES

(As taken, valued and certified by the management)

		Amount (Rs. Lacs)
Particulars	As at 31.03.2017	As at 31.03.2016
Raw Materials*	159.86	120.57
Work in progress	571.43	476.39
Finished Goods **	95.05	150.46
Scrap	1.90	0.26
Stores & Spares	285.70	219.66
Total	1,113.94	967.34

* includes goods in transit Rs. 2.01 lacs (previous period Rs. Nil).

** includes goods in transit Rs. 32.09 lacs (previous period Rs. 31.48 lacs).

15 TRADE RECEIVABLES

(Unsecured-considered good)

		Amount (Rs. Lacs)
Particulars	As at 31.03.2017	As at 31.03.2016
Exceeding Six Months	54.70	61.51
Others	1,049.91	1,109.82
Total	1,104.61	1,171.33

16 CASH & CASH EQUIVALENTS

		Amount (Rs. Lacs)
Particulars	As at 31.03.2017	As at 31.03.2016
Fixed deposits with banks		
Held as margin/security	197.88	294.83
Balances with banks in current accounts	54.44	3.21
Cash in hand	3.89	2.21
Total	256.21	300.25

Bank Deposits with more than 12 months maturity Rs. 0.25 lacs (previous period Rs. 1.46 lacs).

**17 SHORT TERM LOANS & ADVANCES**

(Unsecured-considered good)

Amount (Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Advance Income Tax (including Tax Deducted at Source)	3.14	9.78
Others	29.29	19.21
Total	32.43	28.99

18 OTHER CURRENT ASSETS

(Unsecured-considered good)

Amount (Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Interest accrued on Loans & Deposits	3.87	5.33
Balance with Central Excise	43.30	11.22
MAT Credit Entitlement	29.68	29.68
Others	190.87	138.44
Total	267.72	184.67

19 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Amount (Rs. Lacs)

Particulars	As at 31.03.2017	As at 31.03.2016
Contingent Liabilities		
a) Claims against the company not acknowledged as debts	15.00	25.00
b) Taxation matters disputed in appeals/rectification against which payments made Rs. 8.92 lacs (previous period Rs. 9.05 lacs)	24.21	24.34
c) Bank Guarantee	41.13	41.13
d) Bill discounted with Banks	261.78	197.67
e) Arrears of dividend on cumulative preference shares and tax thereon	67.50	43.43
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	6.73	148.38
b) Letter of credits opened for which the material has not yet been shipped	126.89	110.26

- 20** In the opinion of the board the assets other than fixed assets have a value on realization in the ordinary course of business at least equal to the amount at which they are stated.

21 REVENUE FROM OPERATIONS

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Gross Sales of Products		
Soft Ferrites Components	6,167.04	5,908.36
Coils & Transformers	886.37	424.80
Total	7,053.41	6,333.16
Less: Excise Duty	443.56	386.72
Net Sales of Products	6,609.85	5,946.44

**22 OTHER INCOME**

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Interest	19.61	32.98
Claims Received	4.23	6.69
Miscellaneous Receipts & Income	16.48	28.73
Excess Provisions/Sundry balances written back	27.49	18.20
Bad Debts Recovered	-	3.17
Profit on sale of fixed assets	-	0.54
Exchange Rate Difference (Net)	-	2.13
Total	67.81	92.44

23 COST OF MATERIALS CONSUMED

Amount (Rs. Lacs)

Particulars	Inorganic Oxides		Others		Total	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
At the beginning of the period	90.98	70.04	29.59	2.72	120.57	72.76
Add: Purchases during the period	1,561.49	1,524.06	440.28	228.59	2,001.77	1,752.65
Less: Consumption during the period	1,576.01	1,503.12	386.47	201.72	1,962.48	1,704.84
At the end of the period	76.46	90.98	83.40	29.59	159.86	120.57

24 CHANGES IN INVENTORIES

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Closing Stock		
Finished Goods	95.05	150.46
Work in Progress	571.43	476.39
Scrap	1.90	0.26
	668.38	627.11
Opening Stock		
Finished Goods	150.46	103.26
Work in Progress	476.39	468.63
Scrap	0.26	-
	627.11	571.89
(Increase)/Decrease in stocks	(41.27)	(55.22)



25 EMPLOYEE BENEFITS EXPENSE

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Salaries & Wages	1326.88	1221.63
Gratuity	29.91	19.70
Contribution to Provident & Other Funds	137.97	125.26
Staff Welfare Expenses	45.05	39.12
Total	1,539.81	1,405.71

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
During the year, the following contribution have been made under defined contribution plans:-		
Employer's Contribution to Provident Fund	81.98	73.38
Employer's Contribution to Superannuation Fund	15.87	15.96
Employer's Contribution to Employees State Insurance	34.47	31.05

Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
Assumptions				
Attrition Rate	5%	5%	5%	5%
Salary Rise	5%	5%	5%	5%
Table showing changes in present value of obligations				
Present value of obligation as at beginning of year	195.93	33.57	172.44	30.87
Interest cost	14.18	2.41	13.52	2.38
Current Service Cost	13.04	10.79	11.82	9.36
Benefits Paid	(8.75)	(1.96)	(2.56)	(1.37)
Actuarial (gain)/loss on obligation	9.73	(5.29)	0.71	(7.67)
Present value of obligations as at end of year	224.13	39.52	195.93	33.57
Table showing changes in the present value of plan assets				
Fair value of plan assets at the beginning of year	85.85	-	70.05	-
Expected return on plan assets	6.98	-	6.17	-
Contributions	5.94	-	12.51	-
Benefits paid	(8.37)	(1.96)	(2.99)	(1.37)
Actuarial gain / (Loss) on plan assets	(2.27)	-	0.11	-
Fair value of plan assets at the end of year	88.13	-	85.85	-
Table showing fair value of plan assets				
Fair value of plan assets at the beginning of year	85.85	-	70.05	-
Actual return on plan assets	4.71	-	6.28	-
Contributions	5.94	-	12.51	-
Benefits paid	(8.37)	(1.96)	(2.99)	(1.37)
Fair value of plan assets at the end of year	88.13	-	85.85	-
Present value of obligation at the end of year	224.13	39.52	195.93	33.57
Funded status	(136.00)	(39.52)	(110.08)	(33.57)
Actuarial Gain / Loss recognized				
Actuarial gain / Loss for the year – obligation	(9.73)	5.29	(0.71)	7.67



Actuarial (gain)/Loss for the year – plan assets	(2.27)	-	0.11	-
Total (gain) / Loss for the year	12.00	(5.29)	0.60	(7.67)
Actuarial (gain) / Loss recognized in the year	12.00	(5.29)	0.60	(7.67)

The amounts to be recognized in the balance sheet and statements of Profit & loss

Present value of obligations as at the end of year	224.13	39.52	195.93	33.57
Fair value of plan assets as at the end of the year	88.13	-	85.85	-
Funded status	(136.00)	(39.52)	(110.08)	(33.57)
Net Asset / (Liability) recognized in balance sheet	136.00	39.52	110.08	33.57

* This pertains to long term liability worked in respect of deferred leave only. Expected short term liability is of Rs 7.45 lacs (previous year Rs. 7.13 lacs)

Expenses recognized in statement of Profit & Loss

Current services cost	13.04	10.79	11.82	9.36
Interest cost	14.18	2.41	13.52	2.38
Expected return on plan assets	(6.98)	-	(6.17)	-
Net Actuarial (gain)/Loss recognized in the year	12.00	(5.29)	0.60	(7.67)
Expenses recognized in statement of P&L	32.24	7.91*	19.77	4.07*

* This pertains to long term liability only. Actual payments (under the various heads) incurred over the intervaluation period are not included.

The Estimates of rate of future salary increase takes into account inflation, seniority, promotion and other relevant factors on long term basis. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of liability. The above information is certified by the actuary.

26 FINANCE COSTS

Particulars	Amount (Rs. Lacs)	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Interest Expense	268.16	207.78
Bank and Finance Charges	68.67	53.78
Total	336.83	261.56

27 DEPRECIATION & AMORTISATION EXPENSE

Particulars	Amount (Rs. Lacs)	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Depreciation	399.27	369.16
Total	399.27	369.16



28 OTHER EXPENSES

Particulars	Amount (Rs. Lacs)	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Consumption of Stores, Spare and Packing Materials	937.27	779.78
Power & Fuel	809.87	779.06
Rent	46.79	39.50
Repairs to Buildings	7.21	3.50
Repairs to Machinery	176.39	161.94
Insurance	13.75	14.30
Rates & Taxes	9.62	4.71
Travelling & Conveyance	133.83	145.41
Professional & Consultancy Charges	46.30	51.87
Freight & Forwarding	187.43	174.12
Other Selling Expenses	58.94	46.81
Charity & Donation	0.51	0.37
Exchange Rate Difference (Net)	0.38	-
Claims Paid/Written off	11.00	-
Bad debts/Advances written off (net of provision Rs. nil, previous year 19.37 lacs)	4.02	-
Loss on sale of fixed assets	0.61	-
Miscellaneous Expenses *	157.48	144.55
Prior period Expenses	0.16	1.75
Total	2,601.56	2,347.67

*includes payment to auditors

Particulars	Amount (Rs. Lacs)	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
As Statutory Audit Fees	2.85	2.85
As Audit Fees for Quarterly Audited Results	2.58	2.58
As Tax Audit Fees	0.60	0.60
For Certification Work	0.10	0.17
For Reimbursement of Expenses	0.28	0.40
Total	6.41	6.60

29 EARNING PER SHARE (EPS)

Particulars	Amount (Rs. Lacs)	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
Basic and Diluted Earnings Per Share		
Profit/(Loss) after tax as per profit & loss account (Rs. lacs) (A)	(81.57)	0.32
No. of equity shares (B)	12,030,000	12,030,000
Basic and Diluted Earning Per Share (Rs.) (A/B)	(0.68)	0.00



30 Related Party Disclosure:

- A Names of related parties and description of relationship
- (i) Key managerial personnel
Shri Ambrish Jaipuria, Executive Director
 - (ii) Enterprises over which key managerial personnel of the company and their relatives have significant influence
Cosmo Films Ltd.
Sterling Oxide Ltd.
Gayatri & Annapurna
Super Sadiq Enterprises Pvt Ltd.
Andheri Properties & Finance Ltd.
Pravasi Enterprises Ltd.

Particulars	Enterprises over which key managerial personnel of the company and their relatives have significant influence	Key Managerial Personnel	Total
Purchase of Goods/ Assets	-	-	-
	(4.60)	(-)	(4.60)
Remuneration paid	-	80.07	80.07
	(-)	(83.90)	83.90
Office Maintenance Charges	-	-	-
	(1.52)	(-)	(1.52)
Rent Paid	38.90	-	38.90
	(39.21)	(-)	(39.21)
Interest Paid	13.76	-	(13.76)
	(4.73)	(-)	(4.73)
Deposit/Advance Rent Given	-	-	-
	(2.50)	(-)	(2.50)
Loan received	120.00	-	120.00
	(50.00)	(-)	(50.00)
Balance outstanding at the end of the period			
a) Due to Sundry Creditors	4.60	-	4.60
	(12.15)	(-)	(12.15)
b) Advance Rent Paid	8.63	-	8.63
	(8.63)	(-)	(8.63)
c) Security Deposit Paid	8.63	-	8.63
	(8.63)	(-)	(8.63)
d) Other Payables	-	-	-
	(-)	(24.79)	(24.79)
e) Loan received	170.00	-	170.00
	(50.00)	(-)	(50.00)

Previous period figures are given in bracket.

- 31** It is the management's opinion that since the company is exclusively engaged in the activity of manufacture of components of electrical & electronic products which are governed by the same set of risks and returns the same are considered to constitute a single reportable segment in the context of Accounting Standard on "Segment Reporting" issued by the Institute of Chartered Accountants of India.



32 VALUE OF IMPORTED / INDIGENOUS RAW MATERIALS, STORES & SPARES CONSUMED

Class of Goods	Amount (Rs. Lacs)			
	For the period from 01.04.2016 to 31.03.2017		For the period from 01.04.2015 to 31.03.2016	
	Percentage	Amount (Rs. lacs)	Percentage	Amount (Rs. lacs)
Raw Materials				
Imported	61.56	1,208.01	66.76	1,138.19
Indigenous	38.44	754.47	33.24	566.65
	100.00	1,962.48	100.00	1,704.84
Stores & Spares				
Imported	29.45	276.01	15.25	118.94
Indigenous	70.55	661.26	84.75	660.84
	100.00	937.27	100.00	779.78

33 DISCLOSURE ON SPECIFIED BANK NOTES (SBNs)

During the year, the Company had specified bank notes or other denomination notes as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 and the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, are given below:

Particulars	SBNs*	Other denomination notes Amount in Rs	Total
Closing cash in hand as on November 8, 2016	131,500	134,473	265,973
(+) Permitted receipts	-	652,847	652,847
(-) Permitted payments	-	519,117	519,117
(-) Amount deposited in Banks	131,500	-	131,500
Closing cash in hand as on December 30, 2016	-	268,203	268,203

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016.

34 OTHER INFORMATION

Class of Goods	Amount (Rs. Lacs)	
	For the period from 01.04.2016 to 31.03.2017	For the period from 01.04.2015 to 31.03.2016
CIF value of Imports		
Raw materials	1,156.97	1,172.56
Stores & spares	299.25	197.01
Capital goods	316.24	210.49
Expenditure in Foreign Currency		
Travelling	40.34	48.23
Commission, exhibition etc.	9.81	13.50
Earnings in Foreign Currency		
FOB value of exports (including deemed exports Rs. 657.95 lacs, previous period Rs. 538.10 lacs)	2,990.41	2,817.13

**35 FORWARD CONTRACTS**

The company has taken forward cover for hedging the business related exposures due to imports which are not speculative in nature. As, the contracts are specific to a particular liability, the liability has been booked at the contract rate and no further profit / loss is anticipated.

36 Capital work in progress includes capital advances of Rs 2.48 lacs (previous period Rs.2.92 lacs)

37 Figures for the previous period have been regrouped / rearranged wherever considered necessary.

As per our report of even date annexed

For B.K. SHROFF & CO.,
Chartered Accountants
Firm Registration No.: 302166E

Sanjiv Aggarwal
Partner
Membership No. 85128

Ambrish Jaipuria
Director
DIN : 00214687

Naresh Kumar Gupta
Director
DIN : 00214602

Place : New Delhi
Dated : 10-05-2017

Neha Pawar
Company Secretary

Ramesh Chand
Chief Financial Officer

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