



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

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

CFR/SE/2023-24/JUL/04

July 17, 2023

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

Scrip Code: 523100

Security ID: COSMOFE

Sub: Submission of Annual Report

Dear Sir,

Please find enclosed herewith Annual Report for the Financial Year 2022-23 as required under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Annual Report is being sent to the members who have registered their email ID with the Company / Depositories in permitted mode. The members can also access the Annual Report on the website of the Company at <https://www.cosmoferrites.com/uploads/AR202223.pdf>

You are requested to take the same on your records.

Thanking You

Yours faithfully

For Cosmo Ferrites Limited

Rahul Das

Company Secretary & Compliance Officer

Encl: as above

**ANNUAL
REPORT**
2022-23



COSMO FERRITES LIMITED

COSMO FERRITES LIMITED

BOARD OF DIRECTORS

Mr. Ambrish Jaipuria
Mr. Rajesh Kumar Gupta
Mr. Pankaj Poddar
Mr. Neeraj Kumar Sharma
Mrs. Himalyani Gupta

Managing Director*
Non-Executive Director
Non Executive Director
Non-Executive Director
Non-Executive Director

* Elevated w.e.f. 24.05.2023

REGISTERED OFFICE

P.O. Jabli, Distt. Solan
H.P. - 173 209
Ph. : 01792-294347
E-mail: plant@cosmoferrites.com

AUDITORS

Suresh Kumar Mittal & 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
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
E- mail : sales@cosmoferrites.com

MFG. PLANT

P.O. Jabli, Distt. Solan
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Company Overview



ESTABLISHMENT

Established in 1986, Cosmo Ferrites Limited is one of the largest manufacturer of Mn-Zn based Soft Ferrite cores used in Power Electronics Industry



PROMOTER

Promoted by Mr. Ashok Jaipuria, 1st Generation Entrepreneur, who introduced the country to Soft Ferrite Cores.



PRODUCT RANGE

- MnZn Ferrite Components (EE, EC, ETD, EER, EI, EFC, UU, TOROIDS, EP, RM, PQ, Pot, Planar, PTS, I Bar, EFF, EVD and EED)
- Pre-Calcined Ferrite Powder



CAPACITY

- Ferrites Powder 3,600 Tons
- Ferrites Component 3,600 Tons



DEMOGRAPHIC DISTRIBUTION

- Export 46%
- Domestic (India) 54%



EXPORT MARKET

Europe, USA, UK, New Zealand, Israel, Turkey, Thailand, Malaysia, China, Sri Lanka etc.



CERTIFICATIONS

ISO 9001:2015 | ISO 14001:2015 | ISO/TS:16949 | ROHS Certified
REACH Compliant | UL Approved Insulation Coating

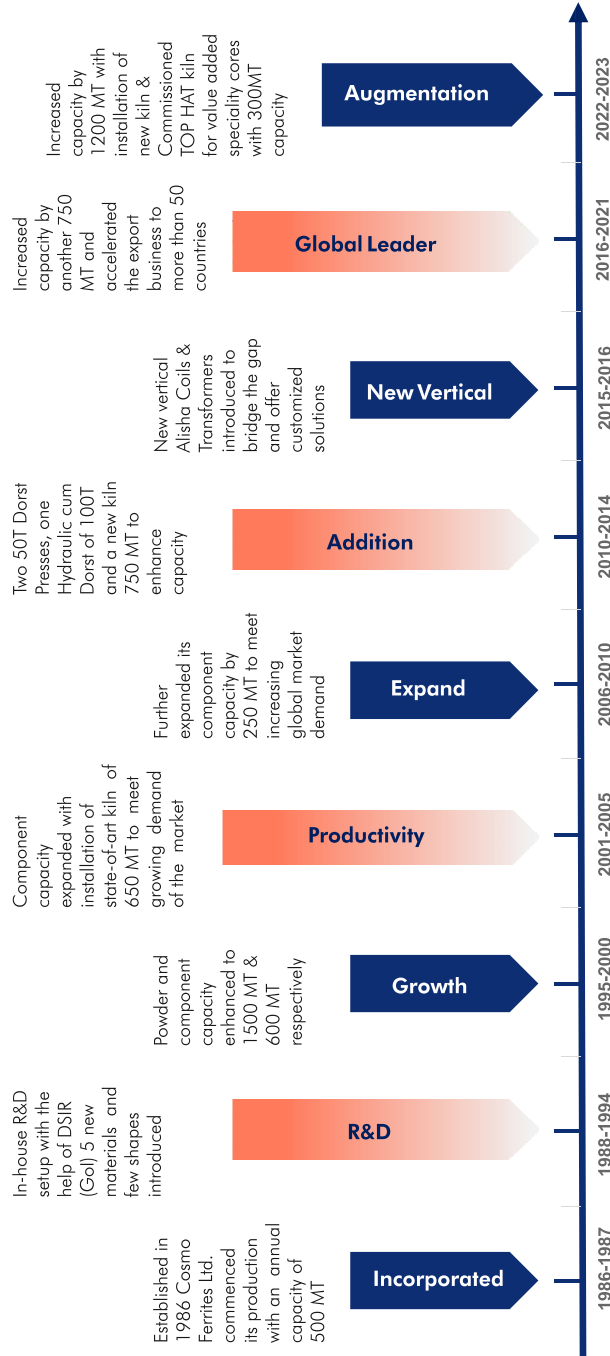


MANUFACTURING FACILITY

Located in the Foothills of Himalayas at Jabli, Solan Dist., Himachal Pradesh, India



Company Overview – Key Milestones



Market Segments We Cater:

Automotive Antenna, Sensors



Solar Inverter, Current Sensor



Industrial Electronics Medical, Power Supplies



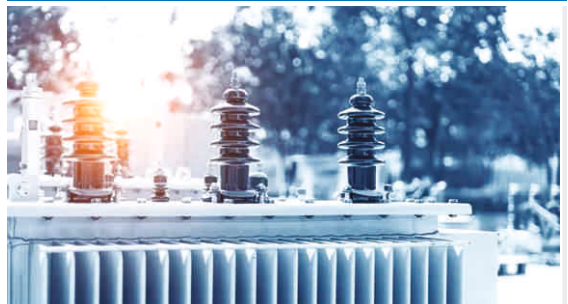
Electric Vehicle Battery Charger, OBD, Wireless Charging



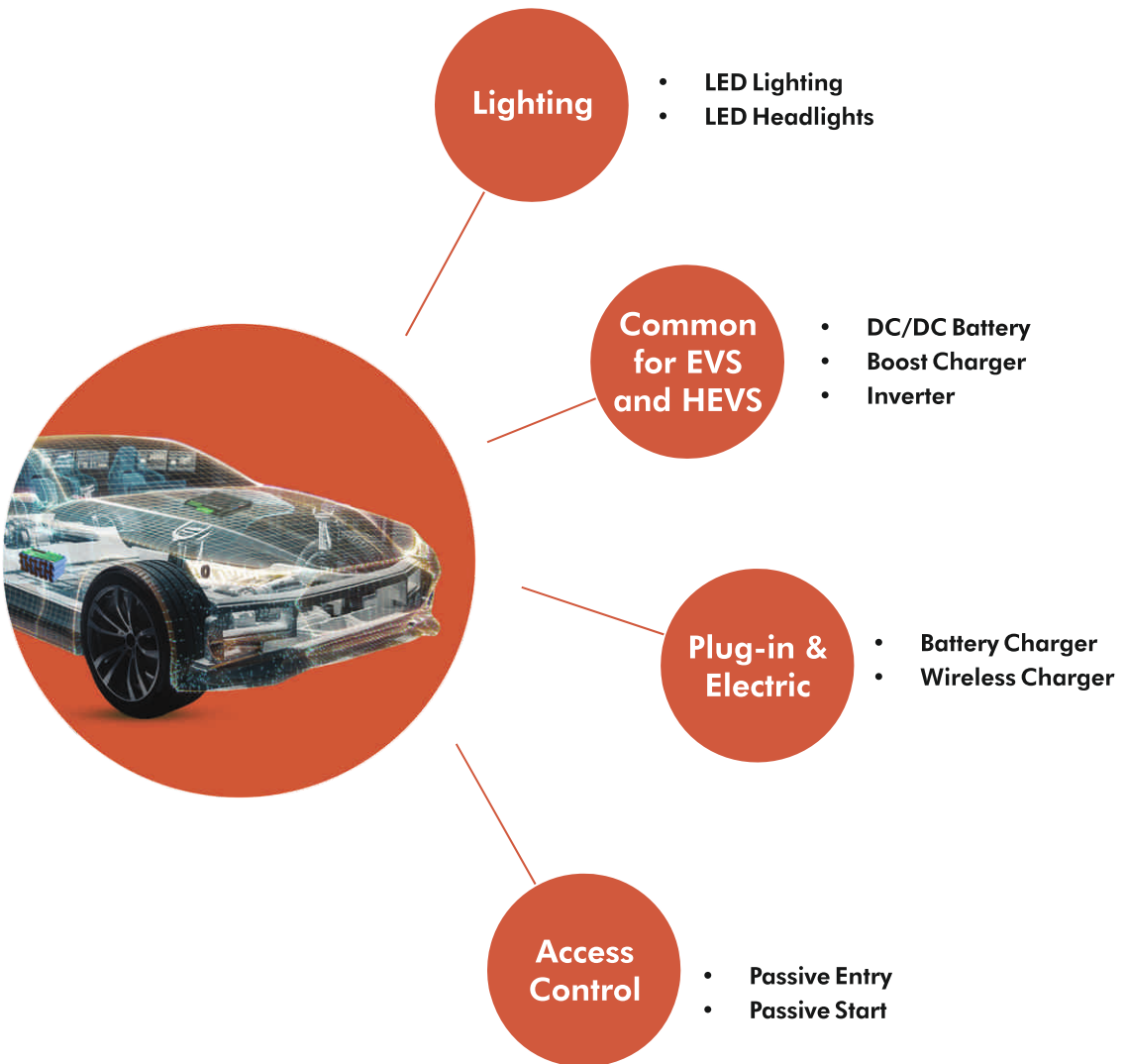
EMI Filters Line Filter, Choke



Lighting Inductor, Transformer



Market Segment: Automotive Applications



Business Overview – R&D Resource Centre



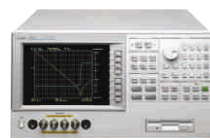
XRF for determination of material composition and purity level accurately.



Particle size analyser for determination of particle size distribution in powder material*



Computerised BET surface analyser for determining specific surface area of powder materials



Precision Impedance analyzer capable to measure up-to 5 MHz *



XRD for determination of crystalline phases present in ferrite system *



Atmosphere controlled kiln for sintering ferrite materials at lab scale with customized electromagnetic properties



High resolution digital microscope (1000 x) for determining granulate shape, size, defects and micro crack*



Powerloss combined with B-H loop tracer capable to measure upto 2 MHz *

Awards and Recognition

46th ELCINA Awards



ELCINA-EFY Certificate of Merit for Outstanding Achievement in "Exports" Year 2020-21



ELCINA-EFY Certificate of Merit for Outstanding Achievement in "Exports/Large Scale" Year 2016-17



43rd ELCINA-EFY Award for Outstanding Achievement in "Exports/Large Scale" Year 2017-18



ELCINA-EFY Certificate of Merit for Outstanding Achievement in "Exports/Large Scale" Year 2013-14

Instituted in 1976 by Electronic Industries Association Of India, ELCINA awards are highly regarded in industry circles. Awards have been supported by officials of Department of Electronics & IT (Government of India) through their participation in selection process.



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 2023**.

1. SUMMARY FINANCIAL RESULTS

The Financial Results of the company for the year ended 31st March, 2023, were as follows:

(Rs. in Lacs)

Particulars	Year Ended 31st March 2023	Year Ended 31st March 2022
Net Sales	10731	11384
Other Income	261	174
Profit before Interest, Depreciation and Tax	1255	2948
Finance Cost	550	407
Depreciation	390	392
Exceptional Item	-	(253)
Profit before Tax	315	1897
Provision for Taxation		
- Current Tax	85	28
- Earlier year Taxes	(5)	-
- Deferred Tax	(7)	446
Profit After Tax	242	1423
Extraordinary Item	-	-
Profit after Tax Including Extraordinary Item	242	1423

2. REVIEW OF OPERATIONS

- For the year ending 31st March 2023 sales decreased to Rs 10,731 Lacs as compared to Rs. 11,384 Lacs for previous year.
- Profit after tax for the year is Rs. 242 lacs as compared to Rs. 1,423 Lacs in the previous year.

3. DIVIDEND

In order to conserve the resources of the Company and to plough back the profits for growth, the Board of Directors of the Company have decided not to recommend any dividend on the equity shares of the Company for the financial year ended March 31, 2023.

4. RESERVE

The Company has not transferred any amount to reserve during the year.

5. SHARE CAPITAL

During the year under review, there was no change in the Company's issued, subscribed and paid-up equity share capital. On 31st March, 2023, it stood at Rs. 12.03 Cr divided into 1,20,30,000 equity shares of Rs. 10/- each.

6. RESEARCH & DEVELOPMENT

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

7. 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 Practicing Company Secretary 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**.

8. 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.

9. INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, safeguarding of its assets, prevention and detection of fraud, error reporting mechanisms, accuracy and completeness of the accounting records, and timely preparation of reliable financial disclosures. The Internal Financial control is supplemented by an extensive program of internal audit conducted by in house trained personnel and external firm of Chartered Accountants appointed on recommendation of the Audit Committee and the Board. The audit observations and corrective action, if any, taken thereon are periodically reviewed by the Audit committee to ensure effectiveness of the Internal Financial Control System. The internal financial control is designed to ensure that the financial and other records are reliable



for preparing financial statements and other data, and for maintaining accountability of persons.

10. 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.

11. 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.

12. DIRECTORS

(a) Chairman

Mr. Ambrish Jaipuria is the Chairman of the Board.

(b) Re-appointment and Appointment

Mr. Pankaj Poddar; Mr. Neeraj Kumar Sharma and Ms. Himalyani Gupta were appointed as Additional Directors by the Board on May 12, 2022 and approved as the Directors of the Company by the shareholders in their meeting held on June 30, 2022.

In terms of Articles of Association of the Company and provisions of the Companies Act, 2013, Mr. Pankaj Poddar (DIN: 02815660) Non Independent Non-Executive Director of the Company, is liable to retire by rotation at the ensuing AGM and being eligible, offered himself for re-appointment. The Board recommends his re-appointment to the members in the ensuing AGM.

(c) Status of Directors

Mr. Ambrish Jaipuria is the Managing Director of the Company. Mr. Pankaj Poddar is Non-Independent and Non-Executive Director. Mr. R.K. Gupta, Mr. Neeraj Kumar Sharma and Ms. Himalyani 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.

(e) Cessation of Directors

During the year, Ms. Abha Jaipuria and Mr. Kulbhushan Malik, Directors were ceased to hold office. Further, Mr. Janardhan Pralhadrao Gupta, took early retirement from the office of Directors of the Company with effect from 23rd May, 2023.

During the year under review, except as stated above there was no change in the Directors of the Company.

13. STATEMENT OF BOARD OF DIRECTORS

The Board of Directors of the Company are of the opinion that all the Independent Directors of the Company appointed during the year possesses integrity, relevant expertise and experience required to best serve the interest of the Company. The Independent Directors have confirmed compliance of relevant provisions of Rule 6 of the Companies (Appointments and Qualifications of Directors) Rules, 2014.

14. KEY MANAGERIAL PERSONNEL'S

Mr. Ambrish Jaipuria, Managing Director, Mr. Sanjiv Jindal, Chief Financial Officer and Mr. Rahul Das, 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.

Further, Mr. Aditya Sharma has resigned from the post of Company Secretary and Compliance Officer of the Company from January 31, 2023 and Mr. Rahul Das has been appointed as the Company Secretary and Compliance Officer of the Company with effect from February 09, 2023.

During the year under review, except as stated above, there was no change in the KMPs of the Company.

15. 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.

Management does 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).

16. 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.

17. MEETINGS

During the year Six (6) Board Meetings and Five (5) 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, the attendance of the Directors at such meetings and other relevant details are provided in Corporate Governance Report.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

23. PERFORMANCE EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

In terms of provisions of the Companies Act, 2013 read with the Rules issued there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has adopted a formal mechanism for evaluating the performance of its Board, Committees and individual Directors, including the chairman of the Board. Further, a structured performance evaluation exercise was carried out based on criteria such as:

- Board/Committees composition;
- Structure and responsibilities thereof;
- Ethics and Compliance;
- Effectiveness of Board processes;
- Participation and contribution by members;
- Information and functioning;
- Specific Competency and Professional Experience /Expertise;
- Business Commitment & Organizational Leadership;
- Board/Committee culture and dynamics; and
- Degree of fulfilment of key responsibilities, etc.

The performance of Board, Committees thereof, Chairman, Executive and Non-Executive Directors and individual Directors is evaluated by the Board/ Separate meeting of Independent Directors. The results of such evaluation are presented to the Board of Directors.



24. 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 39 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).

25. ANNUAL RETURN

Pursuant to the provisions of section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link: <https://www.cosmoferrites.com/investor-relations/shareholder-information>.

26. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

During the financial year 2022-23, the Company has spent Rs. 25.00 lakhs towards CSR expenditure, in terms of the CSR annual action plan approved by the Board of Directors. The CSR initiatives of the Company were under the thrust area of health & hygiene.

The Board confirms that the implementation and monitoring of the CSR Policy was done in compliance with the CSR objectives and Policy of the Company. The Company's CSR Policy statement and annual report on the CSR activities undertaken during the financial year ended 31st March, 2023, in accordance with the Section 135 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Rules") is set out in **Annexure (E)** to this Report.

27. 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 Audit 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.

28. AUDITORS

Statutory Audit:

M/s. Suresh Kumar Mittal & Co., Chartered Accountants, were re-appointed as Statutory Auditors of the Company in 36th AGM (held on 30 June, 2022) to hold office for a period of 5 years until the conclusion of 40th AGM.

There are no observations (including any qualification, reservation, adverse remark or disclaimer) of the Auditors in their Audit Report that may call for any explanation from the Directors. Further, the notes to accounts referred to in the Auditor's Report are self-explanatory. During the year, the Auditor had not reported any matter under Section 143 (12) of the Act, therefore no detail is required to be disclosed under Section 134(3)(ca) of the Act.

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 Secretarial Auditors have submitted their report, confirming compliance by the Company of all the provisions of the applicable corporate laws. The Secretarial Audit Report annexed as **Annexure-B**.

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 2023-24 at a remuneration of Rs. 1,65,000/- plus taxes 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.

In terms of the Section 148 of the Companies Act, 2013 ('the Act') read with Rule 8 of the Companies (Accounts) Rules, 2014, it is stated that the cost accounts and records are made and maintained by the Company as specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.



During the year, the Auditor had not reported any matter under section 143 (12) of the Act, therefore no detail is required to be disclosed under section 134(3)(ca) of the Act.

29. AUDITORS' REMARKS

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

30. CHANGE IN NATURE OF BUSINESS, IF ANY

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

31. 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.

32. 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.

33. LISTING WITH STOCK EXCHANGES

The Company confirms that it has paid the Annual Listing Fees for the year FY 2022-2023, to the Bombay Stock Exchange where the Company's equity shares are listed.

34. PROMOTION OF WOMEN'S WELL BEING AT WORKPLACE

Cosmo Ferrites has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules there under for prevention and redressal of complaints of sexual harassment at workplace. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the said act. There have been no complaints of sexual harassment received during the year.

35. 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 the

Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is also enclosed as **Annexure D** to this Report.

The information pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other particulars also form part of this report. However, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

36. 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, 2023 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.

37. SECRETARIAL STANDARDS

During the year 2022-2023, the Company has complied with applicable Secretarial Standards issued by the Institute of the Company Secretaries of India.

**38. OTHER DISCLOSURES**

During the year, there were no transaction requiring disclosure or reporting in respect of matters relating to:

- (a) pendency of any proceeding under the Insolvency and Bankruptcy Code, 2016; and
- (b) instance of one-time settlement with any bank or financial institution.

39. ACKNOWLEDGEMENT

Your Directors would also like to extend their gratitude for the co-operation received from financial institutions, the Government of India, and regulatory authorities. The board places on record its appreciation for the continued support received from customers, vendors, retailers, and business partners, which is indispensable

in the smooth functioning of Company. Your Directors also take this opportunity to thank all investors and shareholders, and the stock exchange, for their continued support. Your Directors place on record their deep appreciation to employees at all levels for their hard work, dedication, and commitment. Their contribution to the success of this organization is immensely valuable.

For and on behalf of the Board of Directors

New Delhi
24th May, 2023

Ambrish Jaipuria
Chairman

**CERTIFICATE ON CORPORATE GOVERNANCE**

To
The Members of
Cosmo Ferrites Limited

1. We have examined the compliance of the conditions of corporate governance by Cosmo Ferrites Limited ("the Company") for the year ended 31 March, 2023 as stipulated in Regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations").

Management's Responsibility

2. The compliance of conditions of corporate governance is the responsibility of the management of the Company. This responsibility includes the designing, implementing and operating effectiveness of internal control to ensure compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations.

Our Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

Opinion

5. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March, 2023.
6. We 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 DMK ASSOCIATES
Company Secretaries

(MONIKA KOHLI)
Partner

FCS No. 5480
COP No. 4936

Peer Review No. 779/2020

Place: New Delhi
Date: 24.05.2023
UDIN: F005480E000367072



**Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023.**

[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
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 31 March 2023 (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 31 March 2023 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;
- (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 fresh FDI and ECB were taken and no ODI was given 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 as amended till date;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended till date;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended till date; **(Not applicable to the Company during the Audit Period)**
- d) The Securities and Exchange Board of India (Share Based Employee Benefits and sweat equity) Regulations, 2021 as amended till date; **(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 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;; as amended till date; **(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 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; as amended till date; **(Not applicable to the Company during the Audit Period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 as amended till date; **(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 and other Waste (Management and Transboundary Movement) Rules, 2016;
- xviii. Legal Metrology Act, 2009 and rules made thereunder;
- xix. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder;
- xx. Personal Injuries (Compensation Insurance) Act, 1963;
- xxi. Custom Act, 1962;
- xxii. Petroleum Act, 1934 and rules framed thereunder;
- xxiii. Industrial Employment (Standing Orders) 1946;

xxiv. Environment Protection Act, 1986 and rules made thereunder;

xxv. Indian Stamp Act, 1999;

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

- (i) Secretarial Standards (SS-1 and SS-2) issued by The Institute of Company Secretaries of India.
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, 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. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with provision of the Act.
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 except at Shorter Notice wherever required 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 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 as follows :-

1. Special resolution under section 180(1)(a) of the Companies Act, 2013 was passed by the members



through postal ballot dated 05.01.2023 for creation of charges, mortgages & hypothecations in addition to existing charges etc. in favour of Banks / FIs for an amount not exceeding Rs.125 Crores, together with interests etc.

2. Special resolution under section 180(1)(c) of the Companies Act, 2013 was passed by the members through postal ballot dated 05.01.2023 for increase in borrowing from time to time not exceeding Rs.125 Crores.

**For DMK ASSOCIATES
COMPANY SECRETARIES**

(MONIKA KOHLI)

B. Com (H), FCS, LL.B. I.P.

PARTNER

FCS 5480, C P 4936

Peer Review

No. 779/2020

Date : 24.05.2023

Place : New Delhi

UDIN : F005480E000367138



To
The Members,
M/s Cosmo Ferrites Limited
CIN L27106HP1985PLC006378
P.O. Jabli Distt Solan
Himachal Pradesh 173209

Sub: Our Secretarial Audit for the Financial Year ended 31 March 2023 of even date is to be read along with this letter

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. 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. Wherever required, we have obtained the Management representation about the compliance of laws, rules, and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, 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.
7. As per the information provided by the Company, there are certain disputes / cases filed by or against the Company, which are currently lying pending with the various Courts. However as informed these cases have no major impact on the Company.

**For DMK ASSOCIATES
COMPANY SECRETARIES**

Date : 24.05.2023
Place : New Delhi
UDIN : F005480E000367138

(MONIKA KOHLI)
B. Com (H), FCS, LL.B. I.P.
PARTNER
FCS 5480, C P 4936
Peer Review No. 779/2020



CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To
The Members of
Cosmo Ferrites Limited
P.O. Jabli Distt Solan Jabli
Himachal Pradesh 173209 India

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Cosmo Ferrites Limited** having **CIN: L27106HP1985PLC006378** and having registered office at P.O. Jabli Distt Solan, Jabli Himachal Pradesh 173209 India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal (www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial year ended on 31 March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No.	Name of Director	DIN	Date of appointment
1	Ambrish Jaipuria	00214687	29/01/2004
2	Janardhan Pralhadrao Gupta	07029205	04/11/2014
3	Rajesh Kumar Gupta	08615199	19/11/2019
4	Neeraj Kumar Sharma	06861870	12/05/2022
5	Himalyani Gupta	00607140	12/05/2022
6	Pankaj Poddar	02815660	12/05/2022

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

For DMK Associates
Company Secretaries

MONIKA KOHLI
B.Com (H), FCS, LL.B., IP
Partner
FCS 5480
C.P. 4936
Peer Review No. 779/2020

Place: New Delhi
Date: 24.05.2023
UDIN : F005480E000367039



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:

- Installation of 608kw rooftop Captive Solar power Plant
- Energy Saving just after startup in last Q4 of 2022-23 was Rs. 6 lacs app.
- Average Saving of 2400-2500 units/day based on last month generation record.
- Capital Investment on this project is Rs. 2.65 CR
- Around Rs.2500/month saving through motion sensors installed in Q4 (2022-23)

(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:
- ii) The Company's technology is developed in house, which has helped in improving efficiency and developing new products.

- iii) The benefits derived like product improvement, cost reduction, product development, and import substitution.

- Online packing after grinding is implemented on grinding machine.
- Transferring of finished powder from MP to Press directly through Pipe Line.

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

Details of Technology Imported

Year of Import

Whether the technology been fully absorbed

If not fully absorbed, areas where this has not taken place, and reasons thereof

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

- v) Expenditure incurred on Research and Development

	<u>Rs. lacs.(approx)</u>
(a) Capital	42.92
(b) Recurring	<u>41.67</u>
(c) Total	84.59
(d) Total R & D expenditure as percentage of net sales	0.79 %

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were Rs. 4146.83 Lacs (Previous Year Rs. 5782.56 Lacs). The total foreign exchange utilized during the year amounted to Rs. 2543.97 Lacs (Previous Year Rs. 3202.22 Lacs). Details of foreign Exchange earned and utilized during the year are given in Notes to Accounts.



Annexure –D
(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
Mr. Ambrish Jaipuria	42.57
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	Managing Director	NIL*
Mr. Sanjiv Jindal	Chief Financial Officer	8.00%
Mr. Aditya Sharma	Company Secretary	NIL**
Mr. Rahul Das	Company Secretary	NIL***

*increase is due to profit linked incentive as per the terms of appointment.

**resigned from January 31, 2023

***joined w.e.f February 09, 2023

3. **Percentage increase in the median remuneration of all employees in the Financial Year 2022-23:** 13.20%
4. **Number of Permanent employees on the rolls of Company as on 31st March, 2023:** 209
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 14.40 % and 12% 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
7. Information pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 pertaining to the top ten employees in terms of remuneration drawn and their other particulars also form part of this report. However, the report and the accounts are being sent to the members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company. Any shareholder interested in obtaining a copy of the same may write to the Company Secretary.

General Note:

- Managerial Personnel includes Whole-time Director.



Annexure - E

Annual Report on Corporate Social Responsibility ("CSR") Activities for the Financial year**1. A brief outline on CSR policy of the Company:**

The Company endeavors to integrate social and environmental concerns in its business operations. The Company demonstrates an increased commitment at all levels in the organization to operate the business in an economically, socially and environmentally sustainable manner. The key areas for CSR activities is to promote environmental sustainability, public health and hygiene.

2. Composition of the CSR Committee: Not Applicable**3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: <https://www.cosmoferrites.com/>****4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: Not Applicable****5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Sl. No.	Financial Year	Amount available for set-off from preceding Financial Years (Rs. In Lakh)	Amount required to be set-off for the Financial Year, if any (Rs. In Lakh)
1	2022-2023	0	0

6. Average Net Profit of the Company as per section 135(5): Rs. 602.00 Lakhs

7. a) Two percent of average net profit of the company as per section 135(5): Rs.12.05 lakhs
 b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: 0
 c) Amount required to be set off for the financial year, if any: 0
 d) Total CSR obligation for the financial year (7a+7b-7c). Rs.12.04 lakhs

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

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
Rs.25.00 lakhs	-	-	-	-	-


(b) Details of CSR amount spent against ongoing projects for the Financial Year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Project Duration	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration Number
Not Applicable												

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the Project	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR Registration Number
1.	Health Care	Schedule VII (I) Promoting health care including preventive health care	Yes	Delhi	Delhi	Rs.25.00 Lakhs	Yes	Sitaram Jaipuria Foundation	CSR00016249

(d) Amount spent in Administrative Overheads:0
(e) Amount spent on Impact Assessment, if applicable: Not Applicable
(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs.12.05 Lakhs
(g) Excess amount for set off, if any: Rs.12.95 Lakh

Sl. No.	Particular	Amount
(i)	Average net profit of the company of immediate three financial year as per section 135(5)	Rs.602.00 lakhs
(ii)	2% of Average Net Profit	Rs. 12.05 Lakhs
(iii)	Amount to be spent/disbursed for the Financial Year	Rs.12.05 Lakhs
(iv)	Total amount spent	Rs. 25.00 Lakhs
(v)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(vi)	Excess amount spent for the financial year [(iv)-(iii)]	Rs. 12.95 Lakhs
(vii)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Rs.12.95 Lakh


9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding Financial Years
				Name of the Fund	Amount	Date of transfer	
Not Applicable							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting Financial Year	Cumulative amount spent at the end of reporting Financial Year	Status of the project - Completed / Ongoing
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year: Not Applicable

(asset-wise details).

- (a) Date of creation or acquisition of the capital asset(s): Not Applicable
- (b) Amount of CSR spent for creation or acquisition of capital asset: Not Applicable
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc: Not Applicable
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): Not Applicable

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per Section 135(5): Not Applicable

On behalf of the Board of Directors

Place: New Delhi
Date: 24.05.2023

Ambrish Jaipuria
Managing Director



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, Energy Meter, Mobile Charger, SMPS, 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 a big fillip to the soft ferrites industry in the recent years.

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. The company is taking steps to utilize its full potential by increasing its market share in the domestic market. 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

Details of Significant Changes in the Key Financial Ratios & Return on Net Worth:

As per the amendment made under Schedule V to the Listing Regulations read with Regulation 34(3) of the Listing Regulations, details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios and any changes in Return on Net Worth of the Company therefore are given below:

S. No.	RATIO	FY 2022-23	FY 2021-22	%CHANGE	Explanation
1.	Debt Equity Ratio (in times)	2.27	1.60	42.33	Increased due to new loans procured for capex
2.	Net Profit Ratio (in %)	2.25	12.50	(81.98)%	Due to reduction in profit margin.
3.	Return on Net Worth Ratio (in %)	7.78	62.61	(87.57) %	Due to reduction in profit margin.
4.	Operating Profit Margin Ratio (in times)	11.69	23.30	(49.83)%	Due to reduction in profit margin.
5.	Interest Coverage Ratio (in times)	1.57	7.50	(79.07)%	Due to reduction in profit margin.
6.	Debtor Turnover Ratio (in times)	6.36	8.82	(27.86)%	Due to increase in trade receivables

There is no significant changes (i.e. 25% or more) in other key financial ratios viz. Current Ratio and Inventory turnover Ratio.

Discussion on financial performance

The revenue from operation is Rs. 10731 Lacs against Rs. 11384 Lacs in the previous year. The Earnings before interest, tax, depreciation and amortization (EBITDA) is Rs. 1255 Lacs against Rs. 2949 Lacs in the last year. The reporting year margins witnessed pressure owing to the fierce competition in the Indian market with the low-priced imports from China. The margins have also been affected due to lower exports sales, generally having higher margins, particularly from the Europe region due to inventory corrections, geopolitical turmoil and fears of recessions in Europe. The Company is taking necessary steps to deal with the low-priced imports from China and also working on the recovery of some normalization of order flow from Europe. The company is

working on several medium-term growth prospects, particularly in the automotive sector and expect customer approvals in FY 23-24 which should lead to margin expansion.

New developments

The company has installed Solar power plant of 608 KW in the last quarter of FY 22-23.

TOP HAT kiln has been commissioned for specialty cores during last quarter of FY 22-23 which should add to revenue / profitability in the coming years.

During the year, the company has raised its production capacity from 2400 MT to 3600 MT.

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. At times there is over supply situation in the Indian ferrite market particularly when there is an influx of cheap imports into India leading to decline in operating margins. We are mitigating the above risk by taking the necessary steps to improve the sales and margins in the domestic market and also increasing our exports presence, developing niche products, exploring new markets and new 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 built 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 taking out 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 overall 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.

Social

As a leader in ferrite industry, Cosmo Ferrites acts as a socially responsible corporate citizen. We are not just committed to providing a conducive environment to all our stakeholders, we also believe in advocating for positive change in our world.

**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 has 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

Independent Directors	Non-Executive and Non-Independent Director & Executive Director
66%	34%

The Board of Directors of the company comprises of an optimum combination of Executive and Non-executive Directors headed by Executive Chairman. The present strength of Board of Directors as on 31st March, 2023 is Six (6), out of which one (1) is Executive Directors, One (1) is Non-Independent Non-Executive Director and Four (4) 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, 2023 is as under:

Name/ DIN	Category	Designation	No. of other Directorships held	No. of Chairmanships / Memberships of Other Board Level Committees		Shareholding (as on 31 st March 2023)
				Membership	Chairmanship	
Mr. Ambrish Jaipuria (DIN- 00214687)	Executive (Promoter)	Director	-	-	-	1,32,625
Mr. Pankaj Poddar (DIN- 02815660)	Non-executive, Non Independent	Director	-	2	-	50,131
Mr. Rajesh Kumar Gupta (DIN-08615199)	Non-executive, Independent	Director	-	1	-	-
Mr. Janardhan Pralhadrao Gupta* (DIN- 07029205)	Non-executive, Independent	Director	-	-	1	NIL
Mr. Neeraj Kumar Sharma (DIN- 06861870)	Non-executive, Independent	Director	-	2	-	500
Ms. Himalyani Gupta (DIN- 00607140)	Non-executive, Independent	Director	2	2	1	NIL

*retired w.e.f 23.05.2023

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.

Name of other listed entities where Directors of the company are Directors and the category of Directorship:

Name of the Director	DIN	Name of listed entities in which the concerned Director is a Director	Category of Directorship
Mr. Ambrish Jaipuria	00214687	–	–
Mr. Pankaj Poddar	02815660	–	–
Mr. Rajesh Kumar Gupta	08615199	–	–
Mr. Janardhan Pralhadrao Gupta	07029205	–	–
Mr. Neeraj Kumar Sharma	06861870	–	–
Ms. Himalyani Gupta	00607140	AGI Greenpack Limited	Independent Director

i. Skills/Expertise/Competence of the Board Of Directors

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

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

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. 2022-23 AND ATTENDANCE OF DIRECTORS

The Board met six times during the financial year from 1st April, 2022 to 31st March, 2023 on May 12, 2022, August 02, 2022, September 26, 2022, November 09, 2022, November 28, 2022 and February 09, 2023. 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 during the tenure of Directors	No. of meetings Attended
MR. AMBRISH JAIPURIA	6	6
MS. ABHA JAIPURIA*	1	0
MR. RAJESH KUMAR GUPTA	6	6
MR. KULBHUSHAN MALIK*	3	3
MR. JANARDHAN PRALHADRAO GUPTA	6	6
MR. PANKAJ PODDAR**	5	5
MR. NEERAJ KUMAR SHARMA**	5	4
MS. HIMALYANI GUPTA**	5	4

*Ms. Abha Jaipuria ceased to be a member of the Board

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 517, DLF Tower-A, Jasola District Centre, New Delhi- 110025. The



w.e.f. June 30, 2022 and Mr. Kulbhushan Malik resigned w.e.f November 09, 2022.

**Mr. Pankaj Poddar, Mr. Neeraj Kumar Sharma and Ms. Himalyani Gupta were appointed as directors w.e.f 12.05.2022.

3. ATTENDANCE AT AGM

Following Directors attended the AGM held on 30th June, 2022, through VIDEO CONFERENCING

- Mr. Ambrish Jaipuria
- Mr. Neeraj Kumar Sharma
- Mr. Kulbhushan Malik
- Mr. Rajesh Kumar Gupta
- Ms. Himalyani Gupta

4. 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

The Company follows a well-structured induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarise themselves with the Company, its management, its operations and the industry in which the Company operates.

At the time of appointing any 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 Familiarization Programme for Independent Directors is: -

https://www.cosmoferrites.com/uploads/Attachment_2.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 Section 177 of 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 four members and every member of the Committee possesses a strong financial management and accounting background as on 31st March, 2023:

Chairman : Mr. Janardhan Pralhadrao Gupta

Members : Mr. Rajesh Kumar Gupta
Mr. Pankaj Poddar*
Mr. Neeraj Kumar Sharma*
Mr. Kulbhushan Malik**
Ms. Abha Jaipuria**

*Mr. Pankaj Poddar and Mr. Neeraj Kumar Sharma were appointed as a member of the Committee w.e.f. May 12, 2022.

**Ms. Abha Jaipuria and Mr. Kulbhushan Malik ceased to be member of the committee w.e.f 12.05.2022.

• MEETINGS AND ATTENDANCE DURING THE YEAR

The Audit Committee met five times during the financial year from 1st April, 2022 to 31st March, 2023 on 12th May, 2022, 02nd August, 2022, 26th September, 2022, 09th November, 2022 and 09th February, 2023. 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. Janardhan Pralhadrao Gupta	5	5
Mr. Rajesh Kumar Gupta	5	5
Ms. Abha Jaipuria	1	0
Mr. Kulbhushan Malik	3	3
Mr. Pankaj Poddar	4	4
Mr. Neeraj Kumar Sharma	4	3

Name of the Director	Number of Stakeholders Relationship Committee Meetings	
	Held during the tenure of Directors	Attended
Mr. Janardhan Gupta	1	1
Mr. Ambrish Jaipuria	1	1
Mr. Kulbhushan Malik	1	1
Ms. Himalyani Gupta	3	3
Mr. Pankaj Poddar	3	3
Mr. Neeraj Kumar Sharma	3	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 investor's 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 attend 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, 2023.

Chairperson : Ms. Himalyani Gupta*

Members : Mr. Pankaj Poddar*
Mr. Neeraj Kumar Sharma*
Mr. Ambrish Jaipuria**
Mr. Janardhan Pralhadrao Gupta**
Mr. Kulbhushan Malik**

*Ms. Himalyani Gupta, Mr. Pankaj Poddar and Mr. Neeraj Kumar Sharma were appointed as members of the Committee w.e.f. May 12, 2022.

**Mr. Ambrish Jaipuria, Mr. Janardhan Pralhadrao Gupta and Mr. Kulbhushan Malik ceased to be members of the Committee w.e.f. May 12, 2022.

• MEETING AND ATTENDANCE DURING THE YEAR

The Committee met four times during the financial year from 1st April, 2022 to 31st March, 2023 on. The following table gives the attendance record of the Stakeholder Relationship Committee.

COMPLIANCE OFFICER

The Compliance Officer for this Committee, at present, is Mr. Rahul Das, Company Secretary.

• SHAREHOLDER'S COMPLAINTS RECEIVED / RESOLVED DURING THE FY 2022-23

During the year from April 01, 2022 to March 31, 2023 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, 2023, no complaint was pending for redressal and there were no pending share transfers as on March 31, 2023.

• PENDING SHARE TRANSFER

There are no pending share transfers as on 31/03/2023.

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. Janardhan Pralhadrao Gupta

Members : Mr. Ambrish Jaipuria
Mr. Rajesh Kumar Gupta
Ms. Himalyani Gupta*
Mr. Kulbhushan Malik***

Ms. Himalyani Gupta was appointed as a member of the Committee w.e.f. May 12, 2022.**Mr. Kulbhushan Malik ceased to be a member of the Committee w.e.f. May 12, 2022.

• MEETING AND ATTENDANCE DURING THE YEAR

The Committee met 2 times during the financial year from 1st April, 2022 to 31st March, 2023. The following table gives the attendance record of the Nomination and Remuneration Committee.

Name of the Director	Number of NRC Meetings	
	Held during the tenure of Directors	Attended
Mr. Janardhan Gupta	2	2
Mr. Ambrish Jaipuria	2	2
Mr. Rajesh Kumar Gupta	2	2
Mr. Kulbhushan Malik	1	1
Ms. Himalyani Gupta	1	1

• Compliance Officer

The Compliance Officer for this committee, at present, is Mr. Rahul Das, 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 2022-23 was Rs. 7.30 lacs. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. A payment criterion of Non-Executive Directors is available on website of the Company. The web link for the same is <https://www.cosmoferrites.com/uploads/paymenttononexecutivedirectors.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, 2022 to March 31, 2023;

Remuneration to Non- Executive Directors

S. No.	Name of Directors	Sitting Fees (Rs. In Lakhs)
1	Mr. Rajesh Kumar Gupta	1.40
2	Ms. Himalyani Gupta	1.20
3	Mr. Pankaj Poddar	1.40
4	Mr. Janardhan Pralhadrao Gupta	1.50
5	Mr. Neeraj Kumar Sharma	1.00
6	Mr. Kulbhushan Malik	0.80

Remuneration to Executive Director

Mr. Ambrish Jaipuria, Managing Director was paid following remuneration during the year 2022-23:

Particulars of Remuneration Amount (In Rs. Lacs)

Salary	121.27
Profit Linked Incentive	58.00
Contribution to provident & Superannuation Funds	7.68

Total: 186.95

Service contracts, notice period, severance fees	6-month notice period on either side with no severance fees defined
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Stock Option details Nil

E. INDEPENDENT DIRECTORS:

It is hereby confirmed that all the Independent Directors fulfill the conditions specified in SEBI (LODR) Regulations, 2015 and Companies Act, 2013 and all are independent of Management. 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 have been placed on the Company's website at www.cosmoferrites.com under <https://www.cosmoferrites.com/annual-report.aspx>

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, without the attendance of Non-Independent Directors and members of Management, on 09th February, 2023.

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
2019-20	Through Video Conferencing at Jabli, Dist. Solan (H.P) 173209	28.09.2020	Special Resolution was Passed
2020-21	Through Video Conferencing at Jabli, Dist. Solan (H.P) 173209	28.09.2021	Ordinary Resolution was Passed
2021-22	Through Video Conferencing at Jabli, Dist. Solan (H.P) 173209	30.06.2022	Special Resolution was Passed

H. DETAILS OF POSTAL BALLOT:

During the financial year 2022-2023, the Company has passed special resolutions through postal ballot. The details pertaining to the postal ballot including the voting results are briefed hereunder:

Date of Postal Ballot Notice : November 28, 2022

Voting Period : December 07, 2022 to January 05, 2023

Date of declaration of result : January 06, 2023

Effective date of resolution : January 05, 2023

Particulars of Resolution	Ordinary/ Special Resolution	Votes cast in favour of the Resolution	% of votes cast in favour	Votes cast against the Resolution	% of votes cast against	Result
To approve creation of charge, mortgage under companies act, 2013	Special	7945274	100%	219	0.00%	Passed as Special Resolution
To approve the borrowing limits of the company	Special	7945274	100%	219	0.00%	Passed as Special Resolution

Pursuant to the Board's approval, Ms. Monika Kohli (FCS No. 5480) partner of M/s DMK Associates, Practicing Companies, was appointed as scrutinizer for conducting the Postal Ballot through e-Voting in accordance with the provisions of the Act and the Rules and the Listing Regulations in a fair and transparent manner.

Procedure followed for Postal Ballot

a. The Postal Ballot was carried out in compliance with the Regulation 44 of the Listing Regulations and as per the provisions of Sections 108 and 110

and other applicable provisions of the Act, read with the Rules framed thereunder and read with various circulars issued by the MCA. The Company engaged Central Depository Services (India) Ltd. for the purpose of providing e-Voting facility to all its members, to enable them to cast their votes electronically.

b. The Scrutinizer submitted his report on January 06, 2023 to the Chairman, who on the basis of the report, announced the results.



- c. The result of the Postal Ballot along with the Scrutinizer's report was placed on the website of the Company (<https://www.cosmoferrites.com/investor-relations/annual-report-notice>), CDSL (www.evotingindia.com) and was also communicated to the Stock Exchanges.

1. 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 there under 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 web link of which is provided as below:

<https://www.cosmoferrites.com/uploads/CosmoPolicyonRelatedPartyTransactions.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 2023. A declaration to this effect, signed by the Chief Executive Officer/ Executive Director 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 have been denied access to the Audit Committee. A link to such policy is also provided in the website of the company.
5. During the Financial Year ended 31st March, 2023 the Company did not engage in commodity hedging activities.
6. During the Financial Year ended 31st March, 2023, the Company did not raise any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A).
7. During the Financial Year ended 31st March, 2023, One Independent Director of the company resigned before the expiry of his tenure.
8. During the Financial Year ended 31st March, 2023, the Company has not issued any debt instruments or fixed deposit programme involving mobilization of funds, whether in India or abroad.
9. A certificate from a company secretary in practice confirming that none of the Directors on the Board of the company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, is annexed to this report.
10. There have been no instances of non-acceptance of any recommendations of the any Committee by the Board during the Financial Year under review.
11. Total fees of Rs. 8.61 Lakh for financial year 2022-23, for all services, was paid by the Company, to the statutory auditor and all entities in the network firm/ network entity of which the statutory auditor is a part.
12. The necessary certificate under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report.
13. 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.

14. During the year from April 1, 2022 to March 31, 2023, the Company has not received any complaint under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. At the end of March 31, 2023, no complaint was pending for redressal.
15. **Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
16. Other disclosures as required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given at relevant places in the Annual Report.
17. 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.
18. 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, 2023	August 2023
Financial reporting for the quarter ending September 30, 2023	November 2023
Financial reporting for the quarter ending December 31, 2023	February 2024
Financial reporting for the quarter ending March 31, 2024	June 2024

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 2022-2023.

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 scrips. 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 2022-23 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).

97.64% (i.e., 11745749 Equity Shares) of equity share capital (1,20,30,000 equity shares) has been dematerialized as on 31st March, 2023.

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,
3E/7 Jhandewalan Extension,
New Delhi- 110055
Ph: +91 11 42541234
Fax: +9111 42541967
Contact Person: Mr. Vijay Pratap Singh


10. ADDRESS FOR CORRESPONDENCE:

- i. Investors' Correspondence may be addressed to the Following:

Company Secretary & Compliance Officer
Cosmo Ferrites Limited,
 517, DLF Tower-A,
 Jasola District Centre
 New Delhi-110025
 e-mail: investorservices@cosmoferrites.com
 Fax: 91-1792-277234

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

Mr. Sanjiv Jindal
Chief Financial officer
 Cosmo Ferrites Limited,
 517, DLF Tower-A,
 Jasola District Centre
 New Delhi-110025
 e-mail: sanjiv.jindal@cosmoferrites.com
 Fax: 91-1792-277234

11. CREDIT RATING

The Company has been awarded long term rating of CARE BBB- and short term rating of CARE A3 by CARE Ratings Limited. It indicates a stable outlook for the Company. The rating reflects that the Company has serviced its financial obligations on time. The details of the Credit Rating are available on the website of the Company at <https://www.cosmoferrites.com>.

12. 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

13. DISCLOSURE ON LEGAL PROCEEDINGS

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

14. OUTSTANDING STOCK OPTION

There are no outstanding warrants or convertible instruments or stock options to employees as on March 31, 2023.

15. ANALYSIS OF SHAREHOLDERS' COMPLAINTS RECEIVED DURING 2022-23

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 was nil complaint received and replied/disposed off during the year 2022-23.

16. SHARE PERFORMANCE CHART

Stock price on the Bombay Stock Exchange on the closing date of month of financial year 2022-23:

Month	Share Price (Rs.)	High (Rs.)	Low (Rs.)	No. of Shares traded
April 2022	620.95	673.00	497.05	513429
May 2022	589.70	651.00	483.40	413107
June 2022	474.15	639.00	422.40	303381
July 2022	403.25	500.10	394.40	242131
Aug. 2022	359.00	455.00	320.00	400331
Sept.2022	346.40	440.00	328.10	288438
Oct. 2022	352.50	380.00	331.20	153548
Nov. 2022	229.00	362.00	202.65	536031
Dec. 2022	275.70	333.70	230.45	390036
Jan. 2023	239.55	280.00	235.20	96999
Feb. 2023	179.15	254.80	155.05	243507
March 2023	171.80	188.80	125.30	778106
TOTAL				43,59,044


17. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2023

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, 2023		March 31, 2022	
	Number of Shares	% Holding	Number of Shares	% Holding
Promoters	7657500	63.65	7650000	63.59
Person acting in concert	Nil	Nil	Nil	Nil
Institutional Investors	7100	0.06	7200	0.06
Others	4365400	36.29	4372800	36.35
Total	12030000	12030000	100	

Distribution of shareholding according to the number of shares held on March 31, 2022 & March 31, 2023

Particulars		As on 31st March, 2022				As on 31st March, 2023			
		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	8618	98.75	1973605	16.41	9783	99.03	2155187	17.92
2	5001 to 20000	83	0.95	860072	7.15	74	0.75	728077	6.05
3	20001 to 30000	5	0.06	117315	0.98	1	0.01	27830	0.23
4	30001 to 40000	7	0.08	242182	2.01	7	0.07	254215	2.11
5	40001 to 50000	3	0.03	140200	1.17	0	0.00	0	0.00
6	50001 to 100000	5	0.06	377392	3.14	7	0.07	458564	3.81
7	100001 and above	6	0.07	8319234	69.15	7	0.07	8406127	69.88
	Total	5050	100	12030000	100.00	9879	100.00	12030000	100.00

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

**CERTIFICATE IN PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR ENDED 31ST MARCH, 2023.**

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
MANAGING DIRECTOR

SANJIV JINDAL
CHIEF FINANCIAL OFFICER

Place: New Delhi
Date: 24.05.2023



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 2022-23.

PLACE: New Delhi
DATE: 24th May, 2023

Ambrish Jaipuria
Managing Director

CERTIFICATE FROM THE COMPLIANCE OFFICER/COMPANY SECRETARY

I, Rahul Das, 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.

Date: 24th May, 2023
Place: New Delhi

Rahul Das
Company Secretary



INDEPENDENT AUDITOR'S REPORT

To the Members of Cosmo Ferrites Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Cosmo Ferrites Limited ("the Company"), which comprise the balance sheet as at 31st March 2023, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and profit, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

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

The Company's Board of Directors is responsible for the

preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged With Governance 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, changes in equity 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. 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures,

and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2020 ("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" 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 (including other comprehensive income), Statement of Changes in Equity 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, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) 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 24 (a) and (b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign

entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that the auditor has considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v. In our opinion and based on the information and explanation provided to us, no dividend has been declared or paid during the year by the company.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11 (g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For Suresh Kumar Mittal & Co.
Chartered Accountants
Firm's Registration No. 500063N

Ankur Bagla
Partner

Place : New Delhi
Date : 24.05.2023
UDIN : 23521915BGXMNU9453

Membership No. 521915



Annexure "A" referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report of even date on the Ind AS Financial Statements

- (i) (a) (A) The company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipments.
- (B) The company does not have any intangible assets and hence provisions of clause (i) (a) (B) are not applicable to the company.
- (b) All the property, plant and equipments 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 disclosed in the financial statements are held in the name of the company.
- (d) During the year, the company has not revalued its property, plant and equipments or intangible assets or both and hence provisions of clause (i) (d) are not applicable to the company.
- (e) According to the information and explanation given to us and the records maintaining by the company no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made there under.
- (ii) (a) Physical verification of inventory has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. Discrepancies of 10% or more in the aggregate for each class of inventory with respect to book records were not noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
- (b) In our opinion and according to the information and explanation given to us and records maintained by the company, the quarterly returns or statements filed by the company with banks or financial institutions are in agreement with the books of account of the company.
- (iii) According to the information and explanation provided to us, the company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans secured or unsecured

to companies, firms, limited liability partnerships or other parties and hence provisions of clause (iii) 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 or amounts which are deemed to be deposits 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 goods and services tax, provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and 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, 2023 for a period of more than six months from the date they became payable.
- (b) According to the records of the company, dues referred to in sub clause (a) 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	14.88	CESTAT

- (viii) According to the information and explanations provided to us, there were no transactions which were not recorded in the books of account and have been surrendered or disclosed as income, during the year, in the tax assessments under the Income Tax Act, 1961.
- (ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.



- (b) According to the records of the company and information or explanation given to us, the company is not a declared wilful defaulter by any bank or financial institution or other lender.
- (c) According to the records of the company and information and explanation given to us, term loans received during the year were applied for the purpose for which the loans were obtained.
- (d) According to the records of the company and information and explanation given to us, funds raised on short term basis have not been utilized for long term purposes.
- (e) According to the records of the company and information and explanation given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint venture.
- (f) According to the records of the company and information and explanation given to us the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x) (a) In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) have been applied for the purposes for which they were obtained.
- (b) According to the records of the company and information and explanation given to us, during the year the company has not made any preferential allotment or private placement of shares or fully, partially or optionally convertible debentures.
- (xi) (a) 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.
- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in form ADT-4 as prescribed under rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year.
- (c) According to the records of the company and information and explanation given to us, no whistle blower complaints have been received by the company during the year.
- (xii) According to the records of the company and information and explanation given to us, the company is not a Nidhi Company 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) (a) According to the information and explanations given to us, in our opinion the company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the reports of internal auditors for the period under audit provided to us by the company.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) (a) The Company is not required to be registered under section 45-1A of the Reserve Bank of India Act, 1934.
- (b) During the year, the company has not conducted any Non-Banking Financial or Housing Finance activities without a valid certificate of Registration (COR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The company is not a Core Investment Company (CIC) and/or an exempted or unregistered CIC as defined in the regulations made by the Reserve Bank of India.
- (d) According to the records of the company and information and explanations given to us, the group has no CIC.
- (xvii) The company has not incurred cash losses in the financial year under audit and in the immediately preceding financial year.
- (xviii) During the year there has been no resignation of the statutory auditors of the company and hence provisions of clause (xviii) of the order are not applicable to the company.
- (xix) On the basis of the financial ratio, ageing and expected date of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans we are of the opinion that no material uncertainty exists as on the date of audit report that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- (xx) (a) According to the records of the company and information and explanations given to us, in our opinion, there are no unspent amounts towards Corporate Social Responsibility (CSR) on projects other than ongoing projects requiring transfer to a fund specified in schedule vii to the Companies



Act in compliance with second proviso to sub-section (5) of section 135 of the said Act.

- (b) According to the records of the company and information and explanations given to us, in our opinion, there are no amount remaining unspent under sub section (5) of section 135 of the Companies Act, pursuant to any ongoing project.
- (xxi) The company is not required to prepare Consolidated Financial Statements and accordingly, clause (xxi) of the order is not applicable to the company.

For Suresh Kumar Mittal & Co.
Chartered Accountants
Firm's Registration No. 500063N

Ankur Bagla
Partner

Place : New Delhi
Date : 24.05.2023
UDIN : 23521915BGXMNU9453

Membership No. 521915

Annexure "B" referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of Independent Auditor's Report of even date on the Ind AS Financial Statements

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, 2023 in conjunction with our audit of the Ind AS Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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. 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 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 authorizations of management and directors of the Company; and



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

Inherent 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, to the best of our information and according to the explanations given to us, 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 2023, 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 Suresh Kumar Mittal & Co.
Chartered Accountants
Firm's Registration No. 500063N

Ankur Bagla

Partner

Place : New Delhi

Date : 24.05.2023

UDIN : 23521915BGXMNU9453

Membership No. 521915


BALANCE SHEET
As at 31st March, 2023

Particulars	Note No.	As at 31.03.2023 Rs in lakh	As at 31.03.2022 Rs in lakh
ASSETS			
NON CURRENT ASSETS			
1 Property, Plant and Equipments	3	7,300.92	4,844.21
2 Capital-work-in-progress	4	-	1,155.11
3 Financial Assets			
Investments	5	25.60	-
Other Financial Assets	6	76.69	73.69
CURRENT ASSETS			
1 Inventories	7	1,534.08	1,863.58
2 Financial Assets			
Trade receivables	8	1,686.07	1,686.30
Cash and cash equivalents	9	312.10	79.73
Bank balance other than cash and cash equivalents	10	712.41	342.67
Other Financial Assets	11	237.38	208.91
3 Current Tax Assets (net)	12	88.95	3.38
4 Other Current Assets	13	561.11	606.85
		12,535.32	10,864.41
EQUITY AND LIABILITIES			
Equity			
1 Equity Share Capital	14	1,203.00	1,203.00
2 Other Equity		2,021.68	1,783.45
NON-CURRENT LIABILITIES			
1 Financial Liabilities			
Borrowings	15	2,738.44	1,580.99
2 Provisions	16	219.20	201.66
3 Deferred Tax Liabilities (net)	17	280.54	288.69
4 Other Non Current Liabilities	18	0.40	0.50
CURRENT LIABILITIES			
1 Financial liabilities			
Borrowings	19	4,582.03	3,182.48
Trade Payables	20		
(a) Total outstanding dues of micro and small enterprises		0.37	2.38
(b) Total outstanding dues of other than micro and small enterprises		652.48	1,204.65
2 Provisions	21	34.57	46.40
3 Other current liabilities	22	717.55	1,342.56
4 Current Tax Liabilities (Net)	23	85.07	27.65
		12,535.32	10,864.41

See Accompanying Notes to the Financial Statements
As per our report of even date annexed

For Suresh Kumar Mittal & CO.,
Chartered Accountants
Reg. No. 500063N

Ankur Bagla
Partner
Membership No. 521915

Place: New Delhi
Date : 24th May, 2023

Ambrish Jaipuria
Director
DIN: 00214687
Sanjiv Jindal
Chief Financial Officer

Rajesh Kumar Gupta
Director
DIN: 08615199
Rahul Das
Company Secretary



STATEMENT OF PROFIT & LOSS
For the period 01 April 2022 to 31 March 2023

Particulars	Note No.	For the period 01.04.2022 to 31.03.2023 Rs in lakh	For the period 01.04.2021 to 31.03.2022 Rs in lakh
I REVENUE			
Revenue from Operations	26	10,731.42	11,383.62
Other Income	27	261.35	174.39
TOTAL REVENUE		10,992.77	11,558.02
II EXPENSES			
Cost of Material Consumed	28	3,885.97	3,755.08
Purchase of Stock-in-trade		51.32	-
Changes in Inventory of Finished Goods and Work in Progress	29	151.98	(293.19)
Employee Benefits Expense	30	2,261.61	1,955.20
Finance Costs	31	549.72	407.13
Depreciation & Amortization Expenses	32	389.90	391.73
Other Expenses	33	3,387.23	3,192.58
TOTAL EXPENSES		10,677.74	9,408.52
III PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		315.03	2,149.49
Exceptional Items		-	(252.80)
IV PROFIT/(LOSS) BEFORE TAX		315.03	1,896.69
V TAX EXPENSE			
Current Tax		85.07	27.65
Earlier Year Taxes		(4.74)	-
Deferred Tax	17	(6.99)	446.27
VI PROFIT AFTER TAX		241.69	1,422.77
VII OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit & loss		(4.62)	7.13
Income tax relating to above		1.16	(1.79)
Items that will be reclassified to profit & loss		-	-
Income tax relating to above		-	-
VIII TOTAL COMPREHENSIVE INCOME		238.23	1,428.11
IX EARNING PER SHARE			
Basic	34	2.01	11.83
Dilutive	34	2.01	11.83

See Accompanying Notes to the Financial Statements

As per our report of even date annexed

For Suresh Kumar Mittal & CO.,
Chartered Accountants
Reg. No. 500063N

Ankur Bagla
Partner
Membership No. 521915

Place: New Delhi
Date : 24th May, 2023

Ambrish Jaipuria
Director
DIN: 00214687

Sanjiv Jindal
Chief Financial Officer

Rajesh Kumar Gupta
Director
DIN: 08615199

Rahul Das
Company Secretary

**CASH FLOW STATEMENT****For the period ended, 31st March, 2023**

Particulars	For the period from 01.04.2022 to 31.03.2023 Rs in lakh	For the period from 01.04.2021 to 31.03.2022 Rs in lakh
Net Profit/(Loss) before Tax	315.03	1,896.69
Adjustments for:-		
Depreciation and amortisation	389.90	391.73
Interest paid	510.96	351.96
Profit / Loss on sale of fixed assets	81.37	327.65
Actuarial Gain/Loss classified as Other Comprehensive Income	(4.62)	7.13
Operating profit /(loss) before working capital changes	1,292.64	2,975.15
Adjustment for (increase)/decrease in operating assets		
Inventories	329.50	(767.14)
Trade and other receivables	14.48	(1,332.89)
Trade payable and other liabilities	(1,173.84)	1,005.21
Cash generated from operations	462.78	1,880.33
Interest paid	(510.96)	(351.96)
Net income tax(paid)/refunds	(108.48)	(2.49)
Net Cash flow from /(used in) operating activities(A)	(156.67)	1,525.88
Cash Flow from Investing Activities		
Purchase of fixed assets	(1,780.99)	(1,313.35)
Purchase of investments (including fair valuation gain)	(25.60)	-
Bank balance other than cash and cash equivalents	(369.74)	(209.89)
Sale of fixed assets	8.12	13.46
Net Cash flow from/(used in) Investing Activities(B)	(2,168.21)	(1,509.78)
Cash Flow from Financing Activities		
Increase/(Decrease) long term borrowings	1,574.31	794.56
Increase/(Decrease) in short term borrowings	982.94	(741.81)
Net Cash Flow from /(used in) Financing Activities (C)	2,557.25	52.75
Net Increase /(decrease) in Cash and Cash Equivalents (A+B+C)	232.38	68.85
Cash and cash equivalents at the beginning of the year	79.73	10.88
Cash and cash equivalents at the end of the year	312.11	79.73

Notes: Figures in bracket represent cash outflow.**As per our report of even date annexed**

For Suresh Kumar Mittal & CO.,
Chartered Accountants
Reg. No. 500063N

Ankur Bagla
Partner
Membership No. 521915

Place: New Delhi
Date : 24th May, 2023

Ambrish Jaipuria
Director
DIN: 00214687

Sanjiv Jindal
Chief Financial Officer

Rajesh Kumar Gupta
Director
DIN: 08615199

Rahul Das
Company Secretary



STATEMENT OF CHANGES IN EQUITY
For the period 01.04.2022 to 31.03.2023

A EQUITY SHARE CAPITAL

Particulars	Number of Shares	Amount (Rs. Lakh)
Balance as of 01.04.2021	1,20,30,000	1,203.00
Addition during the period	-	-
Balance as of 31.03.2022	1,20,30,000	1,203.00
Balance as of 01.04.2022	1,20,30,000	1,203.00
Addition during the period	-	-
Balance as of 31.03.2023	1,20,30,000	1,203.00

B OTHER EQUITY

Amount (Rs. lakh)

Particulars	Reserves and surplus			Items of other comprehensive income	Total Other Equity
	Preference Share Capital Redemption Reserve	Retained Earnings	Capital Reserve	Other items of OCI	
Balance as of 01.04.2021	625.41	(331.44)	51.88	9.51	355.36
Profit/Loss for the period	-	1,422.77	-	-	1,422.77
Other comprehensive income	-	-	-	5.34	5.34
Balance as of 31.03.2022	625.41	1,091.33	51.88	14.85	1,783.45
Balance as of 01.04.2022	625.41	1,091.33	51.88	14.85	1,783.45
Profit/Loss for the period	-	241.69	-	-	241.69
Other comprehensive income	-	-	-	(3.46)	(3.46)
Balance as of 31.03.2023	625.41	1,333.01	51.88	11.38	2,021.68

The Preference Share Capital Redemption Reserve was created for the purpose of redemption of preference shares

The accumulated profit/loss has been carried forward as Retained Earnings.

The receipt of capital nature was directly taken in Capital Reserve.

The accumulated profit/loss of items of other comprehensive income has been carried forward as Other items of OCI

As per our report of even date annexed

For Suresh Kumar Mittal & CO.,
Chartered Accountants
Reg. No. 500063N

Ambrish Jaipuria
Director
DIN: 00214687

Rajesh Kumar Gupta
Director
DIN: 08615199

Ankur Bagla
Partner
Membership No. 521915

Sanjiv Jindal
Chief Financial Officer

Rahul Das
Company Secretary

Place: New Delhi
Date : 24th May, 2023



NOTES TO FINANCIAL STATEMENTS

1 i) **Company Overview**

Cosmo Ferrites Limited ("the Company") is a public limited company incorporated in India and has its registered office in Himachal Pradesh, India. The Company is listed on Bombay Stock Exchange.

ii) **Basis of Preparation of financial statements**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) as notified by Ministry of Corporate Affairs pursuant to section 133 of the Companies Act 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are separate financial statements of the company.

The financial results have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments); and
- Defined benefit plan – plan assets measured at fair value.

These financial statements are presented in Indian Rupees (Rs.), which is also the functional currency of the Company.

2 **Significant accounting policies**

2.1 **Property, Plant & Equipment**

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation. The cost comprises purchase price, borrowing cost and any other cost directly attributable to bringing the assets to its working condition for its intended use. Trade discount, rebates and recoverable taxes, if any are deducted in arriving at the purchase price.

Subsequent costs are included in the assets carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost can be measured reliably.

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 assets has, on technical evaluation, been considered as 8 years instead of 25 years. Life of tools considered as 3 years.

The Company reviews the residual value, useful lives and depreciation method annually and, if expectations differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are not depreciated or amortised while they are classified as held for sale.

2.2 **Inventories**

Inventories are valued at cost or net realizable value, whichever is lower.

Cost of raw materials and stores and spares are determined on weighted average bases. In case of Work-in-progress and Finished Goods, the cost includes cost of raw materials, cost of conversion, and other costs including overheads incurred to bring them to their respective present location and condition.

2.3 **Revenue recognition**

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership are transferred to the buyer, there is no continuing effective control of the goods transferred, and the amount of revenue can be measured reliably.

Interest income is recognized on a time proportion basis.

Dividend income is recognized when the right to receive the payment is established.

2.4 **Employee benefits**

i) **Short Term Employee Benefits**

Short term employee benefits is recognized as an expense during the period when the employee render the service.

ii) **Post-Employment Benefits**

a) **Defined Contribution Plan**

The Company makes specified monthly contributions towards Provident fund, Superannuation Fund. The Company's contribution



is recognized as an expense during the period in which the employee renders the related service.

b) Defined Benefits Plan

The Company operates a defined benefit gratuity plan. The cost of providing the benefits under this plan is determined using the productive unit cost method and spread over the period during which the benefit is expected to be derived from employees services.

The gratuity liability amount is contributed to the approved gratuity fund formed exclusively for gratuity payment to the employees and is administered by Life Insurance Corporation of India.

Re-measurement of the defined benefit plan in are charged to the Other Comprehensive Income in the period in which they occur. Re-measurements are not reclassified to the Profit and Loss Statement in subsequent periods.

c) Other Employee Benefits

Liability in respect of leave encashment is recognized in the same manner as the defined benefit gratuity plan.

2.5 Research & Development

Revenue expenditure on research and development is charged to Profit and Loss Statement in the year in which it is incurred. Capital expenditure on research and development is included in the respective heads under fixed assets and depreciation thereon is charged to Profit and Loss Statement.

2.6 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of the assets. All other borrowing costs are recognized in the period in which they are incurred. A qualifying asset is one that necessarily take a substantial period of time to get ready for their intended use.

Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.7 Foreign currency transactions

Foreign Currency transaction are initially

recorded at the rate of exchange ruling at the date of transaction.

Foreign currency monetary item (assets and liabilities) are translated using the exchange rate prevailing at the reporting date. Exchange gains or losses arising on settlement or translation of monetary items are recognized in the Profit and Loss Statement.

Exchange gains or losses on foreign currency borrowings taken prior to 1st April, 2017 which are related to the acquisition and construction of qualifying assets are adjusted to the cost of the assets.

Non-monetary items, which are measured in terms of historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction.

2.8 Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognized in Profit and Loss Statement, except to the extent that it relates to items recognized in Other Comprehensive Income in which case, the tax is also recognized in Other Comprehensive Income.

Current Tax

Current tax liability is measured at the amount expected to be paid to the taxation authorities, based on tax rates and laws that are enacted or subsequently enacted at the Balance Sheet date.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of tax credits (Minimum Alternate Tax credit entitlement) and the carry forward of business losses and unabsorbed tax depreciation.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of deferred tax liabilities and assets are reviewed at the end of each reporting period.

2.9 Earnings per Share

Basic earnings 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 earnings 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).

2.10 Impairment of Non-Financial Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If an indication exists the Company estimates the assets recoverable amount and writes down the assets value to its recoverable amount.



3 PROPERTY, PLANT and EQUIPMENTS

Rs in lakhs

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fixtures	Vehicles	Lease Improvements	Total
Gross Carrying Value as on 01.04.2021	1,915.00	288.23	4,502.79	90.03	236.88	-	7,032.93
Addition	-	-	160.62	2.83	-	-	163.45
Deletions	-	-	1,210.81	24.40	-	-	1,235.22
Gross Carrying Value as on 31.03.2022	1,915.00	288.23	3,452.59	68.45	236.88	-	5,961.16
Accumulated Depreciation as on 01.04.2021	-	82.83	1,393.81	65.57	77.10	-	1,619.31
Depreciation for the period	-	17.76	334.75	9.94	29.29	-	391.74
Deductions/Adjustments	-	-	870.83	23.29	-	-	894.11
Accumulated Depreciation as on 31.03.2022	-	100.59	857.73	52.22	106.39	-	1,116.94
Carrying Value as on 31.03.2022	1,915.00	187.64	2,594.86	16.23	130.50	-	4,844.21
Gross Carrying Value as on 01.04.2022	1,915.00	288.23	3,452.59	68.45	236.88	-	5,961.16
Addition	-	27.20	2,765.53	58.66	20.59	64.12	2,936.10
Deletions	-	-	233.09	-	-	-	233.09
Gross Carrying Value as on 31.03.2023	1,915.00	315.43	5,985.03	127.12	257.47	64.12	8,664.17
Accumulated Depreciation as on 01.04.2022	-	100.59	857.73	52.22	106.39	-	1,116.94
Depreciation for the period	-	18.41	337.02	3.60	30.24	0.62	389.90
Deductions/Adjustments	-	-	143.60	-	-	-	143.60
Accumulated Depreciation as on 31.03.2023	-	119.00	1,051.15	55.83	136.63	0.62	1,363.23
Carrying Value as on 31.03.2023	1,915.00	196.43	4,933.88	71.29	120.84	63.49	7,300.92

4 CAPITAL-WORK-IN-PROGRESS

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Capital-work-in-progress	-	1,155.11
Total	-	1,155.11

CWIP Ageing Schedule as at 31st March 2023

Amount (Rs. Lakh)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	-	-	-	-	-

CWIP Ageing Schedule as at 31st March 2022

Amount (Rs. Lakh)

Particulars	Amount in CWIP for a period of				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	1,155.11	-	-	-	1,155.11
Total	1,155.11	-	-	-	1,155.11



5 INVESTMENTS

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Investments carried at fair value through profit and loss	-	-
Investments in mutual funds (quoted)		
ABSL Liquid Fund-Growth* (7114.635 units (Prev Year Nil units))	25.60	-
Total	25.60	-

* Subject to lien in favour of lenders.

6 OTHER FINANCIAL ASSETS (NON CURRENT)

(Unsecured-considered good)

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Fixed deposits with banks		
- Held as margin/security with maturity period of more than 1 year from balance sheet date	3.10	0.34
Security Deposits to Related Parties	8.63	8.63
Security Deposits to Others	56.34	56.09
Loans & Advances to Related Parties	8.63	8.63
Total	76.69	73.69

7 INVENTORIES

(As taken, valued and certified by the management)

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Raw Materials	413.24	511.81
Work in progress	621.66	717.55
Finished Goods*	171.07	227.16
Stores & Spares	328.10	407.05
Total	1,534.08	1,863.58

* includes goods in transit Rs. 140.60 lakh (Previous period Rs. 190.84 lakh)

8 TRADE RECEIVABLES

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Considered good - secured	-	-
Considered good - unsecured	1,718.60	1,701.27
Less: allowance for doubtful trade receivables	(32.53)	(14.97)
Having significant increase in credit risk	100.45	85.97
Less: allowance for doubtful debts	(100.45)	(85.97)
Credit Impaired	-	-
Total	1,686.07	1,686.30


Trade Receivables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,241.05	439.97	32.88	4.70	-	-	1,718.60
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	71.77	2.73	8.11	17.84	100.45
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	1,241.05	439.97	104.65	7.43	8.11	17.84	1,819.05
Less: Allowance for doubtful trade receivables	-	-	-	-	-	-	(132.98)
Total Trade Receivables	1,241.05	439.97	104.65	7.43	8.11	17.84	1,686.07

Trade Receivables Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	1,489.37	211.90	-	-	-	-	1,701.27
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	19.07	8.11	-	58.79	85.97
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
	1,489.37	211.90	19.07	8.11	-	58.79	1,787.24
Less: Allowance for doubtful trade receivables							(100.94)
Total Trade Receivables	1,489.37	211.90	19.07	8.11	-	58.79	1,686.30



9 CASH & CASH EQUIVALENTS

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Balances with banks in current accounts	111.75	79.45
Fixed deposits with banks with original maturity period upto 3 months	200.00	-
Cash in hand	0.35	0.28
Total	312.10	79.73

10 BANK BALANCE OTHER THAN CASH & CASH EQUIVALENTS

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Fixed deposits with banks with original maturity of more than 3 months having remaining maturity of less than 12 months from balance sheet date		
- Held as margin/security	112.41	342.67
- Others	600.00	-
Total	712.41	342.67

11 OTHER FINANCIAL ASSETS (CURRENT)

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Export Benefits and Entitlements	223.63	201.14
Interest accrued on Loans & Deposits	13.75	7.76
Total	237.38	208.91

12 CURRENT TAX ASSETS

(Unsecured-considered good)

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Income Tax (including Tax Deducted at Source)	88.95	3.38
Total	88.95	3.38



13 OTHER CURRENT ASSETS

(Unsecured-considered good)

Particulars	Amount (Rs. Lakh)			
	As at 31.03.2023		As at 31.03.2022	
GST recoverable	178.67		244.07	
Less: Provision for doubtful recoverable	(94.80)	83.87	(94.80)	149.26
Advances recoverable in cash or in kind	327.14		410.99	
Less: Provision for doubtful recoverable	(19.09)	308.05	(19.09)	391.90
Others		169.19		65.68
Total	561.11		606.85	

14 EQUITY SHARE CAPITAL

(a) Authorised Share Capital

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at	As at	As at	As at
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	2,00,00,000	2,00,00,000	2,000.00	2,000.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	2,00,00,000	2,00,00,000	2,000	2,000
Preference Shares of 100 each				
At the beginning of the period	3,00,000	3,00,000	300.00	300.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	3,00,000	3,00,000	300.00	300.00
Total			2,300.00	2,300.00

(b) Issued, Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs. Lakh)	
	As at	As at	As at	As at
	31.03.2023	31.03.2022	31.03.2023	31.03.2022
Equity Shares of 10 each fully paid up				
At the beginning of the period	1,20,30,000	1,20,30,000	1,203.00	1,203.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	1,20,30,000	1,20,30,000	1,203.00	1,203.00
Total			1,203.00	1,203.00



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	
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022
Andheri Properties and Developer Pvt Ltd	37,56,875	37,56,375	31.23	31.23
Super Sadiq Enterprises Pvt. Ltd.	36,85,000	36,85,000	30.63	30.63

Disclosure of shareholding of promoters as at March 31, 2023 is as follows:

Name of Promoter	No. of Shares		Percentage		Change during the year
	As at 31.03.2023	As at 31.03.2022	As at 31.03.2023	As at 31.03.2022	
Andheri Properties and Developer Pvt Ltd	37,56,875	37,56,875	31.23	31.23	-
Super Sadiq Enterprises Pvt. Ltd.	36,85,000	36,85,000	30.63	30.63	-
Aanchal Jaipuria Bhandari	75,500	68,000	0.63	0.57	0.06
Abha Jaipuria	7,500	7,500	0.06	0.06	-
Ambrish Jaipuria	1,32,625	1,32,625	1.10	1.10	-

Disclosure of shareholding of promoters as at March 31, 2022 is as follows:

Name of Promoter	No. of Shares		Percentage		Change during the year
	As at 31.03.2022	As at 31.03.2021	As at 31.03.2022	As at 31.03.2021	
Andheri Properties and Developer Pvt Ltd	37,56,875	37,56,875	31.23	31.23	-
Super Sadiq Enterprises Pvt. Ltd.	36,85,000	36,85,000	30.63	30.63	-
Aanchal Jaipuria Bhandari	68,000	55,500	0.57	0.46	0.10
Abha Jaipuria	7,500	7,500	0.06	0.06	-
Ambrish Jaipuria	1,32,625	1,32,625	1.10	1.10	-



15 LONG TERM BORROWINGS (Secured)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
From Banks		
Term Loan *	293.34	426.67
Hire Purchase Finance **	44.02	70.99
From Non Banking Finance Companies *, #	2,201.08	883.33
Preference Shares ***	200.00	200.00
Total	2,738.44	1,580.99

* 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 for working capital loans and assets exclusively charged.

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

Rupee Term Loan from non banking finance companies are further secured by second pari passu charge on the entire current assets of the company and corporate guarantees from the promoter group companies.

*** 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.

The above loans are repayable as follows:

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Payable after 1 year	708.62	421.71
Payable after 2 years	672.06	337.79
Payable after 3 years	624.06	291.42
Payable after 4 years	405.80	246.74
Payable after 5 years	127.90	83.33
Unamortised upfront fees	-	-
Total	2,538.44	1,380.99

16 LONG TERM PROVISIONS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Provisions for Employee Benefits	219.20	201.66
Total	219.20	201.66

**17 DEFERRED TAX LIABILITY (NET)**

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Deferred Tax liability		
Property, Plant and Equipments	406.56	376.53
Total	406.56	376.53
Deferred Tax Assets		
43B items	92.55	62.43
Others	33.47	25.40
Total	126.02	87.83
Net Deferred Tax Liability / (Asset)	280.54	288.69

18 OTHER NON CURRENT LIABILITIES

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Security Deposits	0.40	0.50
Total	0.40	0.50

19 SHORT TERM BORROWINGS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Secured		
Loans repayable on Demand		
From Banks *	1,658.98	676.04
Current Maturities of Long Term Debts	723.05	306.19
Sub Total	2,382.03	982.23
Unsecured		
Inter Corporate loan from related party	2,200.00	2,200.00
Deposits	-	0.25
Sub Total	2,200.00	2,200.25
Total	4,582.03	3,182.48

* Secured by hypothecation of inventories and book debts and further secured by way of second charge on property, plant and equipments both present and future.



20 TRADE PAYABLES

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Total outstanding dues of Micro and Small Enterprises	0.37	2.38
Total outstanding dues of other than Micro and Small Enterprises	652.48	1,204.65
Total	652.85	1,207.03

Amount payable in respect of capital goods Rs. 52.07 lakh (Previous period Rs. 82.72 lakh)

Trade Payables Ageing Schedule as at 31st March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0.37	-	-	-	-	0.37
Others	432.95	164.40	7.42	5.22	42.49	652.47
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total 433.32	164.40	7.42	5.22	42.49	652.85	

Trade Payables Ageing Schedule as at 31st March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	1.75	0.63	-	-	-	2.38
Others	735.09	382.34	13.72	12.42	39.75	1,183.33
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	21.33	21.33
Total 736.84	382.97	13.72	12.42	61.08	1,207.03	

The information regarding Micro, Small and Medium Enterprises as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006, to the extent such parties have been identified on the basis of information available with the Company, is given below:

Amount (Rs. Lakh)

Particulars	As at 31.03.2023	As at 31.03.2022
Principal amount due outstanding as at end of year	0.37	2.38
Interest due on above and unpaid as at end of year	-	0.01
Interest paid to the supplier	-	0.05
Payments made to the supplier beyond the appointed day during the period	-	201.99
Interest due and payable for the period of delay	-	2.53
Interest accrued and remaining unpaid as at end of period	-	89.85



21 SHORT TERM PROVISIONS

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Provisions for Employee Benefits	34.57	46.40
Total	34.57	46.40

22 OTHER CURRENT LIABILITIES

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Advance from Customers	101.26	124.77
Interest accrued on borrowings	-	276.35
Other Payables	616.29	941.44
Total	717.55	1,342.56

23 CURRENT TAX LIABILITIES

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Provision for Income Tax	85.07	27.65
Total	85.07	27.65

24 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Particulars	Amount (Rs. Lakh)	
	As at 31.03.2023	As at 31.03.2022
Contingent Liabilities		
a) Claims against the company not acknowledged as debts	15.00	15.00
b) Taxation matters disputed in appeals/rectification against which payments made Rs. 1.65 lakh (previous period Rs. 1.65 lakh)	17.54	17.54
c) Bank Guarantee	50.74	64.58
d) Bill discounted with Banks	104.52	228.42
e) Interest on unsecured loans waived off by the lenders with the right to re-compensate if the financial position of the company allows such payment subsequently	205.49	205.49
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	41.11
b) Letter of credits opened for which the material has not yet been shipped	189.76	141.70



- 25** 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.

26 REVENUE FROM OPERATIONS

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Gross Sales of Products		
Soft Ferrites Components	8,830.68	9,819.96
Coils & Transformers	1,852.58	1,563.67
Sales of Traded Goods	48.17	-
Total	10,731.42	11,383.62

27 OTHER INCOME

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Interest	22.73	12.44
Claims *	112.89	0.67
Miscellaneous Receipts & Income	72.14	76.70
Excess Provisions/Sundry balances written back	-	28.55
Gain on investments carried at fair value through profit and loss	0.60	-
Exchange Rate Difference (Net)	52.99	56.02
Total	261.35	174.39

* includes Rs. 90.86 lakhs (previous year Rs. Nil) towards interest and legal expenses recoverable pursuant to an arbitration award.

28 COST OF MATERIALS CONSUMED

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
At the beginning of the period	511.81	144.92
Add: Purchases during the period	3,787.40	4,121.97
Less: Consumption during the period	3,885.97	3,755.08
At the end of the period	413.24	511.81



29 CHANGES IN INVENTORIES

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Closing Stock		
Finished Goods	171.07	227.16
Work in Progress	621.66	717.55
Traded Goods	-	-
	<u>792.73</u>	<u>944.71</u>
Opening Stock		
Finished Goods	227.16	165.09
Work in Progress	717.55	486.52
Traded Goods	-	-
	<u>944.71</u>	<u>651.61</u>
(Increase)/Decrease in stocks	<u>151.98</u>	<u>(293.19)</u>

30 EMPLOYEE BENEFITS EXPENSE

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Salaries & Wages	1999.75	1727.91
Gratuity	10.06	13.21
Contribution to Provident & Other Funds	185.79	153.69
Staff Welfare Expenses	66.00	60.39
Total	<u>2,261.61</u>	<u>1,955.20</u>

			Amount (Rs. Lakh)	
Particulars	For the period from 01.04.2022 to 31.03.2023		For the period from 01.04.2021 to 31.03.2022	
During the year, the following contribution have been made under defined contribution plans:-				
Employer’s Contribution to Provident Fund	123.50		97.95	
Employer’s Contribution to Superannuation Fund	19.31		18.45	
Employer’s Contribution to Employees State Insurance	33.81		29.49	
Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
Assumptions				
Attrition Rate	5%	5%	5%	5%
Salary Rise	5%	5%	5%	5%



Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
Table showing changes in present value of obligations				
Present value of obligation as at beginning of year	292.01	62.69	276.74	55.57
Interest cost	19.05	4.20	18.11	3.67
Current Service Cost	14.17	10.03	13.50	8.85
Benefits Paid	(38.99)	(5.18)	(12.93)	(1.45)
Actuarial (gain)/loss on obligation	11.22	(5.55)	(3.40)	(3.96)
Present value of obligations as at end of year	297.45	66.20	292.01	62.68
Table showing changes in the present value of plan assets				
Fair value of plan assets at the beginning of year	106.63		86.72	
Expected return on plan assets	7.28		6.27	
Contributions	29.17		25.00	
Benefits paid	(34.23)	(5.55)	(11.15)	(3.96)
Actuarial gain / (Loss) on plan assets	1.05		(0.22)	
Fair value of plan assets at the end of year	109.89	(5.55)	106.62	(3.96)
Table showing fair value of plan assets				
Fair value of plan assets at the beginning of year	106.63		86.72	
Actual return on plan assets	8.33		6.05	
Contributions	29.17		25.00	
Benefits paid	(34.23)	(5.55)	(11.15)	(3.96)
Fair value of plan assets at the end of year	109.91		106.63	
Present value of obligation at the end of year	297.45	66.20	292.01	62.68
Funded status	(187.54)	(66.20)	(185.38)	(62.68)
Actuarial Gain / Loss recognized				
Actuarial gain / Loss for the year – obligation	(11.22)	(5.55)	3.40	(3.96)
Actuarial (gain)/Loss for the year – plan assets	1.05		(0.22)	
Total (gain) / Loss for the year	(10.17)	(5.55)	3.18	(3.96)
Actuarial (gain) / Loss recognized in the year	(10.17)	(5.55)	3.18	(3.96)
The amounts to be recognized in the balance sheet and statements of Profit & loss				
Present value of obligations as at the end of year	297.45	66.20	292.01	62.68
Fair value of plan assets as at the end of the year	109.91		106.63	
Funded status	(187.54)	(66.20)	(185.38)	(62.68)
Net Asset / (Liability) recognized in balance sheet	187.54	66.20	185.38	62.68
Expenses recognized in statement of Profit & Loss				
Current services cost	14.17	10.03	13.50	8.85
Interest cost	19.05	4.20	18.11	3.67
Expected return on plan assets	7.28		6.27	
Net Actuarial (gain)/Loss recognized in the year	(10.17)	(5.55)	3.18	(3.96)
Expenses recognized in statement of P&L	36.12	8.69	22.16	8.56

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.



31 FINANCE COSTS

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Interest Expense	510.96	351.96
Bank and Finance Charges	38.76	55.17
Total	549.72	407.13

32 DEPRECIATION & AMORTISATION EXPENSE

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Depreciation	389.90	391.73
Total	389.90	391.73

33 OTHER EXPENSES

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Consumption of Stores, Spare and Packing Materials	1,241.28	1,220.90
Power & Fuel	809.10	759.62
Rent	43.21	39.53
Repairs to Buildings	65.75	37.00
Repairs to Machinery	283.54	350.79
Insurance	34.88	28.97
Rates & Taxes	4.93	4.38
Travelling & Conveyance	200.92	59.86
Professional & Consultancy Charges	198.44	97.46
Other Selling Expenses	133.02	54.31
Charity & Donation	0.66	3.37
Corporate social responsibility	25.00	-
Claims/Advances/Balances Paid/Written Off	2.77	1.92
Provision for Doubtful Debts/Advances (net off bad debts w/off Rs 4.03 lakhs (previous year Rs 94.73 lakhs)	36.07	22.71
Loss/(Profit) on sale/decommission of fixed assets	81.37	327.65
Miscellaneous Expenses*	226.29	184.11
Total	3,387.23	3,192.58

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
As Statutory Audit Fees	4.40	4.40
As Audit Fees for Quarterly Results	3.60	3.60
For Certification Work	0.20	0.34
For Reimbursement of Expenses	0.41	0.26
Total	8.61	8.60



34 EARNING PER SHARE (EPS)

Amount (Rs. Lakh)

Particulars	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
Basic Earnings Per Share		
Profit/(Loss) after tax as per profit & loss account (Rs. lakh) (A)	241.69	1,422.77
No. of equity shares (B)	1,20,30,000	1,20,30,000
Basic Earning Per Share (Rs.) (A/B)	2.01	11.83
Diluted Earnings Per Share		
Profit/(Loss) after tax as per profit & loss account (Rs. lakh) (A)	241.69	1,422.77
No. of equity shares (B)	1,20,30,000	1,20,30,000
Diluted Earning Per Share (Rs.) (A/B)	2.01	11.83

35 RATIOS

S. No.	Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
1	Current Ratio (in times)	Total Current Assets	Total Current Liabilities	0.85	0.83	2.42%	-
2	Debt Equity Ratio (in times)	Total Debts	Total Equity	2.27	1.60	42.33%	New loans have been procured for capital expenditure
3	Debt Service Coverage Ratio (in times)	Earning for Debt Service= Net Profit before taxes+ Depreciation+Interest+ Loss on Sale of Assets	Debt service=Interest+ Principal repayments	1.05	4.89	-78.52%	Profit margins reduced in current year as compared to previous year
4	Return on Equity Ratio (in %)	Profit after tax	Average total equity	7.78	62.61	-87.57%	Profit margins reduced in current year as compared to previous year
5	Inventory Turnover Ratio (in times)	Cost of goods sold or sales	Average Inventory	2.41	2.34	2.91%	-
6	Trade Receivable Turnover Ratio (in times)	Revenue from operations	Average Trade Receivables	6.36	8.82	-27.86%	Trade receivables have increased
7	Trade Payable Turnover Ratio (in times)	Cost of Goods and other expenses	Average Trade Payables	8.04	6.44	24.94%	-
8	Net Capital Turnover Ratio (in times)	Revenue from operations	Average Working capital	(11.42)	(5.57)	104.97%	Profit margins reduced in current year as compared to previous year



S. No.	Particulars	Numerator	Denominator	Current Year	Previous Year	% Variance	Reason for Variance
9	Net Profit Ratio (in %)	Profit for the year	Revenue from operations	2.25	12.50	-81.98%	Profit margins reduced in current year as compared to previous year
10	Return on Capital Employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Total Debt + Deferred tax liabilities	13	46	-71.43%	Profit margins reduced in current year as compared to previous year
11	Return on Investment (in %)	Income generated from investments	Time weighted average investments	4.67	-	100.00%	There were no investments during the previous year

36. ADDITIONAL REGULATORY INFORMATION

- i) Title Deeds of all Immovable properties are held in the name of the company
- ii) The company does not have any investment property.
- iii) During the year the company has not revalued its property, plant and Equipment (including right -of-Use Assets)
- iv) During the year the company has not revalued its intangible assets
- v) During the year the company has not granted any Loan or advance in the nature of loans to promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person that are:
 - a. repayable on demand : or
 - b. without specifying any terms or period of repayment,
- vi) The company does not have Intangible assets under development
- vii) No proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- viii) The company has borrowings from banks or financial institution on the basis of security of current assets and quarterly returns or statement of current assets filed by the company with banks or financial institutions are in agreement with books of accounts.
- ix) The company is not declared wilful defaulter by any bank or financial Institution or other lender.
- x) The company has not entered into any transaction with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- xi) No charges or satisfaction yet to be registered with ROC beyond the statutory period.
- xii) The company has complied with the number of layers prescribed under clause (87) of section 2 of the act read with companies (Restriction on number of layers) rule 2017.
- xii) During the year any Scheme of Arrangements has not been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013.
- xiii) Utilisation of Borrowed funds and share premium:-
 - A) The company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall



- (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries;
- (B) The company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall
 - (i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
 - (ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- xiv) Corporate Social Responsibility (CSR)

Particulars	Amount (Rs. Lakh)	
	Current Year	Previous Year
Amount required to be spent by the company during the year	12.05	-
Amount of Expenditure incurred	25.00	-
Shortfall/(Surplus) at the end of the year	(12.95)	-
Total of previous year shortfall	-	-
Reason for shortfall	NA	NA
Nature of CSR activities	To promote excellence in Medicine.	NA
Details of related party transaction:		
Contribution to Sitaram Jaipuria Foundation	25.00	NA

- xv) The company has not traded or invested in Crypto Currency or Virtual currency during the year.

- 37** During the year, the company has decommissioned an old top hat kiln due to high maintenance/repair costs and low productivity. The written down value of the same (net of realizable value) amounting to Rs 79.74 lakhs has been charged under other expenses.
- 38** Till 30th June 2021, the interest on unsecured loans was conditionally waived by the lenders with the right to recompense if the financial position of the Company allows such payment subsequently. With effect from 1st July, 2021 the Company has started recognising the interest on the said loans. Further, Nil in the current year (253 lakhs in the previous year) has been recognized as an Exceptional Item consequent to the lenders exercising their right of recompense on some of the said loans.

39 Related Party Disclosure:

In accordance with the required Indian Accounting Standard (Ind As -24) on related part disclosure where control exist and where transactions have taken place and description of the relationship as identified and certified by management are as follows:

List of related parties and relationships:

A. Key management personnel

- a) Mr. Ambrish Jaipuria, Executive Director
- b) Mr. Janardhan Pralhadrao Gupta, Independent Director
- c) Mr. Rajesh Kumar Gupta, Independent Director
- d) Mr. Kulbhushan Malik, Independent Director (upto 09.11.2022)
- e) Mrs. Himalyani Gupta, Independent Director (w.e.f. 12.05.2022)
- f) Mr. Pankaj Poddar, Non Independent Director (w.e.f. 12.05.2022)
- g) Mr. Neeraj Kumar Sharma, Independent Director (w.e.f. 12.05.2022)
- h) Mr. Sanjiv Jindal, Chief Financial Officer
- i) Mr. Aditya Sharma, Company Secretary (upto 02.01.2023)
- j) Mr. Rahul Das, Company Secretary (w.e.f. 09.02.2023)



- B. Enterprises over which key management personnel of the company and their relatives have significant influence
- Super Sadiq Enterprises Pvt Ltd.
 - Andheri Properties and Developers Pvt. Ltd (Earlier Andheri Properties and Finance Ltd)
 - Cosmo First Limited (Earlier Cosmo Films limited)
 - Sitaram Jaipuria Foundation
 - AAGVENT LLP
 - Super Manganese LLP

(Rs. Lakh)

Particulars	Enterprises owned or significantly influenced by Key Management Personnel		Key Managerial Personnel		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Transactions during the year						
Remuneration paid						
Mr. Ambrish Jaipuria	-	-	186.95	257.27	186.95	257.27
Mr. Sanjiv Jindal	-	-	30.73	28.96	30.73	28.96
Mr. Aditya Sharma	-	-	4.96	4.52	4.96	4.52
Mr. Rahul Das	-	-	1.53	-	1.53	-
Sitting Fee Paid						
Mr. Janardhan Pralhadrao Gupta	-	-	1.50	1.10	1.50	1.10
Mr. Rajesh Kumar Gupta	-	-	1.40	0.85	1.40	0.85
Mr. Kulbhushan Malik	-	-	0.80	1.10	0.80	1.10
Mrs. Abha Jaipuria	-	-	-	0.45	-	0.45
Mrs. Himalyani Gupta	-	-	1.20	-	1.20	-
Mr. Pankaj Poddar	-	-	1.40	-	1.40	-
Mr. Neeraj Kumar Sharma	-	-	1.00	-	1.00	-
Rent Paid						
Super Sadiq Enterprises Pvt Ltd.	38.88	38.88	-	-	38.88	38.88
Interest Paid						
Super Sadiq Enterprises Pvt Ltd.	20.27	78.57	-	-	20.27	78.57
Andheri Properties and Developers Pvt. Ltd	158.12	340.31	-	-	158.12	340.31
Goods and Services Received						
Cosmo First Limited	45.36	7.50	-	-	45.36	7.50
AAGVENT LLP	-	1.69	-	-	-	1.69
Advance for supply of Raw Material						
Super Manganese LLP	244.73	-	-	-	244.73	-
Contribution to CSR/Donation paid						
Sitaram Jaipuria Foundation	25.00	-	-	-	25.00	-
Preference Dividend Paid						
Super Sadiq Enterprises Pvt Ltd.	98.89	-	-	-	98.89	-
Andheri Properties and Developers Pvt. Ltd	49.60	-	-	-	49.60	-
Mr. Ambrish Jaipuria	-	-	7.61	-	7.61	-
Loan repaid						
a) Super Sadiq Enterprises Pvt Ltd.	-	55.00	-	-	-	55.00



(Rs. Lakh)

Particulars	Enterprises owned or significantly influenced by Key Management Personnel		Key Managerial Personnel		Total	
	31st March 2023	31st March 2022	31st March 2023	31st March 2022	31st March 2023	31st March 2022
Balance outstanding at the end of the period						
Other Liabilities						
Super Sadiq Enterprises Pvt Ltd.	-	58.54	-	-	-	58.54
Andheri Properties and Developers Pvt. Ltd	-	217.81	-	-	-	217.81
Advance Rent Paid						
Super Sadiq Enterprises Pvt Ltd.	8.63	8.63	-	-	8.63	8.63
Security Deposit Paid						
Super Sadiq Enterprises Pvt Ltd.	8.63	8.63	-	-	8.63	8.63
Loan Received						
Super Sadiq Enterprises Pvt Ltd.	250.00	250.00	-	-	250.00	250.00
Andheri Properties and Developers Pvt. Ltd	1,950.00	1,950.00	-	-	1,950.00	1,950.00

40 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.

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

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

Amount (Rs. Lakh)

Class of Goods	For the period from 01.04.2022 to 31.03.2023		For the period from 01.04.2021 to 31.03.2022	
	Percentage	Amount (Rs. lakh)	Percentage	Amount (Rs. lakh)
Raw Materials				
Imported	65.11	2,530.30	67.76	2,544.39
Indigenous	34.89	1,355.67	32.24	1,210.69
	100.00	3,885.97	100.00	3,755.08
Stores & Spares				
Imported	16.29	202.17	16.68	203.57
Indigenous	83.71	1,039.11	83.32	1,017.09
	100.00	1,241.28	100.00	1,220.66



43 OTHER INFORMATION

Particulars	Amount (Rs. Lakh)	
	For the period from 01.04.2022 to 31.03.2023	For the period from 01.04.2021 to 31.03.2022
CIF value of Imports		
Raw materials	2,285.24	2,904.43
Stores & spares	217.30	258.94
Expenditure in Foreign Currency		
Travelling	23.18	23.97
Commission, exhibition etc.	18.25	14.88
Earnings in Foreign Currency		
FOB value of exports (including deemed exports Rs. 199.76 lakh, previous period Rs. 411.67 lakh)	4,146.83	5,782.56

As per our report of even date annexed

For Suresh Kumar Mittal & CO.,
Chartered Accountants
Reg. No. 500063N

Ambrish Jaipuria
Director
DIN: 00214687

Rajesh Kumar Gupta
Director
DIN: 08615199

Ankur Bagla
Partner
Membership No. 521915

Sanjiv Jindal
Chief Financial Officer

Rahul Das
Company Secretary

Place: New Delhi
Date : 24th May, 2023



If undelivered please return to :

COSMO FERRITES LIMITED

517, 5th Floor, DLF Tower - A, Jasola District Centre,
New Delhi - 110025