



COSMO FERRITES LIMITED

(Govt. of India Recognised Export House)

CIN : L27106HP1985PLC006378

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

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

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

September 20, 2016

Email: corp.compliance@bseindia.com
corp.relations@bseindia.com

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

Sub: Submission of the Annual Report for F.Y. 2015-16

Dear Sir,

Please find enclosed herewith Annual Report for F.Y. 2015-16 of the Company as required under Regulation 34 (1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 along with the consolidated scrutinizer report.

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

Thanking you
For **Cosmo Ferrites Limited**

Neha Pawar
Neha Pawar
Company Secretary

Enclosed as above:



Regd. Office & Works : P.O. Jabli, Distt. Solan, H.P.-173 209, (India) 173209 Phone : +91-1792-277231/32/36
Fax: +91-1792-277234 E-Mail: plant@cosmoferrites.com



COSMO FERRITES LIMITED
Annual Report 2015-16

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Ms. Neha Pawar

REGISTERED OFFICE

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

AUDITORS

B. K. Shroff & Co.

BANKERS

State Bank of India

CORPORATE OFFICE

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

SALES OFFICE

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

MFG. PLANT

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

Contents:-

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



DIRECTORS' REPORT

THE MEMBERS

COSMO FERRITES LTD.

The Directors have pleasure in presenting the Annual Report on the business and operations of the company along with Audited Balance Sheet and Profit & Loss A/c for the year ended **31st March 2016**.

(Rs. in Lacs)

FINANCIAL RESULTS	2015-16	2014-15
Sales	6,333.16	5,676.00
Other Income	92.44	115.00
Profit/(Loss) before depreciation & tax	374.32	124.00
Depreciation	369.16	361.00
Exceptional item	-	-
Profit/(Loss) before Tax	5.16	(237.00)
Provision for current Tax	-	-
Provision for earlier Year	2.44	1.00
Profit/(Loss) after current Tax	2.72	(238.00)
Provision for deferred tax	2.40	(71.00)
Profit/(Loss) After Deferred Tax	0.32	(167.00)
Add:-Mat Credit Entitlement	-	-
Add: Balance brought forward	233.00	233.00
Less:-Transfer to Preference Share Capital	-	-
Redemption Reserve	-	-
Add:- Transfer from General Reserve	233.00	233.00
Profit/(Loss) available for appropriation	-	-
Provision for arrears off Dividend on Cumulative Redeemable Preference Shares	-	-
Proposed Dividend on Cumulative Redeemable Preference Shares	-	-
Corporate Tax on Dividend	-	-
Balance carried to Balance Sheet	233.00	233.00
	233.00	233.00

2. REVIEW OF OPERATIONS

- For the year ending 31st March 2016 sales increased to Rs 6333 Lacs as compared to Rs. 5676 Lacs for previous year.
- Net Profit before tax for the year is Rs. 5 lacs as compared to Net loss of Rs. 237 lacs in the previous year.

3. DIVIDEND

In view of the null profitability during this year, the Directors are unable to recommend any dividend on the equity shares for the year ended March 31, 2016.

4. RESEARCH & DEVELOPMENT

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

5. CORPORATE GOVERNANCE

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

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

6. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

7. INTERNAL CONTROLS SYSTEMS

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

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

8. DIRECTORS

(a) Chairman

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

(b) Reappointment

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

(c) Status of Directors

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

(d) Declaration from Independent Directors

The Company has received declarations from all



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

9. KEY MANAGERIAL PERSONNEL'S

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

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

10. FAMILIARISATION PROGRAMME FOR DIRECTORS

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

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

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

11. EVALUATION OF BOARD'S PERFORMANCE

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

12. MEETINGS

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

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

13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

14. DEPOSITS

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

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

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

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

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

17. DIVERSITY OF BOARD

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

18. REMUNERATION POLICY

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



policy on the Company's website (www.cosmoferrites.com).

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

19. RELATED PARTY TRANSACTIONS

With reference to Section 134(3)(h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered into by the Company during the financial year, were in the ordinary course of business and on an arm's length basis. The details of the related party transactions as required under Accounting Standard-18 are set out in Note 31 to the financial statements forming part of this Annual Report.

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

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

20. EXTRACT OF ANNUAL RETURN

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

21. RISK MANAGEMENT

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

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

22. AUDITORS

Statutory Audit:

M/s. B.K. Shroff & Co., Chartered Accountants, retire as auditors of the Company at the ensuing Annual General Meeting and seek re-appointment at the ensuing Annual General Meeting of the Company. The Company has received a letter from B.K. Shroff & Co.,

Chartered Accountants, expressing their willingness to be reappointed as statutory auditors of the Company and further confirmed that their reappointment, if made, will be in compliance with provisions of Section 141(3)(g) of the Companies Act, 2013. The Board has proposed to appoint B.K. Shroff & Co., Chartered Accountants, as statutory auditors of the Company from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting.

Secretarial Audit:

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

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

Cost Auditor:

The Board of Directors, on the recommendation of Audit Committee, has appointed M/s Ravi Sahni & Co., Cost Accountants, as Cost Auditor to audit the cost accounts of the Company for the Financial Year 2016-17 at a remuneration of Rs. 1,25,000/- plus service tax as applicable and reimbursement of out of pocket expenses. As required under the Companies Act, 2013, a resolution seeking members' approval for the remuneration payable to the Cost Auditor forms part of the Notice convening the Annual General Meeting.

23. AUDITORS' REMARKS

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

24. CHANGE IN NATURE OF BUSINESS, IF ANY

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

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

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

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

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

**27. LISTING WITH STOCK EXCHANGES**

The Company confirms that it has paid the Annual Listing Fees for the year FY 2016- 17 to the Bombay Stock Exchange where the Company's equity shares are listed.

28. PROMOTION OF WOMEN'S WELL BEING AT WORKPLACE

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

29. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES

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

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

30. DIRECTORS' RESPONSIBILITY STATEMENT

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

- (i) In the preparation of the annual accounts, applicable accounting standards have been followed along with proper explanation relating to material departures.

- (ii) Accounting policies selected were applied consistently. Reasonable and prudent judgments and estimates are made so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2016 and of the profits of the Company for the year ended on that date.
- (iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts of the Company have been prepared on a going concern basis.
- (v) Proper Internal Financial Controls were in place and that the Financial Controls were adequate and were operating effectively.
- (vi) Systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

31. APPRECIATION

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

For and on behalf of the Board

Ashok Jaipuria
Chairman

New Delhi
4th August, 2016

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

To
The Members,
Cosmo Ferrites Limited

We have examined the compliance of conditions of Corporate Governance by Cosmo Ferrites Limited ("the Company"), for the financial year ended on 31st March 2016, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges for the period 1st April, 2015 to 30th November, 2015 and as per relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015") as referred to in Regulation 15(2) of SEBI (LODR) Regulations, 2015 for the period 1st December, 2015 to 31st March, 2016.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above- mentioned Listing Agreement / SEBI (LODR) Regulations, 2015, as applicable.

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

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

O P Shroff
Partner
Membership Number 6329

Date: 4th August, 2016
Place: New Delhi



Annexure B

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31.03.2016

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

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter along with Annexure 1 attached to this report:-

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; (Not applicable to the Company during the Audit Period)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment(FDI), Overseas Direct Investment(ODI) and External Commercial Borrowings (ECB); (No FDI, ODI and ECB was taken by the company during the Audit Period)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not applicable to the Company during the Audit Period);
- d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014(Not applicable to the Company during the Audit Period)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Company during the Audit Period)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the Audit Period)
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the Audit Period)
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the Audit Period)

(vi) OTHER LAWS SPECIFICALLY APPLICABLE TO THE COMPANY AS IDENTIFIED BY THE MANAGEMENT

- i. The Factories Act, 1948 and rules made thereunder,
- ii. The Payment of Wages Act, 1936 and rules made thereunder,
- iii. Minimum Wages Act, 1948 and the rules made thereunder,
- iv. Employees' State Insurance Act, 1948 and rules made thereunder,
- v. The Employees Provident Fund and Miscellaneous Provisions Act, 1952 and the rules made thereunder,
- vi. Payment of Bonus Act, 1965 and rules made thereunder,



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

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

- (i) Secretarial Standards (SS-1 & SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited
- (iii) Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, and Guidelines to the extent applicable, Standards, etc. as mentioned above:

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

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

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

There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

**For DMK ASSOCIATES
COMPANY SECRETARIES**

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

Date: 04.08.2016
Place: New Delhi

**ANNEXURE 1**

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

Sub: Our Secretarial Audit for the Financial Year ended March 31, 2016 of even date is to be read with along with this letter

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

For DMK ASSOCIATES
COMPANY SECRETARIES

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

Date: 04.08.2016
Place: New Delhi



Annexure - C

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

A. CONSERVATION OF ENERGY

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

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

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

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

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

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

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

B. TECHNOLOGY ABSORPTION

(i) Efforts made towards technology absorption :

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

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

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

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

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

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

(iv) Expenditure incurred on Research and Development

	<u>Rs. lacs.(approx)</u>
(a) Capital	8.08
(b) Recurring	<u>154.72</u>
(c) Total	162.08
(d) Total R & D expenditure as percentage of net sales	2.60%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Company's foreign exchange earnings were Rs. 2817. Lacs (Previous Year Rs. 3016 Lacs). The total foreign exchange utilized during the year amounted to Rs. 1641 Lacs (Previous Year Rs. 2047 Lacs). Details of foreign Exchange earned and utilized during the year are given in Notes to Accounts.



Annexure - D

FORM NO. MGT.9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March ,2016

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

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

i) Category-wise Share Holding

Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
Individuals/ Hindu Undivided Family	195000	NIL	195000	1.62	195000	NIL	195000	1.62	0.00
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Bodies Corporate	7442500	NIL	7442500	61.87	7442500	NIL	7442500	61.87	0.00
Financial Institutions/ Banks	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub Total(A)(1)	7637500	NIL	7637500	63.49	7637500	NIL	7637500	63.49	0.00
2) Foreign									
Individuals (Non-Residents Individuals/ Foreign Individuals	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00



Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change During the Year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Bodies Corporate	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Institutions	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Others(Specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub Total(A)(2)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	7637500	NIL	7637500	63.49	7637500	NIL	7637500	63.49	0.00
B. Public shareholding									
1) Institutions									
Mutual Funds/ UTI	NIL	7100	7100	0.06	NIL	7100	7100	0.06	0.00
Financial Institutions / Banks	NIL	300	300	0.00	NIL	400	400	0.00	33.33
Central Government/ State Government(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Foreign Institutional Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Foreign Venture Capital Investors	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub-Total (B)(1)	NIL	7400	7400	0.06	NIL	7500	7500	0.06	0.00
2) Non-institutions									
Bodies Corporate	662328	3900	666228	5.54	776246	3900	780146	6.48	0.94
Individuals									
I. Individual shareholders holding nominal share capital up to Rs 1 lakh	1652948	357101	2010049	16.70	1573375	351101	1924476	16.00	-0.70
II. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	1702248	NIL	1702248	14.15	1676816	NIL	1676816	14.00	-0.15
Qualified Foreign Investor	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Any Other (specify)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Non Resident Indian	6175	400	6575	0.06	3162	400	3562	0.03	-0.03
Sub-Total (B)(2)	4023699	361401	4385100	36.45	4029599	355401	4385000	36.45	0.00
Total Public Shareholding (B)= (B)(1)+(B)(2)	4023699	368801	4392500	36.51	4029599	362901	4392500	36.51	0.00
TOTAL (A)+(B)	11661199	368801	12030000	100.00	11667099	362901	12030000	100.00	0.00
C. Shares held by Custodians and against which Depository Receipts have been issued									
Promoter and Promoter Group	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Public	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
Sub-Total (C)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	0.00
GRAND TOTAL (A)+(B)+(C)	11661199	368801	12030000	100.00	11667099	362901	12030000	100.00	0.00


(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total Shares	No. of Shares	% of total shares of the Company	% of Shares Pledged/encumbered to total Shares	
1	Aanchal Jaipuria	55500	0.461	NIL	55500	0.461	NIL	NIL
2	Abha Jaipuria	7500	0.062	NIL	7500	0.062	NIL	NIL
3	Ambrish Jaipuria	52100	0.433	NIL	52100	0.433	NIL	NIL
4	Ashok Jaipuria	79900	0.664	NIL	79900	0.664	NIL	NIL
5	Andheri Properties & Finance Ltd.	3756375	31.225	5.82	3756375	31.225	NIL	NIL
6	Pravasi Enterprises Ltd.	50	0.000	NIL	50	0.000	NIL	NIL
7(a)	Sunrise Manufacturing Company Ltd.	575	0.005	NIL	575	0.005	NIL	NIL
7(b)	Sunrise Manufacturing Company Ltd. (C/o Gayatri & Annapurna)	500	0.004	NIL	500	0.004	NIL	NIL
8	Super Sadiq Enterprises Pvt. Ltd.	3685000	30.632	NIL	3685000	30.632	NIL	NIL

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

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

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

Sl. No.	For Each of the Top 10 Shareholders*	Shareholding at the beginning of the year		Cumulative Shareholding end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sathya S	184660	1.53	212390	1.765
2	Sangeetha S	182429	1.52	204190	1.697
3	Devayani Enterprises Private Limited	200000	1.663	200000	1.663
4	Bharati Bharat Dattani	88827	0.738	107927	0.898
5	VSL Securities Private Limited	100000	0.831	100000	0.831
6	Jinesh Chand Jain	86403	0.718	86403	0.718
7	Savitha S	56826	0.472	81210	0.675
8	Shashi Rani Gupta	85759	0.713	75959	0.631
9	Jinesh Chand Jain	75483	0.627	75483	0.627
10	Bharat Jamnadas Dattani	92025	0.765	70434	0.585

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


(v) Shareholding of Directors and Key Managerial Personnel:

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



Sl. No.	Shareholding of each of the Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Date	Increase/ (decrease)	Reason	Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company				No. of shares	% of total shares of the Company
6	Mr. Rakesh Nangia							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
7	Ms. Jyoti Dixit							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
8	Dr. Ramakant Dwivedi							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00
9	Mr. Janardhan Pralhadrao Gupta							
	At the beginning of the year	0	0.00				1	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	1	0.00
10	Mr. Ramesh Chand							
	At the beginning of the year	1000	0.008				1000	0.008
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	1000	0.008	-	-	-	1000	0.008
11	Ms. Neha Pawar							
	At the beginning of the year	0	0.00				0	0.00
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g.allotment / transfer / bonus/ sweat equity etc):	-	-	-	-	-	-	-
	At the End of the year	0	0.00	-	-	-	0	0.00


V. INDEBTEDNESS

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

(Rs in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	2444.21	-	2.85	2447.06
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I + II + III)	2444.21	-	2.85	2447.06
Change in Indebtedness during the Financial Year				
• Addition	2012.84	50.00	-	2062.84
• Reduction	(1673.91)	-	-	(1673.91)
Net Change	338.94	50.00	-	388.94
Indebtedness at the end of the Financial Year				
i) Principal Amount	2783.15	50.00	2.85	2836.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (I + II + III)	2783.15	50.00	2.85	2836.00

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(Rs. in lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager WTD
		Mr. Ambrish Jaipuria
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	35.14
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3.98
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	19.20
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as % of profit	
	- others, specify...	Nil
5.	Others, please specify	Nil
	Total (A)	58.32
	Ceiling as per the Act	Rs 84 lacs being the amount permissible under Section II Part II of Schedule V of Companies Act, 2013.


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

Name of Director	Fee for attending Board/Committee meetings	Commission	Others	Total
Mr. Shreekant Somany	0.10	-	-	0.10
Mr. Rakesh Nangia	0.60	-	-	0.60
Mr. N.K. Gupta	0.60	-	-	0.60
Ms. Jyoti Dixit	0.40	-	-	0.40
Dr. Ramakant Dwivedi	0.45	-	-	0.45
Mr. Janardhan Pralhadrao Gupta	0.30	-	-	0.30
Total (1)				2.45

(2) Non Executive Directors

Mr. Ashok Jaipuria**	NIL	-	-	NIL
Mr. Anil Jain	0.45	-	-	0.45
Total (2)				0.45
Total (B)= (1) + (2)				2.90
Ceiling as per the Act	As per the section 197 sitting fee of Rs 1 lac per meeting is allowed.			

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

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

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		CFO & Company Secretary
1.	Gross salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	9.43
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	8.35
2.	Stock Option	Nil
3.	Sweat Equity	Nil
4.	Commission	
	- as % of profit	
	- others, specify..	Nil
5.	Others, please specify	Nil
	Total*	17.78

• Figures have been rounded off.

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

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



Annexure – E(i)

(THIS REPORT FORMS PART OF DIRECTORS' REPORT)

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

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

Name of the Director	Ratio
1. Mr. Ambrish Jaipuria	43.80
Note: For this purpose, Sitting Fees paid to the Directors have not been considered as remuneration.	

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

Name	Designation	% Increase
Mr. Ambrish Jaipuria	Executive Director& CEO	130.36%
Mr. Ramesh Chand	Chief Financial Officer	3.50%
Ms. Neha Pawar	Company Secretary	15.00%

3. Percentage increase in the median remuneration of all employees in the Financial Year 2015-16: 3%
4. Number of Permanent employees on the rolls of Company as on 31st March, 2016:263
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 3.00% and 130.36% respectively. The increase in remuneration of managerial personnel is due to variable component.

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

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

General Note :

- Managerial Personnel includes Whole-time Director.



Annexure – E(ii)

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

1. Names of the top ten employees of the Company in terms of remuneration drawn and the name of employees who were employed throughout the Financial Year 2015-16 and were paid remuneration not less than 1 Crore 2 lakhs Rupees per annum/8 lakhs 50 thousand per month:

Sl. No.	Employee Name	Age	Qualification	Designation/ Nature of Duties	Date of Employment	Remuneration Received	Experience (in years)	Last Employment	Designation
1	Mr. Ambrish Jaipuria	37	Business Administration, Ohio State University, USA	Executive Director & CEO	29/01/2004	83,90,149	10	-	-
2	Mr. Sanjeev Kumar	47	B.Tech, DME Diploma in Management	General Manager	01/06/1988	19,96,788	28	Kamla Dials & Devices, Dera Bassi, Punjab	Head Manufacturing
3	Mr. K. Sriram	50	B.E. Ceramic Engineering.	Asstt. General Manager	29/06/1991	16,85,466	24	-	-
4	Mr. Ramesh Chand	52	B.SC. (Computer Science), PGDBM (Systems)	Chief Financial Officer	23/03/1988	15,73,218	30	-	-
5	Mr. Sameer Yadav	35	M.Tech(Specialisation in Materials Science & Metallurgy)	Manager Marketing-International	02/02/2006	12,97,782	10	-	-
6	Mr. P.V.V. Satyanarayana	39	Diploma in Ceramic and Glass Technology	Manager	01/01/2015	11,84,124	19	Victor Component Systems Pvt. Ltd.	Plant Head (Production)
7	Mr. Lakshmi Dutt Sharma	51	B.COM	Sr. Manager- Finance & Accounts	01/02/1987	11,40,822	29	-	-
8	Mr. Harisaran Singh	47	B.Tech. In Ceramic Technology, Diploma In Opern. Management	Manager	21/10/2013	11,37,090	25	EPCOS India PVT. Ltd.	Manager
9	Mr. Parmod Kumar Jain	48	Bachelor of Arts	Deputy Manager- Domestic marketing	01/06/1988	9,56,394	26	-	-
10	Mr. Anil Khurana	49	Diploma (Mechanical)	Assistant Manager	01/04/1987	8,32,116	29	Kamla Dials & Devices	Draftsmen (Mechanical)



MANAGEMENT DISCUSSION & ANALYSIS REPORT

Industry Structure & Developments:

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

Opportunities & threats:

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

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

Segment Wise or Product Wise Performance

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

Outlook

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

Risks & Concerns

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

The Competition Risk

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

We are mitigating the above risk by increasing our exports presence, developing niche products, exploring new markets and new customers. The domestic market caters to the lower end segment of the ferrites market and poses no threat to the company. The company has a good image with local customers.

Customer Attrition Risk

All customers are sensitive to quality, delivery and price.

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

Raw Material Price Risk

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

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

People Risk Management

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

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

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

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

Security Risk Management

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

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

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

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

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

Foreign Exchange Risk

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



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

Operational & Financial performance

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

Internal Control Systems & their adequacy

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

Human Resources /Industrial Relations front

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

Cautionary statement

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



CORPORATE GOVERNANCE REPORT

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

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

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

The structure of the Board and record of other directorships and Committee Memberships and Chairmanships as on 31st March, 2016 is as under:

Name/ DIN	Executive / Non-executive/ Independent	No. of other Directorships held	No. of Chairmanships / Memberships of Other Board Level Committees		Shareholding (as on 31st March 2016)	Relationship with other Director
			Membership	Chairmanship		
Mr. Ashok Jaipuria (DIN-00214707)	Non-executive – Chairman (Promoter)	2	2	-	79900	Relative of Mr. Ambrish Jaipuria
Mr. Shreekant Somany (DIN-00021423)	Non-executive, Independent	6	2	-	NIL	NIL
Mr. Rakesh Nangia (DIN-00147386)	Non-executive, Independent	1	3	1	NIL	NIL
Mr. N. K. Gupta (DIN-00214602)	Non-executive, Independent	2	-	2	NIL	NIL
Mr. Ambrish Jaipuria (DIN-00214687)	Executive (Promoter)	-	2	-	52100	Relative of Mr. Ashok Jaipuria
Mr. A. K. Jain (DIN- 00027911)	Non-executive, Independent	2	2	1	462	NIL
Dr. Ramakant Dwivedi (DIN- 06922891)	Non-executive, Independent	-	1	-	NIL	NIL
Ms. Jyoti Dixit (DIN- 06953089)	Non-executive, Independent	-	-	-	NIL	NIL
Mr. Janardhan Pralhadrao Gupta (DIN- 07029205)	Non-executive, Independent	-	1	-	NIL	NIL

NOTE:

- 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.
- Membership(s) / Chairmanship(s) of any of the Audit Committee and Stakeholder Relationship Committee in all public limited companies (including Cosmo Ferrites Limited) have been considered.



- (iii) None of the Directors is a member of more than 10 Board-level committees of public Companies in which they are Directors, nor is a Chairman of more than 5 such committees.
- (iv) None of the Independent Directors of the Company serve as an Independent Director in more than seven Listed Companies and where any Independent Director is serving as whole-time director in any listed company, such director is not serving as Independent Director in more than three listed companies.

B. BOARD MEETINGS:

1. SCHEDULING AND SELECTION OF AGENDA FOR BOARD MEETINGS

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

2. BOARD MEETING HELD DURING THE F.Y 2015-16 AND ATTENDANCE OF DIRECTORS

The Board met four times during the financial year from 1st April, 2015 to 31st March, 2016 on May 26, 2015, August 12, 2015, November 04, 2015 and February 11, 2016. The maximum time gap between any two meetings was not more than four months. The following table gives the attendance record of the Board Meetings.

DIRECTOR	No. of meetings held	No. of meetings Attended
MR. ASHOK JAIPURIA	4	2
MR. SHREEKANT SOMANY	4	1
MR. N.K.GUPTA	4	3
MR. RAKESH NANGIA	4	3
MR. AMBRISH JAIPURIA	4	4
MR. A.K. JAIN	4	3
DR. RAMAKANT DWIVEDI	4	3
MS. JYOTI DIXIT	4	4
MR. JANARDHAN PRALHADRAO GUPTA	4	2

3. ATTENDANCE AT AGM

Following Directors attended the AGM held on 8th September, 2015 , at Company's registered office at PO-Jabli, Dist-Solan, H.P. – 173 209

Mr. A. K. Jain
Mr. N.K. Gupta

4. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

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

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

5. AVAILABILITY OF INFORMATION TO THE BOARD

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

C. FAMILIARISATION PROGRAMME FOR DIRECTORS

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

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

D. BOARD LEVEL COMMITTEES

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

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

1. AUDIT COMMITTEE

• Terms of reference

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



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

• **COMPOSITION OF THE AUDIT COMMITTEE**

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

Chairman : Mr. N.K. Gupta,
Members : Mr. A.K. Jain,
 Mr. Rakesh Nangia
 Mr. Janardan Gupta
 Dr. Ramakant Dwivedi
 Mr. Ambrish Jaipuria

• **MEETINGS AND ATTENDANCE DURING THE YEAR**

The Audit Committee met four times during the financial year from 1st April, 2015 to 31st March, 2016 on May 26, 2015, August 12, 2015, November 04, 2015 and February 11, 2016. The attendance of Audit Committee members is as follows:-

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

2. STAKEHOLDER RELATIONSHIP COMMITTEE (SRC)

• **Terms of reference**

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

To expedite the process of share transfers the Board

has delegated the power of share transfer to Alankit Assignments Limited viz. Registrar and Share Transfer Agents who will 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, 2016.

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

• **MEETING AND ATTENDANCE DURING THE YEAR**

The Committee met four times during the financial year from 1st April, 2015 to 31st March, 2016 on May 26, 2015, August 12, 2015, November 04, 2015 and February 11, 2016. The following table gives the attendance record of the Stakeholder Relationship Committee.

Name of the Director	Number of Meetings	
	Held during the tenure of Directors	Attended
Mr. N.K. Gupta	4	3
Mr. Rakesh Nangia	4	3
Mr. Ambrish Jaipuria	4	4
Mr. Ashok Jaipuria	4	2

• **COMPLIANCE OFFICER**

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

• **SHAREHOLDER'S COMPLAINTS RECEIVED / RESOLVED**

During the year from April 1, 2015 to March 31, 2016 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, 2016, no complaint was pending for redressal and there were no pending share transfers as on March 31, 2016.

• **PENDING SHARE TRANSFER**

There are no pending share transfers as on 31/03/2016.

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, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. The terms of the reference of Nomination and Remuneration Committee covers the areas mentioned under Part D of Schedule II of SEBI (Listing Obligation and Disclosure Requirement) Regulation 2015 as well as section 178 of the Companies Act, 2013.

• COMPOSITION

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

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

• MEETING AND ATTENDANCE DURING THE YEAR

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

• Compliance Officer

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

• REMUNERATION POLICY

Remuneration to Non-Executive Directors

The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board or Committee of Directors attended by them. The total amount of sitting fees paid during the Financial Year 2015-16 was 2.90 lacs. The Non- Executive Independent Directors do not have any material pecuniary relationship or transactions with the Company. Payment criteria of Non-Executive directors is available on website of the Company. The web link for the same is http://www.cosmoferrites.com/Downloads/Downloads/c371a1a0-19a2-448b-a5ff-a79bc7f1176cf_Criteria%20for%20making%20payment%20to%20Non%20Executive%20Directors%20.pdf

Remuneration to Executive Directors

The appointment and remuneration of Whole-time

Director is governed by the recommendation of the Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the Company. The remuneration package of Whole-time Director comprises of salary, perquisites, allowances, and contributions to Provident and other Retirement Benefit Funds as approved by the shareholders at the General Meetings.

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

Remuneration Paid to Directors

Following tables gives the details of remuneration paid to directors, during the year from April 01, 2015 to March 31, 2016:

Remuneration to Non- Executive Directors

S. No.	Name of Director	Sitting Fees
1	Mr. Ashok Jaipuria*	Nil
2	Mr. Anil Jain	45000
3	Mr. Shreekant Somany	10000
4	Mr. Naresh Kumar Gupta	60000
5	Mr. Rakesh Nangia	60000
6	Ms. Jyoti Dixit	40000
7	Dr. Ramakant Dwivedi	45000
8	Mr. Janardhan Pralhadrao Gupta	30000

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

Remuneration to Executive Director

Mr. Ambrish Jaipuria, C.E.O & Executive Director was paid following remuneration during the year 2015-16:

Particulars of Remuneration	Amount (In Rs.)
Basic Salary	35,14,004
HRA	19,20,000
LTA	Nil
Perquisites	Nil
Provident & other funds	Nil
Superannuation	3,16,000
Medical Expenses(Actual)	57,545
Vehicle Expenses(Conveyance)	39,600
Total :	58,47,149
Performance linked incentives	<u>25,43,000</u>
Total	83,90,149
Service contracts, notice period, severance fees	6 month notice period on either side with no severance fees defined
Stock Option details	Nil



E. INDEPENDENT DIRECTORS:

The Company has complied with the definition of Independence as per SEBI (LODR) Regulations, 2015 and according to the Provisions of section 149(6) Companies Act, 2013. The company has also obtained declarations from all the Independent Directors pursuant to section 149 (7) of the Companies Act, 2013.

a) Training of Independent Directors:

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

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

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

b) Performance Evaluation of non-executive and Independent Directors

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

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

c) Separate Meeting of the Independent Directors

The Independent Directors held a Meeting on 4th November, 2015, without the attendance of Non-Independent Directors and members of Management. Majority of the Independent Directors were present at the meeting. The following issues were discussed in detail:

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

F. ANNUAL GENERAL MEETING

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

G. DATES AND VENUE OF PREVIOUS THREE ANNUAL GENERAL MEETINGS

Financial Year	Place	Date	Special Resolution Passed
2012-13	Jabli, Dist Solan (H.P), 173209	27.09.2013	No Special Resolutions were Passed
2013-14	Jabli, Dist Solan (H.P), 173209	22.09.2014	Special Resolutions were Passed
2014-15	Jabli, Dist Solan (H.P), 173209	08.09.2015	No Special Resolutions were Passed

No Resolution was passed through postal ballot, during the financial year 2015-16

H. AFFIRMATIONS AND DISCLOSURES:

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

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

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

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

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

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



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

2. The Company has complied with the requirements of stock exchanges or SEBI on matters related to Capital Markets, as applicable. No penalty was levied by these authorities in last three years.
3. **Code of Conduct:** The Company has adopted a Code of Conduct for the members of the Board of Directors and the senior management of the Company. The Code of Conduct is displayed on the website of the Company. All the directors and the senior management personnel have affirmed compliance with the code for the financial year ended 31st March 2016. A declaration to this effect, signed by the Chief Executive Officer is annexed to this report.
4. **Vigil Mechanism/ Whistleblower Policy:** In accordance with requirement of Companies Act as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, accordingly a whistle blower policy has been formulated with a view to provide a mechanism for employees of the company to approach Internal Auditor or Chairman of the Audit Committee of the Company to report any grievance. No personnel of the Company has been denied access to the Audit committee. A link to such policy is also provided in the website of the company.
5. The necessary certificate under Part B of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed to this report
6. The Company Secretary has a key role to play in ensuring the Board procedures and statutory compliances are properly followed. A certificate from the Company Secretary indicating the compliance of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been annexed to this report.
7. **Management Discussion and Analysis Report** - The Management Discussion and Analysis has been discussed in detail separately in this Annual Report.
8. Other disclosures as required SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been given at relevant places in the Annual Report.
9. The Company has fully complied with the applicable requirements specified in Reg. 17 to 27 and clause (b) to (i) of sub-regulation (2) of regulation 46.
10. There has been no instance of non-compliance of any requirement of Corporate Governance Report.

INFORMATION TO SHAREHOLDERS

1. REGISTERED AND CORPORATE OFFICE

Registered Office

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

Head Office

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

2. FINANCIAL CALENDAR

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

Financial reporting for the quarter ending June 30, 2016	August 2016
Financial reporting for the quarter ending September 30, 2016	November 2016
Financial reporting for the quarter ending December 31, 2016	February 2017
Financial reporting for the quarter ending March 31, 2017	May 2017

3. WEBSITE

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

4. DIVIDEND PAYMENT DATE

The Board has not recommended any Dividend for the Financial Year 2015-16

5. LISTING ON STOCK EXCHANGES

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

6. INTERNATIONAL SECURITIES IDENTIFICATION NUMBER (ISIN)

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

7. ANNUAL LISTING FEE

Annual Listing Fee for the year 2015-16 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).

96.98% (i.e. 11667099 Equity Shares) of equity share capital (120,30,000 equity shares) has been dematerialized as on 31st March, 2016.

9. SHARE TRANSFER SYSTEM

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

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

10. ADDRESS FOR CORRESPONDENCE:

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

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

11. SHARE PERFORMANCE CHART

Stock price on the Bombay Stock Exchange on the closing date of month of financial year 2015-16:

Month	Share Price (Rs.)	High (Rs.)	Low (Rs.)	No. of Shares traded
April 2015	10.26	13.25	9.75	22444
May 2015	12.4	12.88	10.01	17210
June 2015	10.01	12.5	8.65	39516
July 2015	11.51	12.7	9.98	21409
Aug. 2015	11.05	12.8	10.52	33300
Sept.2015	9.52	11.46	8.35	6727
Oct. 2015	11.6	12.37	8.68	82448
Nov. 2015	13	13.48	10.4	52915

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

Mr. L.D. Sharma
Senior Manager (Finance & Accounts)
Cosmo Ferrites Limited,
P.O. Jabli, Dist. Solan, Himachal Pradesh-173209
e-mail: lakshmid_s@cosmoferrites.com
Fax: 91-1792-277234

11. INVESTOR COMMUNICATION

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

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

12. DISCLOSURE ON LEGAL PROCEEDINGS

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

13. OUTSTANDING STOCK OPTION

There are no outstanding warrants or convertible instruments or stock options to employees as on March 31, 2016.

14. ANALYSIS OF SHAREHOLDERS' COMPLAINTS RECEIVED DURING 2015-16

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

There were nil complaint received and replied/disposed off during the year 2015-16



Month	Share Price (Rs.)	High (Rs.)	Low (Rs.)	No. of Shares traded
Dec. 2015	13.55	15	12.35	82106
Jan. 2016	14.7	15.84	11.84	40111
Feb. 2016	13.75	16.15	13	96797
March 2016	11.05	14.7	10.85	89671
TOTAL				5,84,654

16. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2015

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, 2016		March 31, 2015	
	Number of Shares	% Holding	Number of Shares	% Holding
Promoters	7637500	63.49	7637500	63.49
Person acting in concert	Nil	Nil	Nil	Nil
Institutional Investors	7500	0.06	7400	0.06
Others	4385000	36.45	4385100	36.45
Total	12030000	100	12030000	100

Distribution of shareholding according to the number of shares held on March 31, 2015

		As on 31st March, 2016				As on 31st March, 2015			
S. No.	No. of equity shares held	No. of shareholders	% of Total holders	No. of Shares	% of share capital	No. of shareholders	% of Total holders	No. of Shares	% of share capital
1	Upto 5000	4372	85.36	708224	5.88	4467	85.03	737264	6.12
2	5001 to 20000	510	9.95	555091	4.61	536	10.19	587357	4.88
3	20001 to 30000	68	1.34	175535	1.46	70	1.33	179441	1.49
4	30001 to 40000	34	0.67	122393	1.02	30	0.58	109792	0.92
5	40001 to 50000	29	0.57	135044	1.12	35	0.67	161573	1.34
6	50001 to 100000	44	0.85	337813	2.81	49	0.95	364882	3.04
7	100001 and Above	65	1.26	9995900	83.10	66	1.25	9889691	82.21
	Total	5122	100		100	5253	100		100

**ANNEXURE I:**

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

Director's Profile

Name of the Director	Mr. Anil Kumar Jain
Date of Birth	18th March, 1951
Qualification	B.Com, ICWA
Nature of Expertise	Over four decades of experience in Finance and Accounts and General Management Functions
Date of Appointment	12th August, 2011
Name of other Companies in which he/she holds Directorship	1. Cosmo Films Limited 2. Usha International Limited 3. Trusted Infosystems Pvt. Ltd.
Name of the Committees of the Other Companies of which he holds Membership / Chairmanship	1. Cosmo Films Limited- Stakeholders Relationship Committee 2. Usha International Limited- Audit Sub Committee
Shareholding in the Co.	462 Equity Shares

Note: Only Audit & Stakeholders Relationship Committee have been considered

**CERTIFICATE IN PURSUANT TO REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 FOR THE YEAR ENDED 31ST MARCH, 2016**

We, the undersigned hereby certify that:

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

AMBRISH JAIPURIA
C.E.O & EXECUTIVE DIRECTOR

RAMESH CHAND
CHIEF FINANCIAL OFFICER

Place: New Delhi
Date: 4th August, 2016

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

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

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

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

Neha Pawar
Company Secretary

PLACE: New Delhi
DATE: 4th August, 2016

**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 2015-2016

Ambrish Jaipuria
Chief Executive Officer

PLACE: New Delhi
DATE: 4th August, 2016



INDEPENDENT AUDITORS' REPORT

**To The Members of
Cosmo Ferrites Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of Cosmo Ferrites Limited ("the Company") which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the period from 1st April, 2015 to 31st March, 2016 then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the Financial Statements

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

Auditor's responsibility

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

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

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its Profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory requirements

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

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

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



- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 35 to the financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sanjiv Aggarwal
Partner
Membership Number 85128

Place : New Delhi
Date : 04-05-2016

ANNEXURE – A TO THE AUDITORS' REPORT

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

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the fixed assets have been physically verified by the management according to a regular program, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) Physical verification of inventory (except material in transit) has been conducted by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. No material discrepancies with respect to book records were noticed on such verification. Discrepancies noticed have been properly dealt with in the books of account.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and as such clauses (iii) (a), (b) and (c) of the order are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us no loans, investments, guarantees and security covered under section 185 and 186 of the Companies Act, 2013 has been given by the company.
- (v) According to the information and explanation given to us, the company has not accepted any deposit from the public. Therefore, the provisions of clause (v) of the order are not applicable to the company.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of such accounts and records.
- (vii) (a) The company is generally regular in depositing with the appropriate authorities undisputed statutory



dues including provident fund, employees state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and any other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect thereof were outstanding as at 31st March, 2016 for a period of more than six months from the date they became payable.

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

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

- (viii) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of loans or borrowings to a financial institution, bank, government or dues to debenture holders.
- (ix) In our opinion, moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans have been applied for the purposes for which they were obtained.
- (x) According to the information and explanations given to us, no fraud by the company or on the company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion, and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V of the Companies Act, 2013.
- (xii) The company is not a nidhi company and hence provisions of clause (xii) of the order are not applicable to the company.
- (xiii) In our opinion all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year under review the company has not made any preferential allotment on private placement of shares or fully or partly convertible debentures.
- (xv) The company has not entered into any non cash transactions with directors or persons connected with him.

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

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

Partner
Membership Number

Place : New Delhi
Date : 04-05-2016

ANNEXURE - B TO THE AUDITORS' REPORT

REPORT ON THE INTERNAL FINANCIAL CONTROLS UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Cosmo Ferrites Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate



internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for my /our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance

with authorisations of management and directors of the Company; and

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

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

Sanjiv Aggarwal
Partner
Membership Number 85128

Place : New Delhi
Date : 04-05-2016


BALANCE SHEET
As at 31st March, 2016

Particulars	Note No.	As at 31.03.2016		As at 31.03.2015	
		Rs. Lacs		Rs. Lacs	
EQUITY AND LIABILITIES					
SHAREHOLDERS' FUNDS					
Share Capital	2	1,403.00		1,403.00	
Reserves & Surplus	3	910.55	2,313.55	910.23	2,313.23
NON-CURRENT LIABILITIES					
Long-Term Borrowings	4	316.00		396.96	
Deferred Tax Liabilities (Net)	5	420.94		418.54	
Other Long Term Liabilities	6	4.15		3.05	
Long Term Provisions	7	125.67	866.76	120.83	939.38
CURRENT LIABILITIES					
Short-Term Borrowings	8	2,309.34		1,915.89	
Trade Payables	9	680.26		662.56	
Other Current Liabilities	10	589.56		467.98	
Short Term Provisions	11	25.99	3,605.15	19.57	3,066.00
			6,785.46		6,318.61
ASSETS					
NON CURRENT ASSETS					
Fixed Assets					
Tangible Assets	12	4,074.14		3,484.30	
Capital work in progress		8.31		594.49	
Long-Term Loans & Advances	13	50.43	4,132.88	47.81	4,126.60
CURRENT ASSETS					
Inventories	14	967.34		806.85	
Trade Receivables	15	1,171.33		745.48	
Cash & Cash Equivalents	16	300.25		284.38	
Short Term Loans & Advances	17	28.99		103.57	
Other Current Assets	18	184.67	2,652.58	251.73	2,192.01
			6,785.46		6,318.61

See accompanying notes to the financial statements

As per our report of even date annexed

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

Sanjiv Aggarwal
Partner
Membership No.: 85128

Ambrish Jaipuria
Director
DIN : 00214687

Ashok Jaipuria
Chairman
DIN : 00214707

Place : New Delhi
Dated : 04-05-2016

Neha Pawar
Company Secretary

L.D. Sharma
Sr. Manager
(Finance & Accounts)

Ramesh Chand
Chief Financial Officer



PROFIT & LOSS STATEMENT
For the period ended, 31st March, 2016

Particulars	Note No.	For the period from 01.04.2015 to 31.03.2016 Rs. Lacs	For the period from 01.04.2014 to 31.03.2015 Rs. Lacs
Revenue from Operations	21	5,946.44	5,409.25
Other Income	22	92.44	114.08
Total Revenue		<u>6,038.88</u>	<u>5,523.33</u>
Expenses			
Cost of Materials Consumed	23	1,704.84	1,574.27
Purchases of Stock in Trade	24	-	0.06
Changes in Inventories of Finished Goods, Work in Progress and Stock in trade	25	(55.22)	(125.00)
Employee Benefits Expense	26	1,405.71	1,188.02
Finance Costs	27	261.56	274.24
Depreciation and Amortisation Expense	28	369.16	361.13
Other Expenses	29	2,347.67	2,487.95
Total Expenses		<u>6,033.72</u>	<u>5,760.67</u>
Profit/(Loss) before Tax		5.16	(237.34)
Tax Expense			
Deferred Tax		2.40	(70.85)
Earlier Year's Tax		2.44	1.48
Profit/(Loss) after Tax		<u>0.32</u>	<u>(167.97)</u>
Earnings per Equity Share			
Basic and Diluted	30	0.00	(1.40)

See accompanying notes to the financial statements

As per our report of even date annexed

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

Sanjiv Aggarwal
Partner
Membership No.: 85128

Ambrish Jaipuria
Director
DIN : 00214687

Ashok Jaipuria
Chairman
DIN : 00214707

Place : New Delhi
Dated : 04-05-2016

Neha Pawar
Company Secretary

L.D. Sharma
Sr. Manager
(Finance & Accounts)

Ramesh Chand
Chief Financial Officer


CASH FLOW STATEMENT
For the period ended, 31st March, 2016

Particulars	For the period from 01.04.2015 to 31.03.2016 Rs. Lacs	For the period from 01.04.2014 to 31.03.2015 Rs. Lacs
A. Cash Flow from Operating Activities		
Net Profit/(Loss) before tax	5.16	(237.34)
Adjustments for :		
Depreciation	369.16	361.13
Interest paid	207.78	213.16
(Profit)/Loss on sale of fixed assets	(0.54)	17.22
Operating profit before working capital changes	581.56	354.17
Adjustment for :		
Trade & Other receivables	(340.06)	129.93
Inventories	(160.49)	1.61
Trade payables & other liabilities	69.73	98.43
Cash generated from operations	150.74	584.14
Interest paid	(207.78)	(213.16)
Direct Taxes paid	50.79	(8.35)
Net cash from operating activities	(6.25)	362.63
B. Cash Flow from Investing Activities		
Purchase of fixed assets	(373.16)	(1,055.53)
Sale of fixed assets	0.88	16.02
Net Cash Flow from Investing Activities	(372.28)	(1039.51)
C. Cash Flow from Financing Activities		
Proceeds from issue of preference shares	-	100.00
Repayments of long term borrowings	0.95	(48.55)
Proceeds from buyer's credit	239.45	657.16
Increase in bank borrowings	104.00	71.91
Increase in short term borrowings	50.00	-
Dividend paid	-	(1.70)
Cash flow from financing activities	394.40	778.82
Net increase in cash and cash equivalents	15.87	101.94
Cash and Cash equivalents (Opening Balance)	284.38	182.44
Cash and Cash equivalents (Closing Balance)	300.25	284.38

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

As per our report of even date annexed

For B.K. SHROFF & CO.,

Chartered Accountants

Firm Registration No.: 302166E

Sanjiv Aggarwal

Partner

Membership No.: 85128

Ambrish Jaipuria

Director

DIN : 00214687

Ashok Jaipuria

Chairman

DIN : 00214707

Place : New Delhi
Dated : 04-05-2016

Neha Pawar
Company Secretary

L.D. Sharma
Sr. Manager
(Finance & Accounts)

Ramesh Chand
Chief Financial Officer



ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

1. Significant accounting policies

a) Method of Accounting

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

b) Fixed Assets

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

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

c) Inventories

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

d) Foreign currency transactions

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

Other foreign currency assets and liabilities outstanding at the close of the year are valued at year end exchange rates. The fluctuations are reflected under the appropriate revenue head.

e) Depreciation

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

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

f) Research & Development

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

g) Retirement benefits

i) Short Term Employee Benefits

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

ii) Post Employment Benefits

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



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

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

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

- d) Other long term employee's benefits including leave encashment are recognized in the same manner as defined benefit plans.
- h) Borrowing costs**
Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred. Capitalisation of borrowing costs ceases when substantially all activities necessary to prepare the qualifying asset for its intended use or sale are complete.
- i) Excise & Other Duties**
Excise duty in respect of finished goods lying in factory premises and custom duty on goods lying in customs bonded warehouse are provided and included in the valuation of inventory. Modvat benefit is accounted for by reducing the purchase cost of the materials/fixed assets.
- j) Claims and benefits**
Claims receivable and export benefits are accounted on accrual basis to the extent considered receivable.
- k) Revenue recognition**
Export sales are accounted on the basis of the date of bill of lading / airway bill. Other sales are

accounted for ex-factory on dispatch. Sales are net of returns, excise duty and include export incentives/benefits.

l) Income from Investments/Deposits

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

m) Taxation

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

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

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

n) Earnings per share

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

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

o) Contingent Liabilities

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



2 SHARE CAPITAL

(a) Authorised

Particulars	No. of Shares		Amount (Rs. Lacs)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Equity Shares of Rs. 10 each				
At the beginning of the period	15,000,000	15,000,000	1,500.00	1,500.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	15,000,000	15,000,000	1,500.00	1,500.00
Preference Shares of Rs. 100 each				
At the beginning of the period	800,000	800,000	800.00	800.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	800,000	800,000	800.00	800.00
Total			2,300.00	2,300.00

(b) Issued, Subscribed and Paid up

Particulars	No. of Shares		Amount (Rs. Lacs)	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Equity Shares of Rs. 10 each fully paid up				
At the beginning of the period	12,030,000	12,030,000	1,203.00	1,203.00
Add: Additions during the period	-	-	-	-
Less: Reduction during the period	-	-	-	-
At the end of the period	12,030,000	12,030,000	1,203.00	1,203.00
Preference Shares of Rs. 100 each fully paid up				
At the beginning of the period	200,000	100,000	200.00	100.00
Add: Additions during the period	-	100,000	-	100.00
Less: Reduction during the period	-	-	-	-
At the end of the period	200,000	200,000	200.00	200.00
Total			1,403.00	1,403.00

Notes:-

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

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

Name of the Shareholder	No. of Shares		Percentage of Holding	
	As at 31.03.2016	As at 31.03.2015	As at 31.03.2016	As at 31.03.2015
Andheri Properties & Finance Ltd	3,756,375	3,756,375	31.23	31.23
Super Sadiq Enterprises Pvt. Ltd.	3,685,000	3,685,000	30.63	30.63



3 RESERVE & SURPLUS

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Reserve		
At the beginning of the period	51.88	51.88
Add: Additions during the period	-	-
Less: Reduction during the period	-	-
At the end of the period	51.88	51.88
Preference Share Capital Redemption Reserve		
At the beginning of the period	625.42	625.42
Add: Additions during the period	-	-
Less: Reduction during the period	-	-
At the end of the period	625.42	625.42
Surplus		
At the beginning of the period	232.93	423.98
Add: Profit/(Loss) for the period	0.32	(167.97)
	233.25	256.01
Less: Adjustment on account of depreciation (net of deferred tax asset of Rs. 11.09 lacs)	-	23.08
At the end of the period	233.25	232.93
Total	910.55	910.23

4 LONG TERM BORROWINGS (Secured)

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
From Banks		
Term Loan *	311.29	396.96
Hire Purchase Finance**	4.71	-
Total	316.00	396.96

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

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

The above loans are repayable as follows:

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Payable after 1 year	208.69	184.00
Payable after 2 years	103.39	182.96
Payable after 3 years	1.85	30.00
Payable after 4 years	1.04	-
Payable after 5 years	1.03	-
Total	316.00	396.96



5 DEFERRED TAX LIABILITIES (NET)

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Deferred Tax liability		
Fixed Assets	697.39	652.64
Total	697.39	652.64
Deferred Tax Assets		
Carry forward loss	212.58	174.42
43B items	63.87	53.28
Provision for doubtful debts	-	6.40
Total	276.45	234.10
Net Deferred Tax Liability	420.94	418.54

6 OTHER LONG TERM LIABILITIES

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Security Deposits	4.15	3.05
Total	4.15	3.05

7 LONG TERM PROVISIONS

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provisions for Employee Benefits	125.67	120.83
Total	125.67	120.83

8 SHORT TERM BORROWINGS

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Secured		
Loans repayable on Demand		
From Banks *	1,011.27	907.27
Other Loans & Advances		
Foreign Currency Buyers Credit *	1,245.22	1,005.77
Sub Total	2,256.49	1,913.04
Unsecured		
Inter Corporate loan from related party	50.00	-
Deposits	2.85	2.85
Sub Total	52.85	2.85
Total	2,309.34	1,915.89

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

Buyers credit includes liabilities of Rs. 870.83 lacs (previous period Rs. 698.15 lacs) in respect of capital goods.



9 TRADE PAYABLES

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Trade payables	680.26	662.56
Total	680.26	662.56

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

Includes liabilities of Rs. 69.33 lacs (previous period Rs. 154.43 lacs) in respect of capital goods.

Amount payable to related party Rs. 12.15 lacs (previous period Rs. 26.50 lacs).

10 OTHER CURRENT LIABILITIES

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Current Maturities of Long Term Debts	216.12	134.21
Advance from Customers	110.31	93.71
Other Payables	263.13	240.06
Total	589.56	467.98

There are no amounts due and outstanding to be credited to Investor Education and Protection Fund as on 31.03.2016.

Amount payable to related party Rs. 24.79 lacs (previous period Rs. 5.72 lacs).

11 SHORT TERM PROVISIONS

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Provisions for Employee Benefits	25.99	19.57
Total	25.99	19.57

12 TANGIBLE ASSETS

Amount (Rs. Lacs)

Particulars	Gross Block				Depreciation					Net Block	
	As at 01.04.2015	Additions	Sales/ Adjustments	Total	Upto 31.03.2015	For the year	Prior Period Adjustments*	Sales/ Adjustments	Total	As at 31.03.2016	As at 31.03.2015
Land	19.39	-	-	19.39	-	-	-	-	-	19.39	19.39
Buildings	521.66	0.42	-	522.08	293.52	15.74	-	-	309.26	212.82	228.14
Plant & Machinery	8,113.90	948.13	-	9,062.03	5,029.24	318.58	-	-	5,347.82	3,714.21	3,084.66
Furniture & Fixtures	142.57	3.88	-	146.45	55.09	13.67	-	-	68.76	77.69	87.48
Vehicles	145.80	6.91	6.65	146.06	81.17	21.17	-	6.31	96.03	50.03	64.63
Total	8,943.32	959.34	6.65	9,896.01	5,459.02	369.16	-	6.31	5,821.87	4,074.14	3,484.30
Previous year	8,818.52	625.88	501.08	8,943.32	5,531.56	361.13	34.17	467.84	5,459.02	3,484.30	

Addition to plant and machinery include exchange fluctuation Rs. 48.15 lacs (previous period Rs. 4.66 lacs)

* Represents additional depreciation for the period upto 31st March, 2014 on revision of useful life of fixed assets adjusted against opening balance of retained earnings.



13 LONG TERM LOANS & ADVANCES

(Unsecured-considered good)

Particulars	Amount (Rs. Lacs)	
	As at 31.03.2016	As at 31.03.2015
Security Deposits to Related Parties	8.63	7.38
Security Deposits to Others	33.17	33.05
Loans & Advances to Related Parties	8.63	7.38
Total	50.43	47.81

14 INVENTORIES

(As taken, valued and certified by the management)

Particulars	Amount (Rs. Lacs)	
	As at 31.03.2016	As at 31.03.2015
Raw Materials	120.57	72.76
Work in progress	476.39	468.63
Finished Goods *	150.46	103.26
Scrap	0.26	-
Stores & Spares	219.66	162.20
Total	967.34	806.85

* includes goods in transit Rs.31.48 lacs (previous period Rs. 34.87 lacs).

15 TRADE RECEIVABLES

(Unsecured-considered good unless otherwise stated)

Particulars	Amount (Rs. Lacs)	
	As at 31.03.2016	As at 31.03.2015
Exceeding Six Months		
Considered good	61.51	57.67
Considered doubtful	-	19.37
	61.51	77.04
Less : Provision for doubtful debts	-	19.37
	61.51	57.67
Others	1,109.82	687.81
Total	1,171.33	745.48

16 CASH & CASH EQUIVALENTS

Particulars	Amount (Rs. Lacs)	
	As at 31.03.2016	As at 31.03.2015
Fixed deposits with banks		
Held as margin/security	294.83	274.17
Balances with banks in current accounts	3.21	8.48
Cash in hand	2.21	1.73
Total	300.25	284.38

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


17 SHORT TERM LOANS & ADVANCES

(Unsecured-considered good)

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Advance Income Tax (including Tax Deducted at Source)	9.78	63.01
Others	19.21	40.56
Total	28.99	103.57

18 OTHER CURRENT ASSETS

(Unsecured-considered good)

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Interest accrued on Loans & Deposits	5.33	5.14
Balance with Central Excise	11.22	9.45
MAT Credit Entitlement	29.68	29.68
Others	138.44	207.46
Total	184.67	251.73

19 CONTINGENT LIABILITIES AND COMMITMENTS

(to the extent not provided for)

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Contingent Liabilities		
a) Claims against the company not acknowledged as debts	25.00	20.00
b) Taxation matters disputed in appeals/rectification against which payments made Rs. 9.05 lacs (previous period Rs. 3.72 lacs)	24.34	3.72
c) Bank Guarantee	41.13	36.13
d) Bill discounted with Banks	197.67	159.58
e) Arrears of dividend on cumulative preference shares and tax thereon	43.43	19.36
Commitments		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances)	148.38	169.31
b) Letter of credits opened for which the material has not yet been shipped	110.26	166.90

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

21 REVENUE FROM OPERATIONS

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Gross Sales of Products		
Soft Ferrites Components	5,908.36	5,675.75
Soft Ferrites Accessories	-	0.16
Coils & Transformers	424.80	-
Total	6,333.16	5,675.91
Less: Excise Duty	386.72	266.66
Net Sales of Products	5,946.44	5,409.25



22 OTHER INCOME

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Interest	32.98	18.32
Claims Received	6.69	6.38
Miscellaneous Receipts & Income	28.73	77.45
Excess Provisions/Sundry balances written back	18.20	11.93
Bad Debts Recovered	3.17	-
Profit on sale of fixed assets	0.54	-
Exchange Rate Difference (Net)	2.13	-
Total	92.44	114.08

23 COST OF MATERIALS CONSUMED

Amount (Rs. Lacs)

Particulars	Inorganic Oxides		Others		Total	
	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
At the beginning of the period	70.04	196.99	2.72	2.92	72.76	199.91
Add: Purchases during the period	1,524.06	1,392.96	228.59	54.16	1,752.65	1,447.12
Less: Consumption during the period	1,503.12	1,519.91	201.72	54.36	1,704.84	1,574.27
At the end of the period	90.98	70.04	29.59	2.72	120.57	72.76

24 PURCHASES OF STOCK IN TRADE

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Soft Ferrite Accessories	-	0.06
Total	-	0.06

25 CHANGES IN INVENTORIES

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Closing Stock		
Finished Goods	150.46	103.26
Work in Progress	476.39	468.63
Scrap	0.26	-
	627.11	571.89
Opening Stock		
Finished Goods	103.26	79.36
Work in Progress	468.63	367.53
Scrap	-	-
	571.89	446.89
(Increase)/Decrease in stocks	(55.22)	(125.00)



26 EMPLOYEE BENEFITS EXPENSE

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Salaries & Wages	1221.63	1004.60
Gratuity	19.70	41.60
Contribution to Provident & Other Funds	125.26	105.21
Staff Welfare Expenses	39.12	36.61
Total	1,405.71	1,188.02

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
During the year, the following contribution have been made under defined contribution plans:-		
Employer's Contribution to Provident Fund	73.38	62.90
Employer's Contribution to Superannuation Fund	15.96	11.99
Employer's Contribution to Employees State Insurance	31.05	25.82

Defined Benefit Plans	Gratuity	Leave Benefit	Gratuity	Leave Benefit
-----------------------	----------	---------------	----------	---------------

Assumptions

Attrition Rate	5%	5%	5%	5%
Salary Rise	5%	5%	5%	5%

Table showing changes in present value of obligations

Present value of obligation as at beginning of year	172.44	30.87	141.24	26.52
Interest cost	13.52	2.38	10.58	2.01
Current Service Cost	11.82	9.36	10.99	8.86
Benefits Paid	(2.56)	(1.37)	(14.53)	(2.02)
Actuarial (gain)/loss on obligation	0.71	(7.67)	24.19	(4.50)
Present value of obligations as at end of year	195.93	33.57	172.44	30.87

Table showing changes in the present value of plan assets

Fair value of plan assets at the beginning of year	70.05	-	69.69	-
Expected return on plan assets	6.17	-	5.86	-
Contributions	12.51	-	9.89	-
Benefits paid	(2.99)	(1.37)	(15.24)	(2.02)
Actuarial gain / (Loss) on plan assets	0.11	-	(0.15)	-
Fair value of plan assets at the end of year	85.85	-	70.05	-

Table showing fair value of plan assets

Fair value of plan assets at the beginning of year	70.05	-	69.69	-
Actual return on plan assets	6.28	-	5.71	-
Contributions	12.51	-	9.89	-
Benefits paid	(2.99)	(1.37)	(15.24)	(2.02)
Fair value of plan assets at the end of year	85.85	-	70.05	-
Present value of obligation at the end of year	195.93	33.57	172.44	30.87
Funded status	(110.08)	(33.57)	(102.39)	(30.87)

Actuarial Gain / Loss recognized

Actuarial gain / Loss for the year – obligation	(0.71)	7.67	(24.16)	4.50
Actuarial (gain)/Loss for the year – plan assets	0.11	-	(0.15)	-
Total (gain) / Loss for the year	0.60	(7.67)	24.31	(4.50)
Actuarial (gain) / Loss recognized in the year	0.60	(7.67)	24.31	(4.50)


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

Present value of obligations as at the end of year	195.93	33.57	172.44	30.87
Fair value of plan assets as at the end of the year	85.85	-	70.05	-
Funded status	(110.08)	(33.57)	(102.39)	(30.87)
Net Asset / (Liability) recognized in balance sheet	110.08	33.57*	102.39	30.87*

* This pertains to long term liability worked in respect of deferred leave only. Expected short term liability is of Rs 8.01 lacs (previous year Rs. 7.13 lacs)

Expenses recognized in statement of Profit & Loss

Current services cost	11.82	9.36	10.99	8.86
Interest cost	13.52	2.38	10.58	2.01
Expected return on plan assets	(6.17)	-	(5.86)	-
Net Actuarial (gain)/Loss recognized in the year	0.60	(7.67)	24.31	(4.50)
Expenses recognized in statement of P&L	19.77	4.07*	40.02	6.37*

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

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

27. FINANCE COSTS

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Interest Expense	207.78	213.16
Bank and Finance Charges	53.78	61.08
Total	261.56	274.24

28 DEPRECIATION & AMORTISATION EXPENSE

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Depreciation	369.16	361.13
Total	369.16	361.13

Includes Nil (previous period Rs. 4.01 lacs) pertaining to earlier years.

29 OTHER EXPENSES

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Consumption of Stores, Spare and Packing Materials	779.78	745.11
Power & Fuel	779.06	806.20
Rent	39.50	37.73
Repairs to Buildings	3.50	4.80
Repairs to Machinery	161.94	222.02
Insurance	14.30	15.31
Rates & Taxes	4.71	6.25
Travelling & Conveyance	145.41	181.08



Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Professional & Consultancy Charges	51.87	64.80
Freight & Forwarding	174.12	157.00
Other Selling Expenses	46.81	56.88
Charity & Donation	0.37	0.30
Exchange Rate Difference (Net)	-	24.51
Bad debts/Advances written off (net of provision Rs. 19.37 lacs, previous year Nil)	-	0.99
Loss on sale of fixed assets	-	17.22
Miscellaneous Expenses *	144.55	147.40
Prior period Expenses	1.75	0.35
Total	2,347.67	2,487.95

*includes payment to auditors

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
As Statutory Audit Fees	2.85	2.85
As Audit Fees for Quarterly Audited Results	2.75	2.55
As Tax Audit Fees	0.60	0.60
For Certification Work	-	0.13
For Reimbursement of Expenses	0.40	0.51
Total	6.60	6.64

30 EARNING PER SHARE (EPS)

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
Basic and Diluted Earnings Per Share		
Profit/(Loss) after tax as per profit & loss account (Rs. lacs) (A)	0.32	(167.97)
No. of equity shares (B)	12,030,000	12,030,000
Basic and Diluted Earning Per Share (Rs.) (A/B)	0.00	(1.40)

31 Related Party Disclosure:

A Names of related parties and description of relationship

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



	Enterprises over which key managerial personnel of the company and their relatives have significant influence	Key Managerial Personnel	Total
Purchase of Goods/ Assets	4.60 (2.00)	- (-)	4.60 (2.00)
Remuneration paid	- (-)	83.90 (36.42)	83.90 (36.42)
Office Maintenance Charges	1.52 (3.77)	- (-)	1.52 (3.77)
Rent Paid	39.21 (37.47)	- (-)	39.21 (37.47)
Interest Paid	4.73 (-)	- (-)	4.73 (-)
Deposit/Advance Rent Given	2.50 (-)	- (-)	2.50 (-)
Loan received	50.00 (-)	- (-)	50.00 (-)
Balance outstanding at the end of the period			
a) Due to Sundry Creditors	12.15 (26.50)	- (-)	12.15 (26.50)
b) Advance Rent Paid	8.63 (7.38)	- (-)	8.63 (7.38)
c) Security Deposit Paid	8.63 (7.38)	- (-)	8.63 (7.38)
d) Other Payables	- (-)	24.79 (5.72)	24.79 (5.72)
e) Loan received	50.00 (-)	- (-)	50.00 (-)

Previous period figures are given in bracket.

32 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.

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

Amount (Rs. Lacs)

Class of Goods	For the period from 01.04.2015 to 31.03.2016		For the period from 01.04.2014 to 31.03.2015	
	Percentage	Amount (Rs. lacs)	Percentage	Amount (Rs. lacs)
Raw Materials				
Imported	66.76	1,138.19	71.59	1,127.07
Indigenous	33.24	566.65	28.41	447.20
	100.00	1,704.84	100.00	1,574.27
Stores & Spares				
Imported	15.25	118.94	13.69	102.03
Indigenous	84.75	660.84	86.31	643.08
	100.00	779.78	100.00	745.11



34 OTHER INFORMATIONS

Amount (Rs. Lacs)

Particulars	For the period from 01.04.2015 to 31.03.2016	For the period from 01.04.2014 to 31.03.2015
CIF value of Imports		
Raw materials	1,172.56	991.17
Stores & spares	197.01	187.31
Capital goods	210.49	777.58
Expenditure in Foreign Currency		
Travelling	48.23	59.97
Commission, exhibition etc.	13.50	31.54
Earnings in Foreign Currency		
FOB value of exports (including deemed exports Rs. 536.10 lacs, previous period Rs. 413.40 lacs)	2,817.13	3,016.31

35 FORWARD CONTRACTS

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

36 Capital work in progress includes capital advances of Rs 2.92 lacs (previous period Rs. 0.27 lacs)

37 Preoperative expenditure capitalised including under capital work in progress are as under:

Amount (Rs. Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
Amount Brought Forward	81.78	8.94
Add: Salary & Wages	-	30.85
Stores & Spares	-	14.96
Power & Fuel	-	24.56
Finance Cost	4.74	13.48
Travelling & Conveyance	9.37	26.65
Other Expenses	8.68	7.49
Total	104.57	126.93
Less: Amount Capitalised	104.57	45.15
Amount Carried Forward	-	81.78

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

As per our report of even date annexed

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

Sanjiv Aggarwal
Partner
Membership No.: 85128

Ambrish Jaipuria
Director
DIN : 00214687

Ashok Jaipuria
Chairman
DIN : 00214707

Place : New Delhi
Dated : 04-05-2016

Neha Pawar
Company Secretary

L.D. Sharma
Sr. Manager
(Finance & Accounts)

Ramesh Chand
Chief Financial Officer

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

This image shows a full page of white paper with horizontal blue ruling lines. The lines are evenly spaced and run across the width of the page, providing a template for handwriting practice or general writing. There are no margins, text, or other markings on the page.

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

BOOK POST

If undelivered Please return to :



COSMO FERRITES LIMITED

517, 5th Floor, DLF Tower - A
Jasola District Centre,
New Delhi - 110 025