



NOTICE

Notice is hereby given that the Twenty – Sixth Annual General Meeting of the members of Cosmo Ferrites Limited will be held at its registered office at Jabli, Dist., Solan (HP)- 173209 on Monday The 17th day of September, 2012 at 02.00 P.M to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Profit & Loss Account for the year ended 31st March, 2012, the Balance Sheet as at that date, the report of the Board of Directors and the Auditors of the Company thereon.
2. To appoint a Director in place of Mr. Rakesh Nangia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint auditors to hold office from conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT pursuant to the provisions of sections 198, 269, 302, 309 read with Schedule XIII of the companies act 1956 and all other applicable provisions, if any, of the said act, including any statutory modification(s) or reenactment thereof for the time being in force, notwithstanding anything contain in previous resolution the Company hereby approval the remuneration of Mr. Ambrish Jaipuria, Executive Director of the company, w.e.f. April 1st, 2012 for a period of three years in the following manner:

- (a) Basic Salary:** Rs. 1, 75,000/- (Rupees One Lac Seventy Five Thousand only) per month with such annual increments as the Board may decide from time to time.

The Board of Directors may in its absolute discretion and from time to time, revise the salary payable to the Executive Director.

(b) Perquisites & Allowances:

- House Rent allowance @ 50% of the basic salary per month.
- Medical allowance/re-imbursements: One month's basic salary or such allowance/re-imbursement as decided by the Board from time to time.

- Leave travel concession/allowance: One month's basic salary or as decided by the Board from time to time.
- Club fees: Fees payable subject to maximum of two clubs or as decided by the Board from time to time.
- Provision for driver/driver's salary allowance: As per rules of the Company.

(c) Other Benefits:

- Earned/Privilege leave: As per rules of the Company.
- Company's contribution to provident fund and superannuation fund: As per rules of the Company.
- Gratuity: As per rules of the Company.
- Encashment of Leave: As per rules of the Company.
- Company's car and telephone: Use of Company's car and telephone at the residence for official purposes, as per rules of the Company.

RESOLVED FURTHER THAT the Board hereby approves the salary, perquisites, allowances and commission as per the terms and conditions as may be decided by the Board of Directors, within the overall limit specified under Section I of Part II of Schedule XIII to the Companies Act, 1956 or any statutory modification(s) thereof and to alter and vary the terms and conditions as the Board of Directors may in their absolute discretion consider necessary.

RESOLVED FURTHER THAT the remuneration payable as aforesaid by way of salary, commission, and perquisites etc. shall not exceed 5% of net profits of the company in any financial year.

RESOLVED FURTHER THAT in the event of absence or inadequacy of net profit in any financial year, the company do pay to Mr. Ambrish Jaipuria remuneration by way of salary, perquisites and allowances not exceeding the ceiling limit specified under Section II of part II of Schedule XIII to the companies Act, 1956 or any statutory modification(s) thereof.

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

RESOLVED FURTHER THAT save and except the above variations, all other term and conditions of appointment of



Mr. Ambrish Jaipuria as approved earlier by the members, shall remain unchanged.”

**By order of the Board of Directors
Cosmo Ferrites Limited**

**New Delhi
Aug. 6, 2011**

**Sanjay Kumar Ojha
Company Secretary**

NOTES:

1. As a measure of economy, copies of Annual Report shall not be distributed at the Meeting, therefore members are requested to bring their own copy at the Meeting.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ANOTHER PERSON AS HIS PROXY TO ATTEND AND ON A POLL TO VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE DULY COMPLETED AND DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
3. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
4. The Register of Members and share Transfer Books of the Company will be closed from Tuesday the 11th day of September, 2012 to Monday the 17th day of September, 2012 (Both days inclusive).
5. Members, who are holding shares in identical order of names in more than one folio, are requested to write to the Company enclosing their share certificates to consolidate their holdings in one folio.
6. Members who hold shares in dematerialized form are requested to bring their Client ID and DPID numbers for easy identification of attendance at the meeting.
7. The Members are also requested to notify any change in their addresses immediately to the Company's Share Registrar and Transfer Agents M/s. Alankit Assignments Limited, Alankit House, 2E/21, Jhandewalan Extension, New Delhi 110 055.
8. Members / Proxy holders are requested to produce at the entrance of the Meeting hall the enclosed admission slip duly completed and signed.
9. Register of Directors' shareholding, maintained under Section 307 of the Companies Act, 1956 will be available for inspection by the members at the registered office of the company.
10. The Register of Contracts, maintained under Section 301 of the Companies Act, 1956, will be available for inspection by the members at the registered office of the Company.
11. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting.
12. Consequent upon the introduction of Section 109A of the Companies Act, 1956, shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send Their requests in Form 2B (which will be made available on request) to the Registrar and Transfer Agents, M/s Alankit Assignments Limited. The said Form 2B can also be downloaded from the Company's web site www.cosmoferrites.com
13. Pursuant to the requirements of the Listing agreement of Stock Exchanges, on Corporate Governance, the information about the Directors proposed to be appointed/ re-appointed is given in the Annexure to the Corporate Governance Report.

ANNEXTURES TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 4

At the twenty fourth Annual General Meeting of the Company held on 22nd September, 2010, the members had approved the appointment of Mr. Ambrish Jaipuria as Executive Director w.e.f. April 1st, 2010 for a period of 5 years, on the remuneration as specified in the explanatory statement annexed to the notice of the said meeting. The Board of Directors at their meeting held on 18th May, 2012, recommended to Remuneration committee to approve his remuneration for a period of three years w.e.f. April 1st, 2012, subject to the approval of members of the company by way of special resolution. All other terms and conditions of his appointment except remuneration will remain unchanged. The remuneration committee approved the same.

Remuneration of Mr. Ambrish Jaipuria is in the following manner:

Particulars (Monthly)	Proposed
Basic Salary	1,75,000/-
HRA (50% of Basic)	87,800/-
LTA	14,583/-
Medical Allowance	14,583/-
PF Contribution	21,000/-



Except Mr. Ashok Jaipuria & Mr. Ambrish Jaipuria, none of the Director is interested in the resolution.

INFORMATION AS PER PART II SCHEDULE XIII

I. GENERAL INFORMATION:

- | | |
|--|---|
| 1. Nature of Industry | Manufacturing |
| 2. Date of Commencement of Commercial Production | 26/03/1987 |
| 3. in case of new company Expected Date of Commencement of Commercial Production | NA. |
| 4. Financial Performance 2011 - 2012 | Turnover: Rs.42.80 Crores |
| Net Profit after Tax : | Rs. 34.55 Lacs |
| 5. Export performance & Net Foreign Exchange Collaborations 2011-12 | Foreign Exchange Inflow: Rs. 2300.74 lacs |
| | Foreign Exchange Outflow: Rs. 676.32 lacs |
| 6. Foreign Investment | Nil |

II. INFORMATION ABOUT MR. AMBRISH JAIPURIA

- | | |
|------------------------------|--|
| 1. Background | Mr. Ambrish Jaipuria has a Degree in Business Administration from Ohio State University, USA and is currently involved in a number of business activities of Cosmo Group. |
| 2. Past Remuneration | For 2011 - 12 : Rs.13.00 lacs |
| 3. Recognition or Awards | Nil |
| 4. Job Profile & Suitability | Mr. Ambrish Jaipuria is Executive Director and Collaborations CEO. He has a Degree in Business Administration from Ohio State University, USA. He has spearheaded the diversification of Cosmo |

Group in Bio - Diesel. Your directors have confident that he will contribute in the growth & diversification of Cosmo Group.

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|--|--|
| 5. Proposed Remuneration | As per above Resolution |
| 6. Comparative Remuneration | The remuneration of Mr. Ambrish Jaipuria is Profile comparable with other Managerial personnel's remuneration in the industry. |
| 7. Pecuniary Relationship with The Company or Managerial Person. | Mr. Ambrish Jaipuria has no other pecuniary relation with the company apart from the above mentioned remuneration. |

III. OTHER INFORMATION

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|--|--|
| 1. Reason for loss or inadequate Profit | a. Decline Export order.
b. Capacity enhance but no order in hand. |
| 2. Step taken of proposed to be taken for improvement. | a. Step taken for export order improvement shown in next quarter. |
| 3. Expected increase in productivity and profits. | The board is expecting substantial increase in productivity and profitability. |

IV. DISCLOSURE

Disclosure required under this part have already been included in Corporate Governance report annexed to Director Report.

Accordingly, member's approval is required by way of special resolution for the above matter

Place: Head Office 517, 5th Floor DLF Tower A Jasola District Centre New Delhi - 110025 Date: 06 th August, 2012	By order of the Board of Director Cosmo Ferrites Limited Sanjay Kumar Ojha Company Secretary
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Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants.



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 2012.

	(Rs. in Lacs)	
FINANCIAL RESULT	2011-12	2010-11
Sales	4497	5127
Profit/(Loss) before depreciation & tax	378	816
Depreciation	338	292
Profit/(Loss) before Tax	40	524
Provision for current Tax	4	144
Provision for earlier Year	-	1
Profit/(Loss) after current Tax	36	379
Provision for deferred tax	1	(39)
Profit/(Loss) after deferred tax	35	418
Add:-Mat Credit Entitlement	4	-
	39	418
Add:Balance brought forward	585	182
Less:- Transfer to Preference Share Capital Redemption Reserve	-	-
Add:- Transfer from General Reserve	-	-
Profit/(Loss) available for appropriation	624	600
Provision for arrears off Dividend on Cumulative Redeemable Preference Shares	136	13
Proposed Dividend on cumulative redeemable Preference Shares	-	2
Corporate Tax on Dividend	-	2
Balance Carried To Balance Sheet	488	585
	488	585

DIVIDEND

In view of the profit after appropriation being low during this year, the Directors are unable to recommend any dividend on the equity shares for the year ended March 31, 2012.

DEPOSITORY SYSTEM

Your company shares have been notified for compulsory trading in demat form by SEBI w.e.f. September 25, 2000. Members have the option of holding their shares in demat form through any of the depositories by opening account with the authorized depository participants.

DEPOSITS

Your Company has not accepted any deposits within the meaning of Section 58 A of Companies Act, 1956.

REVIEW OF OPERATIONS

- Sales Revenue Rs 4497 lacs for the year ending 31st March 2012 as compared to Rs. 5127 Lacs previous year.
- Net Profit after tax for the year is Rs. 39 Lacs as compared to Rs.418 lacs in the previous year.
- This year was challenging on various fronts, viz upward pressure on key raw materials prices along with increased competition in global ferrites market, down fall in international market.

FUTURE OUTLOOK & EXPANSION

Various cost cutting measures are being taken in a structured manner. Besides, different market segments are being explored to increase the order book and thereby better capacity utilization. It is expected that performance in current year will be much better. Company had undertaken an expansion project to increase the capacity by 50%. Project has been commissioned on 28 April 2011.

DIRECTORS

Mr. Rakesh Nangia, Director of the Company is liable to retire by rotation and being eligible offer himself for reappointment at the ensuing Annual General Meeting.

There are no inter-se relationships of all or any of the directors in terms of disclosure requirements of the listing agreement with the stock exchange, except that Mr. Ashok Jaipuria and Mr. Ambrish Jaipuria are relative of each other.

STATUTORY STATEMENTS

Following information as per the requirements of the Companies Act, 1956 is given in separate statements annexed hereto, which form part of this report.

- Particulars of employees pursuant to section 217(2A) of the Companies Act, 1956
- Energy conservation, technology absorption and foreign exchange inflow/outgo pursuant to section 217(1)(e) of the Companies Act, 1956.

DIRECTORS' RESPONSIBILITY STATEMENT

In accordance with the provisions of section 217(2AA) of the Companies Act, 1956, your directors state that:

- In the preparation of the annual accounts, applicable accounting standards have been followed.
- 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 on 31st March, 2012 and of the profit 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, 1956, 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.

CORPORATE GOVERNANCE

A Management Discussion and Analysis Report is annexed and form part of this report.

A separate report on Corporate Governance along with Auditors certificate on compliance of conditions of Corporate Governance as stipulated in clause 49 of the listing agreement with the stock exchange form part on this report.

RE-APPOINTMENT OF AUDITORS

M/s. B.K. Shroff & Company, Chartered Accountants, Statutory Auditors of the Company will retire at the ensuing AGM and being eligible offers themselves for reappointment. The Company has taken a certificate from the auditors to the effect that their re-appointment if made, would be in accordance with the provisions of section 224(1B) of the Companies Act, 1956.

TRADE RELATIONS

The Board desires to place on record its appreciation of the support and co-operation that your company received from suppliers, processors distributors, dealers, bankers and all others associated with your company. Your company regards them as partners in its journey of growth and progress.

PERSONNEL

The Board wishes to place on record its appreciation of the contribution made by all employees in improving over all performance during the year.

APPRECIATION

Your directors wish to place on record their appreciation of the whole-hearted and continued support extended by the investors, bankers and financial institutions.

For and on behalf of the Board
Ashok Jaipuria
Chairman

New Delhi
18th May, 2012

ANNEXURE TO THE DIRECTORS' REPORT

Information as per Section 217 (1) (e) read with Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988:

I. CONSERVATION OF ENERGY

- a) Energy conservation measures taken:
- Decided not to run N2 plant, Attritors and Ball Mills in peak load hours
 - Frequency Drive provided on Erich Mixer.
 - Minimized diesel consumption by taking peak load exemption from HPSEB.
 - Switching of lights and fans to save consumption of electricity when not required
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:
- Wind power Operation Exhaust fan installed in production for better environment.
 - Energy efficient and waste heat recovery system incorporated in running expansion capital equipment.
- c) Impact of the measures at A and B for reduction of energy consumption and consequent impact of the cost of production of goods:
- Contract demand reduced to 750 KVA instead of 1100 KVA in unit II.
- d) Total energy consumption and energy consumption per unit of production as per prescribed Form 'A' - Not Applicable.

II. TECHNOLOGY ABSORPTION

1. Research & Development

- (a) Specific areas in which R&D carried out by the company:
- Quality improvement and cost reduction initiatives taken in all operations areas.
 - Concentrated on increasing the production throughput.
 - Carried out New Material developments activities to cater the demand of Renewable energy segments. Improvement in existing product portfolios remained the major thrust area.
- (b) Benefits Derived as a result of Above R&D:
- Significant improvement in quality, as experienced and acknowledged by esteemed customers. Notable reduction in rejection percentage is evident.



- De-bottlenecking and increased production as evident.
- Cosmo Ferrites got included into the supply chain of major Solar PV inverter manufacturers in Europe. New Materials replaced FXC & EPCOS at Global level.

(c) Future Plan of Action:

- Development activities will be continued vertically to match the upcoming demands in emerging applications.
- 2. Technology absorption, adaptation & innovations:**
- (a) Company has not imported any technology during this year.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

1. Activities relating to export incentives taken to increase exports, development of new export markets for products and services and export plans.
 - New customers developed in Europe and Asia.
 - Exports during the year aggregated to 51% of total sales.
2. Foreign Exchange Earned- Rs. 2300.74 Lacs
Foreign Exchange Outgo- Rs. 642.73 Lacs

New Delhi
18 May, 2012

For and on behalf of the Board
Ashok Jaipuria
Chairman

PARTICULARS OF EMPLOYEES IN TERMS OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 AND FORMING PART OF THE DIRECTORS REPORT FOR THE YEAR ENDED MARCH 31, 2012

Name	Designation	Gross annual Remuneration	Qualification	Year of Appointment	Age
Mr. Ambrish Jaipuria	Director & CEO	13,00,000	MBA from Ohio state, USA	29 th Jan. 2004	33 years

Note:- Remuneration including salary, company contribution to provident fund, superannuation scheme, expenses incurred on medical re-imbursement, leave travel allowance, house rent allowance, and payments as per income tax rule.

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.

Risk Mitigation

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.

Risk Mitigation

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

Raw Material Price Risk

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

Risk Mitigation

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.

Risk mitigation

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.

Risk Mitigation

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.

Risk mitigation

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 to the 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. As on 31st March 2012, there were 275 employees on the rolls of the company.

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

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 shareholders' 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 Listing agreement. 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 listing agreement 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 and more than fifty percent 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, 2012.

Name	Executive / Non-executive / Independent	No. of other Directorships		No. of Chairmanships / Memberships of other Board level Committees	
		Pub. Ltd	Pvt. Ltd	Membership	Chairmanship
Mr. Ashok Jaipuria	Non-executive – Chairman (Promoter)	2	-	-	-
Mr. Shreekant Somany	Non-executive, Independent	5	1	-	-
Mr. Rakesh Nangia	Non-executive, Independent	1	4	-	1
Mr. N. K. Gupta	Non-executive, Independent	-	2	-	-
Mr. H. L. Paranjpe	Non Executive, Independent	-	-	-	-
Mr. Ambrish Jaipuria	Executive	-	1	-	-
Mr A. K. Jain*	Non Executive, Independent	2	1	2	1

*Appointed to be a Director w.e.f. 12th August, 2011.

NOTE:

- ((i)) The Directorship held by Directors as mention above; do not include alternate Directorship, Directorship of Foreign Companies, Section 25 companies and Private Ltd. Company.
- ((ii)) As per clause 49, Membership(s) / Chairmanship(s) of any of the Audit Committee and Shareholder / Investor Grievances Committee 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.

B. BOARD MEETINGS:

1. SCHEDULING AND SELECTION OF AGENDA FOR THE MEETING

The months for holding the board meetings in the ensuing year are usually decided in advance and mostly the board meetings are held at 1004, DLF tower A, 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 FY 2011-12 AND ATTENDANCE OF DIRECTORS

DIRECTOR	No. of Meetings held	No of Meetings attended
MR. ASHOK JAIPURIA	4	4
MR. SHREEKANT SOMANY	4	2
MR. B.D. GUPTA*	4	1
MR. N.K.GUPTA	4	3
MR. RAKESH NANGIA	4	3
MR. AMBRISH JAIPURIA	4	4
MR. H.L. PARANJPE	4	3
MR. A.K. JAIN**	4	3

*Ceased to be a Director w.e.f. 6th June, 2011.

** Appointed to be a Director w.e.f. 12th August, 2011

3. ATTENDANCE AT AGM

Following Directors attended the AGM held on 22nd September, 2011, at Company's registered office at Po-Jabli, Dist-Solan, and H.P. – 173 209

Mr. A. K. Jain
Mr. N. K. Gupta
Mr. H. L. Paranjpe

4. DISCLOSURE REGARDING APPOINTMENT AND RE-APPOINTMENT OF DIRECTORS

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

Pursuant to the requirements of the Listing agreement of Stock Exchanges, on Corporate Governance, the information about the Directors proposed to be appointed / re-appointed 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. Among others, the information regularly supplied to the board includes:

- Annual operating plans and budgets, capital budgets, update.
- Quarterly audited results of the company.
- Minutes of meetings of audit committee and other committees of the board.

- Information on recruitment and removal of senior officers just below the board level.
- Declaration of dividend.
- Materially important litigation, show cause, demand, prosecution and penalty notices.
- Fatal or serious accidents or dangerous occurrences, any material effluent or pollution problems.
- Details of any joint venture or collaboration agreement.
- Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property. Significant sale of investments, subsidiaries, assets which are not in the normal course of business.
- Significant labour problems and their proposed solutions.
- Quarterly details of foreign exchange exposure and the steps taken by management to limit the risks of adverse exchange rate movements.
- Non-compliance of any regulatory, statutory nature or listing requirements as well as share holder services such as non-payment of dividend and delays in share transfer.
- Risk Assessment & Minimization procedures

6. MATERIALLY SIGNIFICANT RELATED PARTY TRANSACTIONS

There have been no materially significant related party transactions, pecuniary transactions or relationships between Cosmo Ferrites and its Directors for the year ended March 31, 2012, other than those listed in notes of the financial statements point no. 30.

C. BOARD LEVEL COMMITTEES

Committees appointed by the board focus on specific areas, and take decisions within the authority delegated to them by the board. The committees also make specific recommendations to the board on various matters from time to time. All decisions and recommendations of the committees are placed before the board for information or approval. Cosmo Ferrites has three board-level committees:

- Audit Committee
- Share Transfer and Investor Grievance Committee
- Remuneration Committee



Other than above, four more Committees have been formed for which no meeting held during the year:

- Technical Committee
- Finance Committee
- Steering Committee
- Operational Review Committee

1. AUDIT COMMITTEE

➤ TERMS OF REFERENCE

The management is primarily responsible for the Company's internal controls and the financial processes. The statutory auditors are responsible for performing independent audits of the company's financial statements and for issuing the reports on the basis of such audits.

The Audit Committee was constituted on October 30, 2000 and has been entrusted by the board of directors to supervise these processes and thus, ensure accurate and timely disclosures that maintain the transparency, integrity and quality of financial control and reporting.

The role and terms of reference of the Audit Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that inter-alia includes:

- a) The oversight of the Company's financial reporting processes and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b) Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditors and the fixation of the audit fees.
- c) Approval of the payment to statutory auditors for any other services rendered by the statutory auditors.
- d) Review with the management the annual financial statements before submission to the Board, with particular reference to:
 - Matters required to be included in the Director's responsibility statement to be Included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - Any changes in accounting policies and practices and reasons for the same.

- Major accounting entries based on exercise of judgment by management.
- Qualifications in draft audit report, if any.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with Accounting Standards.
- Compliance with listing and other legal requirements relating to financial Statements.
- Disclosures of any related party transactions.

- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- f) Reviewing, with the management, performance of statutory auditors and the adequacy of internal control systems.
- g) Discussion with statutory auditors before the audit commences nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- h) Reviewing the company's financial and risk management policies.
- i) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors.
- j) To review the functioning of the Whistle blowing mechanism.
- k) Mandatorily reviewing the following:
 - Management discussion and analysis of financial condition and result of operations;
 - Statement of significant related party transactions (as defined by the audit committee) submitted by management;
 - Management letters/ letters of internal control weaknesses issued by the statutory auditors;

➤ COMPOSITION OF THE COMMITTEE

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

- Mr. B. D. Gupta (Chairman)*
- Mr. Rakesh Nangia (Chairman)#
- Mr. N. K. Gupta
- Mr. A. K. Jain**

*Ceased to be a Director w.e.f. 6th June, 2011.