



CORPORATE GOVERNANCE REPORT

Corporate governance is the system by which corporate entities are directed and controlled. It encompasses the entire mechanism of the functioning of a company and attempts to put in place a system of checks and balances between the shareholders, directors, auditors and the management. 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. Efficient conduct of the business of the Company through commitment to transparency and business ethics in discharging its corporate responsibilities are hallmarks of the best practices already followed by the company.

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 judgement in any manner.

Name	Executive /Non-executive / Independent	No. of outside Directorships Held	No. of Chairmanships/Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Ashok Jaipuria	Non-executive – Chairman	3	2	1
Mr. S. K. Mittal	Non-executive	3	-	3
Mr. Shreekant Somany	Non-executive, Independent	11	2	1
Mr. Rakesh Nangia	Non-executive, Independent	-	-	-
Mr. B. D. Gupta*	Non-executive, Independent	1	1	-
Mr. N. K. Gupta**	Non-executive, Independent	3	-	1
Mr. Ambrish Jaipuria***	Non-executive	3	-	-

* Mr. B. D. Gupta joined as Director on 29.01.04 in the casual vacancy caused by the resignation of Mr. O.P. Khaitan

** Mr. N. K. Gupta joined as Director on 29.01.04 in the casual vacancy caused by the resignation of Mr. R. Mukherjee

*** Mr. Ambrish Jaipuria joined as Director on 29.01.04 in the casual vacancy caused by the resignation of Mr. R. M. Bhandari.

Note: 1) Mr. R. M. Bhandari resigned from the Board on 3.12.03 2) Mr. O.P. Khaitan resigned from the Board on .24.12.03
3) Mr. R. Mukherjee resigned from the Board on 15.07.03

B. BOARD MEETINGS :

1. Scheduling and selection of agenda items for board meetings

Months for the board meetings in the ensuing year are decided in advance and most board meetings are held at the company's corporate office at 30, Community Center, Saket, New Delhi. The Company secretary drafts the agenda for each meeting, along with explanatory notes, and distributes these 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. Number of board meetings

The Cosmo Ferrites Board met four times – on April 10, July 15, October 31, and January 29 during the year. The maximum time gap between two meetings was not more than four months.

3. Record of the director's attendance at board meetings and AGM

Name of the Director	No. of Board Meetings attended	Attended last AGM
Mr. Ashok Jaipuria	4	Yes
Mr. S. K. Mittal	Nil	No
Mr. R. M. Bhandari*	3	No
Mr. O. P. Khaitan**	2	No
Mr. Shreekant Somany	3	Yes
Mr. Ranbir Mukherjee***	Nil	No
Mr. Rakesh Nangia	3	Yes
Mr. N. K. Gupta#	1	-
Mr. B. D. Gupta##	1	-
Mr. Ambrish Jaipuria###	1	-

* Resigned on 3-12-03 **Resigned on 24-12-03

*** Resigned on 15-7-03

Mr. B. D. Gupta joined as a Director in the casual vacancy caused by the resignation of Mr. O. P. Khaitan

Mr. N. K. Gupta joined as a Director in the casual vacancy caused by the resignation of Mr. R. Mukherjee



Mr. Ambrish Jaipuria joined as Director in the casual vacancy caused by the resignation of Mr. R. M. Bhandari.

4. Disclosure regarding appointment or re-appointment of directors

During the year Mr. B. D. Gupta, Mr. N.K. Gupta and Mr. Ambrish Jaipuria were appointed as Director w.e.f. January 29, 2004.

The following directors retire by rotation and being eligible offer themselves for re-appointment at the ensuing Annual General Meeting:

- a) Mr. Shreekant Somany
- b) Mr. B. D. Gupta

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 to this Report on Page. 14

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, updates.
- 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.

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, 2004 other than those listed in Note No. 14 in Schedule 20 to the annual accounts on page 29.

C. BOARD 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.
- Operations Review Committee.

1. AUDIT COMMITTEE

ES 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.

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 overview 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) Review with the management the quarterly, half yearly and annual financial statements before submission to the Board, focussing primarily on:
 - Any changes in accounting policies and practices.
 - Major accounting entries based on exercise of judgement by management.
 - Qualifications in Audit report
 - Significant adjustments arising out of audit.
 - The going concern assumption.
 - Compliance with Accounting Standards
 - Compliance with Stock Exchange and legal requirements concerning financial statements.
 - Any related party transactions i.e. transactions of the company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with interest of the company at large.
- c) Reviewing with the management and external



auditors the adequacy of internal control systems

- d) Discussion with external auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.
- e) Reviewing the company's financial and risk management policies.
- f) To look into the reasons for substantial defaults in the payment to the shareholders (in case of non payment of declared dividends) and creditors.

☞ **Composition and name of members**

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

The Audit committee was reconstituted on Jan 29, 2004. The members of the reconstituted Committee are as follows:

- Mr. B. D. Gupta (Chairman)*
- Mr. Rakesh Nangia
- Mr. S. K. Mittal
- Mr. N. K. Gupta*

* Both joined on January 29, 2004

☞ **Meeting and attendance during the year**

The Audit Committee met four times during the year- on April 10, July 15, October 31, and January 29. The meeting preceded the adoption of quarterly audited results by the Board of Directors. The Company published audited quarterly results in compliance with clause 41 of the listing agreement. The following table gives the attendance record of the audit committee.

Name of the Director	No. of Meetings attended
Mr. B. D. Gupta*	1
Mr. Rakesh Nangia	3
Mr. S. K. Mittal	Nil
Mr. N. K. Gupta*	1
Mr. R. M. Bhandari**	3
Mr. O. P. Khaitan***	1

* Both joined on 29.01.04

** Ceased to be a member on 3-12-03, consequent to his resignation from the Board of Directors.

*** Ceased to be a member on 24-12-03, consequent to his resignation from the Board of Directors.

2. SHARE TRANSFER AND INVESTOR GRIEVANCE COMMITTEE

☞ **Terms of reference**

It was constituted specifically to review compliance of rules and regulations, to redress shareholder's grievance and to provide suggestions. 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.

Terms of reference of the Share Transfer and Investor Grievance Committee are as per the guidelines set out in the listing agreements with the Stock Exchanges that interalia include looking into the investors complaints on transfer of shares, non receipt of declared dividends etc. and redressal thereof.

☞ **Composition of members and attendance during the year**

The committee was reconstituted on January 29, 2004. The members of the reconstituted committee are as follows:

- Mr. Shreekant Somany (Chairman)
- Mr. Rakesh Nangia
- Mr. S. K. Mittal
- Mr. Ambrish Jaipuria*

* Joined as director on January 29, 2004

☞ **Meeting and attendance during the year**

The Committee met four times during the year.

Name of the Director	No. of Meetings attended
Mr. Ashok Jaipuria*	2
Mr. S K Mittal	1
Mr. Shreekant Somany**	1
Mr. Rakesh Nangia**	1
Mr. Ambrish Jaipuria**	1
Mr. O. P. Khaitan***	2

* Ceased to be a member on 29-01-2004

** Joined as member on 29-01-2004

*** Ceased to be a member on 24-12-2003, consequent to his resignation from the Board of Directors.

☞ **Compliance Officer**

The Compliance Officer of the Company is Mr. Nitin Mittal, Company Secretary.

☞ **Complaints received/resolved**

The details of complaints received and disposed off during the year has been detailed in Shareholders Information Annexed to this report.

☞ **Pending share transfer**

There are no pending share transfers as on 31/03/2004.

3. OPERATIONS REVIEW COMMITTEE

☞ **Terms of reference**

The Operations Review Committee has mandate to provide inputs on strategic and performance-related issues. The Operations Review Committee was reconstituted on 29th January 2004 and the members of the reconstituted committee are as follows:

- Mr. Ashok Jaipuria (Chairman)
- Mr. N. K. Gupta*
- Mr. B. D. Gupta*
- Mr. S. K. Mittal



Mr. Ambrish Jaipuria
* Joined on 29 January, 2004

Meeting and attendance during the year

Only one meeting of the committee was held during the year.

Name of the Director	No. of Meetings attended
Mr. Ashok Jaipuria- Chairman	1
Mr. N. K. Gupta*	-
Mr. B. D. Gupta*	-
Mr. S. K. Mittal	Nil
Mr. Ambrish Jaipuria*	-
Mr. Shreekant Somany**	1
Mr. Rakesh Nangia**	1

* Joined as member on 29-01-2004

** Ceased to be member on 29-01-2004

D. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis has been discussed in detail on page 6 in this Annual Report.

E. REMUNERATION POLICY

The company has not appointed any executive directors. Non-executive directors are paid only Sitting Fees for attending the meetings of the Board of Directors and Committee thereof within the prescribed limits.

The Sitting fee paid to non-executive Directors during the year is as follows:

Name of the Director	Sitting Fees (Total amount for the year 2003-04)
Mr. Ashok Jaipuria	-
Mr. S. K. Mittal	-
Mr. R. M. Bhandari	18000
Mr. O. P. Khaitan	18000
Mr. Shreekant Somany	15000
Mr. Ranbir Mukherjee	-
Mr. Rakesh Nangia	24000
Mr. N. K. Gupta	6000
Mr. B. D. Gupta	6000
Mr. Ambrish Jaipuria	-

F. CORPORATE GOVERNANCE POLICIES

Cosmo has defined a policy framework for ethical business conduct by its personnel.

The Board of Directors adopted the following policies on January 29, 2004 with immediate effect

1. Compensation Policy for Non-Executive Directors

The company not to pay any monthly or annual compensation to its Non-Executive Directors.

The Non-executive directors are paid sitting fees of Rs. 3,000/- for attending each Board and Committee

meeting. The company has not granted any stock options to the non-executive directors.

2. 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.

3. Whistleblower policy of Cosmo Ferrites Limited

The company has adopted a Whistle blower policy, which has since been implemented within the organization.

G. 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

Corporate Office

30 Community Centre,
Saket, New Delhi – 110 017
Phone : + 91 11 26863968 / 26863969
Fax : + 91 11 26868093 / 26862969

2. 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.

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

Year	Place	Date
2000-01	Jabli, Dist. Solan (H.P) 173 209	24.07.01
2001-02	Jabli, Dist. Solan (H.P) 173 209	30.08.02
2002-03	Jabli, Dist. Solan (H.P) 173209	19.09.03

4. FINANCIAL CALENDAR

Financial reporting for the quarter ending June 30 , 2004	July 2004
Financial reporting for the quarter ending September 30, 2004	October 2004
Financial reporting for the quarter ending December 31 , 2004	January 2005
Financial reporting for the quarter ending March 31, 2005	April 2005

5. WEBSITE

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

6. DIVIDEND

Following table gives the dividend history of Cosmo Ferrites Ltd. from 1999-00.



Year	Final dividend %	Total dividend (Rs.)
2000-01	20%	240.6 Lacs
2001-02	11%	132.0 Lacs

7. LISTING ON STOCK EXCHANGES

Company's shares are currently listed on the following Stock Exchanges:

Name of the Exchange	Stock Code
The Stock Exchange, Mumbai	(523100)
The Stock Exchange, Calcutta	(13167)

The Company has delisted its shares from :

1. The Stock Exchange, Delhi w.e.f March 8, 2004
2. The Stock Exchange, Ludhiana w.e.f March 26, 2004

A formal approval from Calcutta Stock exchange is pending.

8. 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

9. ANNUAL LISTING FEE

Annual Listing Fee for the year 2003-04 has been paid to each of the above Stock Exchanges. There are no arrears of listing fees with any of the said Stock Exchanges till date.

10. DEMAT

Your Company's equity shares can be traded on the Stock Exchanges only in dematerialised form with effect from June 20, 2000. To trade in dematerialised 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).

77.7513% of equity share capital (9324874 equity shares) has been dematerialised as on 31st March, 2004.

11. 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 :

Alankit Assignments Limited,
205-208 Anarkali Complex,
Jhandewalan Extension,
New Delhi 110 055
Ph. : +91 11 51540060-63,
Fax : +91 11 51540064
Contact Person: Mr. J P Rastogi

Following is the Procedure for Transfer of Physical Share Certificates.

- Share certificate received at the Registrar's office for transfer
- Entry of Share certificates in the Computer
- Scrutiny of Transfer Deeds
- Tallying of transferor's signature with the specimen signature available
- Date entry of transfer deeds
- Preparation of objection memos and notices in respect of un-transferred shares
- Endorsement and signatures on the reverse side of the share certificates
- Sending an option letter (transfer cum demat letter) to receive shares in Physical or demat form.
- Generation of covering letters for the transferred share certificates, objection memos and notices and sending them by registered post.

Following is the Procedure for dematerialization of shares

- Receipt of share certificate and dematerialization request form in physical form from Depository Participant and download of electronic data in this regard from NSDL/CDSL.
- Entry of details of share certificates and dematerialization request form (DRF)
- Scrutiny of share certificate and dematerialization request form.
- Tallying the signature of the shareholder on the dematerialization request form with the specimen signature available with the Registrar and Share Transfer Agent.
- Data entry of Demat Request Number (DRN)
- Change of shares from physical to demat mode.
- Send confirmation to NSDL/CDSL.

12. ADDRESS FOR CORRESPONDENCE:

Investors may send their queries to :

Mail : Company Secretary,
Cosmo Ferrites Limited,
30, Community Centre
Saket, New Delhi – 110 017
Fax : 91-11-26862969, 26859168, 26528225
E-mail : nmittal@cosmoferrites.com

13. INVESTOR COMMUNICATION

The Company is sending Quarterly Investor Newsletter after adoption of Quarterly financial results by the Board. The newsletter is also being posted on our website www.cosmoferrites.com. The company publishes quarterly audited results in Business Standard and Veer Arjun (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.

Further, the company has also complied with SEBI Regulations regarding filing of its financial results under the EDIFAR system, which became applicable to the Company from the quarter ending September 30, 2002 onwards.

14. DISCLOSURE ON LEGAL PROCEEDINGS

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

15. OUTSTANDING STOCK OPTION

There are no outstanding warrants or convertible instruments or stock options to employees as on March 31, 2004.

16. POSTAL BALLOT

No resolution was passed through postal ballot during the year.

17. ANALYSIS OF SHAREHOLDERS' QUERIES RECEIVED DURING 2003-04

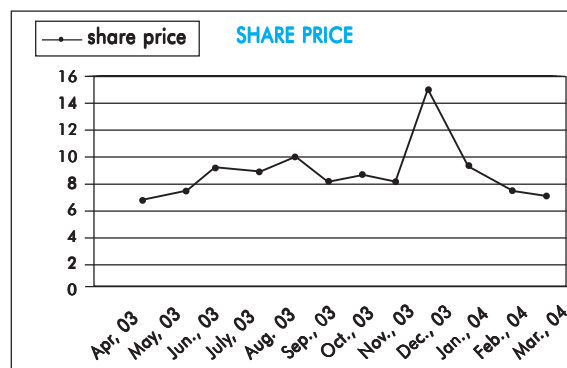
The Company generally clears the investors' complaints within a period of 10 days from the date of receipt. All the complaints received during the year have been attended to and no complaint is pending as on 31st March' 2004.

The status of communication received and cleared during the year 2003-04 is as follows:

Nature of letters	Received	Replied
Change of address	37	37
Non-receipt of dividend warrants and revalidation of dividend warrants	54	54
Transfer of shares	187	187
Transmission of shares	6	6
Issue of duplicate shares	4	4
Change of Bank mandate	22	22
Dematerialization	764	764
Non-receipt of share certificate after transfer	2	2
Office of Custodian	1	1
Rectification in the name of the shareholder	2	2
Non-receipt of Annual Report	1	1

18. SHARE PERFORMANCE CHART

Price on the Bombay Stock Exchange on the closing date of month.



19. DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2004

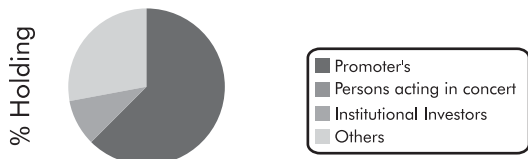
Following tables give the data on shareholding according to types of shareholders and class of shareholders.

Distribution of the shareholdings according to type of shareholders

Particulars	March 31, 2004		March 31, 2003	
	Number of Shares	% Holding	Number of Shares	% Holding
Promoters	7527250	62.571	7542700	62.699
Person acting in concert	Nil	Nil	13700	0.114
Institutional Investors	265966	2.210	1179984	9.808
Others	4236784	35.219	3293616	27.379
Total	12030000	100.00	12030000	100.00

Distribution of Shareholding as on March 31, 2003

Distribution of Shareholding as on March 31, 2004





Distribution of shareholding according to the number of shares held on March 31, 2004:

March 31, 2004					March 31, 2003			
No. of Equity Shares held	No. of Share-holders	% of total holders	No. of Shares	% of Share capital	No. of Share-holders	% of total holders	No. of Shares	% of Share capital
Upto 5000	6171	84.165	10900350	9.061	6495	90.359	1068963	8.86
5001 to 10000	558	7.61	4884960	4.061	372	5.175	317307	2.638
10001 to 20000	281	3.833	4559310	3.79	147	2.045	231815	1.927
20001 to 30000	100	1.364	2612490	2.172	57	0.793	147897	1.229
30001 to 40000	44	0.6	1567940	1.303	17	0.237	61212	0.509
40001 to 50000	61	0.832	2963140	2.463	29	0.403	139688	1.161
50001 to 100000	57	0.777	4123330	3.428	36	0.501	270208	2.246
100001 and above	60	0.818	68688480	73.723	35	0.487	9792910	81.404
TOTAL	7332	100	120300000	100	7138	100	12030000	100

20. MONTHLY HIGH-LOW

Monthly high and low quotations as well as volume of shares traded on Mumbai Stock Exchange is:

Month	B S E		
	High (Rs.)	Low (Rs.)	Volume
April 2003	8.50	6.85	76255
May 2003	8.70	6.75	155540
June 2003	9.50	7.00	235722
July 2003	10.19	7.55	220676
August 2003	13.90	8.32	1430746
September 2003	12.25	7.25	557962
October 2003	11.85	7.75	609959
November 2003	9.70	7.75	258613
December 2003	17.20	8.00	3745579
January 2004	15.69	8.01	992307
February 2004	9.50	7.31	309219
March 2004	7.90	5.70	519833
TOTAL			9112411

21. UNCLAIMED DIVIDENDS

Pursuant to section 205A of the companies Act, 1956, unclaimed dividends up to and including for the financial year 1994-95 have been transferred to the general revenue account of the central government.

Unpaid Dividend for the financial year 1995-96 has been transferred to the Investor Education and Protection Fund established by the Central Government under Section 205C of the Companies Act, 1956. The Dividend for the following years remaining unclaimed for seven years will be transferred to Investors Education and Protection Fund established by the central Government under section 205C of the companies Act, 1956. Following table gives the transfer dates. Shareholders who have not claimed these dividends are, therefore, requested to do so before these are statutorily

transferred to the Investor Education and Protection Fund.

Shareholders who have not cashed their dividend warrants relating to the dividends specified in the table given below are requested to immediately approach the investor cell of the company for issue of duplicate warrants.

Financial Year	Type of dividend	Date of declaration	Due for transfer
2000-01	Final Dividend	24.07.01	30.08.08
2001-02	Final Dividend	30.08.02	06.10.09

22. COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2002

In pursuance to these regulations, the Company has formulated Standing Instructions for the Employees and Directors for dealing in the Shares of the company and these Standing Instructions were implemented with effect from June 2002. Various Forms have been designed to receive periodical information from the employees and the Directors of the Company, as required in terms of these Regulations. Further, the trading window for dealing in shares of the company has been closed as per the following details: -

S.No.	Dates of Closure of Trading Window	Purpose of closure
1.	March 15, 2003 to April 14, 2003	Consideration of Audited Financial Results for the quarter ended March 31, 2003
2.	June 15, 2003 to July 18, 2003	Consideration of Audited Financial Results for the quarter ended June 30, 2003
3.	September 15, 2003 to 3 November, 2003	Consideration of Audited Financial Results for the quarter ended September 30, 2003
4.	December 15, 2003 to 1 February, 2004	Consideration of Audited Financial Results for the quarter ended December 31, 2003



ANNEXURE : PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, FOLLOWING INFORMATION IS FURNISHED ABOUT THE DIRECTORS PROPOSED TO BE APPOINTED / RE-APPOINTED.

Name of the Directors	Shreekant Somany	Mr. B. D. Gupta
Date of Birth	29.07.48	08.11.1936
Qualifications	B.Sc (Calcutta University)	M. Com, AICWAI
Nature of Expertise	General Management and Industrialist	Finance, International Trade and Strategic Management
Name of the Companies in which he holds Directorship	<ul style="list-style-type: none"> – SPL Limited – SR Continental Limited (Formerly: Special Refractories Ltd.) – Pressed Steel Tank Co. of India Ltd. – Brindavan Commercial Ltd. – Bestometa Industries Ltd. – Charchika Impex Ltd. – Chakrapani Promotions Limited – Gemini Constructions Ltd. – Sarvottam Vanijya Ltd. – Dhandhapani Co. Ltd. – Shree Cement Ltd. – Shree Hanuman Investments Pvt. Ltd. – Arabindo Housing Co-op Society Private Limited – Bhilwara Holding Limited – Gemini Construction Limited 	Metal Junction.com (P) Limited
Name of the Committees of the Companies of which he holds Membership / Chairmanship	<ul style="list-style-type: none"> – Cosmo Ferrites Limited Share Transfer and Investor Grievance committee Chairman – Shree Cements Limited Remuneration committee Member 	<ul style="list-style-type: none"> – Metal Junction.com Pvt. Ltd Audit Committee Chairman – Cosmo Ferrites Limited Audit Committee Chairman



CERTIFICATE FROM THE COMPANY SECRETARY

I, Nitin Mittal, Company Secretary confirm that the Company has:

- (i) Maintained all the books of account and statutory registers required under the Companies Act, 1956 ('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) Effected share transfers and dispatched the certificates within the statutory time limit.
- (ix) 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.
- (x) Complied with the requirements of the Listing Agreement entered into with the Stock Exchange in India
- (xi) The Company has also complied with other statutory requirements under the Companies Act, 1956 and other related statutes in force.

The certificate is given by the undersigned according to the best of his 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.

Jabli, H.P.
14th April, 2004

Nitin Mittal
Company Secretary

AUDITORS' CERTIFICATE

We have examined the compliance of conditions of Corporate Governance by Cosmo Ferrites Limited for the year ended on 31st March 2004 as stipulated in clause 49 of the listing agreement of the said company with stock exchange(s).

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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.

We state that no investor grievance is pending for a period exceeding one month against the company as per the records maintained by the shareholders / investors grievance committee.

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.

Jabli, H.P.
14th April, 2004

For **B.K.SHROFF & CO.**
Chartered Accountants

(Anil Gupta)
Partner