

Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Cosmo Ferrites Limited

Opinion

We have audited the accompanying standalone quarterly financial results of Cosmo Ferrites Limited (the company) for the quarter ended 30th September, 2019 and the year to date results for the period from 1st April, 2019 to 30th September, 2019, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net loss and other comprehensive income and other financial information for the quarter ended 30th September, 2019 as well as the year to date results for the period from 1st April, 2019 to 30th September, 2019.

Basis for Opinion

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

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, 'Interim Financial Reporting' prescribed under Section 133 of the Act read with



relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. 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 standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Results

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

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

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.




- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

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


(RASHI GOSWAMI)
PARTNER

Membership Number: 522561



Place: New Delhi

Date: 11.11.2019

UDIN: 19522561AAAA062499

COSMO FERRITES LIMITED
AUDITED STANDALONE FINANCIAL RESULTS

Rs in lakhs

Sl. No.	Particulars	Quarter Ended			Half Year Ended		Year Ended
		30.09.2019	30.06.2019	30.09.2018	30.09.2019	30.09.2018	31.03.2019
I.	Revenue from operations	1,500	1,732	1,924	3,232	4,420	7,842
II.	Other Income	21	41	31	62	48	120
III.	Total Revenue (I+II)	1,521	1,773	1,955	3,294	4,468	7,962
IV.	Expenses						
	(a) Cost of materials consumed	661	578	730	1,239	1,755	3,100
	(b) Change in inventories of finished goods, work in progress and stock in trade	(158)	139	(48)	(19)	(54)	(92)
	(c) Employees benefits expense	393	377	527	770	1,118	1,951
	(d) Finance costs	116	115	140	231	279	514
	(e) Depreciation and amortisation expense	93	93	109	186	211	414
	(f) Other expenses	607	575	653	1,182	1,454	2,691
	Total expenses	1,712	1,877	2,111	3,589	4,763	8,578
V.	Profit / (Loss) before exceptional items and tax (III-IV)	(191)	(104)	(156)	(295)	(295)	(616)
VI.	Exceptional items	-	-	-	-	-	(530)
VII.	Profit / (Loss) before tax (V-VI)	(191)	(104)	(156)	(295)	(295)	(1,146)
VIII.	Tax expense						
	(i) Current Tax	-	-	-	-	-	-
	(ii) Deferred Tax	(1)	(1)	(46)	(2)	(79)	(311)
	Total tax expense	(1)	(1)	(46)	(2)	(79)	(311)
IX.	Profit / (Loss) for the period (VII-VIII)	(190)	(103)	(110)	(293)	(216)	(835)
X.	Other comprehensive income						
	Items that will not be reclassified to profit or loss	3	3	(1)	6	(1)	14
	Items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total other comprehensive income	3	3	(1)	6	(1)	14
XI.	Total comprehensive income (IX + X)	(187)	(100)	(111)	(287)	(217)	(821)
XII.	Paid-up equity share capital of Rs. 10/- each	1,203	1,203	1,203	1,203	1,203	1,203
XIII.	Other Equity						1,177
XIV.	Earnings Per Equity Share (EPS) (in Rs.)						
	Basic	(1.59)	(0.85)	(0.91)	(2.44)	(1.79)	(6.94)
	Diluted	(1.59)	(0.85)	(0.91)	(2.44)	(1.79)	(6.94)

SUMMARY OF ASSETS AND LIABILITIES AS AT 30th SEPTEMBER 2019

Particulars	As at	As at
	30.09.2019	31.03.2019
A ASSETS		
1 Non-current assets		
(a) Property, Plant and Equipment	5835	5998
(b) Capital Work in Progress	27	1
(c) Other Financial Assets	54	53
Sub-total - Non-current assets	5916	6052
2 Current assets		
(a) Inventories	1265	1247
(b) Financial Assets		
(i) Trade receivables	1425	1221
(ii) Cash and cash equivalents	58	7
(iii) Bank balance other than cash and cash equivalents	131	115
(iv) Other Current Financial Assets	64	76
(c) Income Tax Assets (net)	33	33
(d) Current Tax Assets	218	252
Sub-total - Current assets	3194	2951
TOTAL - ASSETS	9110	9003
A EQUITY AND LIABILITIES		
EQUITY		
(a) Equity Share Capital	1203	1203
(b) Other Equity	890	1177
Sub-total - Shareholder's funds	2093	2380
LIABILITIES		
1 Non-current liabilities		
(a) Financial Liabilities		
(i) Borrowings	598	757
(b) Provisions	205	206
(c) Deferred tax liabilities (net)	-	-
(c) Other Non Current Liabilities	3	3
Sub-total - Non-current liabilities	806	966
2 Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	3290	2862
(ii) Trade payables		
(a) Total outstanding of micro, small and medium enterprises	591	287
(b) Total outstanding of other than micro, small and medium enterprises	1234	1534
(ii) Other Financial Liabilities	330	335
(b) Provisions	22	22
(c) Other current liabilities	744	617
Sub-total - Current liabilities	6211	5657
TOTAL - EQUITY AND LIABILITIES	9110	9003



CASH FLOW STATEMENT FOR THE HALF YEAR ENDED 30th SEPTEMBER 2019		
Particulars	Half Year Ended 30.09.2019	Half Year Ended 30.09.2018
Net Profit/(Loss) before Tax	(295)	(295)
Adjustments for:-		
Depreciation and amortisation	186	210
Interest paid	204	246
(Profit) / Loss on sale of fixed assets	-	7
Acturial Gain/Loss classified as Other Comprehensive Income	8	(1)
Operating profit /(loss) before working capital changes	103	167
Adjustment for (increase)/decrease in operating assets		
Inventories	(18)	32
Trade and other receivables	(160)	131
Trade payable and other liabilities	130	418
Cash generated from operations	55	748
Interest paid	(204)	(245)
Net income tax(paid)/refunds	-	2
Net Cash flow from /(used in) operating activities(A)	(149)	505
Cash Flow from Investing Activities		
Purchase of fixed assets	(48)	(399)
Bank balance other than cash and cash equivalents	(16)	4
Sale of fixed assets	-	33
Net Cash flow from/(used in) Investing Activities(B)	(64)	(362)
Cash Flow from Financing Activities		
Proceeds from long term borrowings	(164)	32
Proceeds from buyer's credit	-	(372)
Increase in bank borrowings	38	184
Increase in short term borrowings	390	-
Net Cash Flow from /(used in) Financing Activities (C)	264	(156)
Net Increase /(decrease) in Cash and Cash Equivalents (A+B+C)	51	(13)
Cash and cash equivalents at the beginning of the year	7	23
Cash and cash equivalents at the end of the year	58	10

Notes: Figures in bracket represent cash outflow

Notes :

- 1 The above statement of audited financial result was taken on record by the Board of Directors in their meeting held on 11th November 2019. The statutory auditors have expressed an unmodified audit opinion on these results.
- 2 These standalone financial results have been prepared in accordance with the Indian Accounting Standards (Ind-AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereunder.
- 3 The company has adopted Ind AS 116 'Leases' effective April 1, 2019. However, there is no impact on the profits of the company.
- 4 Exceptional item represents one time loss due to discontinuation of LED operations.

Place : New Delhi
Date : 11.11.2019

Amrish Jaipuria
Executive Director & C.E.O

COSMO FERRITES LIMITED
Regd. Office : Jabli, Distt Solan, Himachal Pradesh - 173 209