

# Walker Chandiook & Co LLP

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## **Independent Auditor's Report on Standalone Annual Financial Results of Cosmo Films Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Cosmo Films Limited**

### **Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of Cosmo Films Limited ('the Company') for the year ended 31 March 2020, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the Securities and Exchange Board of India ('SEBI') from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations, and
  - (ii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2020.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* 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 ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 obtained by us is sufficient and appropriate to provide a basis for our opinion.



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## **Responsibilities of Management and Those Charged with Governance for the Statement**

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the accounting principles generally accepted in India, including Ind AS 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures



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# Walker Chandiok & Co LLP

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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. 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.

## Other Matter

11. The Statement includes the financial results for the quarter ended 31 March 2020, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.

## For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Siddharth Talwar**

Partner

Membership No. 512752

UDIN: 20512752AAAACF1637



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**Place:** Faridabad

**Date:** 4 June 2020

**COSMO FILMS LIMITED**  
**AUDITED STANDALONE FINANCIAL RESULTS**

(Rs in Crores)

S.No	Particulars	3 months ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Refer Note-1	Unaudited	Refer Note-1	Audited	Audited
I	<b>Income:</b>					
	a) Revenue from operations	473.52	534.44	522.35	2,032.12	2,050.39
	b) Other income	6.07	5.94	4.52	19.91	11.56
	<b>Total income</b>	<b>479.59</b>	<b>540.38</b>	<b>526.87</b>	<b>2,052.03</b>	<b>2,061.95</b>
II	<b>Expenses:</b>					
	a) Cost of materials consumed	306.59	352.36	369.88	1,394.87	1,529.82
	b) Purchase of traded goods	1.98	-	-	1.98	-
	c) Changes in inventories of finished goods and stock-in-trade	(7.37)	8.63	6.15	(8.95)	15.55
	d) Employee benefit expenses	35.26	33.26	23.89	125.12	91.82
	e) Depreciation and amortisation expenses	12.66	12.49	12.49	49.57	48.03
	f) Finance costs	15.88	11.02	10.44	49.39	51.67
	g) Allowance for expected credit losses	-	-	-	-	0.34
	h) Other expenses	69.41	71.52	69.34	276.59	255.23
	<b>Total expenses</b>	<b>434.41</b>	<b>489.28</b>	<b>492.19</b>	<b>1,888.57</b>	<b>1,992.46</b>
III	<b>Profit before tax (I-II)</b>	<b>45.18</b>	<b>51.10</b>	<b>34.68</b>	<b>163.46</b>	<b>69.49</b>
IV	<b>Tax expense:</b>					
	a) Current tax	2.27	12.71	4.73	28.63	12.11
	b) Deferred tax expense/ (credit)	13.85	2.89	1.32	20.79	(1.00)
	<b>Income tax expense</b>	<b>16.12</b>	<b>15.60</b>	<b>6.05</b>	<b>49.42</b>	<b>11.11</b>
V	<b>Net Profit for the period (III-IV)</b>	<b>29.06</b>	<b>35.50</b>	<b>28.63</b>	<b>114.04</b>	<b>58.38</b>
VI	<b>Other comprehensive income</b>					
a)	i) Items that will not be reclassified to profit or loss	(0.65)	(0.01)	(0.43)	(0.68)	(0.03)
	Income tax related to above	0.23	0.01	0.15	0.24	0.01
b)	i) Items that will be reclassified to profit or loss	(11.14)	(5.26)	9.16	(17.43)	18.05
	Income tax related to above	3.89	1.83	(3.17)	6.09	(6.30)
	<b>Total other comprehensive (loss)/ income (net of tax)</b>	<b>(7.67)</b>	<b>(3.43)</b>	<b>5.71</b>	<b>(11.78)</b>	<b>11.73</b>
VII	<b>Total comprehensive income for the period (V+VI)</b>	<b>21.39</b>	<b>32.07</b>	<b>34.33</b>	<b>102.26</b>	<b>70.11</b>
VIII	<b>Paid - up equity share capital (Face Value Rs. 10)</b>	<b>19.44</b>	<b>19.44</b>	<b>19.44</b>	<b>19.44</b>	<b>19.44</b>
IX	<b>Other equity as per balance sheet</b>				<b>725.99</b>	<b>675.85</b>
X	<b>Earning per share for the period (of Rs 10/- each) (not annualised)</b>					
	Basic	15.16	18.53	14.94	59.51	30.46
	Diluted	15.16	18.53	14.94	59.51	30.46

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**AUDITED STANDALONE STATEMENT OF ASSETS AND LIABILITIES**

S.No.	Particulars	As at 31.03.2020 Audited	As at 31.03.2019 Audited
<b>A</b>	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	a) Property, plant and equipment	973.49	943.61
	b) Capital work-in-progress	15.96	39.96
	c) Intangible assets	2.72	3.10
	d) Financial assets		
	(i) Investments	115.40	115.39
	(ii) Loans	9.69	10.71
	(iii) Other financial assets	1.80	8.28
	e) Income tax assets (net)	14.51	12.20
	f) Other non-current assets	52.14	46.97
	<b>Total non-current assets</b>	<b>1,185.71</b>	<b>1,180.22</b>
2	<b>Current assets</b>		
	a) Inventories	170.60	171.78
	b) Financial assets		
	(i) Investments	145.51	77.23
	(ii) Trade receivables	168.39	206.05
	(iii) Cash and cash equivalents	4.24	43.39
	(iv) Bank balances other than (iii) above	33.88	28.68
	(v) Loans	1.77	0.79
	(vi) Other financial assets	47.37	47.71
	c) Other current assets	53.20	36.96
	<b>Total current assets</b>	<b>624.96</b>	<b>612.59</b>
3	<b>Non-current assets classified as held for sale</b>	<b>5.53</b>	<b>-</b>
	<b>Total assets</b>	<b>1,816.20</b>	<b>1,792.81</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	a) Equity share capital	19.44	19.44
	b) Other equity	725.99	675.85
	<b>Total equity</b>	<b>745.43</b>	<b>695.29</b>
2	<b>Non-current liabilities</b>		
	a) Financial liabilities		
	(i) Borrowings	355.30	431.94
	(ii) Other financial liabilities	0.57	-
	b) Provisions	6.75	-
	c) Deferred tax liabilities (net)	61.35	46.88
	d) Other non-current liabilities	50.07	52.96
	<b>Total non-current liabilities</b>	<b>474.04</b>	<b>531.78</b>
3	<b>Current liabilities</b>		
	a) Financial liabilities		
	(i) Borrowings	237.94	202.18
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	0.80	0.13
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	143.98	190.08
	(iii) Other financial liabilities	191.70	156.59
	b) Provisions	3.19	0.26
	c) Other current liabilities	19.12	15.12
	d) Current tax liabilities (net)	-	1.38
	<b>Total current liabilities</b>	<b>596.73</b>	<b>565.74</b>
	<b>Total equity and liabilities</b>	<b>1,816.20</b>	<b>1,792.81</b>

*Siddhant Talwar*





**AUDITED STANDALONE CASH FLOW STATEMENT**

S.No	Particulars	Year ended 31.03.2020 Audited	Year ended 31.03.2019 Audited
<b>A.</b>	<b>Cash Flow from operating activities</b>		
	Profit before tax	163.46	69.49
	Adjustment for		
	Depreciation and amortisation expenses	49.57	48.03
	Finance cost	49.39	51.67
	Gain on investments carried at fair value through profit and loss	(1.51)	(2.54)
	(Decrease)/ increase in allowance for expected credit losses	(0.29)	0.34
	Interest income	(12.54)	(1.84)
	Grant income on export promotion capital goods	(2.89)	(2.89)
	Liabilities no longer required written back	(0.11)	(0.70)
	Employee share based compensation	1.03	2.00
	Unrealised (gain)/loss on exchange fluctuation	(4.18)	1.20
	Unrealised sales tax incentives	(17.15)	(17.15)
	<b>Operating profit before working capital changes</b>	<b>224.78</b>	<b>147.62</b>
	<b>Movement in working capital</b>		
	Inventories	1.18	12.68
	Trade receivable	43.81	0.60
	Loans	0.34	(0.45)
	Other financial assets	13.54	(2.08)
	Other assets	(4.14)	7.54
	Trade payables	(47.12)	8.51
	Other financial liabilities	16.48	5.86
	Other liabilities and provisions	9.15	0.93
	<b>Cash flow from operating activities post working capital changes</b>	<b>258.02</b>	<b>180.51</b>
	Income tax paid (net)	(32.31)	(14.31)
	<b>Net cash flow from operating activities (A)</b>	<b>225.71</b>	<b>166.20</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment and intangible assets (including capital advances)	(47.40)	(88.16)
	Sale of property, plant and equipment and intangible assets	0.09	1.55
	Purchase of investments and liquid mutual funds (net)	(67.48)	(16.87)
	Interest received	6.56	2.08
	Investments in / (redemption of) fixed deposits (net)	1.38	(24.39)
	Advance received against non-current assets held for sale	3.85	-
	<b>Net cash flow used in investing activities (B)</b>	<b>(103.00)</b>	<b>(125.79)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long term borrowings	18.31	148.17
	Repayment of long term borrowings	(113.10)	(97.68)
	Proceeds from / (repayment of) short term borrowings (net)	35.76	(7.49)
	Acquisition of treasury shares	(4.52)	-
	Interest paid	(49.67)	(52.10)
	Dividend and tax thereon paid	(48.64)	(13.90)
	<b>Net cash flow used in financing activities (C)</b>	<b>(161.86)</b>	<b>(23.00)</b>
	(Decrease)/increase in net cash and cash equivalents (A+B+C)	(39.15)	17.41
	Cash and cash equivalents at the beginning of the year	43.39	25.98
	<b>Cash and cash equivalents at the end of the year</b>	<b>4.24</b>	<b>43.39</b>

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Notes:

- 1 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors on 4th June 2020. The figures for the quarter ended 31st March 2020 and 31st March 2019 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto to the third quarter of years ended 31 March 2020 and 31st March 2019 respectively.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- 3 The Board of Director had declared interim dividend of Rs. 15/- per equity share on 13th February 2020 for the financial year 2019-20. No final dividend is recommended by the Board.
- 4 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown in economic activity. The Company is engaged in the business of flexible packaging films which is part of essential commodities, and therefore, the pandemic has so far had negligible impact on the business operations of the Company. The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, impairment assessment of financial and non-financial assets, realisability of inventory and accordingly noted no significant impact on its financial results. Further, management believes that the Company will be able to discharge the liabilities as and when falling due. The Company will continue to monitor current and future conditions and impact thereof on Company's operations.
- 5 The Company has adopted IND AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the quarter and year ended 31 March 2020.
- 6 The above results includes gain/(loss) due to foreign exchange rate fluctuations on foreign currency borrowings as under:

Particulars	3 months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Refer Note-1	Unaudited	Refer Note-1	Audited	Audited
Revenue from operations	(1.87)	3.11	-	3.86	-
Cost of material consumed	2.24	(0.20)	2.77	3.78	2.77
Other expenses	(1.79)	(2.77)	(1.64)	(9.58)	(6.43)
Finance cost	(5.09)	(1.43)	-	(8.45)	(8.25)

New Delhi  
4th June 2020

*Siddhanta Talwar*



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SHOK JAIN  
CHAIRMAN

# Walker Chandiook & Co LLP

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## **Independent Auditor's Report on Consolidated Annual Financial Results of Cosmo Films Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Cosmo Films Limited**

### **Opinion**

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Cosmo Films Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2020, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations'), including relevant circulars issued by the Securities and Exchange Board of India ('SEBI') from time to time.
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on separate audited financial results of the subsidiaries, as referred to in paragraph 12 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (iii) gives a true and fair view in conformity with the applicable Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act'), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the year ended 31 March 2020.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, 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 obtained by us and that obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.



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## **Responsibilities of Management and Those Charged with Governance for the Statement**

4. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual audited financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss after tax and other comprehensive income, and other financial information of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS 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. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors of the companies included in the Group, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the respective Board of Directors/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors/ management of the companies included in the Group are responsible for overseeing the financial reporting process of the companies included in the Group.

## **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events



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or conditions that may cast significant doubt on the ability of the Group 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 Statement 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
9. We communicate with those charged with governance of the Holding Company 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.
10. 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.
11. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## Other Matters

12. We did not audit the annual financial results of six subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 353.53 crores as at 31 March 2020, total revenues of ₹ 432.98 crores, total net loss after tax of ₹ 0.65 crores, total comprehensive income of ₹ 11.27 crores, and cash inflows (net) of ₹ 8.14 crores for the year ended on that date, as considered in the Statement. These annual financial results have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 11 above.

Further, of these subsidiaries, annual financial results of three subsidiaries located outside India have been prepared in accordance with accounting principles generally accepted in their respective countries, and have been audited by other auditors under auditing standards generally accepted in the United States of America, Korean Standards on Auditing and Singapore Standards on Auditing. The Holding Company's management has converted the financial results of such subsidiaries from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, in so far as it relates to the balances and affairs of these subsidiaries, is based on the audit report of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.



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# Walker Chandiok & Co LLP

13. The Statement includes the annual financial information of two subsidiaries, which have not been audited, whose annual financial information reflect total assets of ₹ 0.26 crores as at 31 March 2020, total revenues of ₹ Nil, total net loss after tax of ₹ 0.06 crores, total comprehensive loss of ₹ 0.06 crores and cash inflows (net) of ₹ 0.23 crores for the year then ended, as considered in the Statement. These financial information have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid subsidiaries, is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion is not modified in respect of this matter with respect to our reliance on the financial information certified by the Board of Directors.

14. The Statement includes the consolidated financial results for the quarter ended 31 March 2020, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

## For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013

**Siddharth Talwar**

Partner

Membership No. 512752

UDIN: 20512752AAAACE2845



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**Place:** Faridabad

**Date:** 4 June 2020

# Walker Chandiok & Co LLP

## Annexure 1

### List of entities included in the Statement

- a. Cosmo Films Singapore Pte Ltd.
- b. Cosmo Films Korea Limited
- c. Cosmo Films Japan, GK
- d. Cosmo Films Inc.
- e. CF (Netherlands) Holdings Ltd B.V.
- f. CF Investment Holding Private (Thailand) Company Limited
- g. Cosmo Films Poland Sp z o.o.
- h. Cosmo Speciality Chemicals Private Limited (with effect from 02 March 2020)



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**COSMO FILMS LIMITED**  
**AUDITED CONSOLIDATED FINANCIAL RESULTS**

(Rs in Crores)

S.No	Particulars	3 months ended			Year ended	
		31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
		Refer Note-1	Unaudited	Refer Note-1	Audited	Audited
I	<b>Income:</b>					
	a) Revenue from operations	524.11	579.87	549.84	2,203.53	2,156.52
	b) Other income	6.09	5.22	4.58	19.46	20.15
	<b>Total income</b>	<b>530.20</b>	<b>585.09</b>	<b>554.42</b>	<b>2,222.99</b>	<b>2,176.67</b>
II	<b>Expenses:</b>					
	a) Cost of materials consumed	341.18	382.40	374.39	1,484.50	1,562.95
	b) Purchase of traded goods	2.90	0.20	0.26	3.58	0.92
	c) Changes in inventories of finished goods and stock-in-trade	(14.35)	2.65	10.53	(16.46)	12.99
	d) Employee benefit expenses	45.52	42.69	33.37	162.57	131.40
	e) Depreciation, amortisation and impairment expense	24.77	13.64	13.61	65.05	53.76
	f) Finance costs	16.64	11.80	11.29	52.57	55.97
	g) Allowance for expected credit losses	0.18	0.49	0.25	0.66	0.69
	h) Other expenses	76.80	79.33	77.18	307.70	286.35
	<b>Total expenses</b>	<b>493.63</b>	<b>533.20</b>	<b>520.88</b>	<b>2,060.15</b>	<b>2,105.03</b>
III	<b>Profit before tax (I-II)</b>	<b>36.57</b>	<b>51.89</b>	<b>33.54</b>	<b>162.84</b>	<b>71.64</b>
IV	<b>Tax expense:</b>					
	a) Current tax	2.30	12.96	4.70	29.01	12.09
	b) Deferred tax expense/ (credit)	13.42	2.82	1.27	20.39	(1.56)
	<b>Income tax expense</b>	<b>15.72</b>	<b>15.78</b>	<b>5.97</b>	<b>49.40</b>	<b>10.53</b>
V	<b>Net Profit for the period (III-IV)</b>	<b>20.85</b>	<b>36.11</b>	<b>27.57</b>	<b>113.44</b>	<b>61.11</b>
VI	<b>Other comprehensive income</b>					
a)	i) Items that will not be reclassified to profit or loss	(0.65)	(0.01)	(0.43)	(0.68)	(0.03)
	Income tax related to above	0.23	0.01	0.15	0.24	0.01
b)	i) Items that will be reclassified to profit or loss	(7.75)	(2.08)	5.84	(6.20)	17.78
	Income tax related to above	3.73	1.80	(3.18)	5.96	(6.39)
	<b>Total other comprehensive income (net of tax)</b>	<b>(4.44)</b>	<b>(0.28)</b>	<b>2.38</b>	<b>(0.68)</b>	<b>11.37</b>
VII	<b>Total comprehensive income for the period (V+VI)</b>	<b>16.41</b>	<b>35.83</b>	<b>29.95</b>	<b>112.76</b>	<b>72.48</b>
VIII	Paid - up equity share capital (Face Value Rs. 10)	19.44	19.44	19.44	19.44	19.44
IX	Other equity as per balance sheet				721.48	660.80
X	<b>Earning per share for the period (of Rs 10/- each) (not annualised)</b>					
	Basic	10.88	18.84	14.38	59.19	31.89
	Diluted	10.88	18.84	14.38	59.19	31.89

**REPORTING OF SEGMENTWISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

Particulars	3 months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Refer Note-1	Unaudited	Refer Note-1	Audited	Audited
<b>a) Segment revenue</b>					
Packaging films	523.65	579.32	549.33	2,200.50	2,152.67
Others	0.46	0.55	0.51	3.03	3.85
<b>Sub total</b>	<b>524.11</b>	<b>579.87</b>	<b>549.84</b>	<b>2,203.53</b>	<b>2,156.52</b>
Less: Inter segment revenue	-	-	-	-	-
<b>Total</b>	<b>524.11</b>	<b>579.87</b>	<b>549.84</b>	<b>2,203.53</b>	<b>2,156.52</b>
<b>b) Segment results</b>					
<b>Profit before tax and interest</b>					
Packaging films	58.39	67.81	47.65	229.03	134.30
Others	(1.12)	0.12	0.14	(1.01)	1.00
<b>Sub Total</b>	<b>57.27</b>	<b>67.93</b>	<b>47.79</b>	<b>228.02</b>	<b>135.30</b>
Less: Finance costs	16.64	11.80	11.29	52.57	55.97
Less: Unallocable expenses net of unallocable income	4.06	4.24	2.96	12.61	7.69
<b>Profit from ordinary activity before tax</b>	<b>36.57</b>	<b>51.89</b>	<b>33.54</b>	<b>162.84</b>	<b>71.64</b>
<b>c) Segment assets</b>					
Packaging films	1,670.46	1,631.50	1,663.17	1,670.46	1,663.17
Others	-	0.77	2.26	-	2.26
Unallocated	239.75	290.33	207.82	239.75	207.82
<b>Total</b>	<b>1,910.21</b>	<b>1,922.60</b>	<b>1,873.25</b>	<b>1,910.21</b>	<b>1,873.25</b>
<b>d) Segment liabilities</b>					
Packaging films	317.27	286.16	332.07	317.27	332.07
Others	-	-	-	-	-
Unallocated	-	6.29	1.38	-	1.38
<b>Total</b>	<b>317.27</b>	<b>292.45</b>	<b>333.45</b>	<b>317.27</b>	<b>333.45</b>



*Added in  
Notes*



## AUDITED CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES

S.No.	Particulars	As at 31.03.2020 Audited	As at 31.03.2019 Audited
A	<b>ASSETS</b>		
1	<b>Non-current assets</b>		
	a) Property, plant and equipment	1,001.17	980.65
	b) Capital work-in-progress	15.96	32.33
	c) Investment property	18.85	29.46
	d) Intangible assets	2.72	3.10
	e) Financial assets		
	(i) Investments	0.20	0.17
	(ii) Loans	9.69	10.71
	(iii) Other financial assets	1.80	8.28
	f) Deferred tax assets (net)	4.97	4.68
	g) Income tax assets (net)	14.34	12.46
	h) Other non-current assets	53.76	48.99
	<b>Total non-current assets</b>	<b>1,123.46</b>	<b>1,130.83</b>
2	<b>Current assets</b>		
	a) Inventories	275.34	277.77
	b) Financial assets		
	(i) Investments	145.51	77.23
	(ii) Trade receivables	193.14	209.14
	(iii) Cash and cash equivalents	26.48	57.25
	(iv) Bank balances other than (iii) above	33.88	28.68
	(v) Loans	2.97	2.22
	(vi) Other financial assets	47.37	47.71
	c) Other current assets	56.54	42.41
	<b>Total current assets</b>	<b>781.22</b>	<b>742.41</b>
3	<b>Non-current assets classified as held for sale</b>	5.53	-
	<b>Total assets</b>	<b>1,910.21</b>	<b>1,873.24</b>
B	<b>EQUITY AND LIABILITIES</b>		
1	<b>Equity</b>		
	a) Equity share capital	19.44	19.44
	b) Other equity	721.48	660.80
	<b>Total equity</b>	<b>740.92</b>	<b>680.24</b>
2	<b>Non-current liabilities</b>		
	a) Financial liabilities		
	(i) Borrowings	355.30	431.94
	(ii) Other financial liabilities	0.57	-
	b) Provisions	11.88	4.18
	c) Deferred tax liabilities (net)	61.35	46.88
	d) Other non-current liabilities	50.08	52.96
	<b>Total non-current liabilities</b>	<b>479.18</b>	<b>535.96</b>
3	<b>Current liabilities</b>		
	a) Financial liabilities		
	(i) Borrowings	306.51	271.62
	(ii) Trade payables		
	(a) Total outstanding dues of micro enterprises and small enterprises	0.80	0.13
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	156.31	202.05
	(iii) Other financial liabilities	198.50	162.52
	b) Provisions	3.18	0.26
	c) Other current liabilities	24.80	19.08
	d) Current tax liabilities (net)	-	1.38
	<b>Total current liabilities</b>	<b>690.11</b>	<b>657.04</b>
	<b>Total Equity and Liabilities</b>	<b>1,910.21</b>	<b>1,873.24</b>



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**AUDITED CONSOLIDATED CASH FLOW STATEMENT**

S.No.	Particulars	Year ended 31.03.2020 Audited	Year ended 31.03.2019 Audited
<b>A.</b>	<b>Cash flow from operating activities</b>		
	Profit before tax	162.84	71.64
	<b>Adjustment for</b>		
	Depreciation and amortisation expenses	65.05	53.76
	Finance cost	52.57	55.97
	Gain on investments carried at fair value through profit and loss	(1.51)	(2.54)
	Increase in allowance for expected credit losses	0.66	0.69
	Interest income	(12.54)	(1.85)
	Grant income on export promotion capital goods	(2.89)	(2.89)
	Liabilities no longer required written back	(0.11)	(0.70)
	Profit on sale of property, plant and equipment	(0.14)	(8.79)
	Employee share based compensation	1.03	2.00
	Unrealised (gain)/loss on exchange fluctuation	(4.18)	0.62
	Unrealised sales tax incentives	(17.15)	(17.15)
	<b>Operating profit before working capital changes</b>	<b>243.63</b>	<b>150.76</b>
	<b>Movement in working capital</b>		
	Inventories	2.52	4.08
	Trade receivable	24.61	(18.06)
	Loans	0.60	(1.02)
	Other financial assets	14.59	(2.93)
	Other assets	(1.60)	4.82
	Trade payables	(43.10)	13.40
	Other financial liabilities	18.59	3.34
	Other liabilities and provision	2.18	2.71
	Provisions	10.91	0.75
	<b>Cash flow from operating activities post working capital changes</b>	<b>272.93</b>	<b>157.85</b>
	Income tax paid (net)	(32.53)	(14.96)
	<b>Net cash flow from operating activities (A)</b>	<b>240.40</b>	<b>142.89</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of property, plant and equipment, investment property, intangible assets and capital work in progress (including capital advances)	(49.97)	(90.68)
	Sale of property, plant and equipment and intangible assets	(0.05)	34.43
	Purchase of investments and liquid mutual funds (net)	(67.50)	(16.87)
	Interest received	6.56	2.08
	Investments in / (redemption of) fixed deposits (net)	1.38	(19.21)
	Advance received against non-current assets held for sale	3.85	-
	<b>Net cash flow used in investing activities (B)</b>	<b>(105.73)</b>	<b>(90.25)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Proceeds from long term borrowings	18.31	148.17
	Repayment of long term borrowings	(113.10)	(97.68)
	Proceeds of short term borrowings (net)	34.89	(15.53)
	Acquisition of treasury shares	(4.52)	-
	Interest paid	(52.38)	(56.46)
	Dividend and tax thereon paid	(48.64)	(13.90)
	<b>Net cash flow used in financing activities (C)</b>	<b>(165.44)</b>	<b>(35.40)</b>
	(Decrease) / increase in net cash and cash equivalents (A+B+C)	(30.77)	17.24
	Cash and cash equivalents at the beginning of the year	57.25	40.01
	<b>Cash and cash equivalents at the end of the year</b>	<b>26.48</b>	<b>57.25</b>

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Notes:

- 1 The above audited financial results were reviewed by the Audit Committee and approved by the Board of Directors on 4th June 2020. The figures for the quarter ended 31st March 2020 and 31st March 2019 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto to the third quarter of years ended 31 March 2020 and 31st March 2019 respectively.
- 2 These financial results have been prepared in accordance with the recognition and measurement principles of applicable Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 as specified in section 133 of the Companies Act, 2013.
- 3 The Board of Director had declared interim dividend of Rs. 15/- per equity share on 13th February 2020 for the financial year 2019-20. No final dividend is recommended by the Board.
- 4 Net profit before tax and after tax for March 2020 quarter have been impacted by provisioning of Rs. 11 crores as impairment in market value of assets in overseas subsidiaries.
- 5 The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown in economic activity. The Group is engaged in the business of flexible packaging films which is part of essential commodities, and therefore, the pandemic has so far had negligible impact on the business operations of the Group. The management has exercised due care, in concluding on significant accounting judgements and estimates, inter-alia, recoverability of receivables, impairment assessment of financial and non-financial assets, realisability of inventory and accordingly noted no significant impact on its financial results. Further, management believes that the Group will be able to discharge the liabilities as and when falling due. The Group will continue to monitor current and future conditions and impact thereof on Group's operations.
- 6 The Group has adopted IND AS 116 "Leases" effective 1 April 2019, as notified by the Ministry of Corporate Affairs (MCA) in the Companies (Indian Accounting Standards) Amendment Rules, 2019 using modified retrospective method. The adoption of this standard did not have any material impact on the profit of the quarter and year ended 31 March 2020.
- 7 The above results includes gain/(loss) due to foreign exchange rate fluctuations on foreign currency borrowings as under:

Particulars	3 months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Refer Note-1	Unaudited	Refer Note-1	Audited	Audited
Revenue from operations	(1.87)	3.11	-	3.86	-
Cost of material consumed	2.24	(0.20)	2.77	3.78	2.77
Other expenses	(1.92)	(3.70)	(1.50)	(11.46)	(6.02)
Finance cost	(5.09)	(1.43)	-	(8.45)	(8.25)

- 8 Key numbers of Standalone financial results are as given below. The standalone financial results are available at Company's website.

Particulars	3 months ended			Year ended	
	31.03.2020	31.12.2019	31.03.2019	31.03.2020	31.03.2019
	Refer Note-1	Unaudited	Refer Note-1	Audited	Audited
Income from operations	473.52	534.44	522.35	2,032.12	2,050.39
Profit from ordinary activities before tax	45.18	51.10	34.68	163.46	69.49
Profit from ordinary activities after tax	29.06	35.50	28.63	114.04	58.38

New Delhi  
4th June 2020

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*Ajay*  
ASHOK K. PURIA  
CHAIRMAN  
COSMO FILMS  
New Delhi